CENTRAL BANK OF NIGERIA

Economic Report For the First Half of 2018

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Vision

"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; and*
- *act as banker and provide economic and financial advice to the Federal Government of Nigeria.*

MEMBERS OF THE COMMITTEE OF GOVERNORS OF THE BANK AS AT JUNE 30, 2018

1.	**Godwin I. Emefiele, CON**	-	*Governor (Chairman)*
2.	**Edward L. Adamu**	-	*Deputy Governor (Corporate Services)*
3.	**Okwu J. Nnanna**	-	*Deputy Governor (Economic Policy)*
4.	**Aishah Ahmad**	-	*Deputy Governor (Financial System Stability)*
5.	**Adebayo A. Adelabu**	-	*Deputy Governor (Operations)*
	Alice Karau*	-	*Secretary*

** Assumed duty on March 23, 2018*

MEMBERS OF THE MONETARY POLICY COMMITTEE (MPC) AS AT JUNE 30, 2018

1.	**Godwin I. Emefiele, CON**	-	*Governor (Chairman)*
2.	**Edward L. Adamu**	-	*Deputy Governor (Corporate Services)*
3.	**Okwu J. Nnanna**	-	*Deputy Governor (Economic Policy)*
4.	**Aishah Ahmad**	-	*Deputy Governor (Financial System Stability)*
5.	**Adebayo A. Adelabu**	-	*Deputy Governor (Operations)*
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37.	**Shuaibu Hussein**	-	*Yola*

* Acting

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POLICY FRAMEWORK

The Central Bank of Nigeria (CBN) maintained a non-expansionary monetary policy stance in the first half of 2018, to sustain the downward trend in inflation and ensure price stability. The monetary policy rate (MPR) was kept at 14.0 per cent, with asymmetric corridor of +200/-500 basis points throughout the review period. Similarly, cash reserve and liquidity ratios were retained at their respective levels of 22.5 per cent and 30.0 per cent. Open market operations (OMO) remained the primary instrument for liquidity management, complemented by repo transactions, standing facilities, discount window operations and interventions in the foreign exchange market. The Bank also sustained its supervision and surveillance of the banking system to preserve the health of financial institutions and promote financial system stability.

CBN OPERATIONS:

Developmental Initiatives

The CBN intensified the implementation of its development finance initiatives, including: the Anchor Borrowers' Programme (ABP); Commercial Agriculture Credit Scheme (CACS) and the associated Paddy Aggregation Scheme; Micro, Small and Medium Enterprises Development Fund (MSMEDF); National Food Security Programme; Power and Airline Intervention Fund (PAIF); Textile Sector Intervention Fund (TSIF); and the Nigeria Electricity Market Stabilisation Facility (NEMSF). Significant progress was recorded in operations under the National Collateral Registry (NCR), Entrepreneurship Development Centres (EDCs) and implementation of Financial Inclusion Programmes.

Liquidity Management

Liquidity in the review period was buoyed by injections from statutory fiscal disbursements, and maturing Central Bank of Nigeria (CBN) and Federal Government of Nigeria (FGN) securities, but was moderated by withdrawals, due to provisioning and settlement for purchases of foreign exchange, CBN bills and FGN securities. The Bank conducted open market operations (OMO), as the main tool for liquidity management, complemented mainly, by repurchase agreements and the discount windows. Operations at the special windows were also continued, to sustain liquidity in the foreign exchange market.

Payments & Clearing System

Pursuant to the objective of ensuring a credible, reliable and efficient payments system, the CBN, in the first half of 2018, created the Payments System Management Department, to strengthen the regulation and supervision of payments service providers. Also, the Bank approved the Regulatory Framework for BVN Operations and Watch-list for the Nigerian Banking Industry to address incidences of fraud and engender public confidence in the banking industry. Under the BVN scheme, 46.1 million out of the 71.7 million active accounts had been linked, at end-June 2018, compared with 40.7 million, out of the 62.6 million active accounts linked in the corresponding period of 2017. The Bank also: continued its oversight of the operations of service providers; issued the regulatory framework for the use of USSD in the Nigerian Financial Services Industry; and intensified the implementation of the initiatives under the Payments System Vision 2020.

Financial Sector Surveillance

The CBN continued to accord priority to the safety and soundness of institutions. In that regard, a CBN/NDIC Joint Risk-based assessment of banks was conducted to ascertain the quality of risk assets and adequacy of loan loss provisions. Also, Risk-Based examinations of specialised institutions including, the Asset Management Corporation of Nigeria (AMCON) and three credit bureaux were carried out. In addition, special examinations were carried out on the foreign exchange operations of 26 banks to determine the level of compliance with extant regulations. In collaboration with host supervisors, joint routine and target examinations of some Nigerian banks' foreign subsidiaries were conducted in the review period. Furthermore, AML/CFT risk management and compliance examinations were conducted to determine the adequacy of risk management practices, as well as, level of compliance with AML/CFT laws and related directives. The oversight of corporate governance regime, in banks, continued in the review period, to ensure compliance with the provisions of the Corporate Governance Framework.

The industry average capital adequacy ratio (CAR) improved to 12.18 per cent, from 10.2 per cent at end-June 2017. The regulatory threshold remained at 15.0 per cent for banks with international authorisation and 10.0 per cent for both those with national and regional authorisation. The industry ratio of non-performing loans (NPLs) to total loans also improved to 12.4 per cent at end-June 2018, from 15.0 per cent at end-

Financial Sector Surveillance

June 2017, but remained above the regulatory threshold of 5.0 per cent. The industry liquidity ratio was 46.1 per cent at end-June 2018, compared with 45.8 per cent at end-June 2017 and the regulatory minimum of 30.0, 20.0 and 10.0 per cent for commercial, merchant and non-interest banks, respectively.

In the Other Financial Institutions (OFIs) sub-sector, routine risk-based examination of the six (6) reporting development finance institutions (DFIs) revealed that the composite risk rating (CRR) of four (4) institutions was "High", one (1) "Above Average" and one (1) "Low". Similarly, routine risk-based examination of 224 microfinance banks (MFBs) and on-site examination of 89 Bureaux-de-Change (BDCs) were conducted in the first half of 2018.

A total of 1,439 and 2,451 complaints against banks and other financial institutions were received and resolved, respectively, in the first half of 2018, compared with 1,141 and 1,270 received and resolved in the corresponding period of 2017. A compliance examination of 21 banks revealed 100.0 per cent compliance in respect of outward telegraph/SWIFT, savings account and current account maintenance charges, and validation of refunds. Lower levels of compliance were, however, recorded on implementation of directives issued after the last examination, adherence to interest rate on executed offer letters, application of SMS charges and treatment of outstanding complaints.

Foreign Exchange Management

The CBN sustained its intervention at the inter-bank and BDC segments of the foreign exchange market, including increased frequency of sales to BDCs to ensure liquidity and stability in the market. It also abolished commission charges on invisible foreign exchange transactions. To boost liquidity and facilitate trade and investment, the Bank signed a 3-year bilateral currency swap agreement with the Peoples' Bank of China (PBoC), worth 15 billion yuan (₦720 billion), equivalent to US$2.5 billion. Average exchange rate of the naira to the US dollar, at the inter-bank and BDC segments, appreciated by 0.03 and 0.5 per cent, respectively, to ₦305.79/US$ and ₦362.25/US$, relative to the levels in the second half of 2017. The average exchange rate at the Investors' & Exporters' Window was ₦360.61/US$ in the first half of 2018.

THE FINANCIAL SECTOR

Broad money supply (M_2) grew by 2.8 per cent to ₦24,814.00 billion at end-June 2018, annualised to 5.6 per cent, compared with the benchmark of 10.8 per cent for fiscal 2018. The growth in M_2 reflected, mainly, the significant rise in net foreign assets, which more than offset the contraction in other assets (net) and domestic credit (net) of the banking system. Reserve money, at ₦6,360.47 billion, fell by 1.9 per cent, compared with the 6.3 per cent decline at end-June 2017. Narrow money supply (M_1) fell by 4.2 per cent to ₦10,701.10 billion at end-June 2018, on account of the 14.7 per cent and 2.3 per cent decline in currency outside banks and demand deposits, respectively. Currency-in-circulation fell by 12.0 per cent to ₦1,900.67 billion at the end of the first half of 2018.

Net domestic credit (NDC) fell by 1.4 per cent to ₦25,561.40 billion at end-June 2018, in contrast to 1.4 per cent growth at end-June 2017. Net claims on government declined by 9.7 per cent, reflecting a fall in holdings of government securities, especially treasury bills, by the banking system. As in the corresponding period of 2017, the Federal Government remained a net lender to the banking system in the review period. Credit to the private sector, fell marginally by 0.1 per cent to ₦22,275.10 billion at end-June 2018, in contrast to the 0.02 per cent growth in the corresponding period of 2017.

Banks' deposit rates generally trended upwards, while developments in lending rates were mixed in the first half of 2018. The average term deposit rate rose by 1.38 percentage points to 8.79 per cent, above the level in the corresponding period of 2017. The average rate for deposits of various maturities exhibited similar trend. The weighted average maximum lending rate rose by 1.34 percentage points to 31.39 per cent, while the average prime lending rate fell marginally by 0.10 percentage point to 17.25 per cent. Consequently, the spread between average term deposits and maximum lending rates narrowed to 22.60 percentage points. Movements in money market rates reflected the liquidity conditions in the banking system in the review period and were generally, lower than the levels in the corresponding period of 2017. The monthly weighted average inter-bank and average Open-Buy-Back rates were 14.64 and 12.45 per cent, respectively, compared with 22.94 and 26.66 per cent in the corresponding period of 2017. The weighted average Nigeria Inter-bank Offered Rate (NIBOR) for the 30-day tenor was 14.23 per cent, compared with the

THE FINANCIAL SECTOR

29.26 per cent in the corresponding half of 2017. With the year-on-year inflation at 11.23 per cent at end-June 2017, all deposit rates were negative in real terms.

Despite the slowdown in the momentum of rebound in the capital market, due to waning investors' confidence, the market closed bullish at the end of the first half of 2018, relative to the position of activities in the corresponding period of 2017. There were ten (10) new issues in the review period, comprising six (6) equity and four (4) corporate bonds listings worth ₦60.36 billion and ₦33.33 billion, respectively, in the primary segment. Aggregate volume and value of traded securities rose by 52.0 per cent and 70.0 per cent, respectively, relative to the levels in the corresponding period of 2017. The aggregate market capitalisation and All-Share Index (ASI) rose by 15.6 and 26.1 per cent to ₦23.99 trillion and 38,278.55, respectively, at end-June 2018, over the levels at end-June 2017.

THE FISCAL SECTOR

Gross federally-collected revenue, at ₦4,401.91 billion or 7.7 per cent of GDP in the first half of 2018, was below the proportionate budget estimate by 33.7 per cent, reflecting a shortfall in both oil and non-oil components. At that level, it exceeded the level in the corresponding period of 2017 by 47.1 per cent.

The Federal Government retained revenue, at ₦1,799.38 billion or 3.2 per cent of GDP, was 52.9 per cent below the proportionate budget estimate, but was 24.0 per cent above the level in the corresponding period of 2017. At ₦2,586.13 billion or 4.5 per cent of GDP, the aggregate expenditure of the Federal Government was 46.1 and 21.3 per cent below the proportionate budget estimate and the level in the corresponding period of 2017, respectively. The shortfall, relative to the proportionate budget estimate, was attributed, largely, to the late passage of the 2018 Appropriation Act.

Recurrent and capital expenditure constituted 82.3 and 13.3 per cent of total expenditure, respectively, while statutory transfers accounted for the balance of 4.4 per cent. The fiscal operations of the Federal Government in the first half of 2018 resulted in an estimated overall deficit of ₦786.75 billion or 1.4 per cent of GDP, compared with the proportionate budget estimate of ₦921.13 billion and the level in the corresponding

THE FISCAL SECTOR

period of 2017, at ₦921.13 billion. The deficit was financed from domestic sources.

The Federal Government consolidated debt stock at end-June 2018 was estimated at ₦18,902.34 billion or 15.8 per cent of GDP, representing an increase of 32.9 per cent, over the level at end-December 2017. Domestic debt accounted for ₦12,151.43 billion or 64.3 per cent, while the external debt amounted to ₦6,750.91 billion (US$22.08 billion) or 35.7 per cent of the total. The external debt of US$22.08 billion or 5.7 per cent of GDP remained within the sustainable threshold of 40.0 per cent of GDP.

THE REAL SECTOR

The real sector witnessed modest growth during the first half of 2018 as the tempo of activities picked up in both the oil and non-oil sectors of the economy. Available data from the NBS indicated that Gross Domestic Product (GDP), at 2010 constant basic prices, grew by 1.73 per cent in the first half of 2018, relative to 0.09 per cent contraction in the corresponding period of 2017. The development was attributed to increased crude oil receipts leading to increased fiscal expenditures, sustained reforms to improve the business environment and relative stability in the foreign exchange market. The agricultural sector continued to record improved performance in the first half of 2018 following the commitment of government to achieve food sufficiency and diversification. Among the major initiatives to increase productivity in the sector were: the execution of Memorandum of Understanding between the Fund for African Private Sector Assistance (FAPA) and African Fertilizer and Agribusiness Partnership (AFAP) to support domestic production and utilisation of fertilizer in Nigeria; and integration of the agricultural commodity value chain into the broader supply chain, linking the country with the global industry. In the industrial sector, modest growth was recorded, supported by capacity enhancing initiatives including: completion of 1.5 million metric tons per annum cement plant along with a 32 megawatts multi-fuel capacity power plant and a coal mill by the BUA Group; commissioning of N50 billion Sunti Golden Sugar Estate in Mokwa, Niger state; initiation of 422 new electrification projects across the six geopolitical zones, as well as, inauguration of the Power Capacitor Bank Project to improve the voltage of electricity supply to selected locations across the country.

THE REAL SECTOR

The relative stability in the Nigerian oil and gas industry from the second half of 2017 continued in the review period. Consequently, average daily crude oil production increased by 0.27 mbd or 16.6 per cent to 1.90 million barrels per day (mbd) or 343.9 million barrels (mb), above the level in the corresponding half of 2017. The average spot price of Nigeria's reference crude, the Bonny Light was US$71.99 per barrel at end-June 2018, indicating 37.9 per cent increase above the level in the first half of 2017. The price increase was attributed, mainly, to continued geopolitical tension in the Middle East and Korean Peninsula, uncertainties around the possible US withdrawal from the Iran nuclear deal and the lingering effect of the trade dispute between the US and China.

Inflation maintained a downward trend throughout the first half of 2018, on account of persisting moderation in food and non-food prices. The all-items composite Consumer Price Index (CPI) stood at 260.5 (November 2009=100), compared with 246.4 and 234.2 at end-December and end-June 2017, respectively. Consequently, headline inflation, on year-on-year and 12-month moving average bases declined steadily throughout the review period to 11.2 per cent and 14.4 per cent, respectively, at end-June 2018, from 15.1 per cent and 16.5 per cent at end-December 2017.

THE EXTERNAL SECTOR

The external sector improved in the first half of 2018, reflecting a higher overall balance of payments position of ₦2,382.61 billion (4.0 per cent of GDP), on account of accretion to external reserves. The current account also recorded higher surplus, occasioned by increased trade and current transfer surpluses. The capital and financial account recorded a net financial liability equivalent to 0.9 per cent of GDP, in contrast to financial asset equivalent to 13.9 per cent of GDP in the corresponding period in 2017. The stock of external reserves rose to US$47.16 billion at end-June 2018 and could finance 15.3 months of current level of import of goods or 8.9 months of goods and services.

OUTLOOK FOR THE REST OF 2018

Global growth was projected to improve to 3.9 per cent apiece in 2018 and 2019 (WEO, July 2018), compared with 3.7 per cent in 2017. In the advanced economies, output growth was projected to stabilise at 2.4 per cent in 2018, reflecting uneven outcomes among countries in the region. Inflation outcomes were lifted by increase in fuel prices, generally

OUTLOOK FOR THE REST OF 2018

breaching central banks' targets in most advanced economies. In the euro area, growth was projected at 2.2 per cent in 2018, compared with 2.4 per cent in 2017. The IMF's projections for other advanced countries such as Japan and Canada also indicated reduced optimism for 2018. The dismal outlook for 2018 reflected the impact of the ongoing trade tensions between the United States and China, the lingering uncertainty relating to Brexit negotiations, coupled with increasing tendencies towards inward-looking policies and aggressive protectionism.

In the emerging market and developing economies (EMDEs), growth was projected to rise to 4.9 per cent in 2018 above 4.7 per cent in 2017, reflecting the presence of strong crosswinds, namely rising crude oil prices, higher yields in the United States paired with dollar appreciation and the US-China trade tensions. In general, the outlook for individual economies in the region varies, depending on the interaction of these global shocks with domestic idiosyncratic factors. The Chinese economy was projected to grow by 6.6 per cent in 2018, compared with 6.9 per cent in 2017. Growth in the Indian economy was projected at 7.3 per cent in 2018, compared with 6.7 per cent in 2017, as drags from the currency exchange initiative and the introduction of the goods and services tax wane. In Brazil, growth was projected to rise to 1.8 per cent in 2018, from 1.0 per cent in 2017, on the back of the upturn in commodity prices, despite lingering effects of strikes and political uncertainty.

In sub-Saharan Africa, growth was projected at 3.4 per cent in 2018 above 2.8 per cent in 2017. The recovery in the region was set to continue, supported by the rise in commodity prices. The upbeat outlook for the region reflected improved prospects for Nigeria's economy, which was set to growth by 2.1 per cent in 2018 from 0.8 per cent in 2017. The South African economy was projected to grow by 1.5 per cent in 2018 from 1.3 per cent in 2017.

The outlook for Nigeria's economy for the rest of the year is optimistic. Growth in the near-term is expected to witness expansion, premised on favourable oil price and output level, stability in the foreign exchange market and continued intervention of the Central Bank of Nigeria in the real economy.

OUTLOOK FOR THE REST OF 2018

The real sector remains critical, with sustained government spending on infrastructure, and moderation in headline, core and food inflation. Government policy interventions, particularly, the Anchor Borrowers' Programme (ABP) would continue to impact positively on the economy. However, a number of headwinds remain, including a general sense of insecurity and the envisaged 2019 pre-election spending activities. Nevertheless, the improvement in monetary and fiscal policies coordination, and the sustenance of CBN interventions in growth-stimulating and labour intensive sectors, such as, the manufacturing, agriculture and the Micro, Small and Medium Enterprises (MSMEs), among others, are expected to moderate the effects of these risks.

The external sector is expected to remain viable given favourable current account balance, driven largely by the improvement in oil receipts and stability in the foreign exchange market. On the other hand, there are uncertainties, arising from trade disputes between the United States (US) and China; increasing geopolitical tensions, particularly in the Middle East; the risk of capital reversal; and rising external debt.

In the fiscal sector, there is high prospect for government revenue, as crude oil price is expected to remain above the budget benchmark of US$51.0 per barrel. This optimism drives the growth momentum in most advanced and emerging economies. Similarly, the diversification of the economy and the expansion of the tax base through reforms are expected to further strengthen government revenue. In addition, the passage of the 2018 budget would enhance capital releases with positive impact on economic growth. However, there is a likelihood of bunching of capital releases towards the last quarter of the year.

The financial sector would remain resilient in the second half of 2018, as all the major prudential indicators are strong. Also, the continued implementation of payments system initiatives are expected to sustain improved efficiency, safety and confidence in the Nigerian payments system. However, rising interest rate in the United States remains a major threat to the retention of portfolio investments in the country. Nonetheless, effective surveillance and prompt regulatory actions by the Bank are expected to mitigate any unintended effects on the financial system, and ensure improvement in the health and safety of banks for the rest of the year.

Selected Macroeconomic and Social Indicators

Indicator	Jun-14	Jun-15	Jun-16	Jun-17 1/	Jun-18 2/
Domestic Output and Prices					
GDP at Current Mkt Prices (₦ billion)	42,339.35	44,323.45	46,172.76	53,495.25	59,663.96
GDP at Current Mkt Prices (US$ billion)	269.17	234.06	227.68	174.99	195.12
GDP per Capita (₦)	474,337.32	483,036.77	489,481.20	551,639.56	598,493.14
GDP per Capita (US$)	3,015.60	2,550.79	2,413.69	1,804.49	1,957.22
Real GDP Growth (%) 3/	6.38	3.14	-1.08	-0.09	1.73
Oil Sector	-1.23	-7.49	-8.15	-6.58	4.99
Non-oil Sector	7.44	4.50	-0.29	0.58	1.41
Sectoral Classification GDP Growth (%) 3/					
Agriculture	4.55	4.07	3.84	3.19	2.05
Industry	5.90	-4.88	-6.93	-2.72	3.48
Construction	13.99	8.67	-5.83	0.14	3.18
Trade	5.71	5.77	0.99	-2.36	-2.36
Services	7.21	5.56	-1.04	0.41	2.40
Oil Production (mbd)	1.91	1.89	1.68	1.63	1.90
Manufacturing Capacity Utilisation (%)	59.30	***	***	***	53.09
Inflation Rate (%) (Year-over-Year)	8.17	9.17	16.48	16.10	11.23
Inflation Rate (%) (12-month moving average)	8.00	8.42	11.37	17.58	14.37
Core Inflation Rate (%) (Year-over-Year) 4/	8.12	8.40	16.22	12.46	10.39
Core Inflation Rate (%) (12-month moving average) 4/	7.37	7.01	10.86	16.22	11.65
Food Inflation Rate (%) (Year-over-Year)	9.78	10.04	15.30	19.91	12.98
Food Inflation Rate (%) (12-month moving average)	9.46	9.53	11.67	17.87	17.75
Federal Government Finance (% of GDP) 5/					
Retained Revenue	4.44	3.57	2.83	4.42	3.02
Total Expenditure	5.03	5.10	5.45	6.15	4.33
Recurrent Expenditure	3.80	4.23	4.08	4.53	3.57
Of which: Interest Payments	1.13	1.34	1.32	1.73	2.08
Foreign	0.09	0.08	0.07	0.10	0.10
Domestic	1.04	1.26	1.25	1.63	1.98
Capital Expenditure and Net Lending	0.83	0.62	0.75	1.01	0.57
Transfers	0.36	0.26	0.21	0.32	0.24
Current Balance (Deficit(-)/Surplus(+))	0.64	-0.65	-1.26	-0.11	-0.55
Primary Balance (Deficit(-)/Surplus(+))	0.54	-0.19	-1.30	0.01	0.76
Overall Fiscal Balance (Deficit(-)/Surplus(+))	-0.58	-1.53	-2.62	-1.72	-1.32
Financing	0.58	1.53	2.62	1.72	1.32
Foreign	0.00	0.00	0.00	0.00	0.00
Domestic	0.58	1.53	2.62	1.72	1.32
Banking System	0.00	0.00	0.00	0.00	0.00
Non-Bank Public	1.19	0.74	1.14	0.00	0.21
Others	-0.61	0.78	1.49	1.72	1.10
Consolidated Government Debt Stock 6/	10.49	11.76	14.94	15.55	15.84
External	1.72	2.29	3.45	4.30	5.66
Domestic	8.76	9.47	11.49	11.25	10.18

Selected Macroeconomic and Social Indicators Continued

Indicator	Jun-14	Jun-15	Jun-16	Jun-17 1/	Jun-18 2/
Money and Credit (Growth Rate %)					
Reserve Money	-5.97	0.25	-7.58	-6.29	-1.91
Narrow Money (M_1)	-2.88	-5.25	11.05	-9.59	-4.25
Broad Money (M_2)	3.08	-0.54	10.23	-6.83	2.79
Net Foreign Assets	-9.49	-14.42	25.69	-7.45	18.15
Net Domestic Assets	18.55	7.54	4.14	-6.44	-24.87
Net Domestic Credit	3.26	11.08	13.93	1.41	-1.40
Net Credit to Government	-19.16	118.79	9.66	7.69	-9.74
Credit to Private Sector	4.88	4.26	14.59	0.02	-0.04
Money Multiplier for M_2	3.38	3.16	4.11	4.01	3.90
Income Velocity of M_2	5.24	4.71	4.18	4.87	4.81
Interest Rates (% per annum)					
Monetary Policy Rate (MPR) (end period) 7/	12.00	13.00	12.00	14.00	14.00
Repurchase Rate (Average)					
Reverse Repurchase Rate (Average)					
Treasury Bill Rate (Average)					
91-day	9.98	9.95	8.32	13.50	10.00
Inter-bank Call Rate (end-period)	10.50	10.85	35.26	13.46	5.00
Deposit Rates (end-period)					
Savings Rate	3.42	3.60	3.61	4.08	4.07
3-months Fixed	9.30	10.27	6.92	9.01	9.38
6-months Fixed	9.52	10.81	6.59	10.68	10.15
12-months Fixed	9.19	10.83	5.17	11.15	10.05
Prime Lending Rate (end period)	16.50	17.24	16.78	17.59	16.78
Maximum Lending Rate (end period)	26.07	26.84	26.93	30.94	31.17
External Sector					
Current Account Balance (% of GDP) 5/	1.12	-3.44	-0.29	2.72	4.74
Goods Account	5.02	-1.18	-1.19	2.43	7.30
Services Account (net)	-4.33	-3.64	-1.65	-2.45	-5.41
Income Account (net)	-3.62	-3.11	-1.81	-3.16	-3.61
Current Transfers	4.04	4.49	4.36	5.90	6.46
Capital and Financial Account Balance (% of GDP) 5/	0.87	1.25	0.12	1.87	1.38
Overall Balance (% of GDP) 5/	-2.04	-2.60	-0.68	1.87	4.00
External Reserves (US$ million)	37,330.03	28,335.21	26,505.50	30,340.96	47,157.90
Number of Months of Import Equivalent	7.19	6.11	8.14	11.02	17.85
Debt Service Due (% of Exports of Goods and Services)					
Average Crude Oil Price (US$/barrel)	111.29	58.54	40.51	52.19	71.99
Average Official Rate (₦/US$)	157.29	189.37	202.79	305.70	305.79
End of Period Official Rate (₦/US$)	157.29	196.95	283.00	305.90	305.75
Average Bureau de Change Exchange Rate (₦/US$)	169.50	213.55	325.00	426.85	362.25
End of Period Bureau de Change Exchange Rate (₦/US$)	168.00	225.50	348.00	366.00	360.50
Capital Market					
All Share Value Index (1984=100)	42,482.48	33,456.83	29,597.79	33,117.48	38,278.55
Value of Stocks Traded (₦ billion)	579.98	557.13	313.25	376.77	798.63
Market Capitalization (₦ Trillion)	14.03	11.42	9.79	11.45	13.87
Social Indicators					
Population (million)	178.52	183.52	188.66	193.95	199.38
Population Growth Rate (%)	2.82	2.80	2.80	2.80	2.80
Life Expectancy at Birth (Years)	***	***	***	***	***
Adult Literacy Rate (%)	***	***	***	***	***
Incidence of Poverty	***	***	***	***	***

1/ Revised
2/ Provisional
3/ Based on GDP measured at basic prices.
4/ Core Inflation is measured as the rate of change of all-item Consumer Price Index (CPI) less farm produce.
5/ Computations are based on GDP at Current Market Prices.
6/ Includes State Government Debts
7/ MPR replaced MRR with effect from December 11, 2006.

Sources: Central Bank of Nigeria (CBN), Federal Ministry of Finance (FMF), National Bureau of Statistics (NBS), National Population Commission (NPOPC) Nigeria National Petroleum Corporation (NNPC), Nigerian Stock Exchange (NSE)

CENTRAL BANK OF NIGERIA
REPORT FOR THE FIRST HALF OF 2018

1.0 INTRODUCTION

In the first half of 2018, the domestic economy was affected by a number of developments, including interest rate hike in the United States of America, paired with dollar appreciation and rising inflation concern in the advanced economies. Others were the US – China trade dispute, the Brexit 'no deal' threat and higher crude oil receipts, which boosted external reserves. Consequently, excess liquidity persisted in the banking system, thereby impacting domestic prices and economic activity. Accordingly, the Bank retained a non-expansionary monetary policy stance to rein-in inflation, moderate demand pressure in the foreign exchange market and stimulate capital inflow. The Bank also sustained its intervention in the foreign exchange market, and retained the special Investors' and Exporters' (I&E) window to boost foreign exchange supply from autonomous sources and stabilise the domestic currency. The framework for monetary management remained monetary targeting, with the monetary policy rate (MPR) as the anchor for short-term money market rates.

Open Market Operations (OMO) remained the major instrument of liquidity management, complemented by cash reserve ratio (CRR), standing facilities window, discount window operations, as well as interventions in the foreign exchange market.

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

Key Variables	Dec 2016		Jun 2017		Dec 2017		Jun 2018	
	Benchmark	Outcome	Benchmark	Outcome	Benchmark	Outcome	Benchmark	Outcome
Broad Money (M 2)	11.0	17.78	10.3	-6.83	10.3	2.33	10.48	2.79
Narrow Money (M 1)	11.3	31.5	11.0	-9.59	11.07	-0.85	8.04	-4.25
Base Money (Reserve)	13.2	0.61	11.4	-6.29	11.4	10.88	9.69	-1.91
Aggregate credit to the domestic economy (Net)	17.9	24.27	17.9	1.41	17.93	-3.45	12.45	-1.43
Credit to Government (Net)	47.43	68.58	33.1	7.69	32.9	- 25.32	54.25	-9.74
Credit to the private sector	13.4	17.42	14.9	0.02	14.9	1.4	5.75	-0.07
Inflation rate	11.9	18.6	10.7	16.1	10.7	15.37	13.00	11.23
Real GDP	3.6	-1.3	4.1	0.55	4.09	2.11	2.50	1.5

Source: CBN

2.0 OPERATIONS OF THE CENTRAL BANK OF NIGERIA

2.1 Liquidity Management

In the first half of 2018, excess liquidity in the banking system remained a key challenge in the domestic economy, stoked by increased fiscal disbursements. In addition, injection from maturing CBN bills and the redemption of FGN Bonds and Nigerian Treasury Bills (NTBs) exacerbated the liquidity situation. Therefore, monetary policy in the review period focused on liquidity management to achieve the Bank's mandate of monetary and price stability conducive to sustainable economic growth. The Bank sustained its non-expansionary monetary policy stance, along with a combination of policy measures to promote efficient financial market, attract foreign capital inflow, stabilise the exchange rate and rein-in inflationary pressure. Open Market Operations (OMO) remained the Bank's key liquidity management instrument, complemented by reserve requirements, repurchase agreements, standing facilities and discount window operations.

The MPR was retained at 14.0 per cent, with an asymmetric corridor of +200/-500 basis points for the standing lending facility (SLF) and standing deposit facility (SDF), respectively, at the April and May 2018 MPC meetings. The Cash Reserve Ratio (CRR) and Liquidity Ratio (LR) were also retained at 22.5 and 30.0 per cent, respectively. Consequently, reserve money stood at ₦6,360.47 billion at end-June 2018, indicating a decline of 1.9 per cent below its level in the preceding period of 2017, but was 6.3 per cent above the corresponding period of 2017. The Bank also sustained its intervention in the foreign exchange market, and retained the Investors' and Exporters' (I&E) window to boost foreign exchange supply from autonomous sources and stabilise the domestic currency.

2.2 Monetary Policy Committee (MPC) Decisions

In the first half of 2018, the Monetary Policy Committee (MPC) held two (2) out of the three (3) regular meetings. One of the meetings did not hold because the MPC was yet to be re-constituted. A summary of the key decisions of the Committee were as follows:

Table 2

Monetary Policy Committee Decisions During the First Half of 2018

Date of Meeting	Type of Meeting	Decisions
April 03 and 04, 2018	Regular	• Retained the MPR at 14.0 per cent; • Retained the CRR at 22.5 per cent; • Retained the LR at 30.0 per cent; and • Retained the asymmetric corridor at +200/ – 500 basis points around the MPR.
May 21 and 22, 2018	Regular	• Retained the MPR at 14.0 per cent; • Retained the CRR at 22.5 per cent; • Retained the LR at 30.0 per cent; and • Retained the asymmetric corridor at +200/ – 500 basis points around the MPR.

Source: Central Bank of Nigeria MPC Communiqués

2.3 Developments in the Payments System

During the review period, the Bank created the Payments System Management Department out of the former Banking and Payment Systems Department, to strengthen the supervision and regulation of payments service providers. This was meant to facilitate effective supervision, early identification of emerging risks in the payments system and boost public confidence in the banking industry.

2.3.1 Payments System Initiatives

2.3.1.1 The Bank Verification Number (BVN) Scheme

The Bank approved the Regulatory Framework for BVN Operations and Watch-list for the Nigerian Banking Industry, to address incidences of fraud. The objectives of the Framework included to:

- Clearly define the roles and responsibilities of stakeholders;
- Clearly define the operations of the Bank Verification Number (BVN) in
- Nigeria;
- Define access, usage and management of the BVN information, requirements and conditions;
- Provide a database of watch-listed individuals;
- Outline the process and operations of the Watch-List; and
- Deter fraud incidences in the Nigerian Banking Industry.

At end-June 2018, out of 71.8 million active customer accounts, 46.1 million accounts had been linked with BVN under the Scheme.

2.3.1.2 Nigeria Electronic Fraud Forum (NeFF)

The 2017 Annual Report of the NeFF, titled, "Tightening the BELT of E-fraud Prevention: A 4-sided Approach", was realised in June 2018. The Report stressed the importance of providing secure payments system, while ensuring public confidence in electronic means of payment. The Forum also partnered with the Nigerian Communications Commission (NCC) to conduct an industry stakeholder's workshop on cybercrime. The workshop proposed automated system (a shared infrastructure) for real-time exchange of information between the banks and Mobile Network Operators (MNOs) to curb the rising incidences of fraud, due to, unauthorized SIM swaps & recycling in the country. Based on the recommendation of the Forum, the Bank issued circular, directing mobile money operators and other payments service providers to comply with the statutory provision for the collection and remittance of the levy on all electronic transactions for the National Cyber-security Fund.

2.3.1.3 Regulatory Framework for Unstructured Supplementary Service Data (USSD)

The vulnerabilities in the USSD technology and the ever growing threats of its application to financial services, particularly in the absence of a common standard for multiple USSD channels led the Bank to approve the Regulatory Framework for the use of USSD in the Nigerian Financial Services.

2.3.1.4 Licensing of Payments System Service Providers

The CBN continued to conduct oversight functions on payments service providers. At the end of the review period, 77 payments system participants had valid licences to operate in the different segments of the payments system, compared with 68 providers at-end December 2017.

Table 3: Licensed Payments System Service Providers

License -Type	Number	
	Dec 2017	June 2018
Card Schemes	4	4
Mobile Money Operators	23	25
Payment Solution Service Providers	8	12
Payment Terminal Service Providers	18	19
Transaction Switching Companies	6	7
Third Party Processors	3	4
Accredited Cheque Printers	6	6
Total	68	77

Source: CBN

2.3.1.5 Payments System Vision 2020 (PSV 2020)

In continuation of the implementation of the PSV 2020, through the Payments Scheme Boards and Initiative Working Groups, the CBN:

- Ceaselessly worked on the implementation of the proposed risk-based collateral management model that would address liquidity and credit risk associated with the Deferred Net Settlement Systems;
- ·Produced an exposure draft of the Nigerian Payments System Risk and Information Security Management Framework to set out standards regarding the management of risks that the payment systems presents to the Nigerian financial system; and
- Issued both the Regulation of Bills Payments and Direct Debit Schemes in Nigeria.

2.3.2 Retail Payments

2.3.2.1 Electronic Payments

The volume and value of electronic payments increased to 953,176,045 and ₦62, 815.57 billion at end-June 2018, respectively, compared with 829,422,069 and ₦52, 650.19 billion at end-December 2017, representing an increase of 14.92 and 19.31 per cent, respectively. The rise reflected public confidence in the electronic payments system.

Table 4: Volume and Value of Electronic Payments

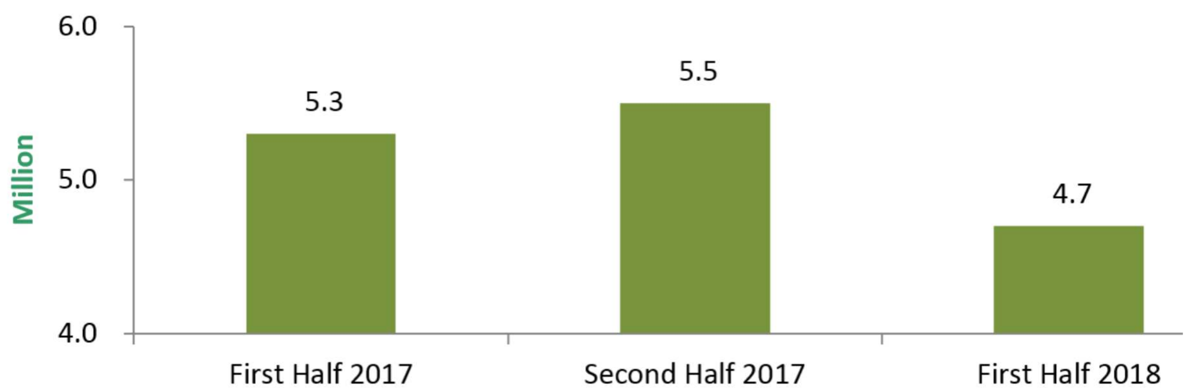
Payment Channel	Number of Terminals		Number of Transactions		% Change (Volume)	Value ₦' Billion		% Change (Value)
	Jun 2018	Dec 2017	Dec-17 (Million)	Jun-18 (Million)		Dec-17	Jun-18	
ATMs	18,052	17,712	433.8	429.8	0.9	3,391.31	3,172.12	6.5
POS	185,026	125,608	86.8	120.8	39.1	799.7	1,018.36	27.3
Mobile			23.7	27.6	16.9	546.17	594.91	8.9
Internet (Web)			17.7	17.7	1.9	100.93	109.54	8.5
NEFT			18.2	19.0	4.9	7,896.14	7,448.97	5.7
NIP			220.4	308.4	39.9	29,674.48	36,892.99	24.3
e-Bills Pay			0.4	0.5	34.8	258.32	256.65	0.7
REMITA			21.0	20.3	3.1	6,610.61	9,319.06	41.0
NAPS			7.8	8.9	13.9	3,372.53	4,003.67	18.7
Total			**829.2**	**953.0**		**52,650.19**	**62,816.25**	

Source: CBN

2.3.2.2 Cheque

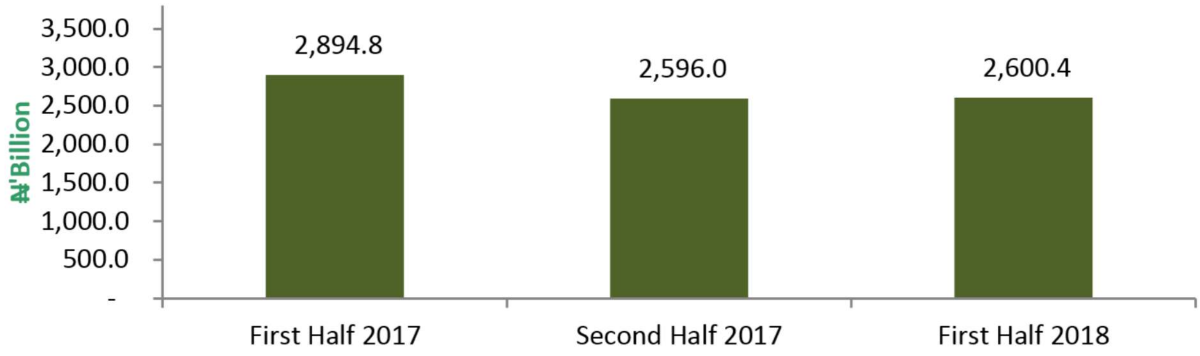
The volume and value of cheques decreased to 4.7 million and ₦2,600.43 billion in the first half of 2018, compared with 5.3 million and ₦2,781.50 billion in the corresponding period of 2017, reflecting decline of 11.3 and 6.5 per cent, respectively. The decrease was attributed to consumers' preference for the use of other modes of payment.

Figure 1
Volume of Cheques Cleared (Million)



Source: CBN

Figure 2
Value of Cheques Cleared
(₦' Billion)



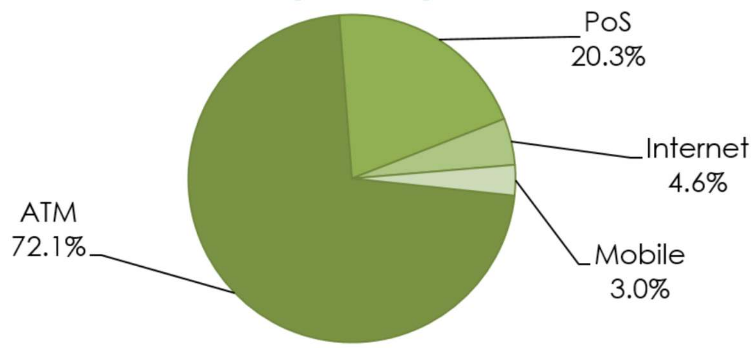
Source: CBN

2.3.2.3 e-Money Products

During the review period, the volume and value of electronic payments (comprising ATM, PoS, Mobile payments and Internet) increased to 596.0 million and ₦4,894.90 billion in the first half of 2018 from 461.8 million and ₦4,295.90 billion in the corresponding period of 2017, representing an increase of 29.1 and 13.9 per cent, respectively.

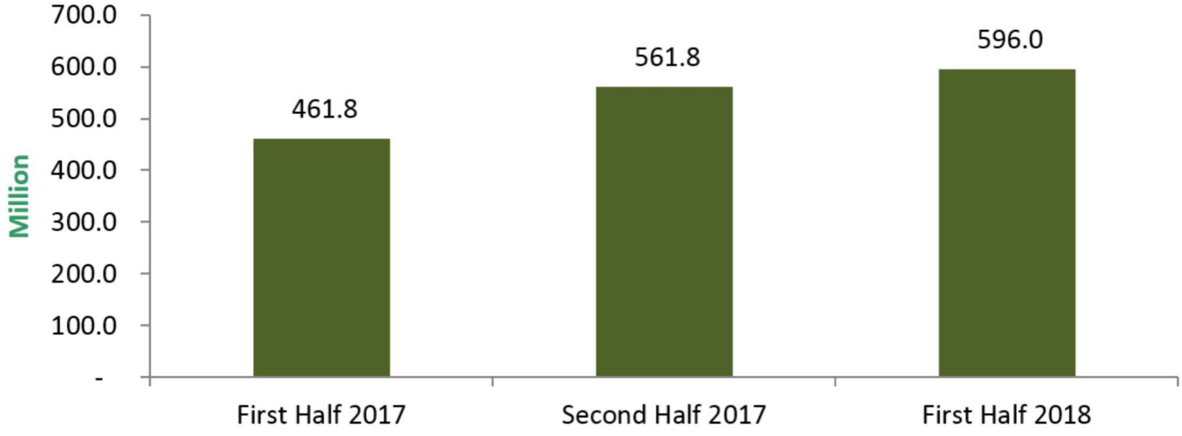
A breakdown of e-payment channels for the review period indicated that ATM remained the most patronised, accounting for 72.1 per cent, followed by PoS and mobile payments, with 20.3 and 4.6 per cent, respectively. The web (internet) was the least patronised, accounting for 3.0 per cent of the total. In terms of value, ATM accounted for 64.8 per cent; PoS, 20.8 per cent; mobile payments, 12.2 per cent and the web (Internet) accounted for 2.2 per cent.

Figure 3
Classification of Electronic Payments by Volume, First Half 2018
(Per cent)



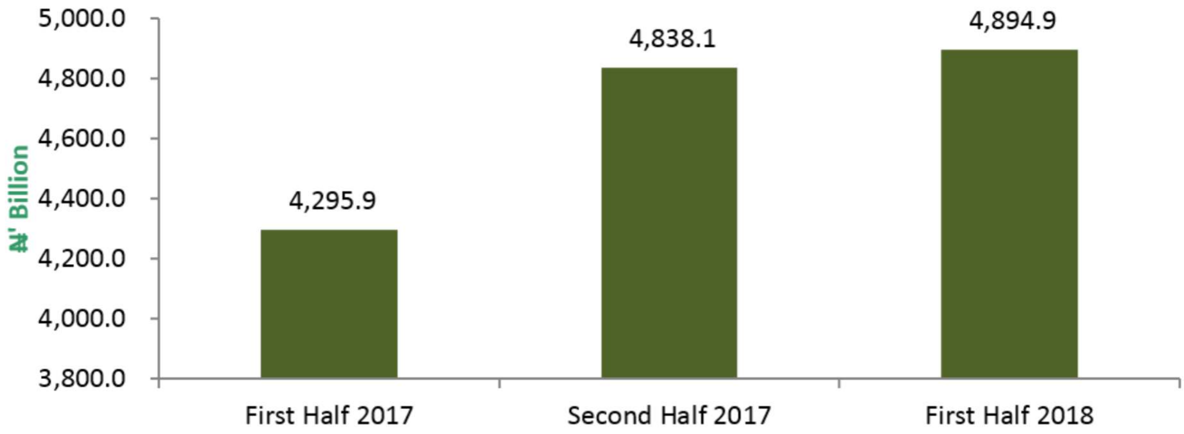
Source: CBN

Figure 4
Volume of Electronic Payments
(Million)



Source: CBN

Figure 5
Value of Electronic Payments
(₦'Billion)

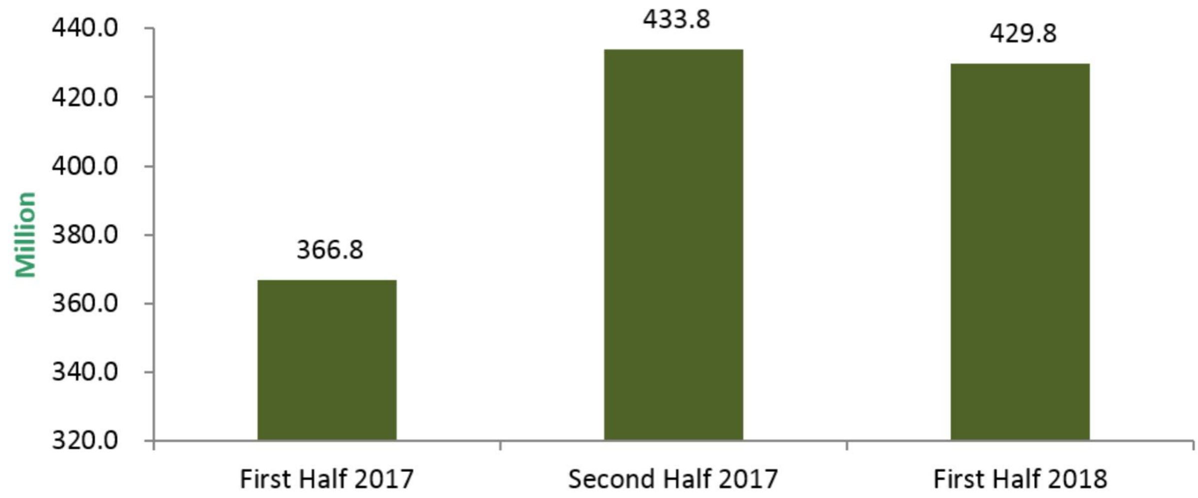


Source: CBN

2.3.2.3.1 ATM Transactions

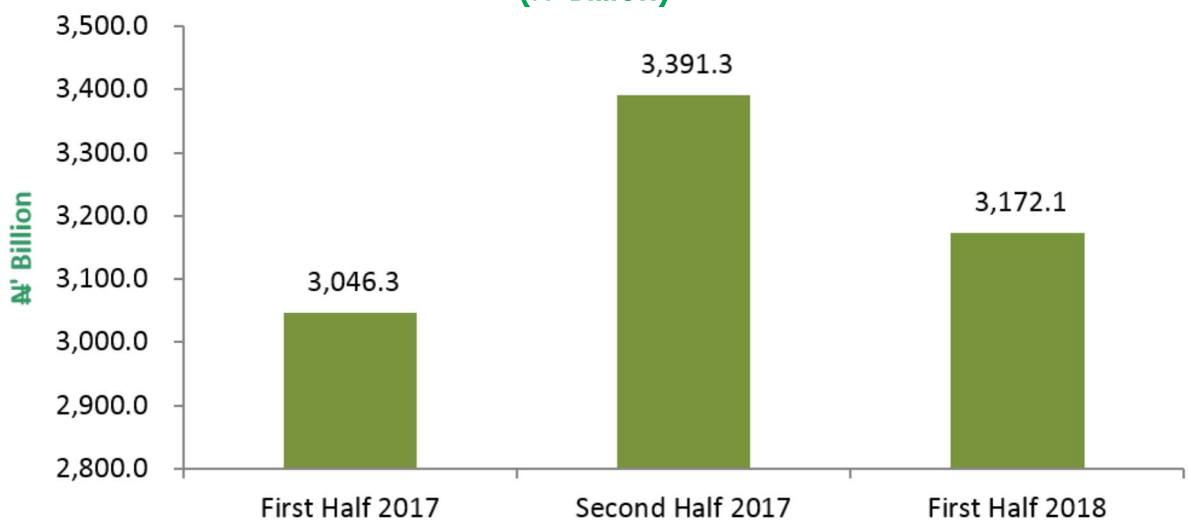
The number of ATMs at end-June 2018 stood at 18,052, with increasedtransactions, both in volume and value by 17.2 and 4.1 per cent to 429.8 million and ₦3,172.1 billion, respectively, above 366.8 million and ₦3,046.3 billion in the corresponding period of 2017.

Figure 6
Volume of ATM Transactions (Million)



Source: CBN

Figure 7
Value of ATM Transactions (₦' Billion)

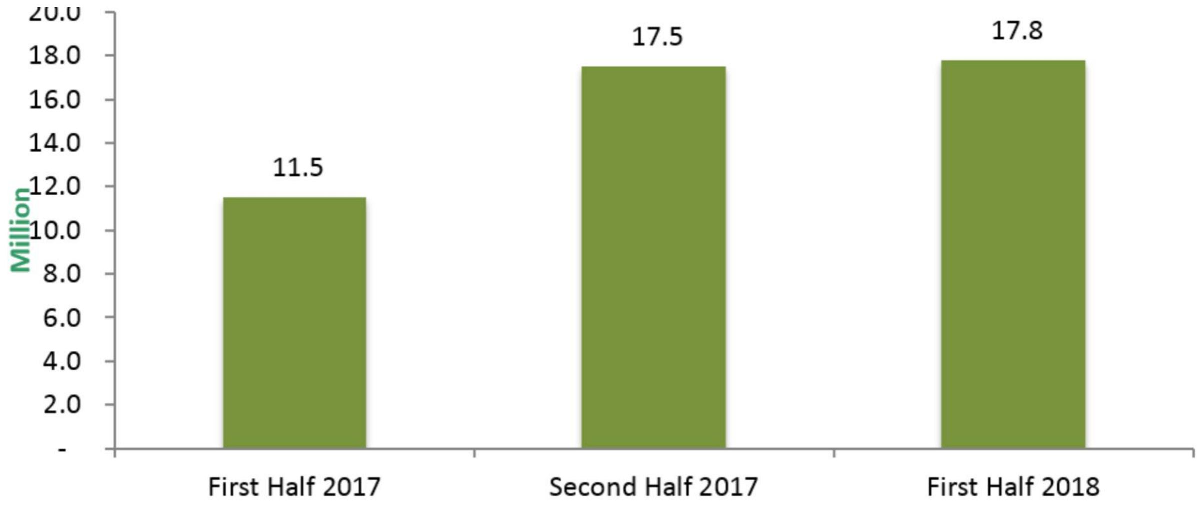


Source: CBN

2.3.2.3.2 Web Transactions

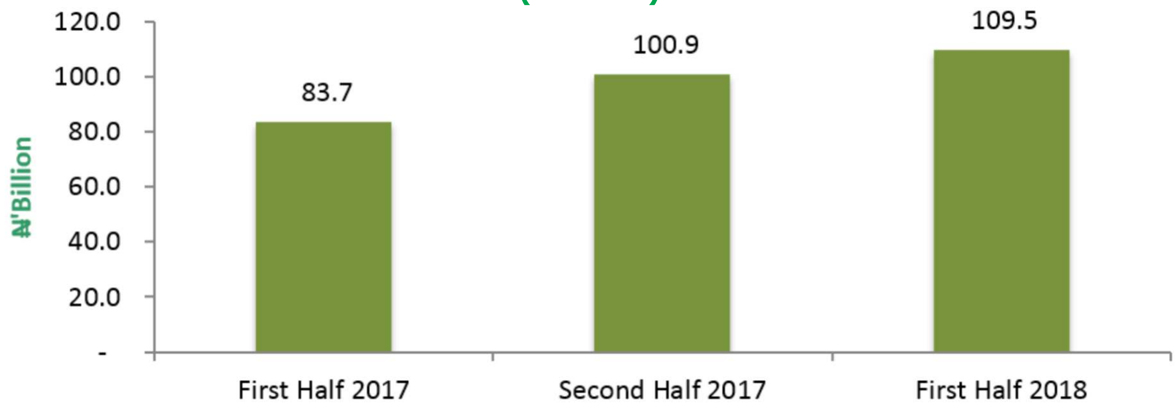
The volume and value of internet transactions increased in the first half of 2018 by 54.8 and 30.8 per cent to 17.8 million and ₦109.5 billion, compared with 11.5 million and ₦83.7 billion, respectively, in the corresponding period of 2017. The rise was as a result of increased awareness and acceptance of internet payment.

Figure 8
Volume of Web Transactions
(Million)



Source: CBN

Figure 9
Value of Web Transactions
(₦'Billion)

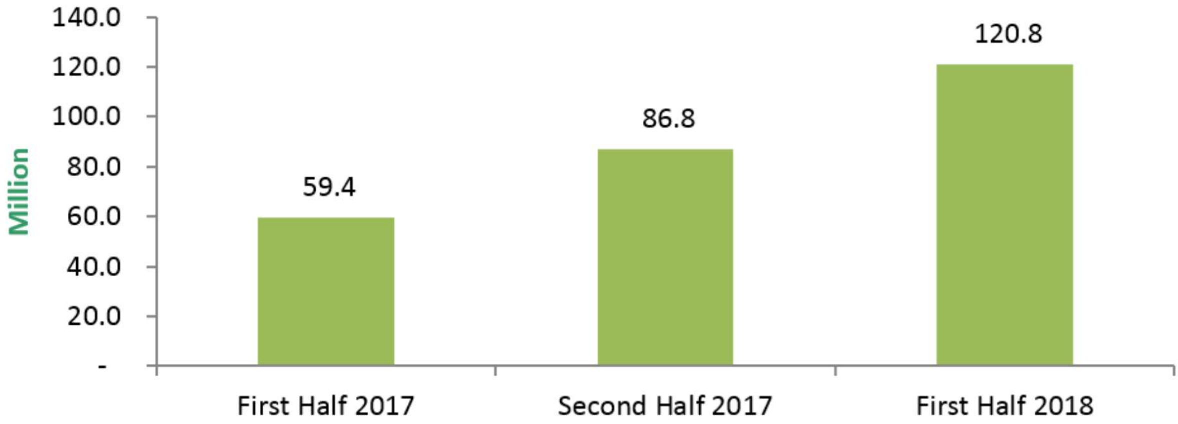


Source: CBN

2.3.2.3.3 Point of Sale (PoS) Transactions

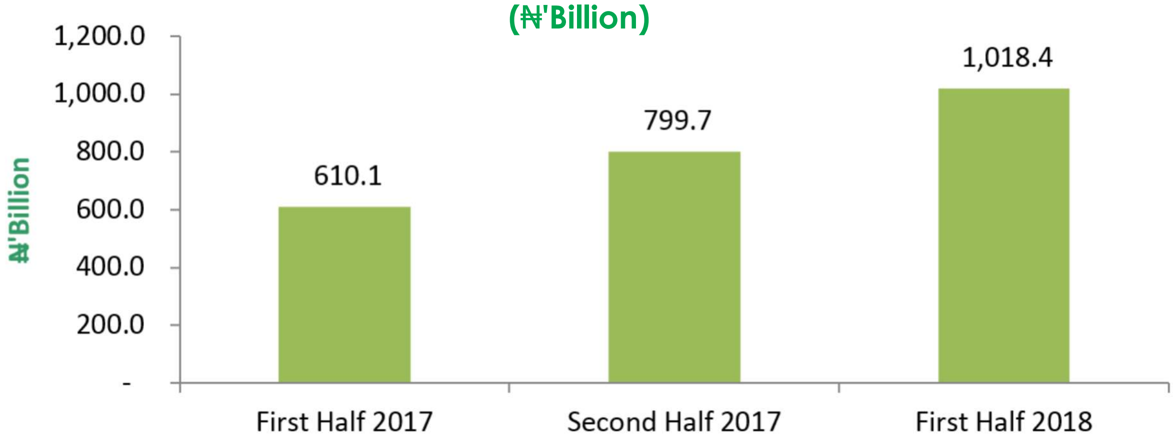
The number of PoS terminals deployed at end-June 2018 was 185,026. The volume and value of transactions rose by 103.4 and 66.9 per cent to 120.8 million and ₦1,018.4 billion, respectively, in the first half of 2018, above the 59.4 million and ₦610.1 billion in the corresponding period of 2017. The rise in usage of PoS terminals was on account of increasing public confidence in the channel.

Figure 10
Volume of PoS Transactions
(Million)



Source: CBN

Figure 11
Value of PoS Transactions
(₦'Billion)

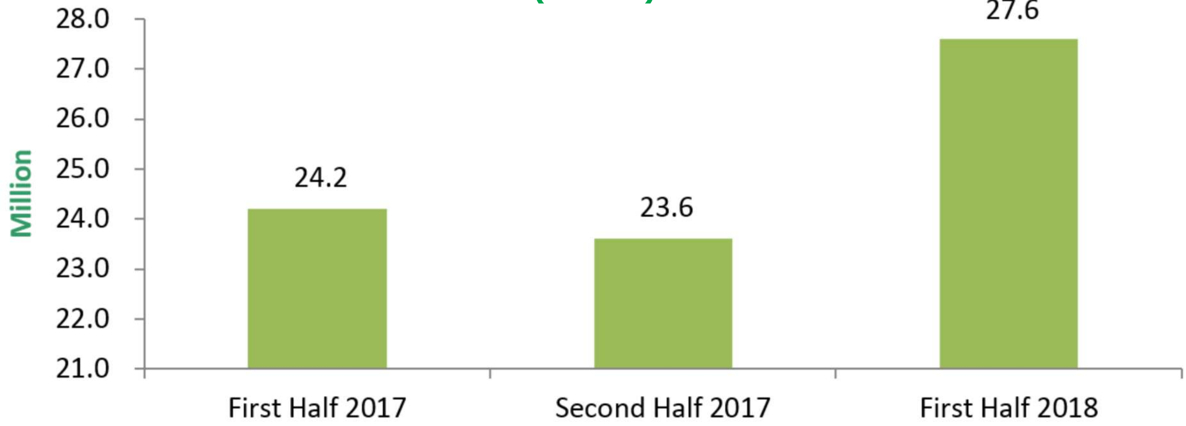


Source: CBN

2.3.2.3.4 Mobile Payments

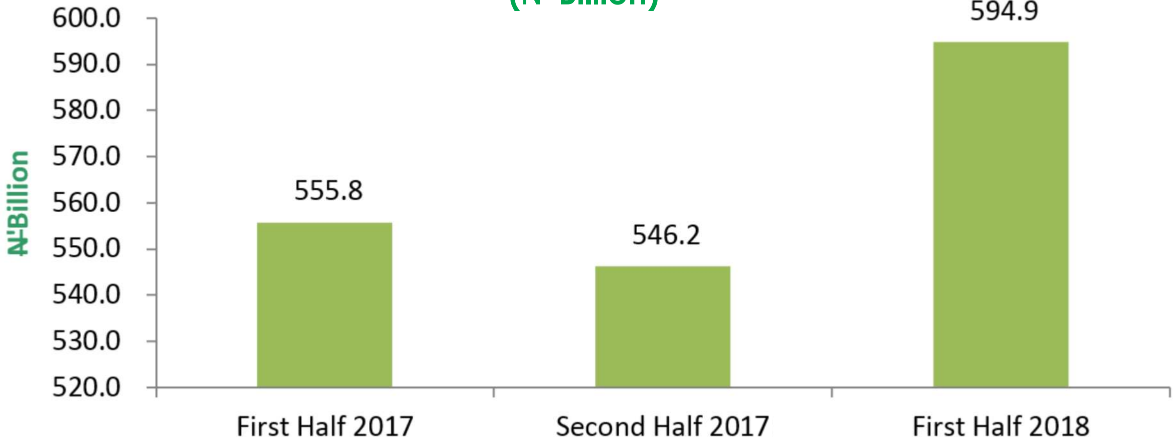
The volume and value of mobile payments increased by 14.0 and 7.0 per cent to 27.6 million and ₦594.9 billion, respectively, in the first half of 2018 above 24.2 million and ₦555.8 billion in the corresponding period of 2017. The rise was due to increased acceptance of mobile payments as an easier alternative.

Figure 12
Volume of Mobile Transactions
(Million)



Source: CBN

Figure 13
Value of Mobile Transactions
(₦' Billion)



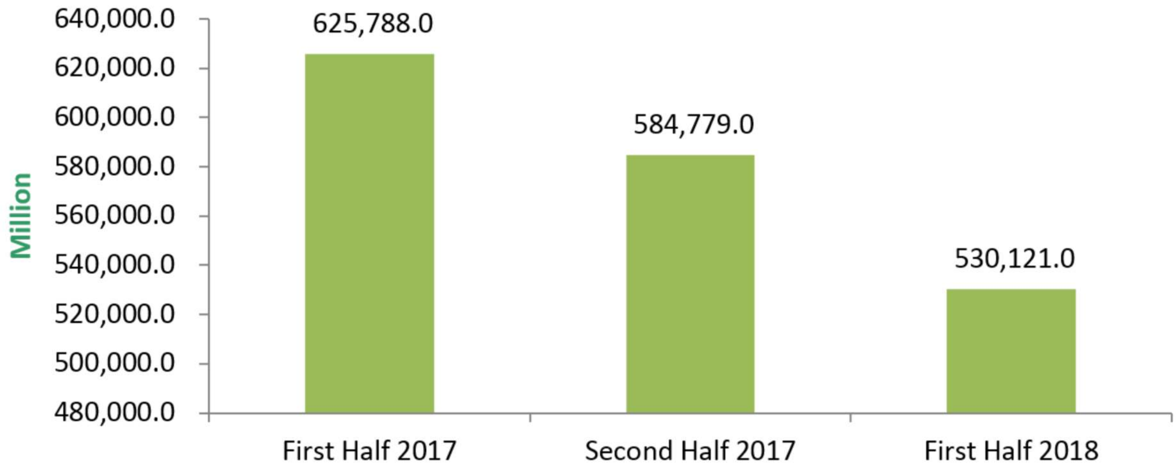
Source: CBN

2.3.3 Wholesale Payments System

2.3.3.1 Real Time Gross Settlement (RTGS) System

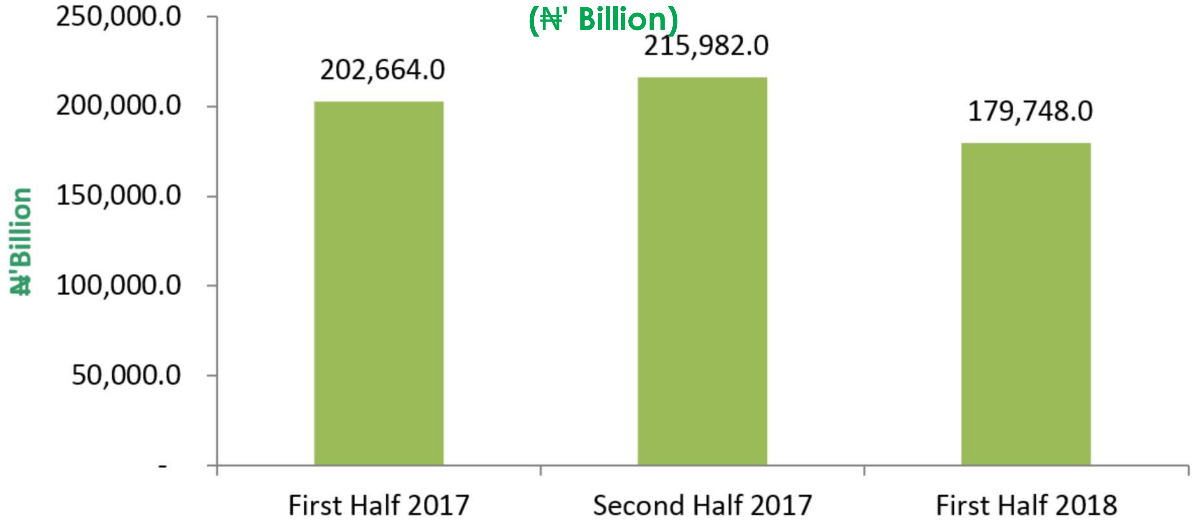
The volume and value of inter-bank transfers through the RTGS System (CBN Inter-bank Funds Transfer System - CIFTS) decreased to 530,121 and ₦179,748.0 billion, respectively, in the first half of 2018, compared with 625,788 and ₦202,664.0 billion in the corresponding period of 2017. This represented decrease of 15.3 and 11.3 per cent in volume and value, respectively.

Figure 14
Volume of RTGS Transactions (Million)



Source: CBN

Figure 15
Value of RTGS Transactions (₦' Billion)

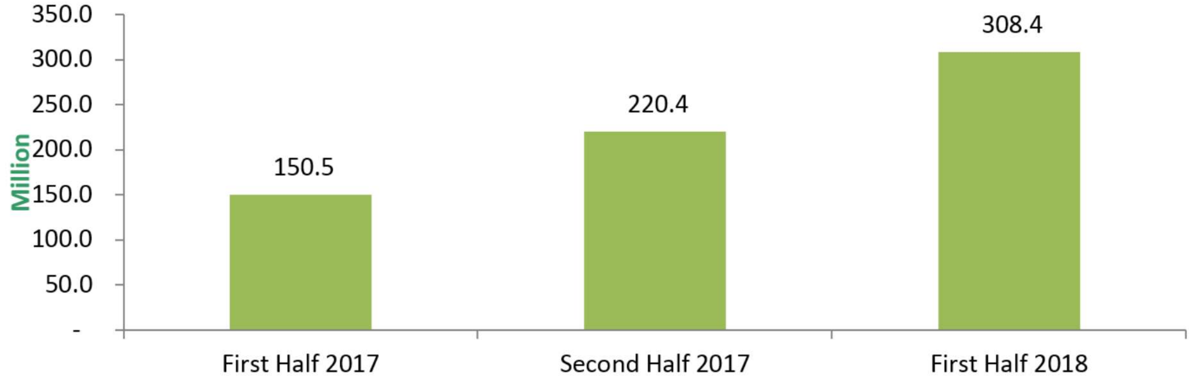


Source: CBN

2.3.3.2 Nigeria Inter-bank Settlement System Instant Payment (NIP)

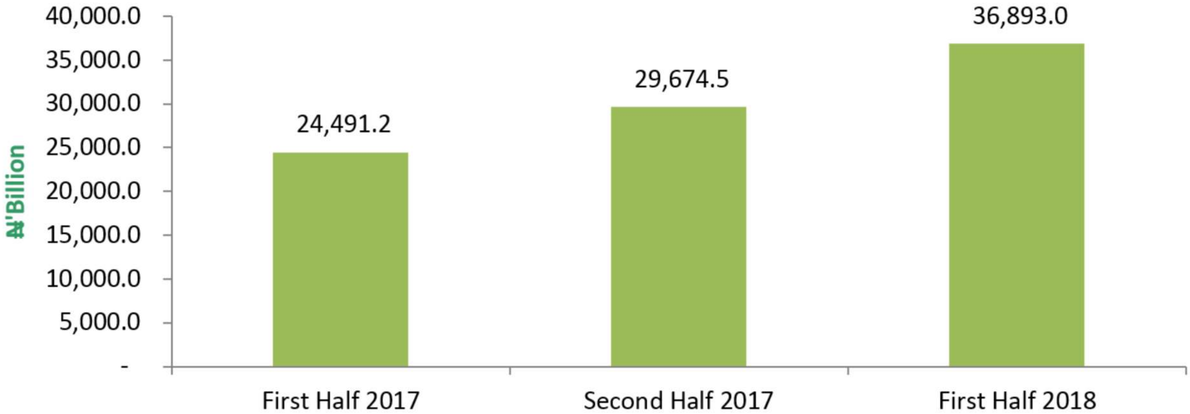
The volume and value of the NIBSS Instant Payment transactions increased to 308.4 million and ₦36,893.0 billion in the first half 2018, from 150.5 million and ₦24,491.2 billion, respectively, in the corresponding period of 2017. This indicated respective increase of 104.9 and 50.6 per cent, and was attributed to users' preference on account of its advantage of instant value.

Figure 16
Volume of NIP Transactions (Million)



Source: CBN

Figure 17
Value of NIP Transactions (₦'Billion)

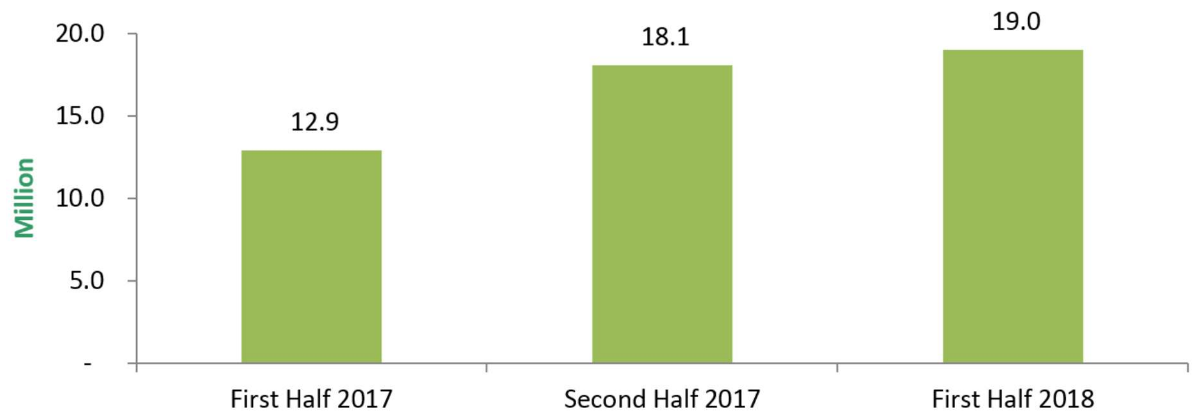


Source: CBN

2.3.3.3 NIBSS Electronic Fund Transfer (NEFT)

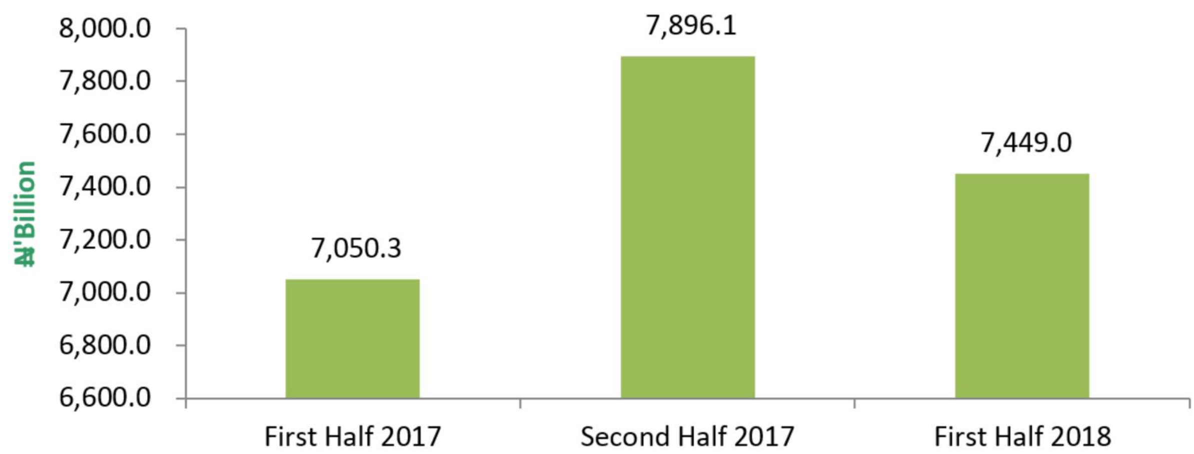
During the review period, the volume and value of NIBSS Electronic Fund Transfer increased to 19.0 million and ₦7,449.0 billion, compared with 12.9 million and ₦7,050.3 billion, respectively, in the first half of 2017. This represented respective increase of 47.3 and 5.7 per cent. The increase in the NEFT transactions was attributed to the convenience which the platform provides relative to others.

Figure 18
Volume of NEFT Transactions
(Million)



Source: CBN

Figure 19
Value of NEFT Transactions
(₦'Billion)



Source: CBN

2.3.4 CURRENCY OPERATIONS

2.3.4.1 Issuance of the Legal Tender

An aggregate indent of 3,351.34 million pieces of various denomination of banknotes was approved by the Bank to meet the currency needs of the economy for 2018, during the review period. This indicated an increase of 1,272.31 million pieces or 61.2 per cent, above the 2,079.03 million pieces of banknotes ordered in the preceding year. The entire indent was awarded to the Nigerian Security Printing and Minting (NSPM) Plc out of which 1,019.20

million pieces or 30.4 per cent of the total order was delivered by the Company in the first half of 2018. The number delivered was higher than that in the corresponding period of 2017 by 987.17 million pieces or 3.2 per cent. In addition, the Crane Currency, Sweden, delivered 22.89 million pieces, out of the outstanding one billion ₦100 centenary commemorative banknotes awarded to it in 2014. This brought the total delivery of the centenary commemorative banknotes to 992.54 million pieces or 99.2 per cent, with an outstanding of 7.46 million pieces or 0.8 per cent.

The Bank, in line with its clean note policy, sustained the implementation of efficient stock management by reducing the timeline for processing DMBs' deposits from six (6) to three (3) months with increased throughputs. This was achieved through the adoption of first-in-first-out (FIFO) processing of DMBs' deposits, as well as, the authentication of the integrity and quality of banknotes in circulation. Consequently, a total of 134,550 currency boxes, valued at ₦795.87 billion, were processed. The Bank also identified unfit banknotes and issued various denominations of clean ones, valued at ₦400.19 billion and ₦858.33 billion, respectively. In addition, the Bank discovered 59,244 pieces of counterfeit banknotes, valued at ₦45.97 billion during the period, compared with 61,752 pieces, valued at ₦49.08 billion, in the corresponding period of 2017. In the first half of 2018, the Bank issued the "Banknote Fitness Standards and Clean Note Policy", which would be officially launched in the third quarter of 2018. The Policy sets out the industry benchmark and reference guide for acceptable quality standard and creation of industry efficiency to maintain clean currency notes in circulation for use by the DMBs, other cash handlers and the general public. To incentivise the DMBs to deposit lower denomination banknotes for processing and curb the circulation of dirty notes, a 3-month window, was approved for processing at reduced fee effective January 02, 2018. During the period, the penal fee was reduced from ₦12,000 to ₦1,000 per box, but was raised slightly to ₦2,000 per box after expiration.

In addition, the Bank sustained publicity campaign to create awareness on proper handling, consequences of abuse and sale, as well as, the basic security features of the banknotes to deter counterfeiting.

As a short term measure to ensure a balanced denominational mix and enhance the ease of accessibility by end users, the Bank undertook direct disbursement of ₦200, ₦100, ₦50, ₦20 and ₦5 banknotes to market associations, retailers, merchants and toll gate points, among others. The implementation framework required DMBs to withdraw the banknotes "at no extra cost" for the identified beneficiaries, once their accounts were funded with the full cover for the exchange. Spot checks were carried out to ensure effective dispensing and judicious utilisation. The special exchange scheme, which kicked-off in Abuja, had been extended to Lagos, Kano, Enugu, Yola, Gombe, Ibadan, Onitsha and Jos at end-June 2018.

In furtherance of its effort to sustain industrialised cash management in Nigeria, the Bank registered three (3) additional CIT companies, Messrs. Technocrime Nigeria Limited, Utobras Nigeria Limited and YSY Limited during the review period. This brought the number of registered CIT and sorting companies in the Bank to eight (8) and one (1), respectively.

To ensure proper disposal of banknote waste in compliance with the Sustainable Banking Principles and Best Practice, the Bank maintained its recycling strategy for the disposal of the polymer banknote waste. A pilot run of recycling polymer waste to reusable products, such as plastic products, was carried out in some reputable cyclers' factories. The initiative would reduce the Bank's carbon foot prints. In addition, to address the concern of the public, the NSPM Plc confirmed that material used for the production of polymer banknotes were safe for both humans and the environment.

2.3.4.2 Currency-in-Circulation (CIC)

Currency-in-circulation stood at ₦1,900.67 billion at end-June 2018, comprising 5,597.60 million pieces of banknotes and 2,317.03 million pieces of coins, valued at ₦1,899.07 billion and ₦1.60 billion, respectively. This represented an increase of 1.4 per cent over the level in the corresponding period of 2017. The growth in CIC reflected increased economic activities and the expansionary fiscal policy of the government. In value term, banknotes, increased by 1.4 per cent, compared with the level in the first half of 2017, while coins remain unchanged.

In terms of composition, the combined volume of ₦5, ₦10, ₦20 and ₦50 banknotes, as share of total currency in circulation in the first half of 2018, decreased to 27.0 per cent, from 30.4 per cent in the first half of 2017. Similarly, the value dropped to 1.8 per cent, from 2.0 per cent in the corresponding period of 2017. At end-June 2018, the value of ₦200, ₦100, ₦20 and ₦10 banknotes in circulation rose by 7.2, 70.8, 6.8 and 9.1 per cent, respectively. The value of ₦1,000, ₦500, ₦50 and ₦5 denominations, however, declined by 0.2, 0.8, 24.5 and 39.8 per cent, respectively, compared with the levels in the first half of 2017. The ₦1,000 and ₦500 banknotes remained dominant with shares of 60.7 and 28.1 per cent, respectively, in value terms in the first half of 2018.

Table 5
Structure of CIC June 2014 - June 2018

	June-2014		Jun-15		Jun-16		Jun-17		Jun-18	
Coins	Volume (million)	Value (N billion)	Volume (million)	Value (N billion)	Volume (million)	Value (N billion)	Volume (million)	Value (N billion)	Volume (million)	Value (N billion)
₦2	204.37	0.41	204.37	0.41	204.36	0.41	204.37	0.41	204.37	0.41
₦ 1	736.05	0.74	736.05	0.74	736.05	0.74	736.05	0.74	736.05	0.74
50k	681.48	0.34	681.48	0.34	681.48	0.34	681.48	0.34	681.48	0.34
25k	348.25	0.09	348.25	0.087	348.25	0.087	348.25	0.087	348.25	0.087
10k	315.58	0.03	315.58	0.031	315.58	0.031	315.58	0.032	315.58	0.032
1k	31.37	0.0031	31.37	0.0031	31.37	0.0003	31.37	0.0003	31.37	0.0003
Sub Total	**2,317.10**	**1.61**	**2,317.10**	**1.61**	**2,317.09**	**1.60**	**2,317.10**	**1.60**	**2,317.10**	**1.60**
Notes										
₦1000	881.72	881.72	946.90	946.90	1,029.37	1,029.37	1,156.82	1,156.82	1,154.35	1,154.35
₦500	905.19	452.59	951.29	475.64	1,000.16	500.08	1,075.69	537.84	1,066.75	533.37
₦200	328.83	65.77	339.57	67.91	400.66	80.13	495.06	99.01	530.78	106.156
₦100	688.03	68.80	399.21	39.92	405.32	40.53	414.76	41.48	708.22	70.822
₦50	118.23	5.91	178.85	8.94	191.07	9.55	209.95	10.50	158.62	7.9308
₦20	792.49	15.85	759.01	15.18	789.55	15.79	836.76	16.74	893.46	17.87
₦10	425.32	4.25	419.58	4.20	480.67	4.81	575.08	5.75	627.27	6.27
₦5	54.26	0.27	450.22	2.25	572.39	2.86	761.21	3.81	458.16	2.29
Sub-Total	**4,194.05**	**1,495.16**	**4,444.62**	**1,560.94**	**4,869.18**	**1,683.12**	**5,525.32**	**1,871.94**	**5,597.60**	**1,899.07**
Total	**6,511.15**	**1,496.77**	**6,761.72**	**1,562.55**	**7,186.27**	**1,684.72**	**7,842.42**	**1,873.54**	**7,914.70**	**1,900.67**

Source: CBN

2.4 Financial Sector Surveillance

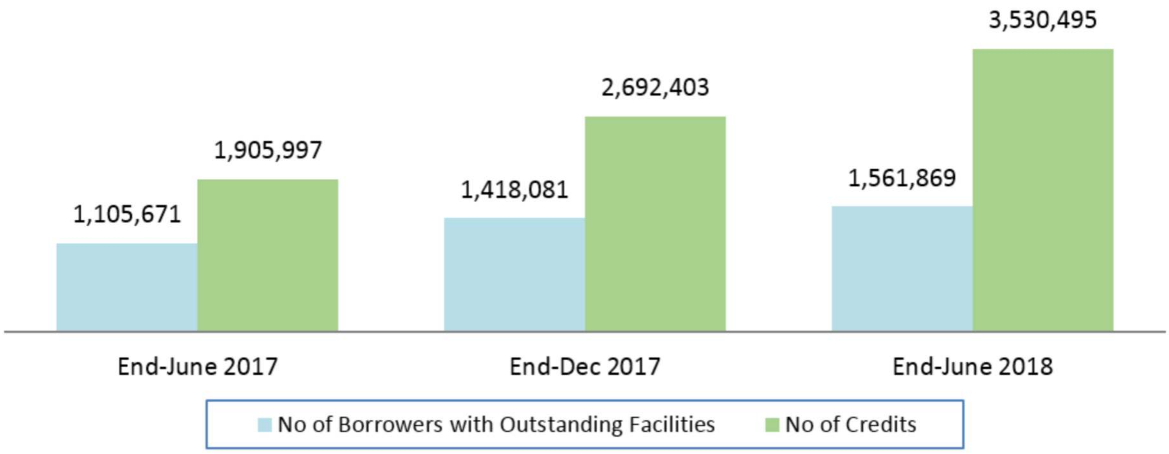
2.4.1 Banking Supervision

The CBN sustained its supervision and surveillance of the banking system in the first half of 2018, to further strengthen the safety and soundness of financial institutions. Activities of the Bank in this regard included regular off-site review of banks' returns and periodic on-site examination (special investigations and spot checks) to establish the level of compliance with the provisions of extant laws, regulations and guidelines.

The Bank also resolved the technical and business-related challenges, arising from the deployment and use of the redesigned Credit Risk Management System (CRMS). Following the progress made in the usage of the System, the Bank commenced offsite/desk review of the compliance status by banks, based on the revised guidelines.

Patronage of the CRMS improved significantly in the review period, due to increased compliance by banks on account of stricter supervision/surveillance and wider coverage, including backfilling of hitherto unreported facilities, as well as, admittance of initially-excluded investment securities. Consequently, there were 1,561,869 borrowers with outstanding facilities at end-June 2018, made up of 1,463,314 individuals and 98,555 corporates, compared with 1,418,081 and 1,105,671 borrowers, at end-December 2017 and end-June 2017, respectively. Also, the total number of credit facilities reported on the database rose to 3,530,495 at end-June 2018, compared with 2,692,403 and 1,905,997 at end-December 2017 and end-June 2017, respectively. The number comprised facilities granted to 3,064,977 individuals and 465,518 corporate borrowers.

Figure 20
Credit Risk Management System (CRMS) Statistics[1]
(End-June 2018)



Source: CBN

[1] *Figures include borrower(s) with multiple loans and/or credit lines.*

The three (3) private credit bureaux (PCB) continued to complement the CRMS in credit administration and risk management process in the industry.

2.4.2 Routine/Target Examination

The CBN and NDIC Joint Risk Asset Assessment (Target) Examination was conducted on 26 banks in the review period. The exercise was carried to ascertain the quality of risk assets and the adequacy of loan loss provisioning, as a prerequisite for the approval of the publication of 2017 annual financial statements. The examination also sought to determine the reasonableness of banks' reported profit for the 2017 financial year. The examination revealed an increase in the non-performing loans (NPLs) ratio and a marginal decline in capital adequacy ratio (CAR), due to deterioration of asset quality. The industry average CAR, however, remained above the regulatory minimum of 10.0 and 15.0 per cent for banks with national and international authorisation, respectively.

A risk-based examination of the three credit bureaux and monitoring examination of the Asset Management Corporation of Nigeria (AMCON) were also conducted in the review period. In addition, the Bank carried out monitoring/follow-up exercise on the implementation of major observations from the previous risk-based examination for banks with 'High' and 'Above Average' composite risk ratings.

2.4.3 Special/Foreign Exchange Examinations

The Bank conducted a review of foreign exchange operations of 26 banks (22 commercial and 4 merchant) in April 2018 to ascertain the level of compliance with extant foreign exchange regulations. The review covered foreign exchange activities for the period, April 1, 2017 to March 31, 2018. Major infractions observed included: non-repatriation of export proceeds within the stipulated time; dealing in high value foreign exchange transactions with multiple corporate customers yet to be on-boarded on the FMDQ Advised Trading and Surveillance System; and rendition of inaccurate returns. Others were non-compliance with approved net foreign currency trading position, foreign trade documentation lapses and general failure to comply with regulations.

2.4.4 Banking Sector Soundness

The health of banks improved in the review period, following the sustained recovery in macroeconomic conditions, including declining inflation, stable exchange rate and gradual upswing in the real economy. At end-June 2018, the industry average capital adequacy ratio (CAR) was 12.08 per cent, compared with 10.23 per cent and 11.51 per cent at end-December 2017 and end-June 2017, respectively. The development reflected the increase in banks' total qualifying capital. The industry threshold, however, remained at 15.0 per cent for banks with international authorisation and 10.0 per cent for banks with either national or regional authorisation.

Asset quality of the banking industry, measured by the ratio of non-performing loans to total loans (NPL ratio) fell to 12.45 per cent at end-June 2018, compared with 14.80 per cent and 15.02 per cent at end-December 2017 and end-June 2017, respectively. At this level, the ratio, remained above the regulatory threshold of 5.0 per cent. The decrease in the NPL ratio reflected the effect of the favourable macroeconomic conditions and stricter prudential regulation. To further consolidate on the improvement, the CBN directed banks to intensify efforts at debt recovery, realisation of collateral for lost facilities and strengthening their risk management processes. Loan loss provision was 75.74 per cent at end-June 2018, as against 80.4 per cent in the corresponding period of 2017.

The industry liquidity ratio increased to 46.09 per cent at the end of the first half of 2018, from 45.8 per cent at end-June 2017, reflecting the rise in the stock of liquid assets held by banks. With the exception of three (3) commercial banks, all others met the minimum regulatory liquidity ratios of: 30.0 per cent for commercial banks; 20.0 per cent for merchant banks; and 10.0 per cent for non-interest banks, at end-June 2018.

2.4.5 Banks' Compliance with the Code of Corporate Governance

The CBN continued its oversight of the corporate governance regime in Nigerian banks in the review period, to ensure compliance with the provisions of the Corporate Governance Framework. To that end, a pilot on-site corporate governance examination, based on a scorecard developed by the CBN, was scheduled for the second half of 2018.

2.4.6 Financial Crimes Surveillance/Anti- Money Laundering/Combating the Financing of Terrorism (AML/CFT)

The Bank conducted an AML/CFT risk management examination of all reporting banks in the first half of 2018. The exercise, which covered the period May 1, 2017 to March 31, 2018, was carried out at the Head offices of the banks, while spot checks were conducted on two selected Lagos branches of the banks. The examination focused on determining the appropriateness and adequacy of the banks' AML/CFT risk management practices, regarding suspicious and foreign transactions reporting, transactions involving politically-exposed persons, as well as, employee training and enhanced due diligence, among others. Overall, there was a general improvement in the AML/CFT regime in many banks, particularly the process for independent verification of identification through interface with the relevant issuing agencies. Certain deficiencies, however, existed across banks in the following specific areas:

- Non-conduct or inadequacy of enhanced due diligence (EDD) on high risk customers, though improvement in the conduct of due diligence in the review period was observed;
- Non-automation of collation and reporting of foreign currency, suspicious transactions, and non-subjection of the AML/CFT software in some banks to independent testing to determine their efficacy;
- The rise of AML/CFT Manuals in some banks, which did not highlight policies to address specific issues, such as virtual currencies, among others;
- Inadequate internal control oversight over compliance, as recommended by the Financial Action Task Force (FATF) and required by the CBN AML/CFT regulations; and
- Existence of AML/CFT knowledge gap in many banks, as well as the inability of some banks to provide satisfactory evidence of conducting the required training.

In the review period, the CBN issued the AML/CFT Administrative Sanctions Regulation 2018, to provide administrative sanctions and penalties for contravention of AML/CFT laws, regulations and internal policies of financial institutions. To facilitate understanding of the provisions therein, particularly infractions and penalties, as well as, examiners' expectations, a workshop was organised by the Association of Chief Compliance Officers of Nigerian Banks.

Furthermore, as part of effort to enhance the AML/CFT Risk-Based Supervision (RBS) process, the Bank conducted a training session for on-site examiners and organised a sensitisation workshop for staff of banks on the newly developed AML/CFT RBS template.

2.4.7 Cross-Border Activities

Following the divestment by the Diamond Bank Nigeria Plc. from the Diamond Bank UK Limited, the number of approved foreign subsidiaries of Nigerian banks fell to 54 in the first half of 2018, from 55 at end-December 2017. The number of representative offices of Nigerian banks abroad remain unchanged at six (6), while, the two (2) representative offices of foreign banks in Nigeria (HSBC and UBS) were closed, bringing the number of representative offices of foreign banks to eight (8) at end-June 2018.

A joint examination of one (1) offshore bank subsidiary was carried out in the first half of 2018, in collaboration with the Bank of The Gambia. Also, the Bank, in collaboration with the host supervisors, conducted the routine examination of some Nigerian banks' foreign subsidiaries. Furthermore, on-site target examination was conducted on three other offshore bank subsidiaries. There was, however, no solo on-site examination of Nigerian bank subsidiary in the review period. Reports of the examinations were being finalised.

The CBN attended the conference of the Community of African Banking Supervisors (CABS), held at Cape Town, South Africa, from June 25 -26, 2018. The Conference, jointly organised by CABS, the Technical Group of the Association of African Central Banks (AACB) and the Partnership for Making Finance Work for Africa (MFW4A), focused on strengthening the regulatory and supervisory framework for banks in Africa.

In addition, a seminar on risk-based supervision and Basel II/III for the Committee of Banking Supervisors of West & Central Africa (CBSWCA) was hosted by the CBN from May 7 – 18, 2018. The Seminar was organised to facilitate the harmonisation of supervisory practices, including RBS methodology and assessment of the transition to Basel II and III by member-countries. Similarly, pursuant to a subsisting memorandum of understanding, supervisors from the Bank of Uganda were hosted to understudy the AML/CFT supervisory process in the CBN. The exercise was also organised within the purview of international cooperation as recommendation by the Financial Action Task Force (FATF). Highlights of the sessions included: review of the CBN's regulations, policies and surveillance procedures; presentations on the CBN's initiatives for the advancement of the AML/CFT regime in banks; on-site examination of the branches of a Nigerian bank; and a review of the report writing process.

2.4.8 Update on Basel II/III Implementation

In the review period, the Bank sustained the implementation of various initiatives to facilitate and ensure successful adoption of Basel II/III standards. The initiatives included the:

- Review of banks' regulatory capital assessment (Internal Capital Adequacy Assessment Process - ICAAP) to ensure that computation of the reported minimum regulatory capital by banks was done in a consistent manner;
- Regular assessment of banks' strategies for taking on risk and review of the sufficiency of capital;
- Implementation of guidelines on interest rate, concentration and reputational risks in banks' books, business models and stress testing, to ensure that pillar 2 risks capital assessment was carried out in a robust and comprehensive manner, and improve the overall quality of the ICAAP; and
- Monitoring regular qualitative and quantitative disclosure by banks on core activities, risk profile and methodologies to ensure market discipline.

2.4.9 Fraud and Forgery

There were 20,768 reported cases of fraud and forgery (attempted and successful), valued at ₦19.77 billion in the review period, compared with 16,762 cases, involving ₦5.52 billion and US$ 0.12 million in the corresponding period of 2017. The actual loss by banks to fraud and forgery, however, amounted to ₦12.06 billion, compared with the ₦0.78 billion and US$0.03 million, suffered in the first half of 2017. The reported fraud and forgery incidences were perpetrated by both bank staff and non-bank culprits. The cases involved armed robbery attacks, fraudulent ATM withdrawals, defalcation, illegal funds transfer, pilfering of cash, stealing, suppression and conversion of customers' deposits.

2.4.10 Consumer Protection

The Bank received 1,439 complaints from consumers of financial services in the first half of 2018, compared with the 1,141 in the corresponding period of 2017. The complaints were, mainly, in respect of excess charges, frauds, dishonoured guarantees and unauthorised deductions/ transfers, among others. A total of 2,451 complaints, including those outstanding from 2017, were resolved in the review period, compared with 1,270 complaints resolved in the corresponding period of 2017.

Total claims in the review period in local and foreign currencies amounted to ₦20.5 billion, US$163,479.00, £2,889.98 and €32.82, compared with ₦14.72 billion, US$2.42 million and €6,940.00, in the corresponding period of 2017. The sum of ₦6.80 billion, US$119,349, £2,889.98 and €32.82 were refunded by financial institutions to their customers, compared with the sum of ₦7.21 billion, US$2.40 million and €6,940.00, refunded in the corresponding period of 2017.

Compliance examination was conducted on 21 banks in the first half of 2018, to ascertain their level of compliance with consumer protection regulations particularly the Guide to Charges by Banks and Other Financial Institutions (GCBOFI). The exercise revealed 100.0 per cent compliance in the areas of outward telegraph/SWIFT and related charges of 0.5 per cent, current account maintenance fee charges on savings account and validation of refunds. Compliance levels in other areas were: interest rate on executed offer letters (95.3%); directives issued after the last examination and other directives (90.0%); application of SMS charges (52.4%); and outstanding complaints (22.6%). Overall, the examination revealed improvement in the compliance level in most areas, while the CBN directed banks to implement specific remedial actions, including refunds to customers, where applicable, in areas of non-compliance.

As part of effort to further improve market conduct, the Bank developed and exposed the Guidelines on Complaints Management to stakeholders in the review period. Comments and recommendations were being implemented, following which the Guidelines would be finalised. In a related development, the World Bank conducted a 2-week workshop for staff of the CBN on market conduct supervision and complaints handling, as part of its Technical Assistance Programme on the implementation of the Consumer Protection Framework.

2.4.11 Financial Literacy

The Bank, in collaboration with the German Agency for International Development (GIZ) and the Federal Ministry of Youths and Sports, carried out an evaluation of the NYSC Peer Educator Programme in the review period. The exercise focused on identifying the successes, challenges and lessons, as well as, eliciting feedback on the programme. Following the exercise, the Bank initiated a review of the model to leverage on the gains, address highlighted implementation challenges and improve the overall effectiveness of the programme. A questionnaire was subsequently developed for the evaluation of the next phase. Similarly, the Bank collaborated with the GIZ to review the status of all the financial literacy initiatives. Consequently, the relevant next-steps were articulated on the implementation of the national financial literacy and targeted financial education programmes, and the financial education curriculum for basic and senior secondary schools.

In addition, a targeted financial literacy education programme was conducted for micro, small and medium enterprises (MSMEs) and farmers in four (4) states, namely; Delta, Ebonyi, Niger and Osun. The objective of the exercise was to make participants "master trainers" to ensure quicker and deeper penetration of financial literacy initiatives. A total of 136 participants were trained across different groups in the states.

The Bank, in conjunction with other stakeholders, coordinated activities to commemorate the 2018 Global Money Week. The event, with the theme "Money Matters", was marked with a school outreach and mentoring programme held in Akwa-Ibom, Ebonyi, Jigawa, Kogi, Osun and Taraba states, as well as, the Federal Capital Territory. A total of 729 children, from 8 public schools, were engaged during the exercise. Also, the Bank collaborated with the Bankers' Committee sub-committee on the implementation of the School Mentoring Programme in the 36 states of the Federation.

Other activities by the Bank, in furtherance of the financial literacy objectives, included:

- Train-the-trainer session for 35 academic staff of the Bayero University, Kano, supported by the International Institute of Islamic Banking and Finance, and aimed at facilitating achievement of the objectives of the National Financial Literacy Framework (NFLF) on MSMEs and farmers;

- Delivery of 62,000 copies of consumer protection and financial education materials to CBN branches in Awka, Bauchi, Yola, Ibadan, Calabar and Port Harcourt, for onward distribution to customers and the general public; and
- Collaboration with the Nigeria Educational Research and Development Council (NERDC) to train teachers for the pilot phase of the programme on the Teaching of the Financial Education Curriculum to students in Primary and Secondary Schools.

2.4.12 Examination of Other Financial Institutions

The Bank conducted routine examinations of 319 Other Financial Institutions (OFIs) in the first half of 2018. Examination of six (6), out of the seven (7) licensed development finance institutions (DFIs), revealed that the Composite Risk Rating for four (4) institutions was "High", one (1), "Above Average" and one (1), "Low". Similarly, routine risk-based examination of 224 microfinance banks (MFBs) was conducted in the review period. The report showed that: 182 MFBs met the required 20.0 per cent minimum liquidity ratio; 124 MFBs met the required capital adequacy ratio of 10.0 per cent; and 24 MFBs satisfied the 5.0 per cent stipulated maximum for portfolio-at-risk. Some of the regulatory interventions to address the challenges identified included:

- Stipulation of deadline for the recovery of non-performing insider-related credit;
- Directive for injection of fresh capital;
- Interim prohibition on opening of new branches; and
- Implementation of CBN's zero tolerance for infractions, through closer and intense supervision, to instill market discipline.

In addition, on-site examination of 89 Bureaux-de-Change (BDCs) during the review period revealed the following lapses:

- Failure to maintain basic accounting records for the preparation of financial statements;
- Non-submission of annual audited accounts to the CBN;
- Poor AML/CFT regime and low compliance;
- Failure to maintain proper records of purchases and sales of foreign exchange;
- Non-rendition of periodic returns to the CBN;

- Relocation of business address without approval; and
- Use of the same international passport number and visa by two or more customers.

Various sanctions and monetary penalties were imposed on erring operators for the infractions.

The Bank held a meeting with the Association of Bureaux-De-Change Operators of Nigeria (ABCON) to discuss issues highlighted in the report of spot checks on selected BDCs by the NFIU in February 2018 and to ascertain their compliance level with AML/CFT laws. In addition, the Bank issued a letter to all BDCs directing them to submit audited annual accounts as required by the regulation.

2.5 Foreign Exchange Market and Management

In the first half of 2018, the Bank sustained its intervention at the interbank and BDC segments, to engender stability in the foreign exchange market. The Bank, in agreement with the Banker's Committee, abolished commission charges on invisible foreign exchange transactions such as Business Travel Allowance (BTA), Personal Travel Allowance (PTA), and medical & school fees. The Bank also increased the frequency of foreign exchange cash sales to BDCs from twice to thrice per week, and adjusted the selling rate, downward to ₦357.00/US$. To boost liquidity and facilitate trade and investment, the Bank on April 27, 2018, signed a 3-year bilateral currency swap agreement with the Peoples Bank of China (PBoC) worth Chinese Yuan (CNY) 15.0 billon - equivalent to ₦720.0 billon or US$2.5 billion.

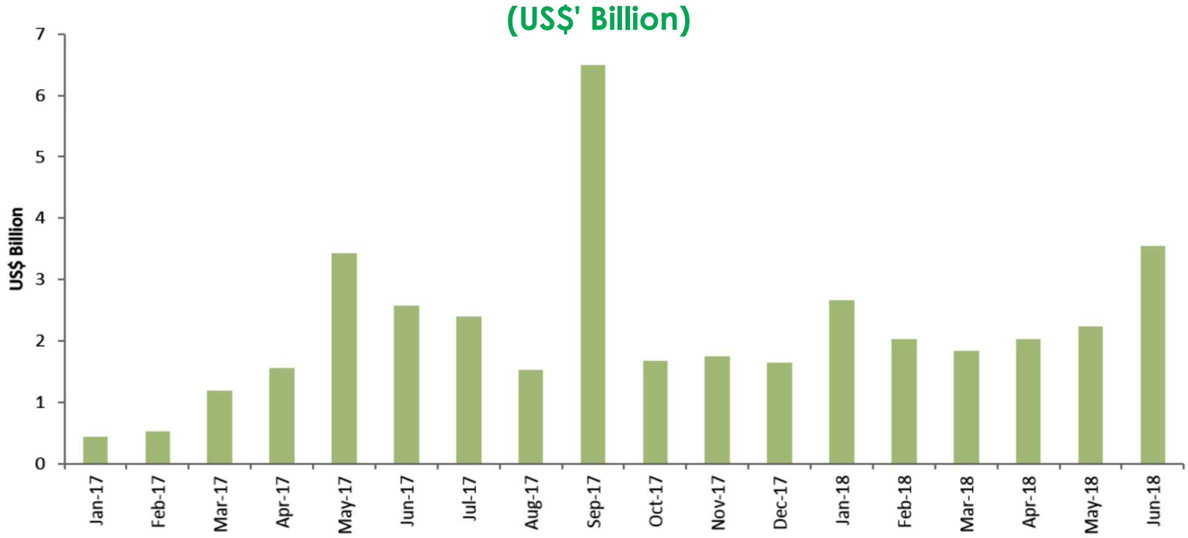
2.5.1 Spot Transactions in the Foreign Exchange Market

Aggregate foreign exchange supply by the Bank to the inter-bank and BDC segments amounted to US$3.20 billion and US$3.17 billion in the review period, respectively, compared with US$4.01 billion and US$1.20 billion, in the corresponding period of 2017. This showed a decrease of 20.2 per cent in total sales to the interbank, but an increase of 163.4 per cent to the BDC segment, relative to the levels in the corresponding period of 2017. The significant increase in BDC sales, reflected the Bank's policy to increase the supply of foreign exchange to small end-user.

2.5.2 Forwards and Swaps Transactions

In the first half of 2018, the Bank undertook swaps transactions valued at US$2.33 billion, relative to US$0.19 billion and US$0.20 billion in the second and first halves of 2017, respectively. This accounted for 15.1 per cent of total supply of foreign exchange. Forwards contracts disbursed at maturity amounted to US$6.77 billion, and accounted for 43.8 per cent of the total, compared with US$4.43 billion and US$2.80 billion in the second and first halves of 2017, respectively.

Figure 21
Supply of Foreign Exchange
(US$' Billion)



Source: CBN

2.5.3 Exchange Rate Movements

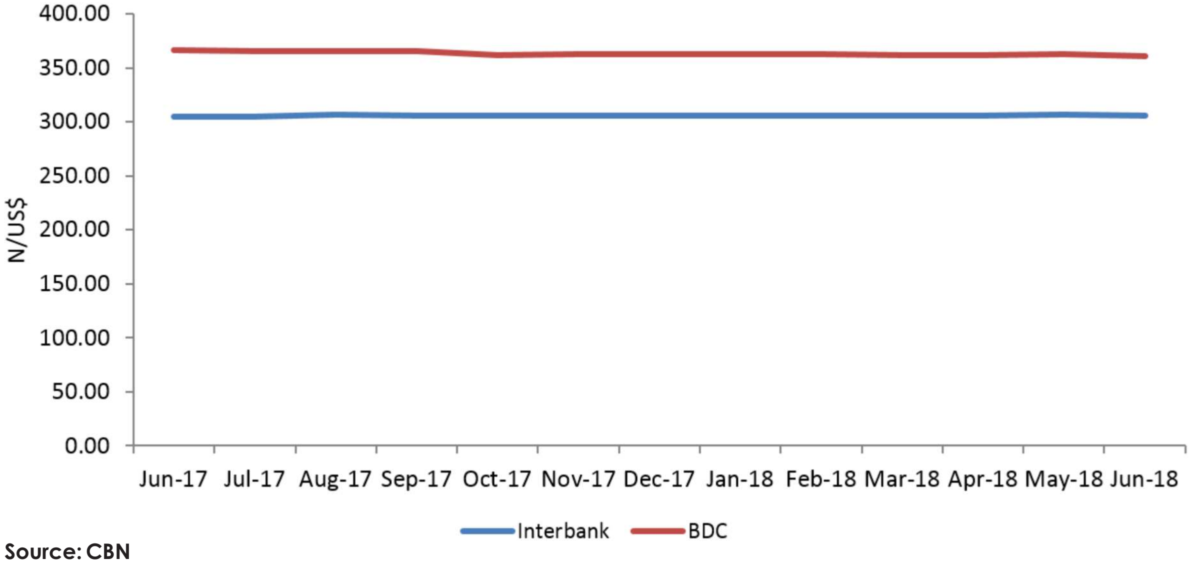
The exchange rate of the naira to the US dollar in the first half of 2018 remained stable at the inter-bank and BDC segments of the foreign exchange market. The development was attributed to increased intervention by the Bank and activities at the Investors' & Exporters' (I&E) window, which boosted liquidity, dampened demand pressure and enhanced confidence in the market.

2.5.3.1 Spot Exchange Rates

The average exchange rate of the naira to the US dollar at the inter-bank segment was ₦305.79/US$, indicating an appreciation of 0.03 per cent, above the level in the preceding period, but a depreciation of 0.03 per cent, compared with the level in the first half of 2017. At the BDC segment, the average exchange rate of the naira appreciated by 0.5 per cent to ₦362.25/US$, compared with 17.5 per cent in the corresponding period of 2017. At the I&E window, the average exchange rate was ₦360.61/US$, showing an appreciation of 0.2 and 4.5 per cent, respectively, above the levels in the preceding and corresponding period of 2017. Consequently, the premium between the average interbank and BDC rates narrowed to 18.5 per cent, in the first half of 2018, from 19.0 per cent in the second half of 2017. Similarly, the premium between the average I&E and the BDC rates narrowed to 0.5 per cent in the first half of 2018, from 0.7 per cent in the second half of 2017.

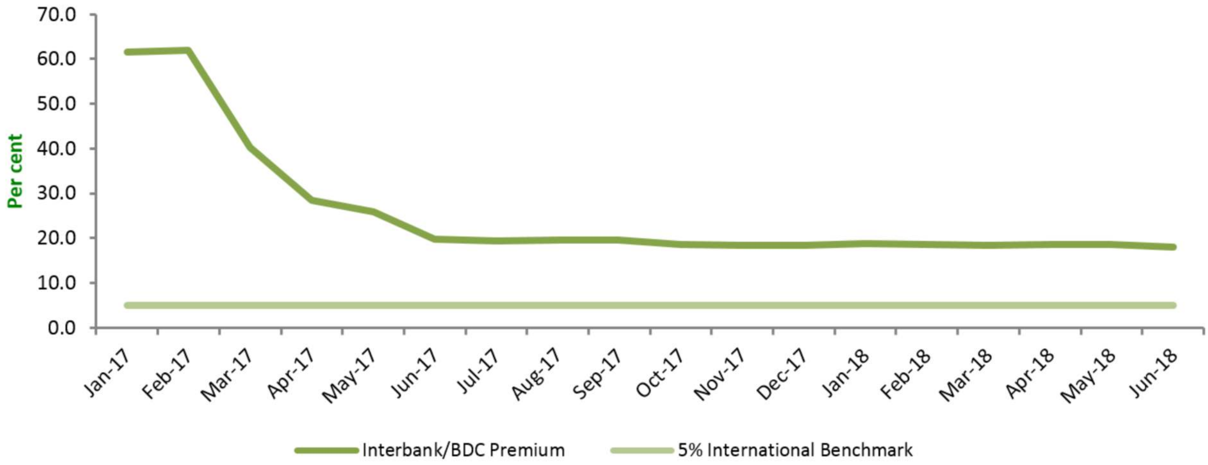
The end-period exchange rate of the naira to the US dollar at the inter-bank segment was ₦305.75/US$, compared with ₦306.00/US$ at end-December 2017 and ₦305.90/US$ at end-June 2017. At the BDC segment, the naira closed at ₦360.50/US$, relative to ₦363.00/US$ at end-December 2017 and ₦366.00/US$ at end-June 2017, following the Bank's downward adjustment of the selling rate to BDCs. At the I&E window, the exchange rate was ₦361.32/US$ at end-June 2018, compared with ₦360.33/US$ at end-December 2017 and ₦366.44/US$ at end-June 2017.

Figure 22
Exchange Rate Movements
(First Half 2017 – First Half 2018)
(N/US$)



Source: CBN

Figure 23
Interbank/Bureau-de-Change Foreign Exchange (₦/US$) Premium (Per cent)



Source: CBN

2.5.4 Foreign Exchange Flows

Aggregate foreign exchange inflow into the economy in the first half of 2018 was US$65.84 billion, indicating an increase of 15.4 and 87.9 per cent above the levels in the second and first halves of 2017, respectively. Of the total, inflow through autonomous sources accounted for 53.6 per cent, while that through the CBN accounted for 46.4 per cent. Foreign exchange inflow through autonomous sources, at US$35.30 billion in the first half of 2018, increased by 14.5 and 85.7 per cent, compared with US$30.84 billion and US$19.01 billion, respectively, in the second and first halves of 2017. The increase was driven, largely, by improvement in non-oil export receipts and invisible purchases, above their levels in the preceding and corresponding period of 2017.

A disaggregation of the inflow through autonomous sources showed that: invisible purchases was US$33.19 billion; non-oil export receipts, US$2.08 billion; and external account purchases, US$0.02 billion. Of the invisible purchases, ordinary domiciliary accounts amounted to US$9.55 billion, and total over-the-counter (OTC) purchase was US$23.64 billion. A further breakdown of the OTC purchases revealed that: capital importation was US$11.71 billion; purchases by banks from oil companies, US$0.04 billion; home remittances, US$0.91 billion; and other purchases, US$10.91 billion.

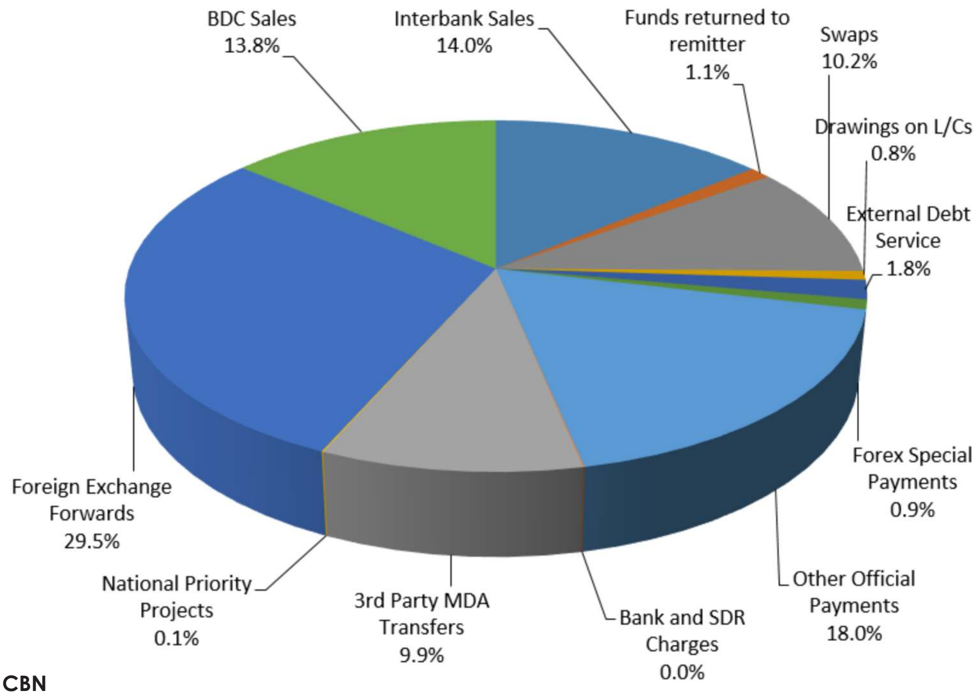
Foreign exchange inflow through the CBN amounted to US$30.54 billion, an increase of 16.4 and 90.6 per cent, above the levels in the second and first halves of 2017. A further analysis of foreign exchange inflow through the Bank, indicated that crude oil receipts, at US$7.13 billion, rose by 20.0 and 60.7 per cent, respectively, over the levels in the second and first halves of 2017. Non-oil receipts through the Bank increased by 15.4 and 102.0 per cent to US$23.41 billion, above the respective levels in the preceding and the corresponding period of 2017. The development was due, largely, to: increase in proceeds from government debt instruments at US$2.50 billion; interbank swaps, US$3.33 billion; and foreign exchange purchases, US$7.16 billion. A further breakdown of non-oil inflow through the CBN indicated that the TSA and third party receipts amounted to US$4.19 billion; other official receipts, US$1.62 billion; and DMBs cash receipts, US$1.55 billion. Others were: unutilised funds, US$1.03 billion; returned payments (Wired/Cash), US$0.91 billion; unutilised IMTO receipts, US$0.81 billion; and interest on reserves and investments, US$0.32 billion.

Aggregate foreign exchange outflow from the economy rose by 28.8 and 79.9 per cent to US$24.90 billion, above the levels in the second and first halves of 2017, respectively. Aggregate outflow through autonomous sources was US$1.99 billion, driven, mainly, by invisible import at US$1.79 billion, while visible import amounted to US$0.20 billion. These accounted for 89.9 and 10.1 per cent, respectively, of total outflow through autonomous sources. Foreign exchange outflow through the CBN at US$22.94 billion, showed an increase of 29.5 and 79.9 per cent, above the levels in the second and first halves of 2017, respectively. This was attributed majorly to increased interventions in the interbank and BDC segments of the foreign exchange market.

A disaggregation of the total outflow through the Bank indicated that, interbank utilisation amounted to US$15.47 billion or 67.4 per cent; other official payments, US$4.13 billion; and outflow through 3rd party MDA transfers, US$2.26 billion. External debt service was US$0.41 billion; drawings on letters of credit (L/Cs), US$0.19 billion; foreign exchange special payment, US$0.21 billion; and funds returned to remitter, US$0.25 billion. Bank and SDR charges amounted to US$0.01 billion, while national priority projects stood at US$0.01 billion.

Foreign exchange market utilisation comprised: foreign exchange forwards, US$6.77 billion (29.5%); inter-bank sales, US$3.20 billion (14.0%); BDC sales, US$3.17 billion (13.8%); and swaps, US$2.33 billion (10.2%). Outflow, in respect of 'Other' official payments, at US$4.13 billion, rose by 4.2 and 180.2 per cent above the respective levels in the preceding and corresponding period of 2017. It comprised Joint Venture Cash (JVC) calls, US$1.38 billion; estacodes, US$0.14 billion; and miscellaneous, US$2.62 billion.

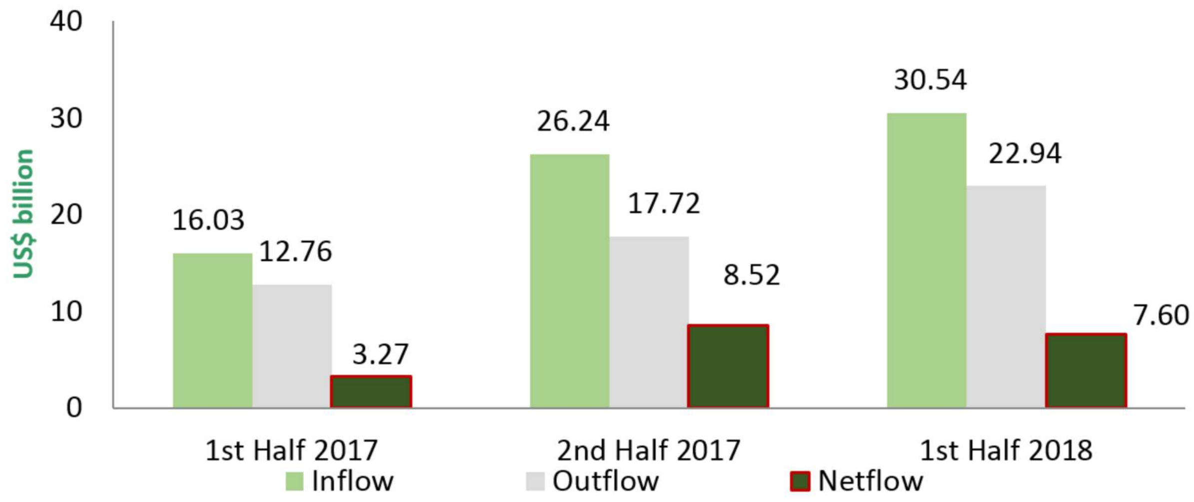
Figure 24
Foreign Exchange Disbursements through the CBN (First Half 2018)



Source: CBN

Foreign exchange flows through the Bank recorded a net inflow of US$7.60 billion in the first half of 2018, relative to US$8.52 billion and US$3.27 billion, in the second and first halves of 2017, respectively. Foreign exchange transactions through autonomous sources also registered a net inflow of US$33.31 billion in the review period, above the levels in the preceding and corresponding period of 2017. Overall, foreign exchange flows recorded a higher net inflow of US$40.91 billion, compared with US$37.72 billion and US$21.18 billion, in the second and first halves of 2017, respectively.

Figure 25
Foreign Exchange Transactions through the CBN
(First Half 2018, US$' Billion)



Source: CBN

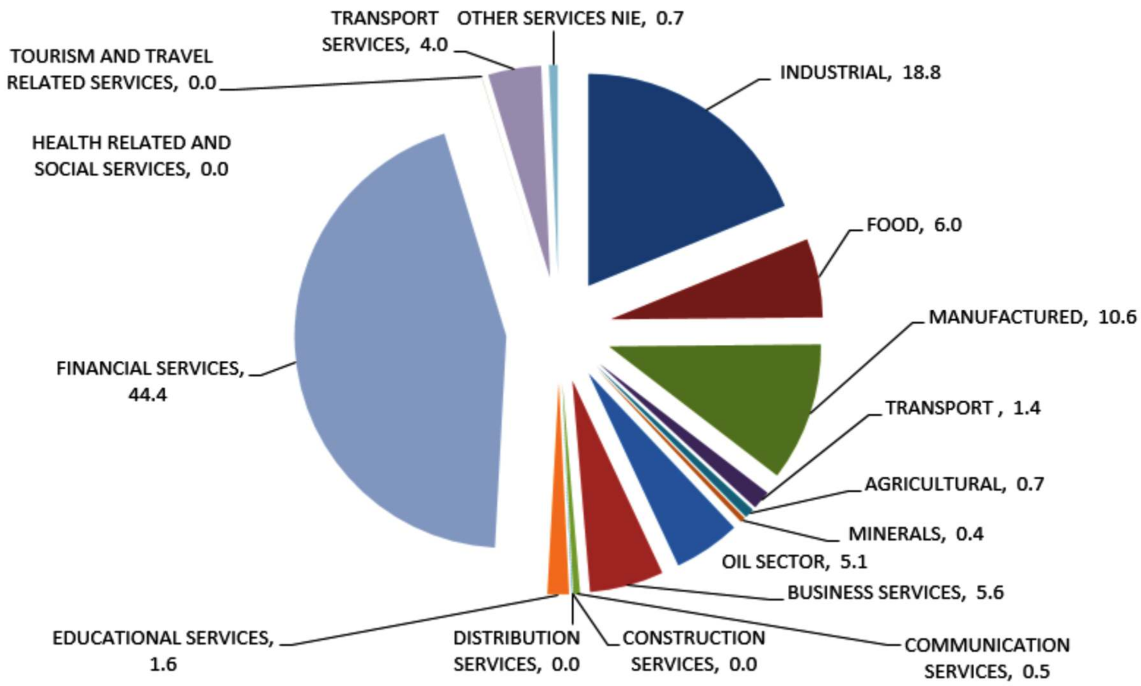
2.5.5. Sectoral Utilisation of Foreign Exchange

Aggregate sectoral utilisation of foreign exchange in the first half of 2018 at US$17.64 billion, showed an improvement of 15.6 and 46.3 per cent, compared with the levels in the preceding and corresponding period of 2017, respectively. A disaggregation showed that, visible import contracted, slightly, by 1.4 per cent to US$7.59 billion, relative to the level in the second half of 2017. It, however, rose by 3.1 per cent, compared with the corresponding period of 2017. Foreign exchange utilised for invisible import increased by 33.0 and 114.0 per cent, to US$10.05 billion, relative to the levels in the second and first halves of 2017, respectively. Invisible import accounted for 57.0 per cent of total, while visible import accounted for the balance.

Analysis of foreign exchange utilised for visible import showed that the industrial sector import was US$3.32 billion, a decline of 8.3 per cent below its level in the preceding period. Food products, manufactured products, transport and minerals sub-sectors accounted for US$1.06 billion, US$1.87 billion, US$0.25 billion and US$0.07 billion, and represented increase of 24.0, 60.5, 28.9 and 61.8 per cent, above the levels in the preceding period of 2017, respectively. However, foreign exchange utilised in the agricultural and oil sectors declined by 21.4 and 46.0 per cent to US$0.13 billion and US$0.89 billion, below their levels in the second half of 2017, respectively. In terms of contribution, the share of the industrial sector was 18.8 per cent, followed by manufacturing sector and food products with 10.6 and 6.0 per cent, respectively. Oil and transport sectors constituted 5.1 and 1.4 per cent, respectively, in the review period.

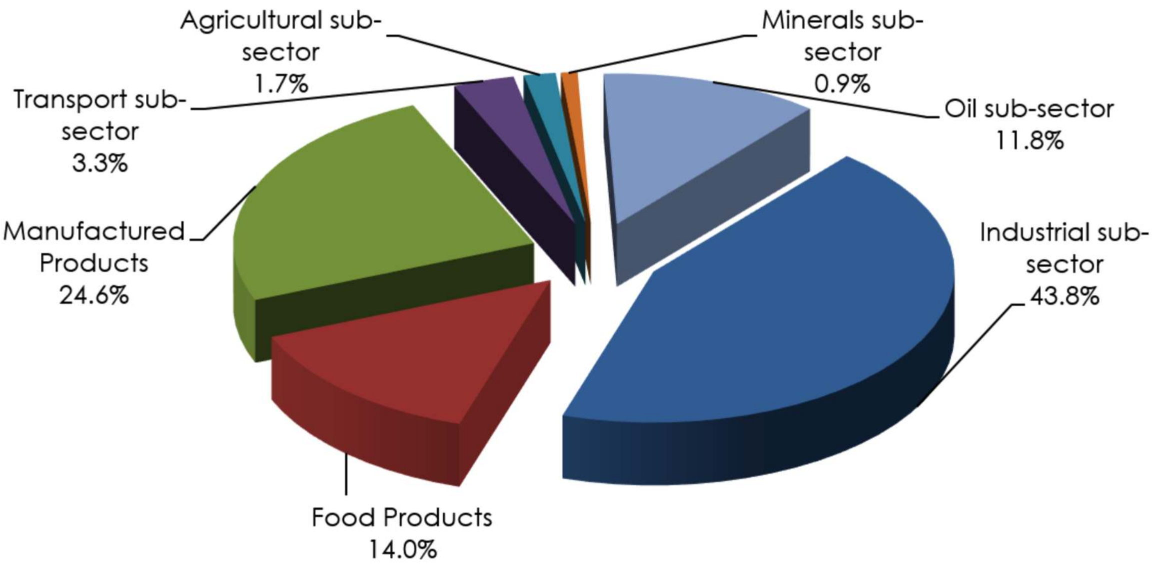
A breakdown of foreign exchange utilised for invisibles showed that business, education, financial, and transport services rose by 46.3, 0.4, 44.7, and 27.4 per cent to US$0.99 billion, US$0.29 billion, US$7.83 billion, and US$0.71 billion, respectively, compared with the levels in the second half of 2017. Foreign exchange utilised on communications decreased by 15.3 per cent to US$0.09 billion, relative to the preceding period. Distribution and "other services" also decreased by 73.1 and 71.4 per cent to US$0.01 billion, apiece, relative to the preceding period. In terms of contribution, the share of financial services was highest at 44.4 per cent, followed by business services, 5.6 per cent; transport services, 4.0 per cent; education services, 1.6 per cent; and communication services 0.5 per cent.

Figure 26
Sectoral Utilisation of Foreign Exchange
(First Half 2018)



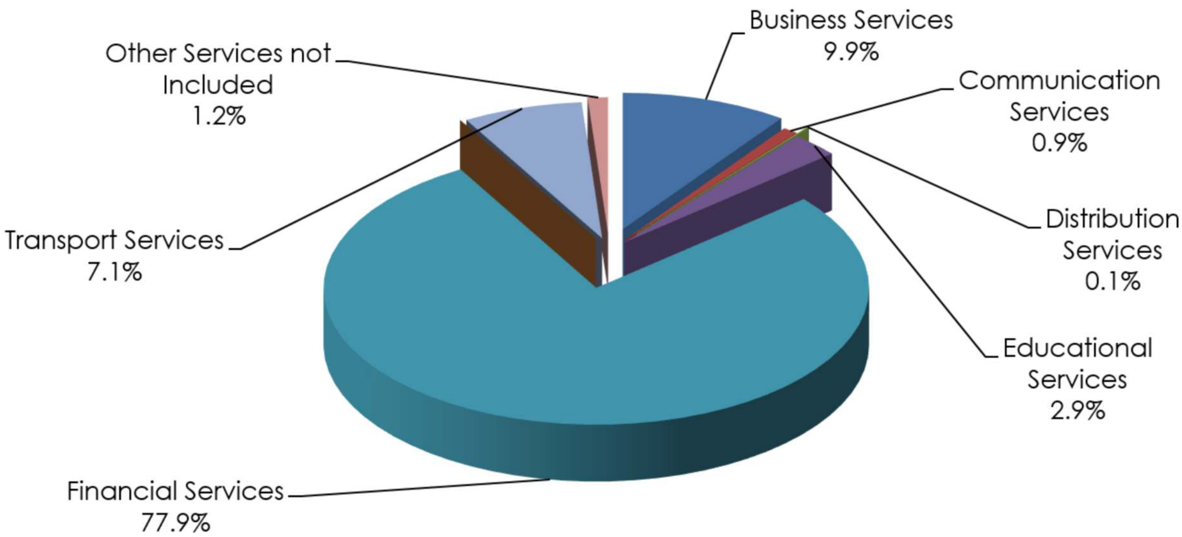
Source: CBN

Figure 27a
Sectoral Utilisation of Foreign Exchange (Visibles)
(First Half 2018)



Source: CBN

Figure 27b
Sectoral Utilisation of Foreign Exchange (Invisibles)
(First Half 2018)



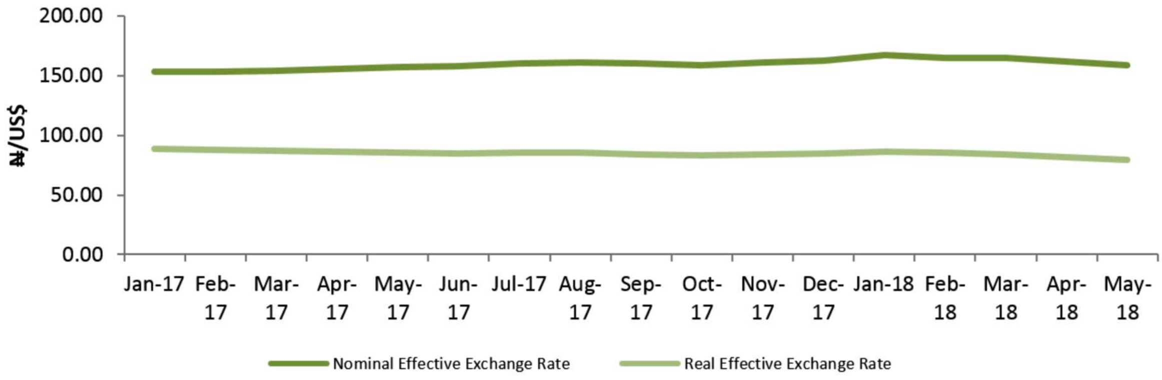
Source: CBN

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

The average 13-currency Nominal Effective Exchange Rate (NEER) index in the review period was 163.68, an increase of 1.8 and 5.4 per cent, relative to the levels in the second and first halves of 2017. This implied that the naira weakened against the currencies of major trading partners. The average Real

Effective Exchange Rate (REER) index, which measures external competitiveness, was 83.41; a decline of 1.2 and 3.9 per cent, compared with the respective levels in the preceding and corresponding period of 2017. This signified a deterioration in Nigeria's external trade competiveness on account of high domestic inflation relative to that of major trading partners.

Figure 28
Nominal Effective Exchange Rate (NEER) and Real Effective Exchange Rate (REER) January 2017 – May 2018



Source: CBN

Table 6
Nominal and the Real Effective Exchange Rate Indices (November 2009=100)

2017	Nominal Effective Exchange Rate (NEER)	Real Effective Exchange Rate (REER)
Jan	153.29	88.75
Feb	153.33	87.71
Mar	154.54	87.03
Apr	155.84	86.62
May	156.95	85.71
Jun	157.92	84.95
Jul	160.61	85.56
Aug	161.37	85.42
Sep	160.32	84.33
Oct	159.05	83.23
Nov	160.9	83.73
Dec	162.74	84.39
2018		
Jan	167.13	86.12
Feb	165.02	85.31
Mar	165.35	84.12
Apr	162.03	81.93
May	158.85	79.56
Jun	153.29**	88.75**

Source: CBN
Note: **= Values for June 2018 are provisional.

2.6 Development Finance Operations

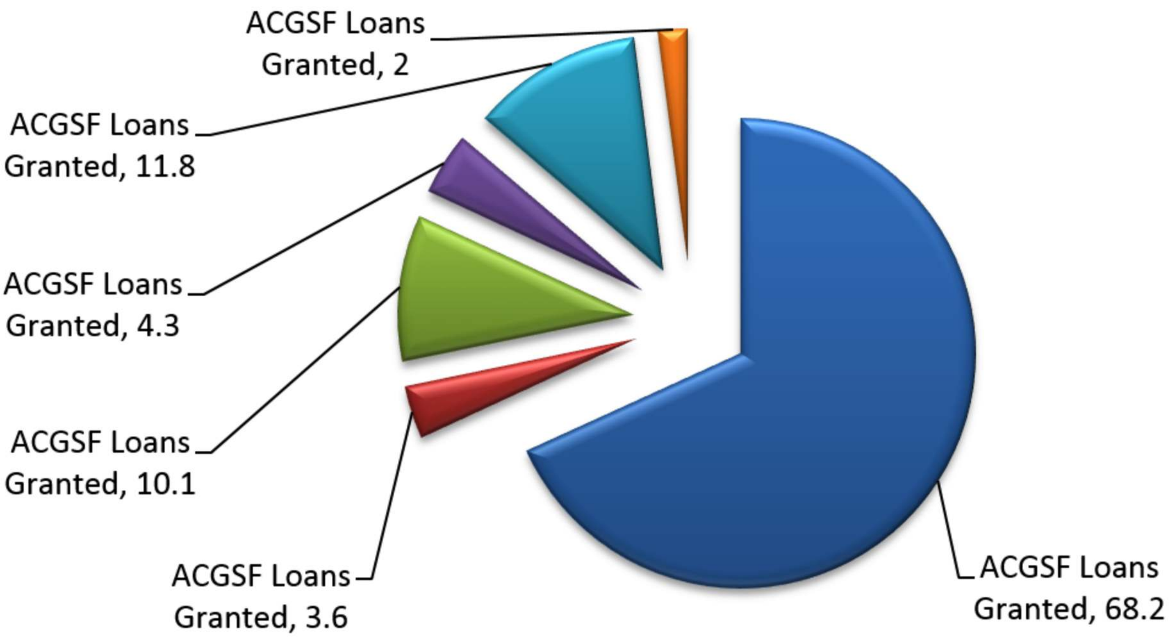
2.6.1 Agricultural Credit Guarantee Scheme (ACGS)

In the first half of 2018, a total of 10,420 loans valued at ₦1.75 billion were guaranteed under the ACGS, compared with 21,073 loan valued at ₦3.07 billion in the corresponding period of 2017. This indicated 50.6 and 43.0 per cent decline in volume and value guaranteed, respectively. An analysis of the loans guaranteed by purpose showed that: food crops accounted for 7,104 (68.2 %); livestock, 1,051 (10.1%); mixed crops, 383 (3.7%); cash crops, 1,230 (11.8%); fisheries, 445 (4.3%); and 'others', 207 (2.0%). An analysis by category of borrower showed that: individuals accounted for ₦1.71 billion, (97.3%); informal groups, ₦26.02 million (1.5%); cooperatives, ₦11.61 million (0.7%); and companies, ₦9.75 million (0.6%), compared with ₦2.98 billion (98.5%) for individuals; informal groups, ₦7.88 million (0.3%); cooperatives, ₦22.50 million (0.7%); and companies, ₦13.90 million (0.5%) in the corresponding period of 2017. The cumulative number of loans guaranteed from inception of the Scheme in 1978 to end-June 2018 was 1.11 million, valued at ₦111.62 billion.

The sum of ₦3.05 billion, guaranteed to 17,977 projects, was fully repaid in the review period, compared with ₦1.84 billion for 11,354 projects, in the corresponding period of 2017. The cumulative repayment from inception to end-June 2018 was ₦84.52 billion for 876,873 loans.

During the review period, there were no default claims settled, same as in the corresponding period of 2017. Consequently, the cumulative number of settled claims remained at 17,216, valued at ₦648.63 million at end-June 2018.

Figure 29
Distribution of ACGSF Loans (By Purpose)
(First Half 2018)



Source: CBN

2.6.2 Interest Drawback Programme (IDP)

A total of 5,929 IDP rebate claims valued at ₦89.31 million were settled in the first half of 2018, compared with 10,522 rebate claims valued at ₦98.81 million settled in the corresponding period of 2017. The total number of IDP rebates settled since inception, in 2003, to end-June 2018 were 325,832, valued at ₦4.25 billion. The Scheme was introduced in 2003 to reduce the cost of borrowing for farmers. Those who repaid as and when due, were entitled to a rebate of 40.0 per cent of the market interest rate at which they borrowed.

2.6.3 Commercial Agriculture Credit Scheme (CACS)

In the review period, the sum of ₦39.34 billion was disbursed to 16 projects, compared with ₦50.59 billion released to 11 banks for 34 projects in the half year 2017. The cumulative amount disbursed under the CACS since inception in 2009 to end-June 2018 was ₦560.91 billion to finance 557 projects.

In the first half of 2018, the sum of ₦17.01 billion was repaid by fourteen (14) participating banks in respect of 51 projects, compared with ₦28.83 billion for 191 projects in the corresponding period of 2017. This brought the cumulative repayment from inception to ₦273.62 billion at end-June 2018.

2.6.4 Paddy Aggregation Scheme (PAS)

In the first half of 2018, the sum of ₦4.25 billion was released to three (3) banks for disbursement to three (3) projects. This brought the total disbursement under the Scheme to ₦30.38 billion at end-June 2018. Also, in the review period, the sum of ₦13.37 billion was repaid under the Scheme.

2.6.5 Micro, Small and Medium Enterprises Development Fund (MSMEDF)

The implementation of the MSMEDF continued with the disbursement of ₦4.77 billion in the review period, compared with ₦1.59 billion in the corresponding period of 2017. The participants in the Programme were seven (7) banks, one (1) MFB, one (1) non-governmental organisation microfinance institution (NGO-MFI), as well as, two (2) state governments.

The total sum disbursed, from inception in 2013 to date, was ₦81.64 billion, with ₦56.61 billion (69.3%) to state governments, while the MSMEs collectively accessed ₦25.03 billion (44.2%). The sum of ₦4.04 billion was repaid in the review period, bringing the cumulative repayment to ₦17.42 billion, since inception, to end-June 2018.

Table 7
Summary of MSMEDF Activities as at June 30, 2018

Activity	From Inception to Dec 31, 2017 (₦'billion)	Jan-Jun 2018 (₦'billion)	Cumulative (₦'billion)
Disbursement to MSMEs	23.86	1.17	25.03
Disbursements to State Governments	53.12	3.49	56.61
Total Disbursements	**76.98**	**4.66**	**81.64**
Undisbursed Funds	0.00	0.00	0.00
Repayments Received	**13.38**	**4.04**	**17.42**

Source: CBN

2.6.6 Anchor Borrowers' Programme (ABP)

The implementation of the Anchor Borrowers' Programme continued in the review period with the disbursement of ₦36.37 billion to 155,732 farmers, compared with ₦12.57 billion to 27 farmers in the first half of 2017. This brought the cumulative disbursements, since inception, to ₦91.90 billion, with 412,037 small-holder farmers as beneficiaries. The Programme was being implemented in 36 states and the Federal Capital Territory through thirteen (13) state government anchors and one hundred and twenty-seven (127) private-led anchor

In the review period, the sum of ₦1.57 billion was repaid, bringing the cumulative repayment since inception to ₦12.19 billion. The commodities being financed under the Scheme included: rice, maize, wheat, soya beans, cotton, cassava, groundnut, fish and poultry. The Scheme has created over 500,000 jobs and added 2.0 million metric tons to domestic rice supply.

2.6.7 Presidential Fertilizer Initiative

In the review period, a total of ₦20.0 billion was released to a single obligor under the initiative of the Nigeria Sovereign Investment Authority (NSIA). The NSIA manages the Fund through its special purpose vehicle, the NSIA Agricultural Investment Company-Nitrogen Phosphorous Potassium Limited (NAIC-NPK). The cumulative amount released under the Scheme at end-June 2018 was ₦25.0 billion.

2.6.8 National Food Security Programme (NFSP)

The sum of ₦4.04 billion was disbursed to two (2) banks for three (3) projects under the NFSP during the review period. This brought the cumulative disbursement to ₦43.99 billion for 11 projects, since inception in 2007. The sum of ₦2.19 billion was repaid by two (2) banks in respect of three (3) projects in the first half of 2018, bringing the total repayment to ₦2.38 billion, since inception in 2017.

2.6.9 National Collateral Registry (NCR)

In the first half of 2018, the Registry enrolled 344 financial institutions, comprising three hundred and forty (340) microfinance banks, one (1) finance house and three (3) non-bank financial institutions on its portal. At end-June 2018, the number of financial institutions registered on the NCR portal rose to five hundred and seventeen (517), made up of twenty-one (21) commercial banks, four hundred and eighty-one (481) microfinance banks, four (4) merchant banks, four (4) development finance institutions, one (1) finance company, one (1) non-interest bank and five (5) non-bank financial institutions.

In addition, a total of 7,621 financing statements, in respect of 23.953 borrowers, valued at ₦113.34 billion and US$13.38 million in movable assets, was recorded on the NCR portal by the financial institutions in the period under review. Cumulatively, 30,365 financial statements in respect of 130,595 borrowers, detailing priority interest in movable assets, valued at ₦624.71 billion, US$33.38 million and €6.06 million had been registered, since inception to end-June 2018.

Table 8
Number and Value of Financing Statement on the National Collateral Registry at end-June 2018

Borrower Type	No. of borrowers		Number of financing statements		Currency	Value of financing statements	
	Jan-Jun 2018	Cumulative	Jan-Jun 2018	Cumulative		Jan-Jun 2018	Cumulative
Individual	23,445	123,242	7,126	25,522	₦	62.70bn	100.79bn
					US$	-	-
					€	-	-
Large Business	169	573	162	564	₦	40.84bn	307.69bn
					US$	13.06m	33.06m
					€	-	6.06m
Medium Business	155	1,886	150	1,878	₦	6.48bn	193.72bn
					US$	0.29m	0.29m
					€	-	-
Micro Business	62	3,318	62	941	₦	0.32bn	4.94bn
					US$	-	-
					€	-	-
Small Business	122	1.576	121	1,460	₦	3.00bn	17.56bn
					US$	0.03m	0.03m
					€	-	-
Total	**23,953**	**130,595**	**7,621**	**30,365**	**₦**	**113.34bn**	**624.71bn**
					US $	**13.38m**	**33.38bn**
					€	**-**	**6.06m**

Source: CBN

2.6.10 SME Credit Guarantee Scheme (SMECGS)

In the first half of 2018, no application was received under the SMECGS. Thus, the number and value of projects guaranteed from inception to date remained at 88 and ₦4.25 billion, respectively.

2.6.11 Small and Medium Enterprises Restructuring and Refinancing Facility (SMERRF)

The SMERRF, which was introduced to revive ailing manufacturing companies by restructuring and refinancing their credit facilities with deposit money banks, was discontinued in December 2014 and replaced with the Real Sector Support Facility (RSSF). However, repayment under the erstwhile Scheme continued, with ₦12.6 billion repaid during the review period, bringing the total repayment at end-June 2018 to ₦113.26 billion.

2.6.12 Real Sector Support Facility (RSSF)

The Real Sector Support Facility was introduced to provide long-term low interest financing facilities to SME/Manufacturers and start-ups.

In the review period, the sum of ₦23.91 billion was disbursed to five (5) projects. Since inception to end-June 2018, a total of ₦75.92 billion has been disbursed to nineteen (19) projects. Repayment during the period was ₦960.16 million, bringing the cumulative payment to ₦1.76 billion at end-June 2018.

2.6.13 Textile Sector Intervention Fund (TSIF)

The TSIF was set-up to revive cotton, textile and garment industries, stimulate local production and create employment. In the first half of 2018, the sum of ₦19.1 billion was released for two (2) projects, compared with ₦10.29 billion for seventeen (17) projects in the first half of 2017. Cumulatively, the sum of ₦45.45 billion had been disbursed for thirty-three (33) projects since inception.

2.6.14 Power and Airline Intervention Fund (PAIF)

The sum of ₦18.74 billion was disbursed to four (4) power projects in the first half of 2018, compared with ₦4.76 billion to one (1) power project in the first half of 2017. The cumulative disbursement since inception of the Fund to end-June 2018 was ₦298.12 billion for 69 projects, comprising 45 power projects, valued at ₦177.36 billion and 24 airline projects, valued at ₦120.76 billion.

The sum of ₦12.35 billion was repaid in the first half of 2018, compared with ₦13.01 billion in the same period in 2017. The total repayment received under the PAIF since inception to end-June 2018 was ₦132.18 billion.

Table 9
Summary of projects financed under PAIF up to June 30, 2018

S/No	Type	No. of Projects	Amount (₦ 'billion)	%	Repayments (₦ 'billion)
1	**Airline**	24	120.76	40.5	65.60
2	**Power**	45	177.36	59.5	66.58
	Total	**69**	**298.12**	**100.0**	**132.18**

Source: CBN

2.6.15 Nigeria Electricity Market Stabilisation Facility (NEMSF)

The Nigeria Electricity Market Stabilisation Facility (NEMSF) was aimed at providing liquidity to the Nigerian Electricity Supply Industry and put it on a path to economic viability and sustainability. The NEMSF would facilitate the settlement of shortfall in revenue and legacy gas debt obligations, due to market participants (Gascos, Gencos, TCN, Discos, service providers and others, along the value chain) that accrued during the Interim Rules Period (IRP Debts).

In the first half of 2018, the sum of ₦38.53 billion was disbursed to one (1) distribution company (DisCo), seventeen (17) generation companies (GenCos), six (6) gas companies (GasCos) and five (5) service providers. Cumulatively, ₦158.74 billion at end-June 2018 had been disbursed to the Nigeria Electricity Supply Industry Stabilisation Strategy (NESISS) Ltd to refinance thirty-seven (37) eligible electricity market participants. The sum of ₦4.99 billion principal repayment was received in the period under review, bringing the total repayment, since inception to ₦20.56 billion.

2.6.16 Nigeria Bulk Electricity Trading Payment Assurance Facility (NBET-PAF)

The NBET-PAF was introduced in 2017 as a bridging facility to enable the Nigeria Bulk Electricity Trading (NBET) Plc. provide at least 80.0 per cent payment to the Gencos to sustain power generation. During the review period, the sum of

₦248.4 billion was disbursed to the NBET Plc. Cumulatively, the amount disbursed under the programme stood at N358.09 billion at end-June 2018.

2.6.17 Non-oil Export Stimulation Facility (NESF)

The Initiative, which commenced in the review period, was aimed at improving access to finance by exporters to stimulate export and diversify the non-oil export basket. In the first half of 2018, the sum of N19.04 billion was disbursed to finance six (6) projects, while N5.04 billion was repaid within the period.

2.6.18 Export Development Facility (EDF)

The EDF was introduced in 2018 to finance investment in export-oriented projects. The Bank underwrote the N50.0 billion debenture, issued by the Nigerian Export Import Bank (NEXIM), the manager of the Facility, to finance the Scheme.

2.6.19 Financial Inclusion

2.6.19.1 Number of Savings Account and Biometric Verification Number (BVN) Enrolment

The "ownership" indicators under the Payments and Savings in the banking sector, recorded significant improvement during the review period. The total number of savings account of deposit money banks at end-June 2018 stood at 84,199,113, indicating 13.8 per cent increase above the level in the corresponding period of 2017.

Similarly, the number of BVN enrolment increased to 33.5 million in the first half of 2018 from 29.5 million at end-June 2017, representing an increase of 13.6 per cent.

2.6.19.2 Shared Agent Network Expansion Facilities (SANEF)

The Shared Agent Network Expansion Facilities (SANEF) was introduced during the review period as a medium-term facility for CBN-licensed Super Agents and Mobile Money Operators (MMOs). It was established to enhance the capacity of the Super Agents and MMOs to roll out 500,000 agent networks across the country in 2018, in a bid to improve financial inclusion. The sum of ₦3.75 billion was disbursed to eight (8) projects during the review period.

2.6.20 Entrepreneurship Development Centres (EDCs)

The number of participants trained by the South-East EDC, located in Umuahia, Abia State, during the review period, was 1,012, surpassing the target of 1,000. A total of 675 (66.7%) of the participants were males and 337 (33.3%) were females. Since inception, the Centre had trained 4,859 participants as, against the target of 4,000 participants. A total of ₦244.32 million had been accessed through banks and other financial institutions by 614 graduates of the Centre. The South-South EDC in Agbor, Delta State, commenced operation in May 2018. A total of 692 participants were undergoing training at end June 2018.

2.6.21 Youth Entrepreneurship Development Programme (YEDP)

There was no disbursement under YEDP in the review period. Cumulatively, disbursement from inception in 2016 to end-June 2018 remained ₦209.33 million for 82 projects.

2.6.22 Agri-business/ Small and Medium Enterprises Investment Scheme (AGSMEIS)

The AGSMEIS, which commenced in 2018, is a voluntary initiative of the Bankers' Committee to support government's policy for the promotion of agricultural businesses and MSMEs as vehicles for sustainable economic development and employment generation.

In the first half of 2018, the sum of ₦111.81 million was disbursed to 355 entrepreneurs. There were no repayments as the loans were under moratorium.

ECONOMIC REPORT

3.0 GLOBAL ECONOMIC DEVELOPMENTS

3.1 Global Output

The global economic recovery observed towards the end of 2017, persisted into the first half of 2018. The International Monetary Fund (IMF) estimated global output growth at 3.7 per cent for 2017, and marked up forecasts to 3.9 per cent apiece for 2018 and 2019 (WEO, July 2018). The growth projection was influenced by a number of key developments, including the cyclical upswing in economic activity, supported by strong global trade and a pick-up in investment, particularly among advanced economies. Others were the expected impact of the U.S. tax policy reforms, increased manufacturing output in Asia and strong consumer confidence.

In the advanced economies, growth remained robust, despite negative surprises earlier in 2018, reflecting buoyed economic activity, particularly in the euro area, the United Kingdom, the United States, and Japan. Growth in the advanced economies is expected to remain at 2.4 per cent in 2018, similar to 2017, before easing to 2.2 per cent in 2019.

In the United States, real gross domestic product (GDP) increased by 4.1 per cent in the second quarter of 2018, compared with an increase of 2.2 per cent in the first quarter of 2018. According to the US Bureau of Economic Statistics, the increase in real GDP in the second quarter reflected positive contributions from personal consumption expenditures (PCE), exports, and federal government spending. Growth in the euro area remained solid and broad-based, across countries and sectors, despite recent weaker-than-expected outcomes. Year-on-year GDP stood at 2.5 per cent in the first quarter of 2018, compared with 2.8 per cent in the fourth quarter of 2017. The moderation, reflected effects of uncertainty and temporary supply-side factors, as well as, weaker external trade.

The UK economy grew by 0.4 per cent and 0.2 per cent in the first and second quarters of 2018, respectively. The IMF, however, revised UK growth downward to 1.4 per cent and 1.7 per cent for 2017 and 2018, respectively, reflecting negative sentiment surrounding the Brexit negotiations between the United Kingdom and the European Union (EU) and its impact on investment, prices and confidence.

The Japanese economy grew by 1.9 per cent in the second quarter of 2018, in contrast to negative 0.9 per cent in the first quarter, boosted primarily by a pickup in domestic demand, thereby avoiding a technical recession. The economy is expected to strengthen over the remainder of the year and into 2019, on the back of stronger investment, external demand and private consumption.

Growth in emerging market and developing economies was mixed, projected to 4.9 per cent in 2018, above 4.7 per cent in 2017. This was against the backdrop of rising oil prices, escalating trade tensions, and market pressures on the currencies of some economies. Growth projections was revised down for selected countries, including Argentina, Brazil, and India, while the outlook for some oil exporters has strengthened. In China, growth moderated slightly from 6.8 per cent in the first quarter to 6.7 per cent in the second quarter of 2018, surpassing market expectations as regulatory tightening of the financial sector takes hold and external demand softens. Growth was 6.9 per cent in 2017, and projected to 6.6 per cent in 2018, for the Chinese economy, owing to the escalating trade tensions with the U.S.

The Russian economy grew by 1.9 per cent in the second quarter, compared with 1.3 per cent in the first quarter of 2018, representing the seventh straight quarter of growth after two years of contraction. The performance was driven by growth in transport, restaurant and hotel sectors, arising from the FIFA World Cup tournament.

Sub-Saharan Africa's (SSA) economy witnessed some growth at the start of 2018, with regional GDP year-on-year expected to increase by 3.0 per cent in the first quarter of 2018, above the 2.7 per cent increase in the fourth quarter of 2017. Growth recovery was expected to continue, as higher commodity prices and strong domestic demands are expected to drive regional growth, although activity was subdued overall in the first quarter amid slowdowns in Nigeria and South Africa.

The improved outlook for the region reflected favourable prospects for Nigeria's economy, as its growth was expected to increase from 0.8 per cent in 2017 to 2.1 per cent in 2018. In South Africa, the economy was expected to recover over the remainder of 2018 and into 2019, as improved market optimism associated with the new leadership strengthens private investment.

3.2 Global Commodity Prices

Global commodity prices resumed an upward trend, stimulated by economic expansions in the advanced and emerging market economies. In particular, crude oil prices were lifted by weather events in the United States, extension of the OPEC-plus agreement to limit production and geopolitical tensions in the Middle East. Therefore, global crude oil prices increased by 16.0 per cent between February 2018 and early June 2018, reflecting, largely, supply shortfalls. Prices of agricultural commodities also increased marginally on the back of diminishing excess supply.

The Food and Agriculture Organisation (FAO) Food Price Index (FFPI), averaged 175.3 points in June 2018, an increase of 6.3 points (3.7%) over 169.1 at end-December, 2017, generally taking-on a stronger-than-expected rise, despite the rising tensions in international trade relations. The FAO Cereal Price Index averaged 166.8 points in June 2018, an increase of 14.4 points (9.5%) above 152.4 points at end-December 2017, and 12.6 points (8.2%) above the 154.3 points in the corresponding period of 2017. The FAO Dairy Price Index averaged 213.2 points in June 2018, representing an increase of 28.8 points (15.6%) above its level in end-December 2017 and 4.2 points (2.0 %) over its level in the corresponding period of 2017. The increase, reflected generally, export availabilities in the United States and the EU. The FAO Meat Price Index averaged 174.0 points in June 2018, representing an increase of 4.3 points (2.6%) above the 169.7 points at end-December 2017, but lower by 1.6 points (0.9%), compared with 175.6 points at the corresponding period of 2017. The increase was driven, largely, by an upswing in ovine meat values, as well as, a marginal rise in pork prices.

The FAO Oil Price Index averaged 146.1 points in June 2018, representing a decrease of 16.50 points (10.2%), lower than 162.6 points at end-December

2017, marking its sixth consecutive fall. This also represented 16.1 points (9.9%) decrease, compared with 162.1 points in the corresponding period of last year. The drop was driven, mainly, by low quotations for palm, soybean and sunflower oils. In addition, further soy oil stock accumulation in several countries also weighed on prices, while sunflower oil quotations declined on higher-than-expected output.

The FAO Sugar Price Index averaged 177.4 points in June 2018, representing a decrease of 26.7 points (13.1%) lower than the 204.1 points at end-December 2017 and 19.9 points (10.1%) lower, compared with the levels in the corresponding period of 2017. The decrease in international sugar prices was generally due to supply-related challenges.

3.3 Global Inflation

Global consumer prices generally increased in the advanced, emerging market and developing economies.

In the advanced economies, inflation continued its upward trajectory, and was expected to rise to 1.9 per cent in 2018, above 1.7 per cent in 2017, reflecting the robust global economic recovery and increase in commodity prices. In general, it edged above central banks' targets, justifying the monetary tightening stance adopted by a number of central banks in the region.

In the euro area, inflation was projected at 2.0 per cent for end-June 2018 over 1.3 per cent for end-January 2018. Inflation, however, moderated in the UK to 2.4 per cent for end-May 2018, lower than 3.0 per cent for end-January 2018.

In the United States, inflation maintained upward trend to 2.9 per cent at end-June 2018 above 2.1 per cent at end-January 2018, after breaching the Fed's target of 2.0 per cent at end-May 2018. The development reflected the impact of rising raw material costs, due, in part, to the tariffs imposed by the U.S. administration, the rebound in fuel prices, and tightened labour market conditions.

In the emerging market and developing economies, inflation was mixed in the first half of 2018. Consumer prices increased by 4.1 per cent in 2017, and were expected to rise by 4.5 per cent in 2018, as effects of past currency depreciation and higher fuel prices.

In China, inflation increased to 1.9 per cent at end-June 2018, from 1.5 per cent at end-January 2018, as food prices rose at a faster pace. The reverse was the case for Japan, as inflation decreased to 0.7 per cent at end-June, lower than 1.4 per cent at end-January, 2018. In Brazil, inflation also ticked up to 4.4 per cent at end-June 2018, above 2.9 per cent at end-January 2018.

In sub-Saharan Africa (SSA), inflation was estimated to decrease to 9.5 per cent at end-2018, from 11.0 per cent at end-2017, due to modest gains from currency appreciation. While in Ghana, inflation declined from 10.3 per cent at end-January 2018 to 10.0 per cent at end-June 2018, South Africa recorded marginal increase in inflation to 4.6 per cent at end-June 2018, from 4.4 per cent at end-January 2018. In Nigeria, inflation moderated to 11.2 per cent at end-June 2018 from 15.1 per cent at end-January 2018, reflecting primarily, the effectiveness of the CBN monetary policy measures, supported by the robust external reserves.

3.4 International Financial Markets

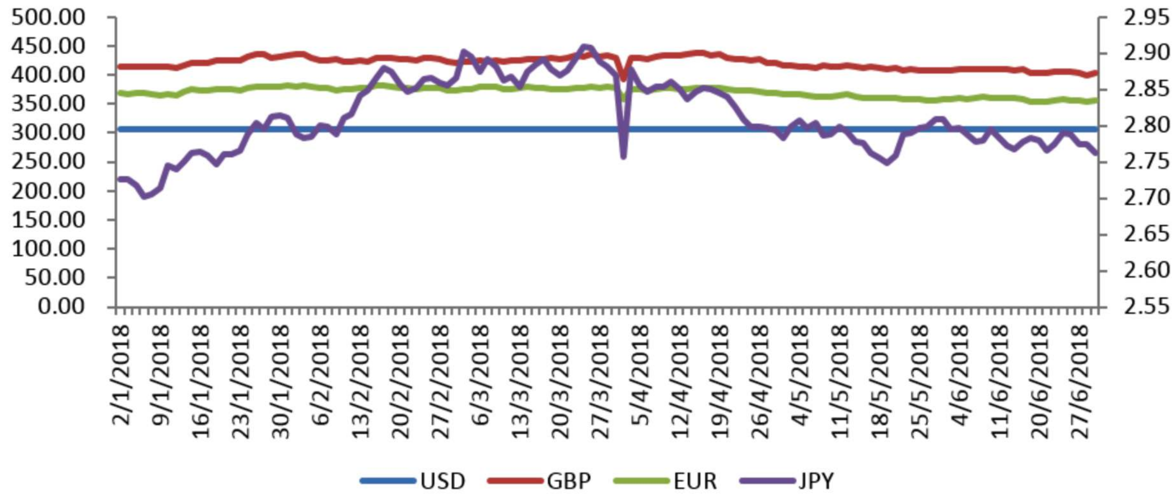
The global financial market performance varied, across regions, and was influenced by a combination of factors. These included: the ongoing trade war between the United States and China; uncertainty relating to the Brexit negotiations, especially the possibility of a no-deal; and the accelerated monetary policy normalisation in the advanced economies, in response to inflation surprises. Others were the expected impact of the US fiscal stimulus, involving tax changes, geopolitical tensions, notably in the Middle East, as well as, the increasing tendencies towards protectionism and inward-looking policies. Consequently, central banks in the advanced economies raised policy rates to check inflation surprises during the review period. Emerging market and developing economies also kept rates unchanged generally for inflation and growth considerations.

Accordingly, the performance of global stock markets was mixed. In North America, the US S&P 500 and the Canadian S&P/TSX Composite indices increased by 1.7 and 0.4 per cent, respectively, while the Mexican Bolsa index decreased by 3.4 per cent. In South America, the Brazilian Bovespa and the Argentine Merval indices decreased by 4.8 and 13.4 per cent, respectively, while the Colombian COLCAP index increased by 4.2 per cent. In Europe, the FTSE 100 and the German DAX indices decreased by 0.7 and 4.7 per cent, respectively, while the French CAC 40 index increased marginally by 0.2 per cent.

In Asia, Japan's Nikkei 225 and China's Shanghai Stock Exchange-A indices decreased by 2.0 and 13.9 per cent, respectively, while India's BSE Sensex index increased by 4.0 per cent.

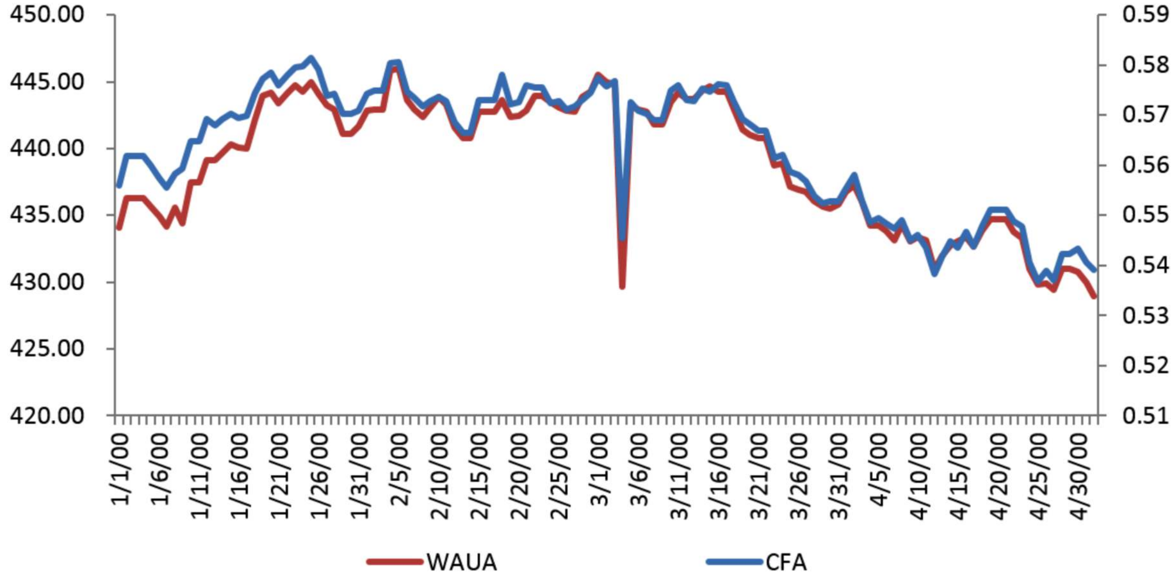
In Africa, the Nigerian NSE ASI, the Egyptian EGX CASE 30 and the Ghanaian GSE indices increased by 0.1, 8.9 and 11.6 per cent, respectively, while the South African JSE All-Share and the Kenyan Nairobi NSE 20 indices decreased by 3.2 and 11.5 per cent, respectively. The Nigerian equities market was supported by rising crude oil prices, thereby boosting external reserves and strengthening the domestic currency.

Figure 30
Performance of the Naira against Major Currencies



Source: CBN

Figure 31
Performance of the Naira against Regional Currencies



Source: CBN

Table 10
Indices of Selected International Stock Markets
(As at End-June 2018)

Country	Index	End-June, 2017	End-Dec, 2017	End-June, 2018	% Change Jun 2017-Jun 2018	% Change Dec 2017-Jun 2018
AFRICA						
Nigeria	ASI	33,117.48	38,243.19	38,278.55	15.58	0.09
South Africa	JSE African AS	51,611.01	59,504.67	57,610.98	11.63	-3.18
Kenya	Nairobi NSE 20	3,607.18	3,711.94	3,285.73	-8.91	-11.48
Ghana	GSE All Share	1,964.55	2,579.72	2,878.66	46.53	11.59
Egypt	EGX CSE 30	13,395.81	15,019.14	16,348.55	22.04	8.85
NORTH AMERICA						
US	S&P 500	2,423.41	2,673.61	2,718.36	12.17	1.67
Canada	S&P/TSX Composite	15,182.19	16,209.13	16,277.73	7.22	0.42
Mexico	Mexico Bolsa (IPC)	49,857.49	49,354.42	47,663.20	-4.40	-3.43
SOUTH AMERICA						
Brazil	Bovespa Stock	62,899.97	76,402.08	72,762.51	15.68	-4.76
Argentina	Merval	21,912.63	30,065.61	26,037.01	18.82	-13.40
Colombia	COLCAP	1,462.90	1,513.65	1,577.01	7.80	4.19
EUROPE						
UK	FTSE 100	7,312.72	7,687.77	7,636.93	4.43	-0.66
France	CAC 40	5,120.68	5,312.56	5,323.33	3.96	0.20
Germany	DAX	12,325.12	12,917.64	12,306.00	-0.16	-4.73
ASIA						
Japan	NIKKEI 225	20,220.30	22,764.94	22,304.51	10.31	-2.02
China	Shanghai SE A	3,343.39	3,463.48	2,982.00	-10.81	-13.90
India	BSE Sensex	30,921.61	34,056.83	35,423.48	14.56	4.01

Source: Bloomberg

Major global currencies depreciated against the U.S. dollar in the first half of 2018, due to a number of global developments. These included: improved treasury yields, supported by the increase in US Fed policy rate; ongoing trade disputes between the US and China, lingering uncertainty surrounding the Brexit negotiations between the UK and the EU, as well as, geopolitical tensions, especially in the Middle East.

In advanced economies, all major currencies depreciated against the U.S. dollar. Major European currencies, namely the British pound, the euro and the Russian ruble depreciated against the US dollar by 2.70, 3.61 and 8.87 per cent, respectively. In Asia, the Japanese yen, appreciated against the US dollar by 5.30 per cent. In North America, the Canadian dollar depreciated against the US dollar by 3.97 per cent.

In emerging market and developing economies, most currencies also depreciated against the US dollar. In Asia, the Chinese yuan and the Indian rupee depreciated by 5.25 and 5.05 per cent, respectively. In South America, the Brazilian real and Argentine peso depreciated by 17.22 and 55.37 per cent, respectively, while the Colombian peso appreciated by 1.89 per cent against the US dollar. In North America, the Mexican peso appreciated by 12.59 per cent against the US dollar.

In sub-Saharan Africa, the South African rand, the Egyptian pound and Ghanaian cedi, all depreciated against the US dollar by 10.90, 0.62 and 4.88 per cent, respectively. The Nigerian naira and the Kenyan shilling appreciated against the US dollar by 0.08 and 2.10 per cent, respectively.

Overall, the naira was the least appreciated among the currencies surveyed, while the Argentine peso witnessed the most depreciation in the review period.

Table 11
Exchange Rates of Selected Countries
(Value in Currency Units to US$)

	Currency	31-Dec-16	31-Dec-17	30-Jun-18	Dec 31, 2016 - Dec 31, 2017 %App/Dep	YTD % Change App/Dep
AFRICA						
Nigeria	Naira	305.00	306.00	305.75	-0.33	0.08
South Africa	Rand	13.74	12.38	13.73	9.90	-10.90
Kenya	Shilling	102.51	103.18	101.01	-0.65	2.10
Egypt	Pound	18.14	17.81	17.92	1.82	-0.62
Ghana	Cedi	4.24	4.51	4.73	-6.37	-4.88
NORTH AMERICA						
Canada	Dollar	1.34	1.26	1.31	5.97	-3.97
Mexico	Peso	20.73	20.73	18.12	0.00	12.59
SOUTH AMERICA						
Brazil	Real	3.26	3.31	3.88	-1.53	-17.22
Argentina	Peso	15.88	18.62	28.93	-17.25	-55.37
Colombia	Peso	3,002.00	2,986.84	2,930.50	0.50	1.89
EUROPE						
UK	Pound	0.81	0.74	0.76	8.64	-2.70
Euro Area	Euro	0.95	0.83	0.86	12.63	-3.61
Russia	Ruble	61.54	57.63	62.74	6.35	-8.87
ASIA						
Japan	Yen	116.96	116.96	110.76	0.00	5.30
China	Yuan	6.95	6.29	6.62	9.50	-5.25
India	Rupee	67.92	65.18	68.47	4.03	-5.05

Source: Bloomberg
MTM = Month to Month
YTD = Year to Date

3.5 Global Economic Outlook for the Rest of 2018

Global growth was projected to improve to 3.9 per cent apiece in 2018 and 2019 (WEO, July 2018), compared with 3.7 per cent in 2017. In the advanced economies, output growth was projected to stabilise at 2.4 per cent in 2018, reflecting uneven outcomes among countries in the region. Inflation outcomes were lifted by increase in fuel prices, generally breaching central banks' targets in most advanced economies. In the euro area, growth was projected at 2.2 per cent in 2018, compared with 2.4 per cent in 2017. The IMF's projections for other advanced countries, such as Japan and Canada also indicated reduced optimism for 2018. The dismal outlook for 2018, reflected the impact of the ongoing trade tensions between the United States and China, the lingering uncertainty from the Brexit negotiations, coupled with increasing tendencies towards inward-looking policies and aggressive protectionism.

In the emerging market and developing economies (EMDEs), growth was projected to rise to 4.9 per cent in 2018, above the 4.7 per cent in 2017, reflecting the presence of strong crosswinds, namely rising crude oil prices, higher yields in the United States, in addition to dollar appreciation and the US-China trade tensions. In general, the outlook for individual economies, in the region varies, depending on the interaction of these global shocks with domestic idiosyncratic factors. The Chinese economy was projected to grow by 6.6 per cent in 2018, compared with 6.9 per cent in 2017. Growth in the Indian economy was projected to be 7.3 per cent in 2018, compared with 6.7 per cent in 2017, as drags from the currency exchange initiative and the introduction of the goods and services tax wane. In Brazil, growth was projected to rise to 1.8 per cent in 2018, from 1.0 per cent in 2017, arising from the upturn in commodity prices, despite lingering effects of strikes and political uncertainty.

In sub-Saharan Africa, growth was projected to 3.4 per cent in 2018, above the 2.8 per cent in 2017. The recovery in the region was set to continue, supported by the rise in commodity prices. The upbeat outlook for the region reflected improved prospects for Nigeria's economy, which was set to grow at 2.1 per cent in 2018 from 0.8 per cent in 2017. The South African economy was projected to grow by 1.5 per cent in 2018, from 1.3 per cent in 2017.

4.0 DEVELOPMENTS IN THE DOMESTIC ECONOMY

4.1 Monetary and Credit Developments

Global and domestic developments influenced the monetary policy stance in the first half of 2018. The tempo of global economic activities remained broadly sustained, with outcomes shaped by issues ranging from easing geo-political tensions on the Korean Peninsula, withdrawal of the United States from the 2015 Iranian Nuclear Deal, easy financing conditions in the Euro Area, the UK and Japan, to difficulties associated with the Brexit negotiations. On the domestic front, economic indicators remained stable, with the real GDP growth at 1.73 per cent, in the first half of 2018, as against the contraction of 0.09 per cent in the corresponding period of 2017. A steady decline in inflation, sustained exchange rate stability and improvement in crude oil prices were observed during the review period. Consequently, the Bank maintained a non-expansionary monetary policy stance, all through the period, with the policy rate retained at 14.0 per cent, cash reserve ratio at 22.5 per cent, liquidity ratio at 30.0 per cent and the asymmetric corridor of +200/-500 basis points around the MPR for the standing lending and deposit facilities, respectively. The main instrument for liquidity management was open market operations (OMO), complemented by cash reserve requirements, repurchase transactions and interventions in the interbank foreign exchange market.

4.1.1 Reserve Money

At ₦6,360.47 billion, reserve money fell by 1.9 per cent below its level at end-December 2018, compared with 6.3 per cent at the end of the corresponding period of 2017. The development reflected the decline of 40.5 per cent and 16.3 per cent in net domestic assets and other items (net) of the CBN, respectively. The corresponding decrease in the uses of reserve money resulted from the decrease of 11.9 per cent in currency-in-circulation.

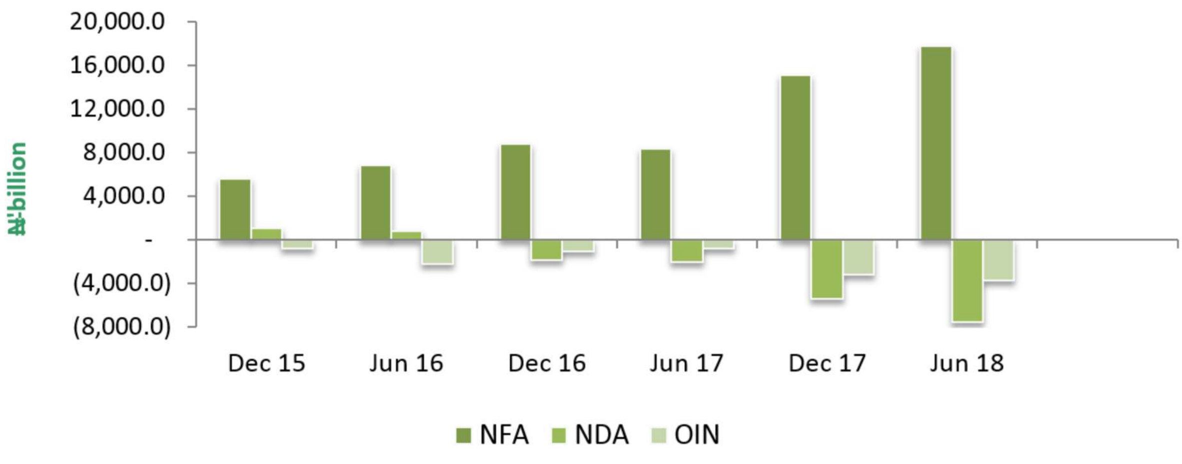
Aggregate credit (net) to the domestic economy fell by 1.4 per cent at end-June 2018, driven by the decline in net claims on the Federal Government and credit to the private sector. Growth in consumer credit fell in tandem with the decline in credit to the private sector.

Table 12
Sources and Uses of Reserve Money

	Dec 15	Jun 16	Dec 16	Jun 17	Dec 17	Jun 18
Foreing assets (net)	**5,545.3**	**6,840.4**	**8,790.7**	**8,378.9**	**15,134.6**	**17,729.3**
Foreign Assets	5,624.7	8,022.1	9,248.6	9,449.9	15,313.3	18,090.0
Foreign Liabilities	79.4	1,181.7	458.0	1,071.0	178.6	360.7
Net Domestic Assets	1,091.0	794.6	(1,854.0)	(2,103.0)	(5,413.9)	(7,604.7)
Net credit to Government	(1,653.1)	(1,185.8)	109.2	232.8	(353.6)	23.4
Net Claims on Private Sector	1,518.8	685.0	(3,595.3)	(4,021.1)	(6,729.6)	(9,403.8)
Claims on Banks	1,225.2	1,295.3	1,632.1	1,685.3	1,669.2	1,775.7
Other Assets	(823.5)	(2,263.1)	(1,088.7)	(795.7)	(3,236.4)	(3,764.1)
RESERVE MONEY	5,812.7	5,371.9	5,847.9	5,480.2	6,484.3	6,360.5
Currency in Circulation	1,857.9	1,684.6	2,179.2	1,873.5	2,157.2	1,900.7
Banks Reserves	3,954.8	3,687.3	3,668.7	3,606.7	4,327.1	4,459.8
Reserve Money	5,812.7	5,371.9	5,847.9	5,480.2	6,484.3	6,360.5

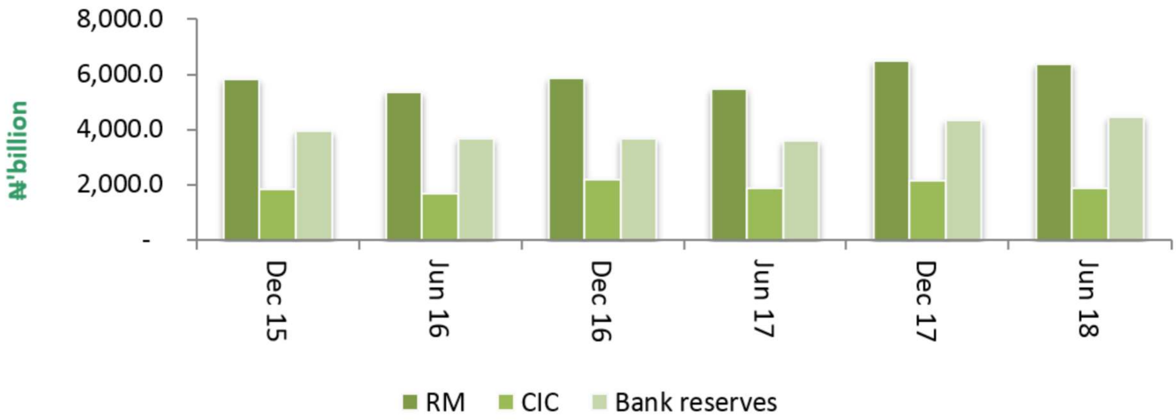
Source: CBN

Figure 32 (a)
Reserve Money and its Components: Sources
(₦' Billion)



Source: CBN

Figure 32 (b)
Reserve Money and its Components: Uses
(₦' Billion)



Source: CBN

4.1.2 Broad Money (M_2)

Broad measure of money supply, M_2, grew by 2.8 per cent to ₦24,814.00 billion at end-June 2018, translating to an annualised growth of 5.6 per cent, in contrast to the decline of 6.8 per cent at end-June 2017. This was lower than the benchmark of 11.0 per cent for the fiscal 2018. The development resulted, wholly, from the growth in net foreign assets of the banking system, arising from significant growth in foreign currency holdings of the CBN (74.2 per cent), commercial banks (93.7 per cent) and merchant banks (669.3 per cent).

4.1.3 Narrow Money (M_1)

Narrow money supply (M_1) fell by 4.3 per cent to ₦10,701.1 billion at end-June 2018, compared with the decline of 9.6 per cent at the end of the corresponding period of 2017. The development was due to the respective decline of 14.7 per cent and 2.3 per cent in currency outside banks and demand deposits.

4.1.4 Quasi Money (QM)

Quasi money grew by 8.9 per cent to ₦14,112.9 billion at end-June 2018, in contrast to a decline of 4.3 per cent at the end of the corresponding period of 2017. This was due to the growth in savings and time deposits, particularly foreign currency deposits, which grew by 10.4 per cent.

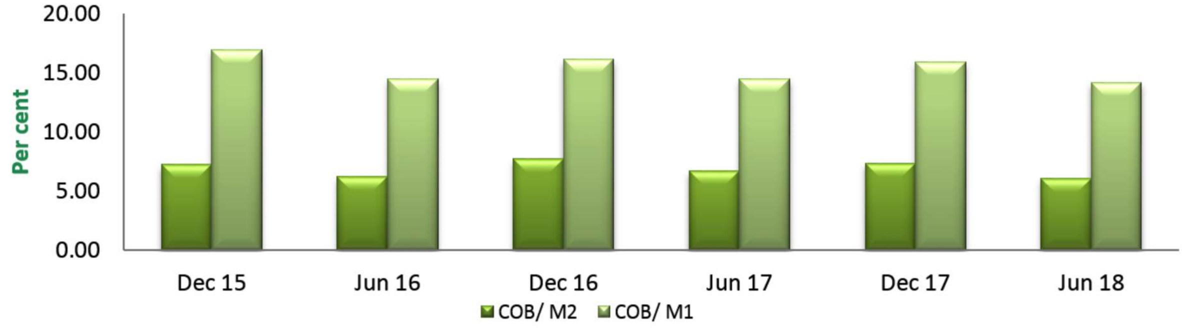
4.1.5 Currency-in–Circulation (CIC) and Deposits at the CBN

Currency-in-circulation with the CBN fell by 12.0 per cent to ₦1,900.7 billion, compared with the decline of 14.0 per cent at the end of June 2017. Bank reserves with CBN grew by 3.1 per cent to ₦4,459.8 billion, in contrast to the decline of 1.7 per cent at the end of the first half of 2017. As a proportion of reserve money, CIC and bank deposits constituted 29.9 and 70.1 per cent, respectively.

4.1.6 Currency Outside Banks (COB)

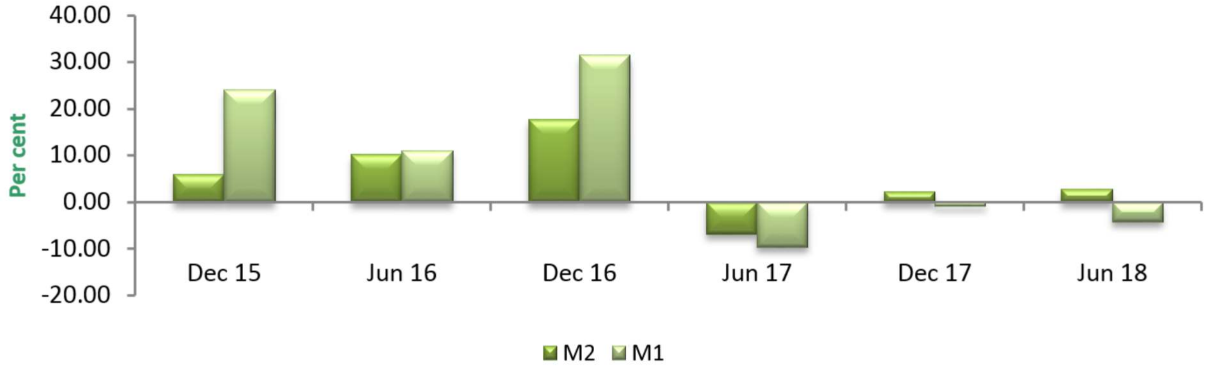
Currency outside banks fell by 14.7 per cent to ₦1,519.9 billion at end-June 2018, compared with the decline of 18.9 per cent at end-June 2017. This reflected increased use of electronic payments channels during the review period. As a percentage of broad money, COB constituted 6.1 per cent, compared with 6.7 per cent at the end of 2017.

Figure 33
Ratio of Currency Outside Bank to Broad Money Supply



Source: CBN

Figure 34
Growth in Money Supply
(Per cent)



Source: CBN

4.1.7 Drivers of Growth in Money Supply

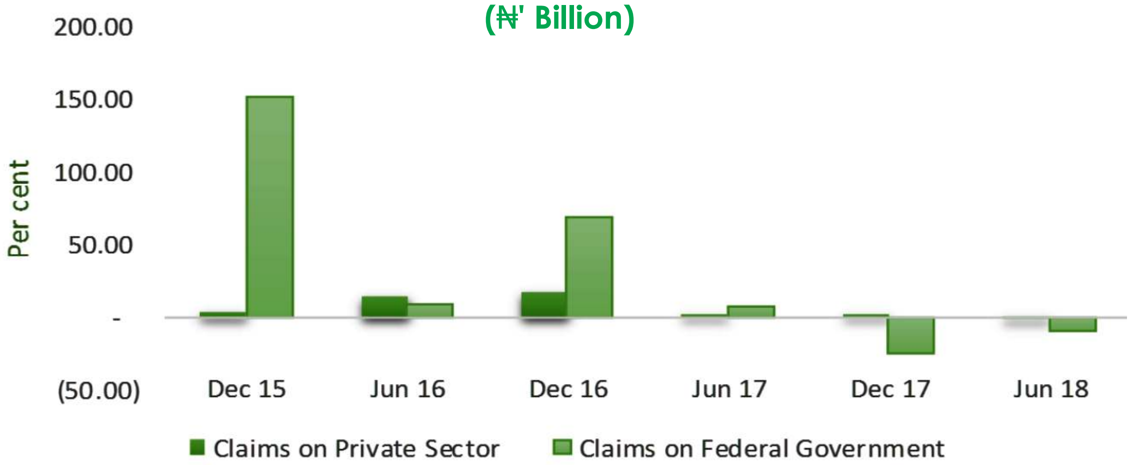
4.1.7.1 Net Foreign Assets (NFA)

Net foreign assets of the banking system grew by 17.4 per cent to ₦18,222.7 billion at the end of the review period, in contrast to the decline of 7.5 per cent at end-June 2017. As a percentage of M_2, NFA constituted 73.4 per cent, compared with the 38.5 per cent at the end of the corresponding period of 2017. Also, the contribution of NFA to the growth of M_2 was 11.2 percentage points, in contrast to the negative contribution of 2.9 percentage points at end-June 2017.

4.1.7.2 Net Domestic Credit (NDC)

Net domestic credit (NDC) fell by 1.4 per cent to ₦25,561.4 billion at end-June 2018, in contrast to an increase of 1.4 per cent at the end of the corresponding period of 2017. This resulted from the decline of 9.7 per cent in net claims on the Federal Government and the 0.1 per cent decline in private sector credit. Consequently, NDC contributed negative 1.5 percentage points to the growth in broad money supply, in contrast to the positive contribution of 1.6 percentage points at end-June 2017.

Figure 35
Distribution of Aggregate Credit to the Economy
(₦' Billion)



Source: CBN

4.1.7.2.1 Net Credit to the Government (NCG)

As a result of the Government's effort to reduce its domestic debt, net claims on the Federal Government declined by 9.7 per cent to ₦3,286.3 billion at the end of the first half of 2018, in contrast to the growth of 7.7 per cent at the end of the corresponding half of 2017. This was due to the reduction in holdings of government securities, especially treasury bills by 106.6 and 18.3 per cent, by the CBN and banks, respectively. Consequently, the contribution of net claims on the Federal Government was negative 1.5 percentage points to the growth of total monetary assets, in contrast to a positive contribution of 1.6 percentage points at end-June 2017.

4.1.7.2.2 Credit to the Private Sector (CP)

Credit to the private sector declined by 0.1 per cent to ₦22, 275.1 billion at end-June 2018, in contrast to an increase of 0.02 per cent at the end of the corresponding period of 2017. The development owed, wholly, to the decline of 1.1 per cent in claims on the core private sector. The contribution of claims on the private sector to the growth of total monetary assets was negative 0.1 percentage point, in contrast to the positive contribution of 0.02 percentage point in the second half of 2017.

4.1.7.3 Other Assets (net) (OAN)

Other assets (net) of the banking system fell by 9.6 per cent at end-June 2018, compared with 10.5 per cent at the end of the corresponding period of 2017. This was caused by the decline in other assets (net) of the CBN. The contribution of other assets (net) of the banking system to the growth of broad money was negative 6.9 percentage points at the end of the review period, compared with 5.6 percentage points at the end of the corresponding period of 2017.

Table 13
Growth in Monetary Aggregates Over Preceding December (Per cent)

	Dec '15	Jun '16	Dec '16	Jun '17	Dec '17	Jun '18
Domestic Credit (Net)	12.13	13.93	24.27	1.41	(3.45)	(1.43)
Claims on Federal Government (Net)	151.98	9.66	68.59	7.69	(25.32)	(9.74)
Claims on Private Sector	3.28	14.59	17.42	0.02	1.40	(0.07)
Foreign Assets (Net)	(18.75)	25.69	61.85	(7.45)	69.63	17.41
Other Assets (Net)	1.12	(33.38)	(71.58)	(10.54)	(39.43)	(9.58)
Total Monetary Assets (M2)	5.90	10.23	17.78	(6.83)	2.33	2.79
Quasi-Money	(4.58)	9.61	7.52	(4.30)	5.23	8.85
Money Supply (M1)	24.14	11.05	31.50	(9.59)	(0.85)	(4.25)
Total Monetary Assets (M2)	5.90	10.23	17.78	(6.83)	2.33	2.79

Source: CBN

4.1.8 Sectoral Distribution of Credit

Of the total banks' claims on the core private sector, credit to the priority sectors (agriculture, industry and construction, constituted 3.4, 38.6 and 4.0 per cent respectively, of the total in June 2018, compared with 3.2, 39.6 and 4.0 per cent, in June 2017. As in the corresponding half year, oil & gas accounted for the largest share of the industrial sector with 22.67 per cent, while mining and quarrying accounted for the least share of 0.1 per cent. In the industrial sector, manufacturing, and power & energy sub-sectors accounted for 13.2 and 2.7 per cent respectively, of the total credit at end-June 2018,

Table 14
Share of Credit to the Core Private Sector, 2017 – 2018 (per cent)

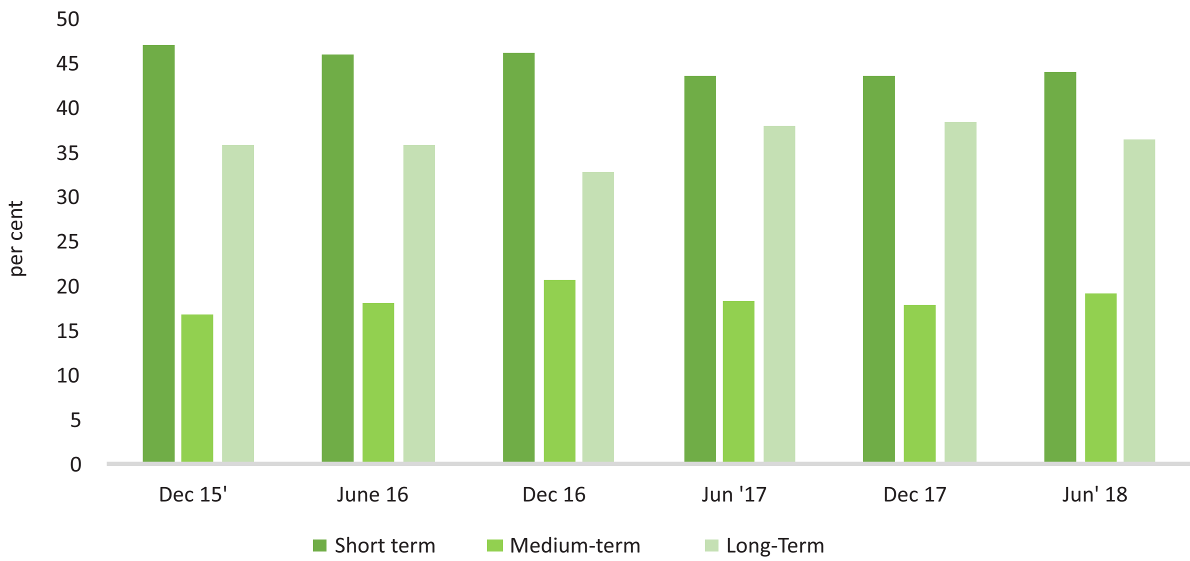
Item	Jun17 ₦ Billion	Jun18 ₦ Billion	Percentage Share in Total		%Change Between 1&2
			Jun 17	Jun 18	
	1	2	3	4	
Agriculture	**501.09**	**523.08**	**3.19**	**3.42**	**4.39**
Industry	**6.222.42**	**5,899.92**	**39.61**	**38.59**	**(5.18)**
Mining & Quarrying	11.42	10.18	0.07	0.07	(10.87)
Manufacturing	2,216.75	2,018.97	14.11	13.20	(8.92)
Oi l & Gas	3,528.16	3,454.43	22.46	22.59	(2.09)
Power and Energy	466.09	416.34	2.97	2.72	(10.67)
Construction	**630.68**	**612.85**	**4.01**	**4.01**	**(2.83)**
Trade/General Commerce	**960.05**	**1,044.36**	**6.11**	**6.83**	**8.78**
Government	**1,367.34**	**1,474.13**	**8.70**	**9.64**	**7.81**
Services	**6,029.00**	**5,786.60**	**38.38**	**37.85**	**(4.02)**
Real Estate	794.60	744.56	5.06	4.87	(6.30)
Finance, Insurance and Capital Market	909.86	991.22	5.79	6.48	8.94
Education	75.07	71.85	0.48	0.47	(4.2 9)
Oil & Gas	1,090.55	1,235.66	6.94	8.08	13.31
Power and Energy	302.18	319.91	1.92	2.09	5.87
Others	2,856.72	2,423.40	18.18	15.85	(15.17)
of which: i. General	1,282.42	942.68	8.16	6.17	(26.49)
ii. Info rmation & Communication	786.22	814.57	5.00	5.33	3.61
iii. Transportation & Storage	403.15	304.45	2.57	1.99	(24.48)
Total Private sector Credit	**15,710.57**	**15,289.47**	**100.00**	**100.00**	**(2.68)**

Source: CBN

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

Analysis of the structure of bank's credit in the first half of 2018 indicated that credit of short-term maturities remained dominant. Credit maturing within one year accounted for 44.1 per cent, compared with 43.7 per cent at end-June 2017. The medium-term (greater or equal to 1yr but less than 3yrs) and long-term (3yrs and above) maturities stood at 19.3 and 36.6 per cent, respectively, compared with 18.4 and 37.9 per cent at the end of the corresponding period of 2017.

Figure 36
Distribution of Bank Loans and Advances by Maturity

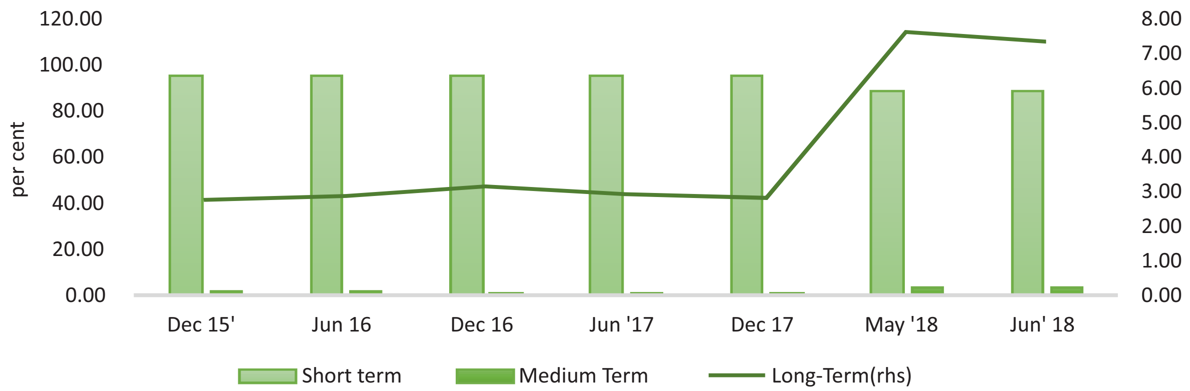


Source: CBN

Similarly, deposits of less than one-year maturity constituted 89.1 per cent (of which 70.3 per cent had maturity of less than 30 days), compared with 96.1 per cent at the end of the first half of 2017. Further analysis showed that the medium and long-term deposits constituted 4.0 and 7.3 per cent, respectively, compared with 1.0 and 3.0 per cent at end-June 2017. Consequently, loan to deposit ratio rose to 96.2 per cent at end June 2018, compared with 79.0 per cent at end-June 2017, and reflected significant holdings of government securities by banks, as claims on the core private sector, also, fell.

Although marginal improvements were observed with the long-term deposit and credit structure during the review period, the continued mis-match of deposits and loans structure remained a constraint to banks and their ability to create long-tenored assets.

Figure 37
Maturity Structure of Bank Deposits (per cent)



Source: CBN

Table 15
Maturity Structure of Banks Assets and Liabilities

Assets (Loans and Advances)	Dec 15	Jun 16	Dec 16	Jun 17	Dec 17	Jun 18
Tenor						
0-30 days	24.4	26.6	27.3	27.9	25.6	25.3
31-90 days	8.6	7.1	6.8	6.6	7.8	6.8
91-181 days	6.9	7.5	7.2	4.7	5.3	5.9
181-365 days	7.2	4.7	5.1	4.4	5.0	6.1
Short-Term	47.1	46.0	46.4	43.7	43.65	44.06
Medium-Term (Above 1yr and below 3yrs)	16.9	18.1	20.7	18.4	18.0	19.3
Long-Term (3 Years and Above)	36.0	35.9	32.9	37.9	38.4	36.6
	100	**100**	**100**	**100**	**100**	**100**
Liabilities						
0-30 days	71.70	75.45	75.91	74.87	74.37	70.25
31-90 days	15.04	12.69	11.83	12.88	12.92	12.42
91-181 days	3.87	4.02	4.38	4.71	4.84	3.99
181-365 days	4.78	3.16	3.51	3.61	3.71	2.41
Short-Term	95.40	95.32	95.62	96.07	95.85	89.07
Medium-Term (Above 1yr and below 3yrs)	1.83	1.83	1.23	0.97	1.32	3.59
Long-Term (3 Years and Above)	2.77	2.85	3.15	2.95	2.83	7.34
Total	**100**	**100**	**100**	**100**	**100**	**100**

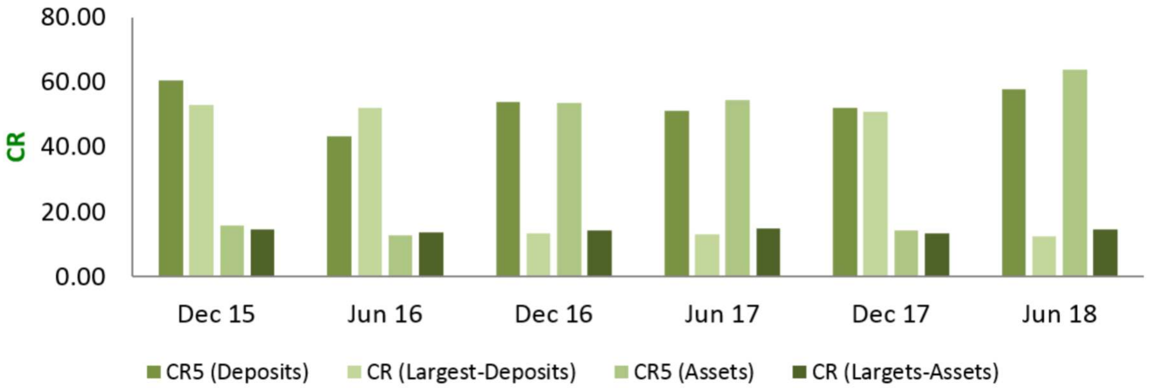
Source: CBN

4.1.10 Market Structure of the Banking Industry

Competition among market players remained weak, in the banking sector in the first half of 2018. The market share of the largest bank, with respect to assets and deposits, stood at 14.8 per cent and 12.6 per cent, respectively, compared with 14.6 per cent and 13.3 per cent at the end of the first half of 2017. Nineteen banks had market shares, ranging from 0.01 to 5.5 per cent of assets, and 0.02 to 5.2 per cent of deposits.

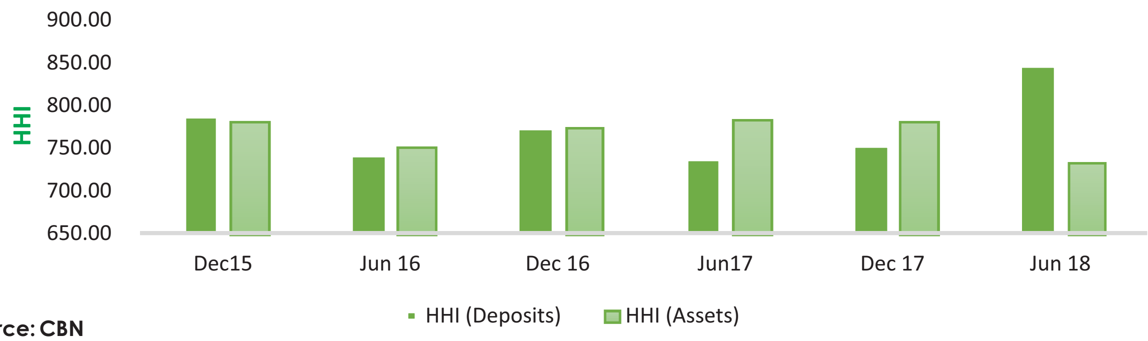
Concentration ratio of the top six banks (CR6) stood at 58.1 per cent (HHI=3,375.61) in deposits and 61.0 per cent (HHI= 3,721) in assets, compared with 52.9 per cent (HHI=2,798.41) and 55.1 per cent (HHI=3,036) in deposit and assets, respectively at the end of the corresponding period of 2017. This implied a trend towards oligopoly in the market.

Figure 38a
Market Concentration Ratios of Banks (Assets and Deposits)



Source: CBN

Figure 38b
Measures of Competition in Banks: Herfindahl- Hirschman Index

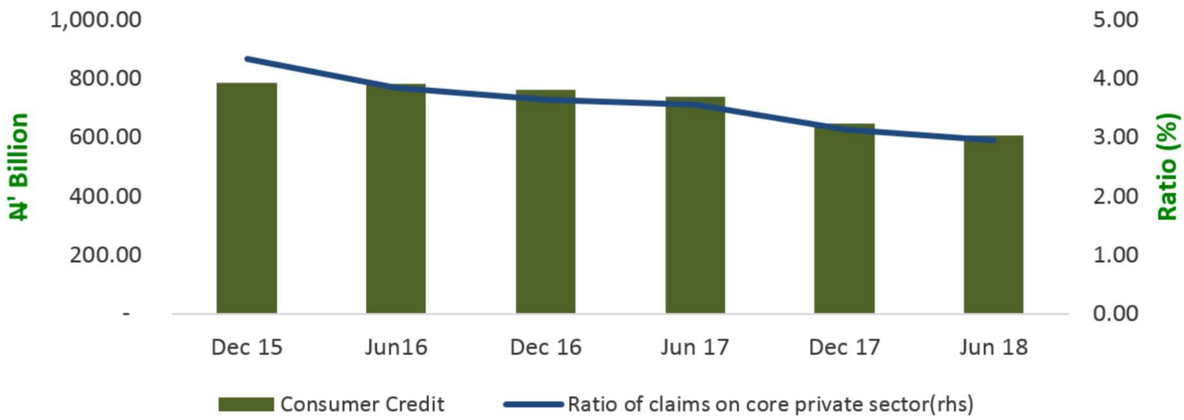


Source: CBN

4.1.11 Consumer Credit

At ₦604.3 billion, consumer credit fell by 6.6 per cent at the end of the review period, compared with the decline of 3.3 per cent at the end of the corresponding period of 2017. At that level, consumer loans constituted 3.0 per cent of total credit to the core private sector, in the first half of 2018, compared with 3.5 per cent at the end of the corresponding half of 2017. Thus, consumer credit constituted low risk to commercial banks' exposure to the core private sector.

Figure 39
Consumer Credit and Ratio of Claims on Core Private Sector
(₦' Billion)



Source: CBN

4.1.12 Money Market Developments

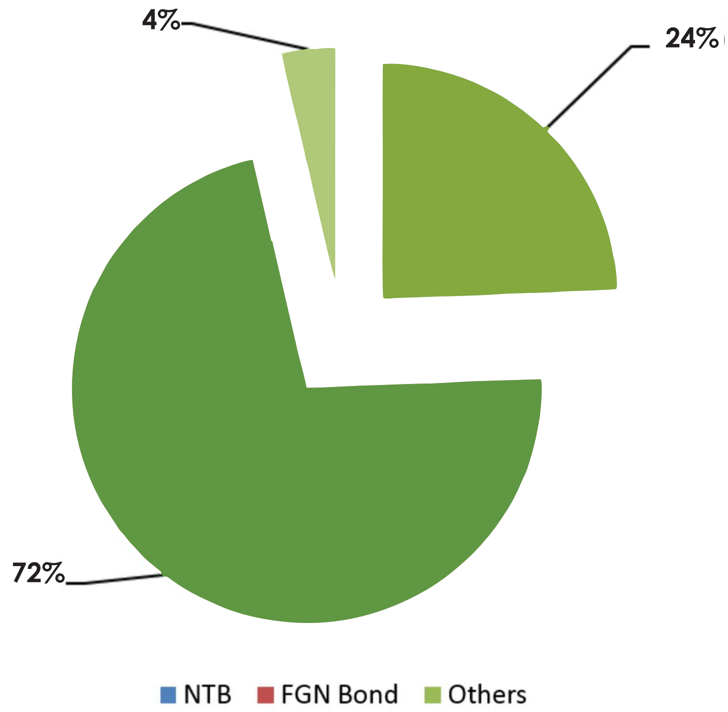
Activities in the money market, in the first half of 2018, reflected the liquidity conditions in the banking system. Liquidity was influenced by operational modalities of CRR, settlements of foreign exchange interventions and maturity of CBN bills. Banking system liquidity was also influenced by the fiscal operations of the three-tiers of government driven by the monetised proceeds from sale of crude oil and distributed at the monthly Federation Accounts Allocation Committee (FAAC) meetings. Open Market Operations (OMO) remained the main instrument for influencing banking system's liquidity and the movement in money market rates.

4.1.12.1 Money Market Assets Outstanding

Provisional data indicated that money market assets outstanding at the end of the first half of 2018 was ₦12,126.87 billion, an increase of 4.0 per cent, above the level in the corresponding half of 2017. The development reflected, mainly, the increase of 9.2 per cent in FGN Bonds outstanding.

A breakdown of the total money market assets outstanding, showed that 72.0 per cent was held in FGN Bonds, 24.4 per cent in NTBs, while Commercial Paper and Bankers Acceptances accounted for the balance.

Figure 40
Money Market Assets Outstanding
(End-June 2018)



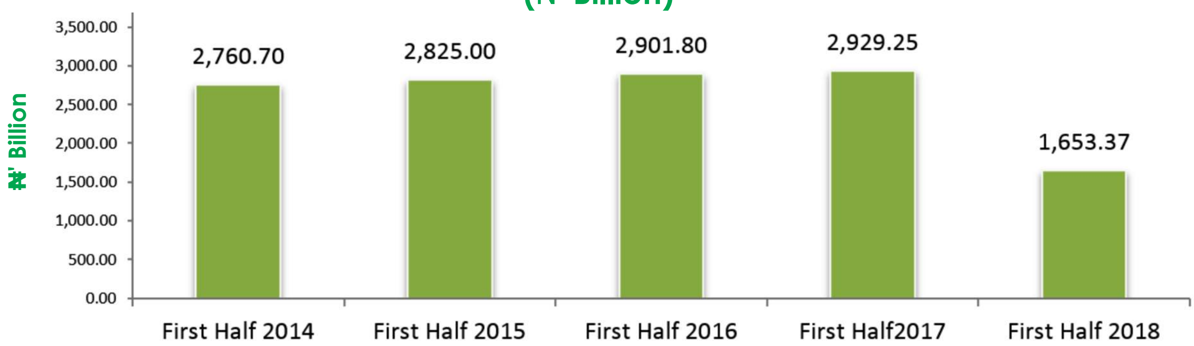
Source: CBN

4.1.12.2 Primary Market

Nigerian Treasury Bills worth ₦1,653.37 billion for 91-,182- and 365-day tenors were issued and allotted, while public subscription stood at ₦ 3,223.36 billion in the first half of 2018. At that level, NTBs declined by ₦1,255.88 billion or 43.6 per cent and the public subscription decreased by 18.7 per cent from the levels in the corresponding period of 2017. The decline in NTBs reflected fewer issues, increased OMO auctions and the redemption of bills worth N638.9 billion, while the reduction in subscription, was traced to the liquidity condition, occasioned by the actions of monetary authority around the period of auctions.

Successful bid rates ranged from 10.00 to12.55 per cent for the 91-day, 10.30 to 13.93 per cent for the 182-day and 10.70 to 14.30 per cent for the 364-day tenors, compared with 13.40 to14.00 per cent for the 91-day, 17.14 to 17.50 per cent for the 182-day and from 18.45 to 18.98 per cent for the 364-day tenors, in the corresponding period of 2017. The decline in rates was due, largely, to lower offers, fall in inflation rate, increased real returns and lower competitive bid rates. Average bid-to-cover ratio stood at 1.94 for the various tenors.

Figure 41
Nigerian Treasury Bills Outstanding
(₦' Billion)



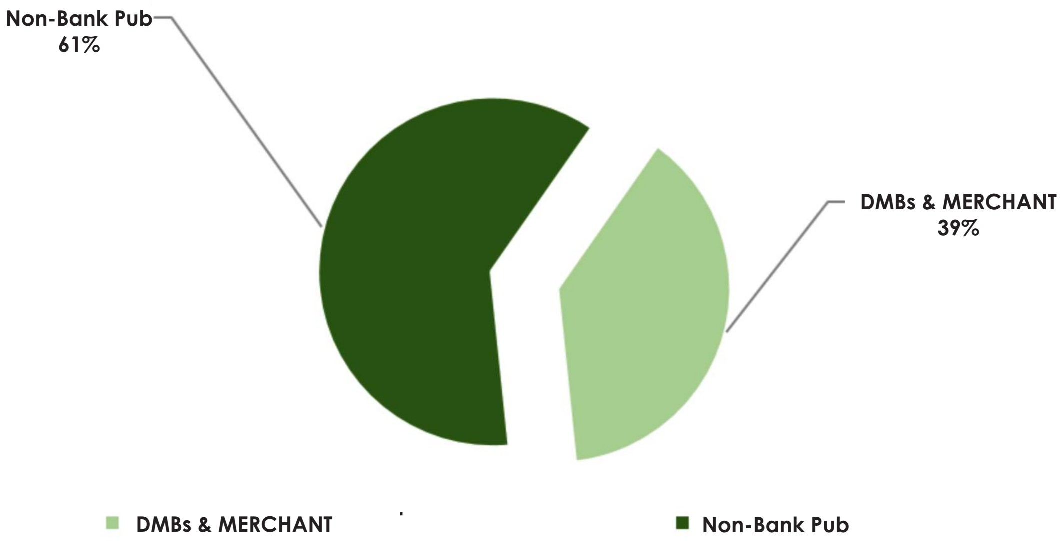
Source: CBN

4.1.12.3 Federal Government of Nigeria Bonds

In the review period, the total FGN Bonds offered was ₦500.00 billion, while public subscription and sale stood at ₦829.42 billion and ₦425.35 billion, respectively. The amount offered comprised new issues and re-openings of FGN Bonds series 1, 2, 3 and 6. In the corresponding period of 2017, FGN Bonds issues, subscription and allotment amounted to ₦785.00 billion, ₦1,237.94 billion and ₦849.53 billion, respectively. The decrease in issues, subscription and allotment was attributed to the Federal Government's policy of reducing domestic borrowing in favour of the cheaper foreign debt.

Thus, the total value of FGN Bonds outstanding at end-June 2018 was ₦9,407.53 billion, compared with ₦8,614.75 billion at end-June 2017, representing an increase of 9.2 per cent.

Figure 42
Distribution of FGN Bonds
(End-June 2018, per cent)



Source: CBN

4.1.12.4 Open Market Operations (OMO)

Open Market Operations remained the core instrument for liquidity management during the review period.

4.1.12.5 OMO Auctions

Total amount of CBN bills worth ₦13,972.84 billion was issued in the first half of 2018. Public subscription and sale amounted to ₦11,651.25 billion and ₦9,743.76 billion, respectively. This compared with ₦3,702.96 billion issues and ₦4,593.89 billion and ₦3,874.27 billion subscribed to, and sold, in the first half of 2017. The high level of activity was attributed, largely, to the increased monthly disbursements to the three-tiers of government, huge amount of CBN bills maturities, and increased number of auctions during the period. Consequently, the cost of liquidity management, in the review period, rose to ₦848.32 billion, compared with ₦577.46 billion in the corresponding period of 2017.

4.1.12.6 The Two-Way Quote Trading in NTBs

There was no transaction during the review period, same as in the corresponding period in 2017. The absence of trading was due to the shift in the Bank's operational strategy.

4.1.12.7 Tenored Repurchase Transactions

The market accessed the sum of ₦240.73 billion at the tenored repurchase window between January and June 2018. The tenors ranged from 4 to 90 days, while total interest that accrued was N6.53 billion at rates, ranging from 18.50 to 19.50 per cent. In the corresponding period of 2017, the sum of ₦352.66 billion was accessed and the total interest earned was ₦10.30 billion for the same tenors. The low level of request, in the review period, was due to preference for overnight facility instead of tenored funds.

4.1.12.8 Discount Window Operations

There were no requests for rediscounting of CBN Bills in the review period. However, CBN Bills worth ₦5.29 billion with days to maturity ranging from 6 to 129 were rediscounted at 18.00 to 19.10 per cent in the corresponding period of 2017. The absence of rediscounting transactions in the review period was due to the contractionary monetary policy stance of the Bank.

4.1.12.9 Central Bank of Nigeria (CBN) Standing Facilities

The trend at the window showed less frequent recourse to the SLF in the first half of 2018, compared with the corresponding period in 2017. Meanwhile, the threshold for daily deposits per institution at the SDF remained ₦7.5 billion, in accordance with the Bank's quest to curtail unrestrained requests by market participants and encourage lending to the real sector of the economy. Applicable rates at the SLF and SDF windows were 16.00 per cent and 9.00 per cent, respectively.

4.1.12.9.1 Standing Lending Facility (SLF)

The average request for SLF, inclusive of intra-day liquidity facility (ILF) in the first half of 2018, amounted to ₦57.63 billion, in 123 transaction days, out of which ILF conversion was ₦45.54 billion, amounting to 75.4 per cent of the total requests. Total average daily interest charged was ₦44.40 million. In comparison with the first half of 2017, the average daily volume of SLF amounted to ₦227.52

billion, in the 122 transaction days, out of which ILF conversion was ₦169.99 billion and the average daily interest charged amounted to ₦175.34 million.

4.1.12.9.2 Standing Deposit Facility (SDF)

The total value of SDF transaction in the review period declined to an average daily amount of ₦41.90 billion for the 121 days, in the first half of 2018, from ₦45.12 billion for the 121 days in the corresponding period of 2017. The average daily interest payments on the deposit decreased to ₦14.86 million, in the review period, from ₦16.33 million in the corresponding period of 2017. The reduced volume of transaction was due to the tight monetary policy stance.

4.1.12.10 Inter-Bank Funds Market

The total value of funds traded in the market stood at ₦716.06 billion, in the first half of 2018, representing a decline of 17.21 per cent, compared with ₦864.93 billion in the corresponding period of 2017. The value of unsecured call transactions amounted to ₦30.45 billion or 4.25 per cent, while open-buy-back (OBB) transactions stood at ₦685.61 billion or 95.75 per cent. The lower level of transactions at the unsecured segment was attributed, largely, to higher risk aversion by market participants.

4.1.13 Interest Rate Developments

4.1.13.1 Money Market Rates

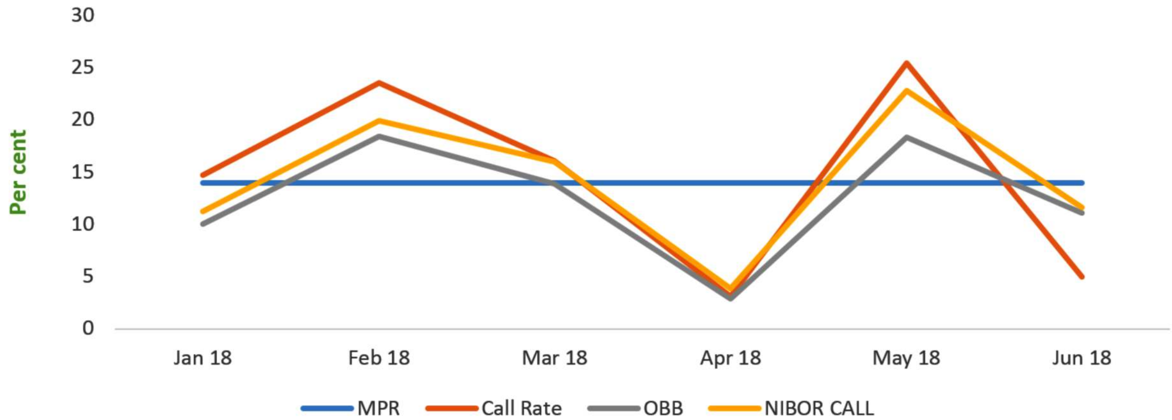
The movement in money market rates was in tandem with the level of liquidity in the banking system in the first half of 2018. The causative factors included: the fiscal operations of government; effects of CRR maintenance periods; deposits and settlement for foreign exchange wholesale and retail intervention sales; and maturities of CBN bills. In this regard, the daily inter-bank call rates and OBB rates ranged from 1.00 to 140.00 per cent and 1.85 to 131.04 per cent, respectively. The weighted average monthly inter-bank rate and the OBB rate, for the first half of 2018, were 14.64 per cent and 12.45 per cent, respectively, compared with 22.94 per cent and 26.66 per cent in the corresponding half of 2017. The weighted average of the Nigeria Inter-Bank Offered Rate (NIBOR) was 14.23 per cent, compared with 29.26 per cent in the corresponding half of 2017.

Table 16
Money Market Rates
(Per cent)

WEIGHTED AVERAGE				
Month	MPR	Call Rate	OBB	NIBOR 30-days
Jan -18	14.00	14.72	10. 04	11. 24
Feb -18	14.00	23.54	18.40	19.91
Mar -18	14.00	16.06	13.92	15.97
Apr -18	14.00	3 .10	2.88	3.88
May -18	14.00	25.43	18.37	22.77
Jun -18	14.00	5.00	11.13	11. 65
Average 2017 First Half	14.00	22.94	26.66	29.26
Average 2018 First Half	14.00	14. 64	12. 45	14.23

Source: CBN

Figure 43
Money Market Rates
(Per cent)



Source: CBN

4.1.13.1.1 Deposit Rates

Deposit rates also moved in tandem with the level of banking system liquidity and generally, rose in the first half of 2018. The average term deposit rate increased by 1.38 percentage points to 8.79 per cent, above its level in the corresponding half of 2017. Average rates on deposits of various maturities rose from a range of 8.51 to 9.10 per cent, in the first half of 2017, to a range of 8.54 to 9.23 per cent, at the end of the first half of 2018. With the year-on-year inflation rate at 11.23 per cent in June 2018, all deposit rates were negative in real terms.

4.1.13.1.2 Lending Rates

The weighted average prime lending rate fell by 0.10 percentage point to 17.25 per cent from 17.35 per cent, while the maximum lending rate rose by 1.34 percentage points to 31.39 per cent from 30.05 per cent in the first half of 2018. Consequently, the spread between the average term deposits and maximum lending rates narrowed by 0.06 percentage point to 22.60 per cent.

Table 17
DMBs Deposits and Lending Rates
(Per cent)

Month	Savings	Average Term Deposit Rates	Prime Lending	Maximum Lending	Spread (AVTD-MXLR)
Jan -18	4.08	9.23	17.50	31.39	22.16
Feb -18	4.08	8.90	17.53	31.40	22.50
Mar -18	4.08	8.64	17.35	31.55	22.91
Apr -18	4.07	8.74	17.24	31.56	22.82
May -18	4.07	8.69	17.08	31.29	22.60
Jun - 18	4.07	8.54	16.78	31.17	22.63
Average 2017 First Half	4.18	8.67	17.35	30.05	21.38
Average 2018 First Half	4.07	8.79	17.25	31.39	22.60

Source: CBN

4.1.14 Institutional Savings

Aggregate financial savings declined by 4.4 per cent to ₦14,518.80 billion in the first half of 2018, compared with ₦12,380.00 billion at the end of the corresponding period of 2017. DMBs remained the dominant depository institutions in the financial system, accounting for 95.3 per cent of the total financial savings, compared with 95.2 per cent in the preceding half year. Other saving institutions, namely PMBs, life insurance companies, pension fund custodians, the Nigerian Social Insurance Trust Fund (NSITF), and MFBs accounted for the balance.

4.1.15 Other Financial Institutions

4.1.15.1 Development Finance Institutions

Total assets of the seven (7) reporting development finance institutions (DFIs) namely: Bank of Industry (BOI), Federal Mortgage Bank of Nigeria (FMBN), Nigerian Export-Import Bank (NEXIM), Bank of Agriculture (BOA); The Infrastructure Bank (TIB), Development Bank of Nigeria (DBN) and Nigeria Mortgage Refinance Company (NMRC) increased by 35.5 per cent to ₦1,785.84 billion at end-June 2018, compared with ₦1,318.24 billion at end-December 2017. Aggregate shareholders' funds rose by 36.7 per cent to ₦338.18 billion at end-June 2018, over the level at end-December 2017, due, mainly, to increase in paid-up capital and reserves of the DBN. Total net loans and advances and paid-up share capital of the sub-sector rose by 14.4 per cent and 0.03 per cent to ₦793.53 billion and ₦237.05 billion, respectively, relative to the levels at end-December 2017. A disaggregation of the total assets by institution indicated that BOI, FMBN, DBN, NEXIM, BOA, NMRC and TIB accounted for 57.8, 14.8, 13.5, 6.8, 3.8, 3.0 and 0.3 per cent, respectively, of the total.

The DBN issued additional shares during the review period to raise its paid-up capital to ₦100 billion at end-June 2018, from ₦20 billion at end-December 2017. Accordingly, the ownership structure among the shareholders changed to: Ministry of Finance Incorporated, (59.8%); African Development Bank, (18.0%); Sovereign Investment Authority, (15.0%); and European Investment Bank, (7.2%). A World Bank Consultant was also commissioned to set up a wholly owned subsidiary that will be operationally distinct but whose account would be consolidated in DBN's books. Additionally, the BOI raised long term debt of U$750 million from 16 international banks in the review period.

4.1.15.2 Microfinance Banks (MFBs)

There were 1,034 licensed microfinance banks (MFBs) at end-June 2018, comprising eight (8) National MFBs, 132 State MFBs, and 894 Unit MFBs. The total assets of the MFBs amounted to ₦379.59 billion at end-June 2018 and represented 7.7 per cent increase over the level at end-December 2017. The shareholders' funds of MFBs increased by 13.6 per cent, to ₦94.21 billion at end-June 2018, from ₦82.97 billion at end-December 2017. The paid-up capital and reserves, at ₦66.48 billion and ₦27.72 billion at end-June 2018, showed increase of 5.3 per cent and 39.6 per cent, respectively, over the levels at end-December 2017, reflecting a modest capital injection and increased operating profits. Total deposit liabilities was ₦194.28 billion at end-June 2018, compared with ₦162.47 billion at end-December 2017 and ₦185.11 billion at end-June 2017, respectively. Net loans and advances, however, fell to ₦175.20 billion at end-June 2018, from ₦193.16 billion at end-December 2017 and ₦193.20 billion at end-June 2017.

Investible funds available to the sub-sector in the review period amounted to ₦64.14 billion. The funds were sourced from: mobilisation of deposit (₦31.81 billion); drawdown on reserves (₦7.87 billion); additional paid-up capital (₦3.37 billion); and liquidation of short-term investment (₦3.31 billion). The funds were used, mainly, for: increase in placement with banks (₦35.42 billion) and balances with banks (₦6.08 billion); settlement of other liabilities (₦11.69 billion); acquisition of other assets (₦4.09 billion); reduction of placement from banks (₦2.94 billion); and payment of matured long-term loans (₦1.18 billion).

The 18th and 19th Meetings of the Committee of Microfinance Banks in Nigeria (COMBIN) were held in Lagos, Abuja and Owerri during the first half of 2018. Deliberations at the meetings centered, mainly, on: improving credit administration to reduce portfolio-at-risk (PAR) in the sub-sector; ensuring timely rendition of returns and submission of audited annual financial statements; and strengthening the AML/CFT measures. The meeting also discussed sensitisation on Bank Verification Number (BVN), use of Credit Bureaux and National Collateral Registry and connecting to the Uniform Information Technology platform (NAMBUIT). Other major developments in the sub-sector in the review period included:

- On-boarding of 111 MFBs on the NAMBUIT platform;
- Payment of subsidy by the CBN to the National Association of Microfinance Banks for acquisition of 246 Data Capturing Machines (DCM) for BVN enrolment of customers;
- Training of Software Vendors and Compliance Officers of OFIs held in three (3) zones in the country on Credit Bureaux operations ; and
- Design and upload of forms to capture OFIs' compliance with AML/CFT regulations.

4.1.15.3 Finance Companies (FCs)

The number of licensed finance companies (FCs) increased to 82 at end-June 2018, following the licensing of two (2) additional FCs. Thus, licensed FCs comprised 61 active and 21 inactive institutions whose licenses were pending revocation. The total assets and liabilities FCs increased by 14.4 per cent to ₦159.48 billion at end-June 2018, compared with ₦139.36 billion at end-December 2017. The increase in total assets was attributed to the growth of 24.3 per cent and 16.6 per cent in borrowings, and loans and advances, respectively, to ₦100.05 billion and ₦47.70 billion at end–June 2018. Similarly, balances with banks, reserves, investments and fixed assets increased by 73.9 per cent, 27.5 per cent, 26.5 per cent and 8.6 per cent to ₦4.34 billion, ₦9.73 billion, ₦15.40 billion and ₦41.37 billion, respectively, at end-June 2018.

Investible funds available to the sub-sector in the review period amounted to ₦16.26 billion. The funds were sourced from additional long-term borrowing (₦13.34 billion), reduction in bank balances (₦1.54 billion) and draw-down on reserves (₦1.37 billion). The funds were utilised to: reduce other liabilities (₦5.83 billion); increase investments (₦3.03 billion), cash balance (₦2.91 billion) and placements (₦1.28 billion); and acquire other assets (₦1.22 billion) and fixed assets (₦1.15 billion).

Table 18
Key Finance Indicators of Finance Companies at end-June 2018

	June 2018 (₦ ' billion)	December 2017 (₦ ' billion)	% Change
Total Assets	159.48	139.36	14.44
Cash in Vault	4.39	1.45	2.94
Balances with Banks	4.34	2.5	1.84
Loans and Advances	47.70	40.9	6.80
Borrowings	100.05	80.47	19.58
Investments	15.40	12.17	3.23
Fixed Assets	41.37	38.08	3.29
Reserves	9.73	7.63	2.10
Paid -up Capital	19.37	19.06	0.31

Source: CBN

4.1.15.4 Primary Mortgage Banks (PMBs)

There were thirty-four (34) licensed PMBs in operation at end-June 2018, comprising 11 national and 23 state PMBs, same as at end-December 2017. Total assets of the PMBs decreased marginally by 1.0 per cent to ₦384.37 billion at end-June 2018, from ₦388.58 billion at end-December 2017 due, largely, to losses from loan impairments in the review period. Shareholders' funds amounted to ₦109.74 billion at end-June 2018, compared with ₦132.35 billion at end-December 2017, indicating 17.1 per cent decrease due, mainly, to operating losses. Total loans and advances, placement with banks and deposit liabilities decreased by 0.4 per cent, 0.4 per cent and 0.8 per cent, respectively, to ₦177.17 billion, ₦36.52 billion and ₦108.83 billion at end-June 2018, while other liabilities rose by 10.6 per cent to ₦98.17 billion.

Investible funds available to the sub-sector amounted to ₦31.49 billion at end-June 2018. The funds were sourced, mainly, from: mobilisation of other liabilities (₦9.44 billion); long-term loans (₦4.33 billion); and increase paid-up capital (₦1.03 billion). Additional funds were also sourced from reduction in placement with banks (₦5.73 billion), disposal of non-current asset held for sale (₦7.63 billion) and sale of quoted investment in equities (₦2.67 billion). The funds were utilised for accretion to reserves (₦23.6 billion), increase in bank balances (₦3.60 billion) and acquisition of other assets (₦2.65 billion).

Table 19
Key Financial Indicators for Primary Mortgage Banks at end-June 2018

	June 2018 (₦' billion)	December 2017 (₦' billion)	% Change
Total Assets	384.37	388.36	-1.03
Loans and Advances	177.17	177.81	-0.36
Placement with Banks	36.52	36.54	-0.40
Deposit Liabilities	108.83	109.73	-0.82
Other Liabilities	98.17	88.73	10.64
Shareholders' funds	109.74	132.35	-17.07

Source: CBN

4.1.15.5 Bureaux-De-Change (BDCs)

There were 4,106 BDCs in operation in the first half of 2018, compared with 3, 740 at end-December 2017. The increase was due to the licensing of 366 new BDCs. In the review period the CBN approved an upward review of the trading margin for BDCs to ₦3.0 from the previous ₦2.0, to incentivize this category of market participants and increase liquidity in the market.

4.1.16 Capital Market Developments

4.1.16.1 Institutional Developments

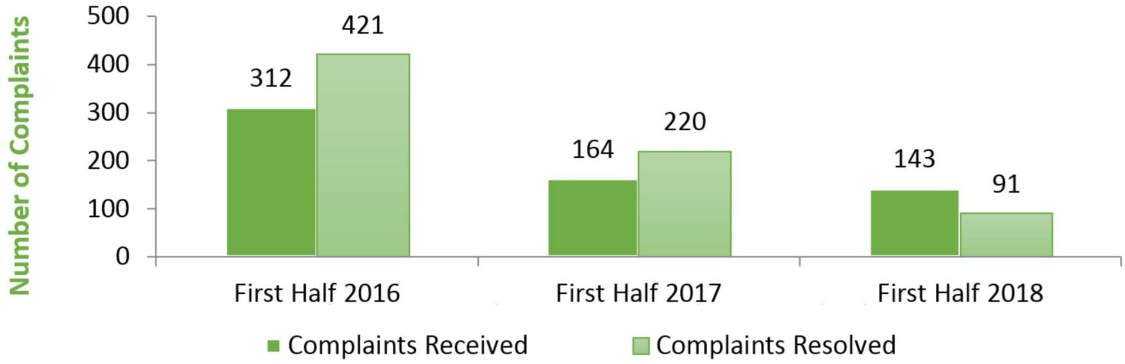
Activities of the Securities and Exchange Commission (SEC) during the first half of 2018 were focused on the sustained implementation of the initiatives under the 10–year Capital Market Master Plan. In that regard, a market-wide technical committee was set-up, in the review period, to examine the Nigerian commodity eco-system in line with government's effort at economic diversification. The Committee was mandated to come up with a framework for an orderly, dynamic and efficient marketing system for the agricultural and mining sectors. Consequently, a report and a draft framework were submitted by the Committee.

The Commission also extended the deadline for the forbearance window to September 2018. The extension was to further allow investors with shares in multiple names consolidate their identities and shareholdings with the registrars and the Central Securities Clearing System (CSCS) into one that bears their official name. Similarly, the Commission commenced an impact assessment of the e-Dividend Mandate System and data gathering on ownership structure in the first half of 2018. The exercise covers ownership structure of Nigerian companies, bonds and foreign capital flows. Other initiatives included:

- Roadmap for enhancement of market liquidity;
- Framework for encouraging new listings; implementation of the financial literacy roadmap; and
- Advocacy for development and adoption of non-interest financing and capital market products.

With respect to investor protection, the Commission received 143 complaints against capital market operators in the first half of 2018, compared with 164 complaints received in the corresponding half of 2017. A total of 91 cases were resolved in the review period.

Figure 44
Complaints received and resolved, end-June 2018



Source: Securities and Exchange Commission (SEC)

4.1.16.2 The Nigerian Stock Exchange (NSE)

The Nigerian Stock Exchange, in the first half of 2018, generally continued with the implementation of various initiatives to sustain the post-recession rebound of investment activities. The Exchange implemented an amended Pricing Methodology and Par Value Rules in the review period. The amendments were aimed at improving liquidity, narrowing spreads and making the market more efficient. The Rules specified revised price limit (price floor), price movements (minimum pricing increments) and tick sizes (minimum quantity), that could cause change in published price.

The Exchange also admitted four (4) more companies into the Premium Board in the first half of 2018. The Premium Board is the listing segment for issuers that meet the Exchange's most stringent corporate governance and listing standards. It showcases the companies and provides them access to a global pool of investors who are focused on firms managed in conformity with the highest standards. Companies desirous of listing on the Board must attain a minimum score of 70.0 per cent on the Corporate Governance Rating System (CGRS), minimum market capitalisation of ₦200 billion as at date of application, and maintain a minimum free float of 20.0 per cent of their issued share capital. At end-June 2018, there were seven (7) companies listed on the Premium Board.

In addition, following the implementation of the Corporate Governance Rating System (CGRS), the Exchange launched the corporate governance index aimed at tracking the corporate governance practices of listed companies. The index was expected to enhance transparency, provide investors additional basis for making sound and informed decisions, as well as, give listed companies more positive outlook when raising capital within or outside their jurisdiction. The index would be reviewed on a bi-annual basis.

4.1.16.3 The New Issues Market

In the primary segment of the Nigerian capital market, there were twenty-six (26) new issues worth ₦554.77 billion in the first half of 2018, compared with twenty-four (24) valued at ₦808.06 billion in the corresponding half year of 2017. Ten (10) new issues approved by the Commission in the review period amounted to ₦93.36 billion, and comprised six (6) equities made up of: three (3) rights issues (₦54.36 billion); two (2) private placements (₦5.99 billion); one (1) offer for sale (₦0.01 billion); and, four (4) corporate bonds (₦33.33 billion). In the government segment of the primary market, sixteen (16) bonds, worth ₦461.08 billion were issued and allotted by the Debt Management Office in the review period, compared with sixteen (16) bonds, worth ₦829.42 billion in the corresponding half year of 2017.

4.1.16.4 The Secondary Market

Despite the general improvement in macro-economic conditions, rising interest rates in the United States was a major threat to the retention of portfolio investments, as investors contemplated diversification of portfolios to seek higher returns. This weakened investors' confidence in the market and led to a slowdown in the momentum of market rebound in the first half of 2018. Notwithstanding these developments, the market closed slightly bullish.

The aggregate volume and value of traded securities rose by 52.0 per cent and 70.0 per cent, respectively, to 67.04 billion shares and ₦797.08 billion in 647,560 deals, compared with 44.0 billion shares, valued at ₦468.77 billion and traded in 565,948 deals in the corresponding period of 2017. The equities sub-sector maintained its dominance in the market, accounting for 99.9 per cent of the aggregate volume and value of transactions, while the debt and Exchange Traded Fund (ETF) market accounted for the balance. Sectoral analysis of the developments in the market indicated that the financial services sector (measured by volume of transactions), remained the most active, accounting for 48.9 billion shares (73.0%), valued at ₦521.01 billion (65.4%), in 389,926 deals, compared with 36.6 billion shares, valued at ₦214.7 billion in 263,465 deals in the first half of 2017. This was followed by the conglomerates and consumer goods sectors. The banking sub-sector was the most active on the Exchange (measured by volume) with traded volume of 30.8 billion shares, valued at ₦376.8 billion in 251,804 deals, compared with 23.7 billion shares, valued at ₦203.3 billion in 215,587 deals in the first half of 2017.

Analysis of investors' activities in the market showed increased participation by foreign investors relative to the first half of 2017. Domestic and foreign investors' participation were 50.5 per cent and 49.5 per cent, as against 52.5 per cent and 47.5 per cent, respectively, in the corresponding half year of 2017.

Figure 45
Volume and Value of Transactions at the NSE

Source: Securities and Exchange Commission (SEC)/Nigerian Stock Exchange (NSE)

4.1.16.5 All-Share Index and Aggregate Market Capitalisation

The NSE All-Share Index was 38,278.55 at end-June 2018, indicating 0.1 per cent and 15.6 per cent increase, relative to 38,243.19 and 33,117.48 at end-December 2017 and end-June 2017, respectively. Aggregate market capitalisation of the 278 listed securities closed at ₦23.99 trillion, indicating an increase of 4.7 per cent and 26.1 per cent over the levels at end-December 2017 and the corresponding period of 2017, respectively. Listed equities accounted for 57.8 per cent of the aggregate market capitalisation, while the debt and ETF components accounted for the balance of 42.2 per cent. The top-twenty (20) most capitalised companies on the Exchange accounted for 88.6 per cent (₦12.3 trillion) of the total equity capitalisation and 51.5 per cent of the aggregate (equity plus debt) market capitalisation.

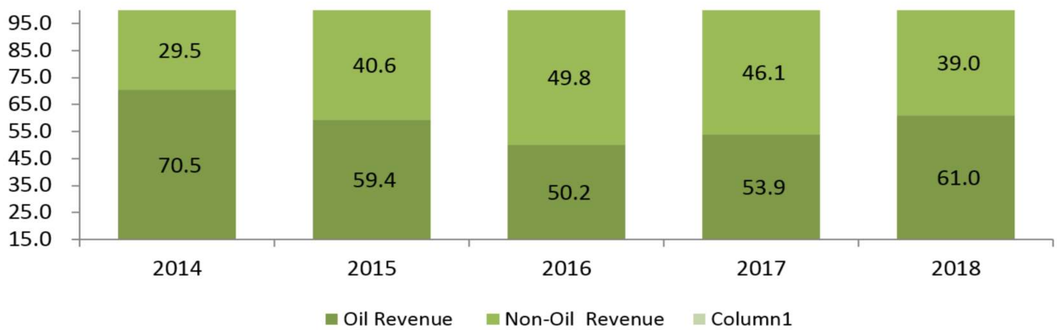
Six (6) banks made the list of the top-twenty (20) most capitalised companies and accounted for ₦3.18 trillion (22.9%) of the total equity market capitalisation, compared with eight banks and 16.8 per cent in the corresponding period of 2017. As a percentage of nominal GDP, aggregate market capitalisation stood at 40.5 per cent at end-June 2018, compared with 35.9 per cent in the corresponding period of 2017. The development indicated that despite its slowed momentum, growth in the capital market activities outpaced recovery of the real economy.

4.2 FISCAL OPERATIONS

4.2.1 Federation Account Operations

Provisional gross federally-collected revenue[2] in the first half of 2018 stood at ₦4,401.91 billion or 7.7 per cent of GDP. The amount was lower than the proportionate budget estimate by 33.7 per cent, but was above the level in the corresponding period of 2017 by 47.1 per cent. The drop in federally-collected revenue, relative to the budget estimate, was attributed to the shortfall in both oil and non-oil revenue. Of the total revenue, oil constituted 61.0 per cent, while non-oil accounted for the balance of 39.0 per cent.

Figure 46
Structure of Gross Federation Revenue, First Half 2014 - 2018
(Per cent)

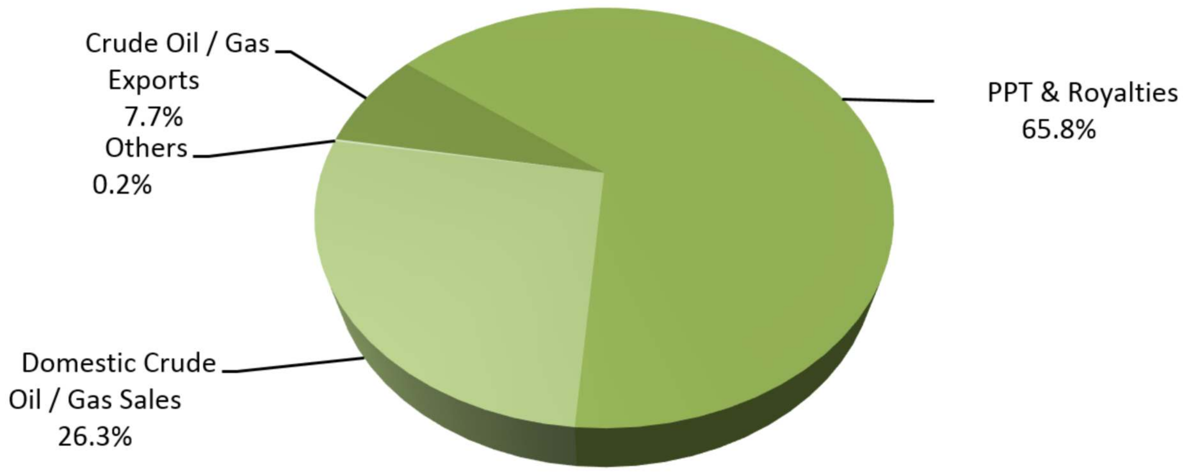


Source: Computation based on data from The Office of Accountant General of the Federation (OAGF) and The Federal Ministry of Finance (FMF)

[2] *Earnings lodged in the Federation Account by virtue of Section 161 of the Federal Republic of Nigeria Constitution 1999 as amended*

At ₦2,686.12 billion or 4.5 per cent of GDP, gross oil revenue fell below the proportionate budget estimate by 30.1 per cent, but rose above the level in the first half of 2017 by 66.5 per cent. The drop in oil revenue, relative to the proportionate budget estimate, was attributed to the decline in the volume of production and exports during the period. Relative to the budgeted benchmark of 2.3 million barrels per day (mbd), crude oil production averaged 1.90 mbd. In addition, crude oil exports dropped below the proportionate budget benchmark of N611.38 billion by ₦403.84 billion or 66.1 per cent. The gross oil revenue comprised: PPT/Royalties, ₦1,767.36 billion (65.8%); Domestic Crude Oil/Gas Sales, ₦706.31 billion (26.3%); Crude Oil and Gas Exports, ₦207.54 billion (7.7%); and "Others", ₦4.91 billion (0.2%), respectively.

Figure 47
Composition of Oil Revenue, First Half 2018
(Per cent)



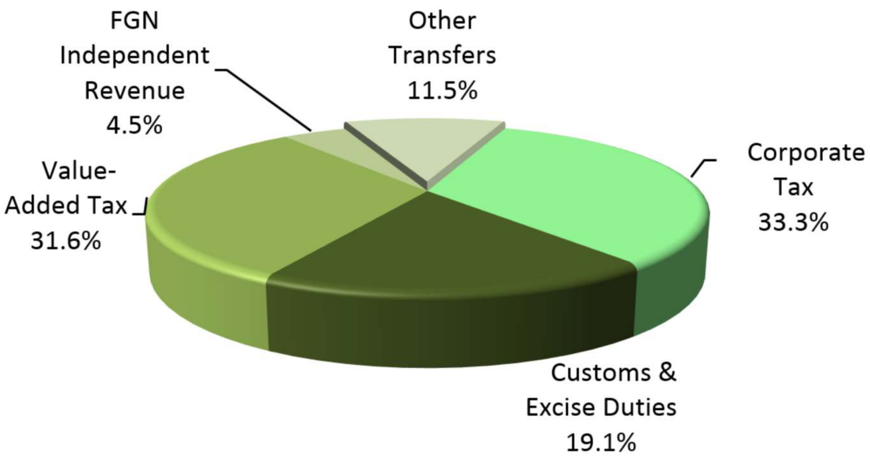
Source: Computation based on data from the OAGF and the FMF

The sum of ₦282.72 billion and ₦22.19 billion from the gross oil revenue were utilised for the Joint Venture Cash (JVC) calls and cost of collection by the Department of Petroleum Resources (DPR), respectively, while ₦24.63 billion was transferred to "Others"[3]. The balance of ₦2,356.58 billion was, however, retained in the Federation Account for distribution among the three tiers of government and the 13% Derivation Fund.

[3] *Included Excess Crude Revenue, Excess PPT/Royalty & NNPC Refunds*

Gross revenue from non-oil sources, at ₦1,715.79 billion or 2.9 per cent of GDP, was below the proportionate budget estimate by 38.8 per cent, but was above the level in the corresponding period of 2017 by 24.4 per cent. The decline in non-oil revenue, relative to the budget estimate, was attributed to the lull in economic activities and was reflected in most of its components. The gross non-oil revenue comprised: Corporate Tax, ₦572.00 billion (33.3%); Value Added Tax (VAT), ₦541.26 billion (31.6%); Customs and Excise Duties, ₦328.02 billion (19.1%); FGN Independent Revenue, ₦77.67 billion (4.5%) and "Others"[4], ₦196.84 billion (11.5%).

Figure 48
Composition of Non-Oil Revenue, First Half 2018
(Per cent)



Source: Computation based on data from the OAGF and the FMF

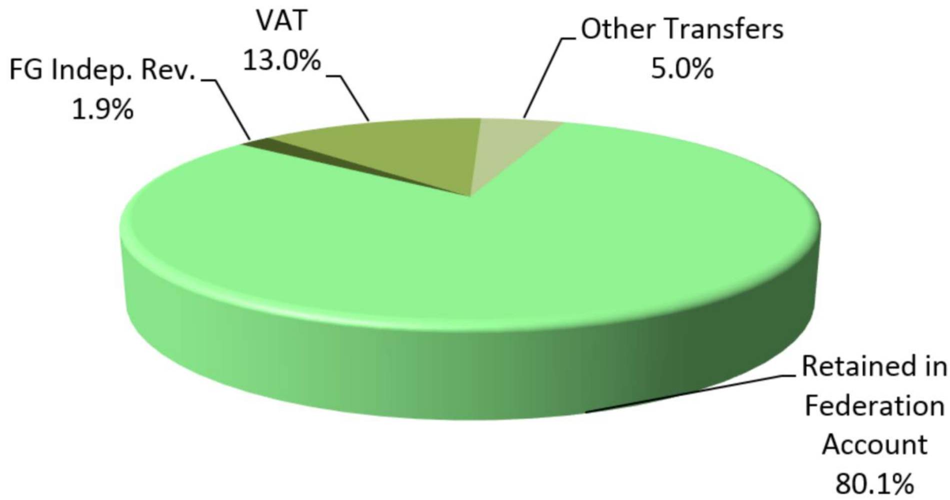
The sum of ₦66.88 billion, ₦6.09 billion and ₦2.01 billion were deducted from the non-oil revenue, as combined cost of collection for the Federal Inland Revenue Service (FIRS) and Nigeria Customs Service (NCS), FIRS Tax refunds and NCS refunds, respectively, leaving a net distributable balance of ₦1,640.82 billion.

Overall, of the ₦3,997.39 billion federally-collected revenue (net) from oil and non-oil sources, ₦519.89 billion (13.0%), ₦196.84 billion (5.0%) and ₦77.67 billion

[4] *Include Education Tax Fund; Customs Special Levies (Federation and Non-Federation); and National Information Technology Development Fund (NITDF).*

(1.9%), were transferred to the VAT Pool Account, Other Transfers and FG Independent Revenue, respectively. The balance of ₦3,202.98 billion (80.1%) was retained in the Federation Account for distribution to the three-tiers of government and the 13% Derivation Fund.

Figure 49
Composition of Federally Collected Revenue (Net), First Half 2018 (Per cent)



Source: Computation based on data from the OAGF and the FMF

4.2.1.1 Federally Collected Revenue Distribution

Distribution from the Federation Account[5] to the three-tiers of government in the first half of 2018 was as follows: Federal Government, ₦1,525.94 billion; states, ₦773.98 billion; and local governments, ₦596.71 billion. The balance of ₦306.35 billion was shared among the oil-producing states as 13% Derivation Fund[6].

The sum of ₦62.53 billion was drawn-down on the Exchange Rate Differential Account to augment the shortfall in budgeted revenue and shared as exchange gain as follows: the Federal Government, ₦28.66 billion; states, ₦14.54 billion; local governments, ₦11.21 billion and the 13% Derivation Fund, ₦8.13 billion. Furthermore, the sum of ₦30.77 billion was shared from the Excess Crude/PPT Account with the Federal Government receiving ₦14.10 billion. The

[5] *Shared as follows: Federal, including Special Funds (52.68%); States (26.72%); and local governments (20.0%)*

[6] *Fund set aside for the oil-producing state.*

state and local governments received ₦7.15 billion, and ₦5.51 billion, respectively, while the 13% Derivation Fund got ₦4.00 billion. Also, the sum of ₦11.27 billion was shared as the Federation Revenue Augmentation with the Federal Government getting ₦5.16 billion. The state and local governments got ₦2.62 billion, and ₦2.02 billion, respectively, while the 13% Derivation Fund received ₦1.46 billion. In addition, the sum of ₦2.59 billion was shared as non-oil excess revenue[7] as follows: the Federal Government, ₦1.37 billion; states, ₦0.69 billion and local governments, ₦0.53 billion.

4.2.1.2 VAT Pool Account[8]

A total of ₦512.70 billion accrued to the VAT Pool Account in the first half of 2018, representing a decrease of 30.8 per cent below the proportionate budget estimate for the fiscal year. The amount was distributed among the three-tiers of government as follows: Federal Government, ₦76.90 billion; state governments, ₦256.35 billion; and local governments, ₦179.44 billion.

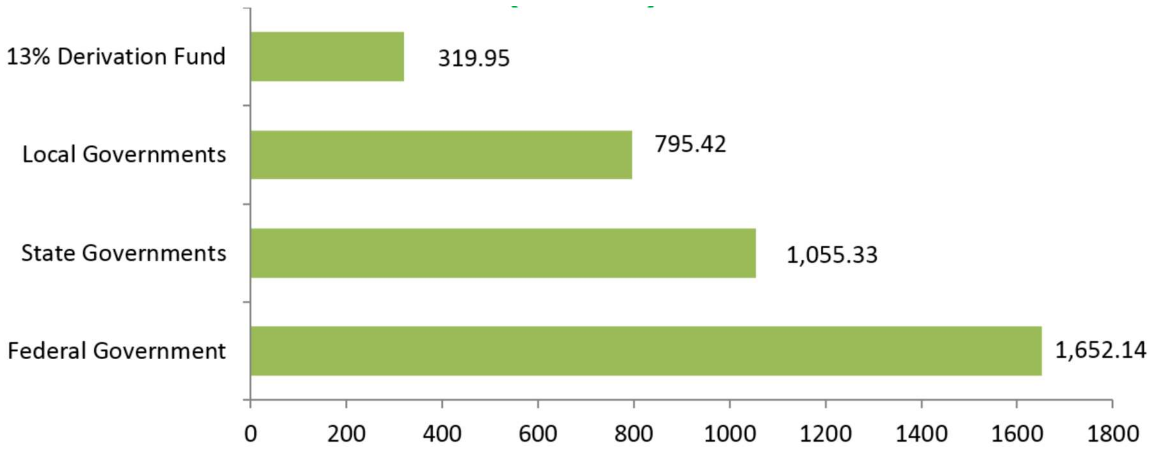
4.2.1.3 Cumulative Distribution

The total statutory revenue distributed to the three-tiers of government and the 13% Derivation Fund amounted to ₦3,822.84 billion in the first half of 2018. This was below the 2018 proportionate budget estimate of ₦5,804.56 billion by 34.1 per cent, but above the ₦2,530.42 billion distributed in the first half of 2017 by 51.1 per cent. A breakdown revealed that the Federal Government received ₦1,652.14 billion, while the state and local governments, as well as, the 13% Derivation Fund got ₦1,055.33 billion, ₦795.42 billion and ₦319.95 billion, respectively.

[7] *Include Excess Bank Charges of ₦1.94 billion*

[8] *Shared as follows: Federal (15.0%); States (50.0%); and local governments (35.0%)*

Figure 50
Cummulative Distribution to the Three Tiers of Government and 13% Derivation Fund, First Half 2018 (₦' Billion)



Source: Computation based on data from the OAGF and the FMF

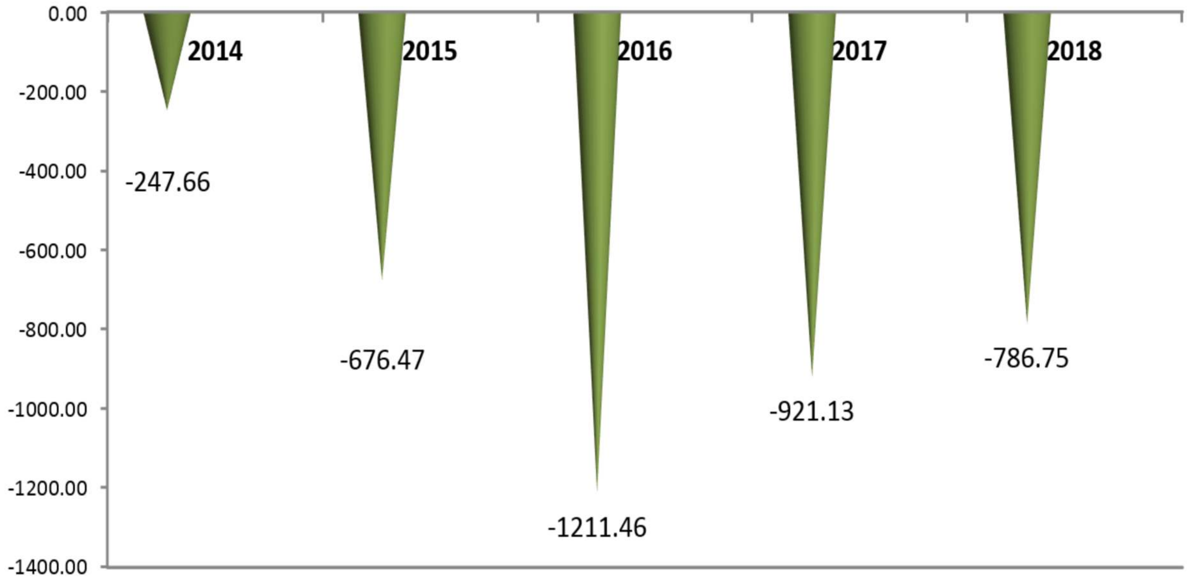
A further analysis showed that the amount distributed, comprised: the Federation Account, ₦3,202.98 billion (83.8%); VAT Pool Account, ₦512.70 billion (13.4%); and other statutory revenue (including Exchange Gain, Excess Crude/PPT, Federation Revenue Augmentation and Non-Oil Excess Revenue), ₦107.16 billion (2.8%).

4.2.2 Federal Government Finances

4.2.2.1 Federal Government Fiscal Balance

Provisional data showed that the fiscal operations of the Federal Government, in the first half of 2018, resulted in an overall deficit of ₦786.75 billion or 1.3 per cent of GDP, compared with the proportionate budget estimate and the corresponding period of 2017 at ₦977.23 billion and ₦921.13 billion, respectively. The deficit was financed, mainly, from domestic sources with Other Funds accounting for 83.8 per cent of the total.

Figure 51
FGN Fiscal Balance, First Half 2014 - 2018
(₦' Billion)



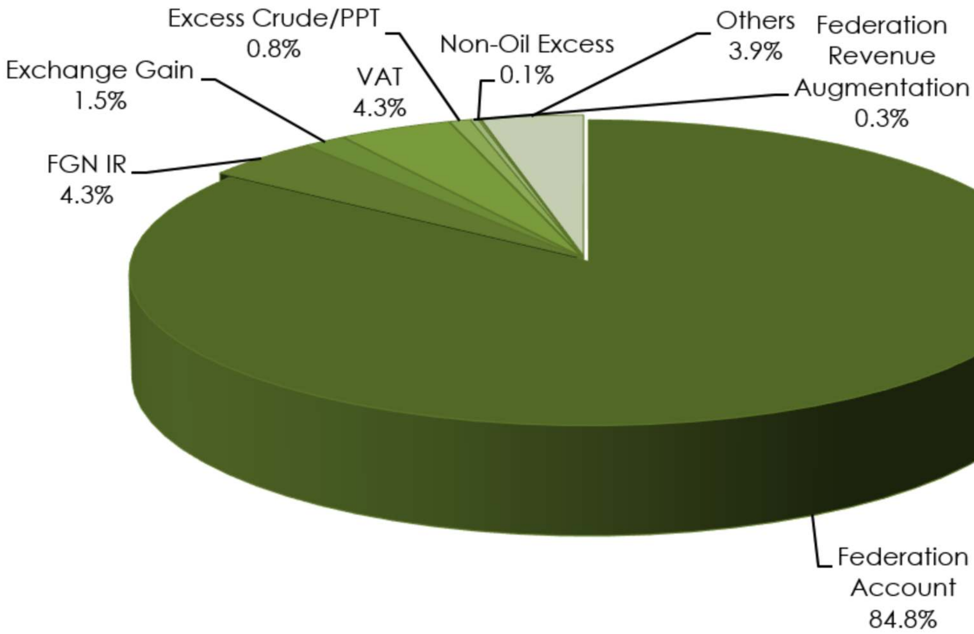
Source: Computation based on data from the OAGF and the FMF

4.2.2.2 Federal Government Retained Revenue

At ₦1,799.38 billion or 3.0 per cent of GDP, the provisional retained-revenue of the Federal Government was lower than the proportionate budget estimate by 52.9 per cent. It was, however, higher than the level in the first half of 2017 by 24.0 per cent. The development, relative to the proportionate budget estimate, was attributed to the drop in revenue from oil and non-oil sources. A breakdown of the retained-revenue revealed that the share from the Federation Account was ₦1,525.94 billion (84.8%); Federal Government Independent Revenue, ₦77.67 billion (4.3%); VAT Pool Account, ₦76.90 billion (4.3%); Exchange Gain, ₦28.66 billion (1.5%); Excess Crude, ₦14.10 billion (0.8%); Federation Revenue Augmentation, ₦5.16 billion (0.3%); Non-Oil Excess Revenue[9], ₦1.37 billion (0.1%)and 'Others', ₦69.57 billion (3.9%).

[9] *Include Excess Bank Charges of N1.02 billion*

Figure 52
Composition of Federal Government Retained Revenue, First Half 2018 (Per cent)

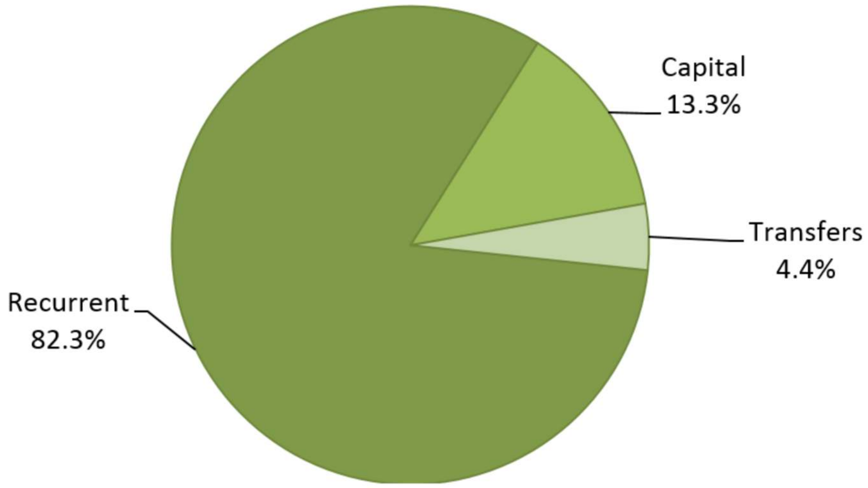


Source: Computation based on data from the OAGF and the FMF

4.2.2.3 Federal Government Expenditure

Provisional data indicated that the aggregate expenditure of the Federal Government in the first half of 2018 was ₦2,586.13 billion or 4.3 per cent of GDP. This was below both the proportionate budget estimate and the level in the corresponding period of 2017 by 46.1 and 21.3 per cent, respectively. The development, relative to the proportionate budget estimate, reflected, largely, the low pace of capital releases, owing to the delay in the passage of the 2018 budget and the need for MDAs to finalise their procurement processes. Non-debt expenditure was below the proportionate budget estimate by 63.6 per cent and constituted 52.0 per cent of total expenditure. Total interest payments amounted to ₦1,240.52 billion, representing 68.9 and 48.0 per cent of FGN retained revenue and total expenditure, respectively.

Figure 53
Composition of Federal Government Expenditure, First Half 2018
(Per cent)



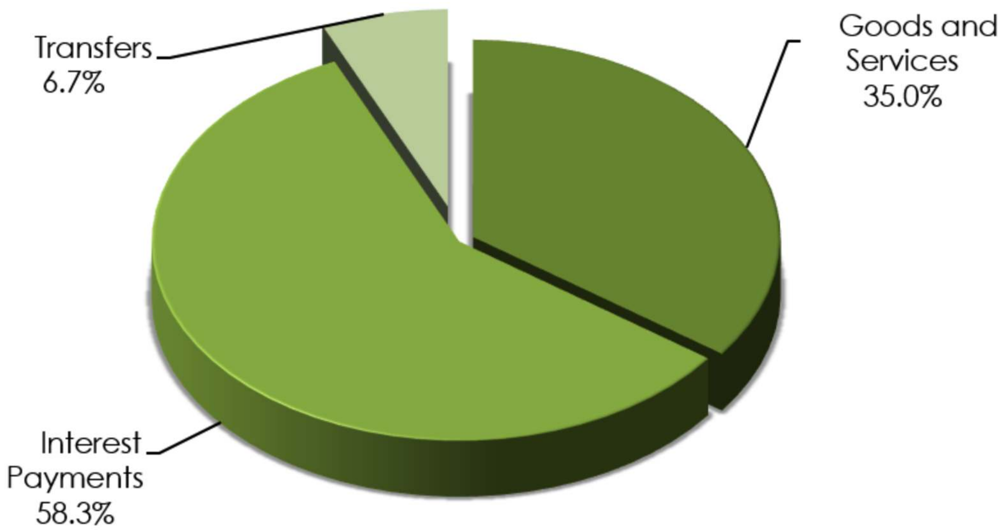
Source: Computation based on data from the OAGF

At ₦2,127.98 billion, recurrent expenditure fell by 31.3 per cent below the proportionate budget estimate and accounted for 82.3 per cent of total expenditure. As a percentage of GDP, recurrent expenditure was 3.6 per cent, compared with 4.6 per cent in the first half of 2017. A breakdown of the recurrent expenditure showed that the goods and services component, at ₦745.10 billion or 35.0 per cent of the total, fell below the proportionate budget estimate by 57.6 per cent, owing to the decline in all its components. Further analysis of the goods and services component showed that personnel cost accounted for ₦348.80 billion (46.8%), while overhead cost and pension accounted for ₦366.84 billion (49.2%) and ₦29.46 billion (4.0%), respectively.

Interest payments[10], at 58.3 per cent of total recurrent expenditure or 2.1 per cent of GDP, rose by 12.6 per cent to ₦1,240.52 billion, compared with the proportionate budget estimate of ₦1,101.92 billion. Of this amount, ₦1,181.59 billion (95.2%) was expended on domestic debt service, while the balance of ₦58.93 billion (4.8%) was for external debt service. Transfers to special funds (FCT, Stabilisation Fund, Development of Natural Resources and Ecology Fund) and "Others" accounted for ₦142.36 billion or 6.7 per cent of total recurrent expenditure.

[10] *Include interest payments on CBN Overdraft.*

Figure 54
Economic Classification of FG Recurrent Expenditure, First Half 2018 (Per cent)



Source: Computation based on data from the OAGF

On a functional basis, outlay on Administration was ₦359.03 billion and constituted 16.9 per cent of total recurrent expenditure. Relative to the level in the corresponding period of 2017, it fell by 39.4 per cent, due to the decrease in the allocation to all the key sub-sectors. Similarly, expenditure on the Social and Economic services sectors fell by 37.6 and 42.9 per cent to ₦250.13 billion and ₦106.48 billion, and constituted 11.8 and 5.0 per cent of the total, respectively. Transfers, however, rose by 13.5 per cent to ₦1,412.34 billion and accounted for 66.3 per cent of the total.

Capital expenditure at ₦342.74 billion or 0.6 per cent of GDP and 13.3 per cent of total expenditure, was below the proportionate budget estimate by 76.1 per cent, reflecting the slow pace of capital budget releases in the period. As a proportion of Federal Government retained revenue, capital expenditure, at 19.0 per cent was below the stipulated minimum target of 20.0 per cent under the revised WAMZ secondary convergence criteria.

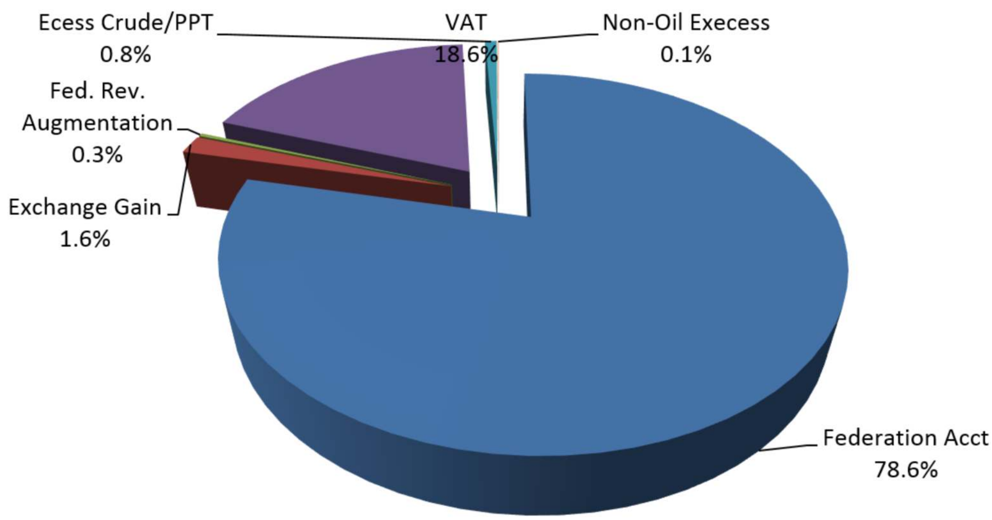
Analysis of capital expenditure by function showed that outlay in the Economic services sector was ₦141.41 billion or 41.3 per cent of the total. Administration accounted for 38.4 per cent, while public investments in Social services, and Transfers constituted 15.9 and 4.4 per cent of the total, respectively.

Statutory transfers, at ₦115.41 billion or 0.2 per cent of GDP, fell by 56.5 per cent, relative to the proportionate budget estimate and accounted for 4.4 per cent of total expenditure.

4.2.3 State Government Finances

Provisional data on aggregate statutory allocation to state governments from the Federation Account, Excess Crude/PPT, Federation Revenue Augmentation, Exchange Gain[11], Non-Oil Excess revenue[12], and VAT Pool Account, amounted to ₦1,375.28 billion in the first half of 2018. This was 35.3 per cent below the proportionate budget estimate, but 51.4 per cent above the level in the corresponding period of 2017. A breakdown showed that allocation from the Federation Account was ₦1,080.34 billion (78.6%); VAT Pool Account, ₦256.35 billion (18.6%); Exchange Gain, ₦22.66 billion (1.6%); Excess Crude/PPT, ₦11.15 billion (0.8%); Federation Revenue Augmentation, ₦4.08 billion (0.3%); and Non-Oil Excess, ₦0.69 billion (0.1%).

Figure 55
Composition of Total Allocations to State Governments, First Half 2018
(Per cent)



Source: Computation based on data from the FMF

[11] All Distributions except Non-Oil Excess and VAT include allocation to the 13% Derivation Fund.
[12] Include Excess Bank Charges of ₦0.52 billion

The sum of ₦180.36 billion was, however, deducted as state governments' contractual obligations[13] from their share of the Federation Account, leaving a net distributable balance of ₦899.97 billion. Of the net sum, ₦593.62 billion was distributed to the 36 states of the Federation and the balance of ₦306.35 billion, being 13% Derivation Fund, was disbursed to the oil-producing states. In addition, the state governments and the 13% Derivation Fund got ₦22.66 billion and ₦15.24 billion, respectively, from Exchange Gain, Excess Crude/ PPT and Federation Revenue Augmentation distributions. Also, the sum of ₦256.35 billion and ₦0.69 billion were shared exclusively to the states as VAT and Non-Oil Excess revenue, respectively.

Overall, the net aggregate allocation to the states and 13% Derivation Fund amounted to ₦1,194.92 billion. This represented an increase of 50.3 per cent above the level in the corresponding period of 2017. Further analysis of state governments' aggregate allocation showed that Delta, Akwa Ibom and Rivers were the top three recipients at 8.4, 7.8 and 6.8 per cent of the total, respectively. Conversely, Ebonyi, Kwara and Ekiti states received the least at approximately 1.7 per cent, each.

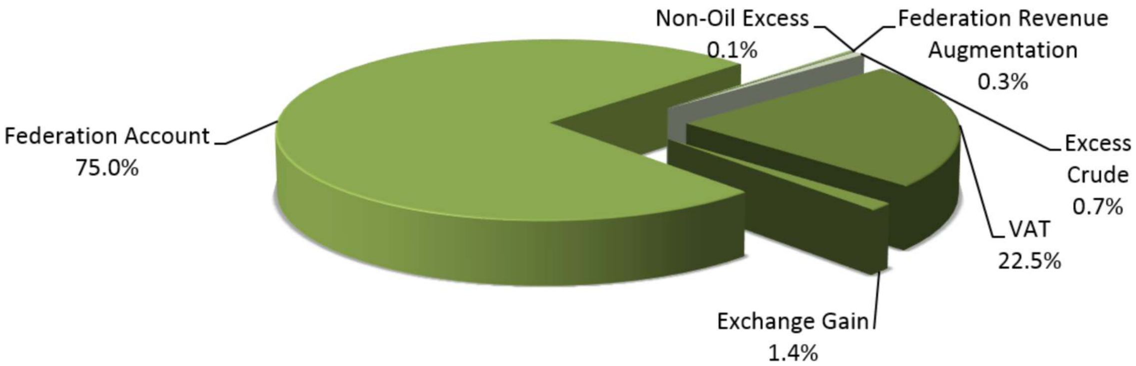
4.2.4 Local Government Finances

Provisional data indicated that aggregate statutory allocation to the 774 local governments from the Federation Account, Exchange Gain, Excess Crude/PPT, Federation Revenue Augmentation, Non-Oil Excess revenue[14] and VAT Pool Account was ₦795.42 billion in the first half of 2018, indicating a decrease of 32.4 per cent, relative to the proportionate budget estimate. A breakdown revealed that allocation from the Federation Account was ₦596.71billion (75.0%); VAT Pool Account, ₦179.44 billion (22.5%); Exchange Gain, ₦11.21 billion (1.4%); Excess Crude/PPT, ₦5.51 billion (0.7%); Federation Revenue Augmentation, ₦2.02 billion (0.3%); and Non-Oil Excess, ₦0.53 billion (0.1%). Total allocation to local governments, on state basis, indicated that Lagos, Kano and Katsina were the top three recipients with 6.1, 5.6 and 4.2 per cent of the total, respectively. Conversely, Ebonyi, Gombe and Bayelsa states got the least with 1.6, 1.5 and 1.2 per cent, respectively.

[13] *Included contribution to external debt service fund, payments for fertilizer, State Agricultural Project, National Fadama Project and the National Agricultural Technology Support Programme.*

[14] *Include Excess Bank Charges of ₦0.40 billion*

Figure 56
Composition of Statutory Allocations to Local Governments, First Half 2018 (Per cent)



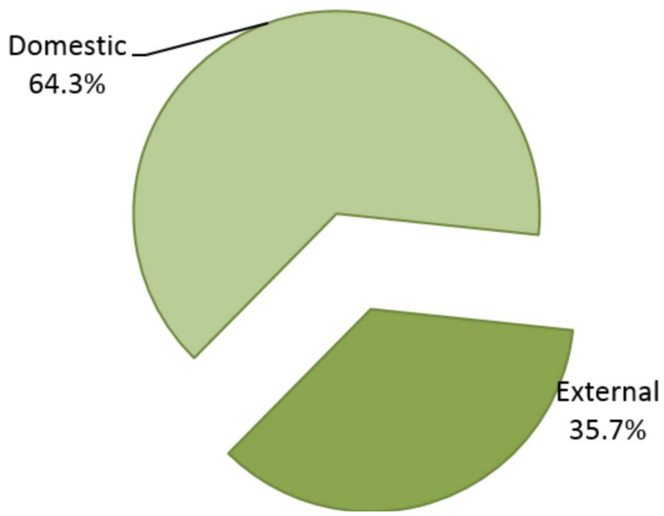
Source: Computation based on data from the FMF

4.2.5 Public Debt

4.2.5.1 Consolidated Federal Government Debt

The consolidated debt stock of the Federal Government at end-June 2018, stood at ₦18,902.34 billion or 15.8 per cent of GDP. This represented an increase of 17.6 per cent over the level at end-December 2017. Of the total debt stock, domestic debt was ₦12,151.43 billion or 64.3 per cent, while external debt amounted to ₦6,750.91 billion (US$22.08 billion) or 35.7 per cent of the total.

Figure 57
Composition of Federal Government Consolidated Debt, End-June 2018 (Per cent)



Source: Computation based on data from the Debt Management Office (DMO)

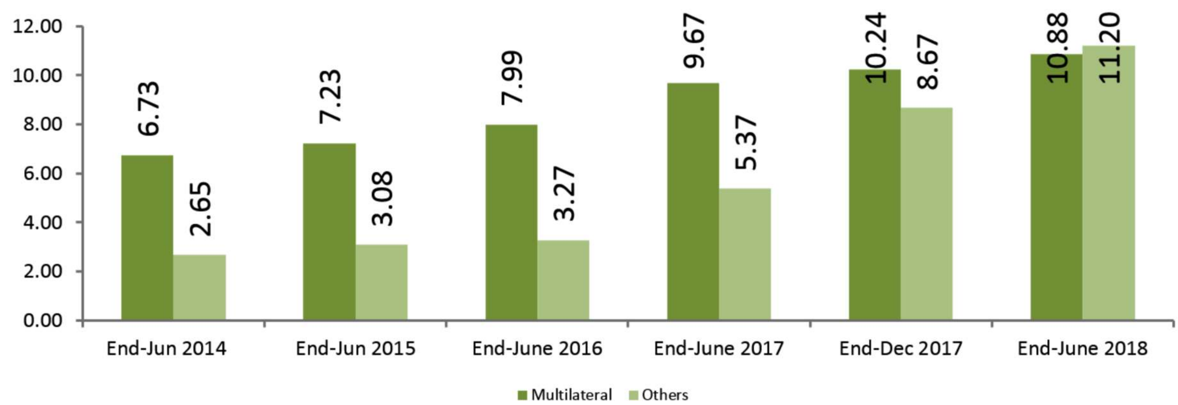
4.2.5.2 Domestic Debt

At ₦12,151.43 billion or 10.1 per cent of GDP, the Federal Government securitised domestic debt at end-June 2018 was below the level at end-December 2017 by 3.5 per cent. The decrease was due to the redemption of matured NTBs with external loans. This was in line with the Federal Government's recent policy on debt-switching to reduce its financing cost through relatively cheaper foreign loans. Consequently, the stock of NTBs decreased by 17.5 per cent to ₦2,953.58 billion, below the level at end-December, 2017. The holdings of the total outstanding domestic debt instruments were: banking system, including Sinking Fund (68.7%); and non-bank public (31.3%).

4.2.5.3 External Debt

The total external debt stock (Federal and states, including the Federal Capital Territory) at end-June 2018 was US$22.08 billion or 5.7 per cent of GDP. This represented an increase of 16.8 per cent above the level at end-December 2017, reflecting additional multilateral loan of US$0.64 billion and the Eurobond of US$2.50 billion for infrastructural funding and redemption of matured domestic securities. A decomposition by holders indicated that 49.3 and 39.8 per cent of the total debt stock were owed to the multilateral and commercial creditors, respectively, while the balance of 10.9 per cent was for bilateral creditors.

Figure 58
Breakdown of External Debt Stock, First Half 2014 - 2018
(US$ Billion)

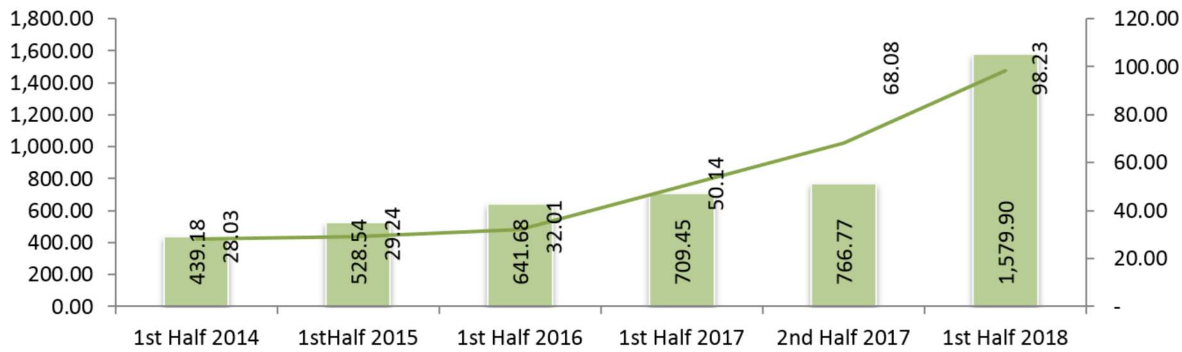


Source: The Debt Management Office (DMO)

4.2.5.4 Total Debt Service

The consolidated debt service of the Federal Government at end-June 2018 stood at ₦1,678.13 billion or 2.9 per cent of GDP, representing an increase of 120.9 and 101.0 per cent above the level at the first and second halves of 2017. A breakdown showed that ₦1,579.90 billion or 94.1 per cent of the total was expended on domestic debt service, while external debt service accounted for the balance of ₦98.23 billion or 5.9 per cent. Further analysis of the domestic component showed that ₦941.00 billion was for interest payment, while principal repayments amounted to ₦638.90 billion.

Figure 59
Breakdown of External Debt Service, First Half 2014 - 2018
(₦' Billion)

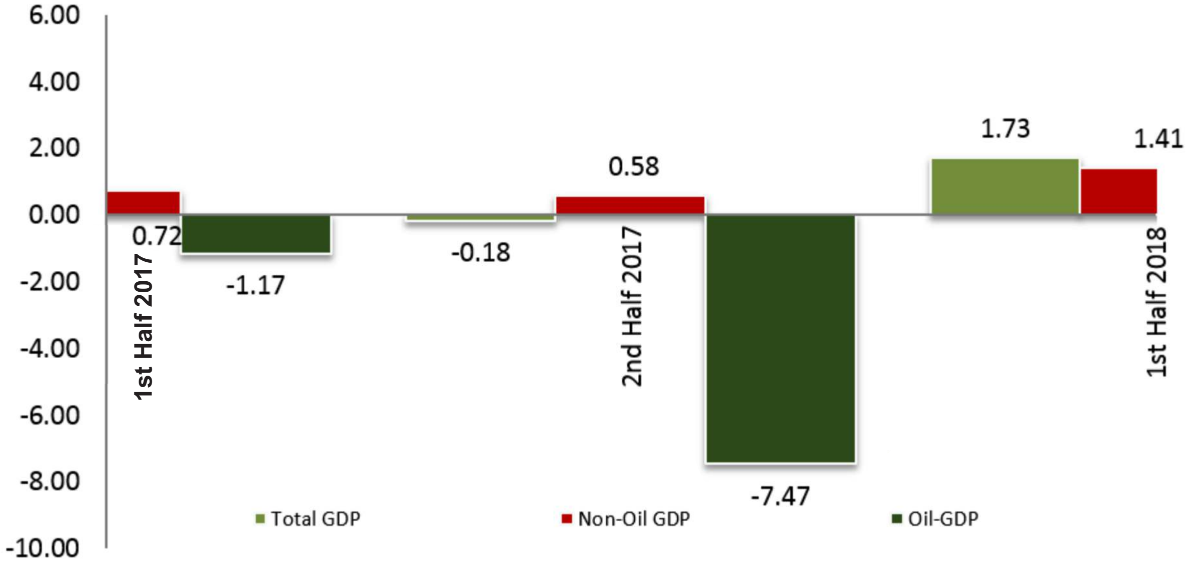


Source: Computation based on data from the DMO

4.3 REAL SECTOR DEVELOPMENTS

The real sector witnessed modest growth during the first half of 2018, as growth momentum picked up in both the oil and non-oil sectors of the economy. Available data from the NBS indicated that, the gross domestic product (GDP), at 2010 constant basic prices, grew by 1.73 per cent, in the first half of 2018, relative to 0.09 per cent contraction in the corresponding period of 2017. Oil and non-oil sector output grew by 4.99 and 1.41 per cent, respectively. On a quarter-on-quarter basis, real GDP recorded a slower growth of 1.5 per cent in the second quarter of 2018, compared with 1.95 per cent growth recorded in the first quarter of the year. In the oil sector, growth was attributed to increased crude oil output at an average of 1.9 mbd occasioned by relative peace in the Niger Delta region. Increased fiscal expenditures buoyed by improved crude oil receipts, relative stability in the foreign exchange market, improved business environment, as well as, improvements in infrastructure and business confidence were the drivers of growth in the non-oil sector in the period.

Figure 60
GDP Growth Rate
(Per cent)



Source: National Bureau of Statistics (NBS)

4.3.1 Agriculture

4.3.1.1 Agricultural Policies and Institutional Support

During the first half of 2018, the Federal Government continued the implementation of the Agricultural Promotion Policy Framework towards achieving economic diversification. There was effort at integrating the agricultural commodity value chain into the broader supply chain to link the country with the global industry, with a view to increasing job creation, enhancing foreign exchange earnings from agricultural exports and increasing the contribution of agriculture to GDP.

To promote the diversification of agricultural export basket, the Federal Government engaged the United Nations Commission on Trade and Development (UNCTAD) to streamline trade policies and facilitate trade through reduction of trade barriers. The initiative would also assist in the harmonisation, simplification and unification of trade processes into a single framework.

During the review period, the Memorandum of Understanding (MoU) on agricultural cooperation between Nigeria and Israel was reviewed. The scope of the agreement covered areas, such as agricultural research, aid from development partners, strengthening of the twenty two agricultural research institutes, and capacity development in agriculture for the youth.

To boost mechanised farming, the Federal Ministry of Agriculture and Rural Development (FMARD), entered into partnership with the Nigerian Agricultural Mechanisation and Equipment Leasing Company (NAMEL) for the supply of 10,000 tractors to both small and large scale farmers. The Partnership aimed at providing integrated mechanisation solutions to farmers in land preparation, planting, weeding, harvest/threshing, farm transportation and simple irrigation activities. About 9.5 million hectares of land was targeted to produce additional 37.8 million metric tons of grains and create an estimated 150,000 jobs annually.

The Federal Government started a nationwide distribution of motorcycles to extension agents in the 36 states and the FCT Agricultural Development Programme (ADPs), to provide mobility for extension officers and enhance access to farmers. In addition, the National Farmers Helpline Centre was established to provide information to farmers in all areas of agriculture, receive complaints and respond to enquiries.

Furthermore, to enhance affordability and accessibility to fertilizer by small-holder farmers, the Fund for African Private Sector Assistance (FAPA) and African Fertilizer and Agribusiness Partnership (AFAP), signed a US$1.0 million agreement to support domestic production and utilisation of fertilizer in Nigeria. Similarly, the African Development Bank (AfDB) disbursed US$100 million loan to Nigeria's Indorama Eleme Fertilizer and Chemicals Limited to increase fertilizer output.

The Nigerian Export Promotion Council (NEPC), in collaboration with the International Institute for Tropical Agriculture (IITA) and the All Farmers Association of Nigeria, trained 850 farmers in Cross River State on yam seed multiplication technology for large scale yam production. The Programme, which was a pilot scheme, was aimed at boosting the capacity of farmers in the State to produce high quality yam to meet export standard.

The Federal Executive Council (FEC) approved disbursement of ₦10.7 billion for the construction of 10 new rice mills across the country, in the review period. The mills would complement the existing ones in a bid to gradually eliminate importation of the commodity. Also, the International Fund for Agricultural Development-Assisted-Value Chain Development Programme (IFAD-VCDP), distributed farm input to 1,500 rice and cassava farmers, towards the 2018 farming season. This would boost rice production and reduce its importation, thereby conserving foreign exchange for other uses.

Furthermore, the Federal Government, developed the National Livestock Transformation Plan (2018-2027), aimed at modernising livestock management in the country. Under the Plan, 94 ranches would be established in 10 frontline states, and funded through a public-private partnership. The selected states for the pilot implementation were Adamawa, Benue, Ebonyi, Edo, Kaduna, Nasarawa, Oyo, Plateau, Taraba and Zamfara.

4.3.1.2 Agricultural Production and Prices

Agricultural output recorded positive growth in the review period. At 134.2 (2010 = 100), the index of agricultural production grew by 2.1 percent. This growth rate is however, lower than the 3.2 per cent recorded in the corresponding period of 2017. The 2.1 per cent growth in the review period was attributed to the growth in all the major sub-sections but livestock, due largely to the favourable weather conditions and the supply of fertilizer and seedlings to farmers.

Output of the crops-sub-section, which comprised staples and other crops, grow by 2.4 per cent while that of the forestry sub-sector also recorded 3.5 per cent favourable weather conditions a strong govt. support contributed to the positive performance of the sub-sectors. However, the output of livestock declined by 1.9 per cent compared with 2.0 per cent growth in the corresponding period of 2017. The decline could be attributed to farmers/herders rift experienced during the review period.

A domestic retail price survey of 12 selected agricultural commodities by the Central Bank of Nigeria indicated that prices of 9 of the commodities monitored, during the period, declined, compared with their levels in the first half of 2017. The price decrease varied from 2.0 per cent for wheat, to 28.7 per cent for sweet potatoes, attributed, largely, to the increased supply of the commodities. However, the price of cashew nut, palm oil and yam increased by 70.5, 16.4 and 3.2 per cent, respectively. The price of cashew nut increased due to the higher cost of processing, while that of palm oil and yam were due to seasonal factors.

Available data showed that all-commodities price index (dollar-based) of Nigeria's major agricultural export commodities was estimated at 76.5 (2010=100), during the first half of 2018. This indicated an increase of 13.7 per cent, above the level in the corresponding period of 2017. Prices of soya-bean, cocoa, cotton and palm oil increased by 17.4, 16.7, 8.0 and 0.2 per cent, respectively. This was attributed, largely, to decline in supply, occasioned by unfavourable weather conditions. However, the price of copra and coffee dropped by 31.1 and 15.7 per cent, respectively. The decline in the price of Copra was as a result of increased supply of raw coconut. While the price of Coffee fell as a result of increase supply in the market.

4.3.2 Industry

4.3.2.1 Industrial Policy and Institutional Support

The Federal Government and the Japanese International Cooperation Agency (JICA) inaugurated the Power Capacitor Bank Project. It seeks to improve the voltage of electricity supply to selected locations across the country. The first, a 60MVAR power capacitor was commissioned to serve the Federal Capital Territory and neighbouring states, while the second, located in Keffi, would be commissioned in July 2018. The Project was being financed at the cost of US$12.1 million.

The Nigerian Electricity Management Services Agency (NEMSA), during the period, trained 229 senior electrical inspectors, to build expertise in standards and installations of meters and other instruments. The trained personnel would carry out inspection of all categories of electrical installations in generation, transmission, and distribution value chain.

The African Development Bank approved a grant of US$1.5 million from the Sustainable Energy Fund Africa (SEFA), to support the Federal Government's implementation of Phase 1 of the Jigawa 1-GW Independent Power Producer (IPP) Solar Procurement Programme. The Project would supply electricity to unserved and underserved areas, particularly in the Northern parts of the country.

Similarly, the Federal Government secured a grant commitment of US$500,000 from the World Bank to enhance the network of the distribution companies (Discos). The World Bank also granted US$250,000 for technical support to the Port Harcourt Electricity Distribution Company for the procurement, distribution and installation of energy-saving bulbs.

In the same vein, the Lagos State Government and the Low Energy Designs (LED) Ltd, United Kingdom, signed a ₦2.52 billion MoU to construct 10,000 LED street lights and a hybrid energy power assembly plant in Epe. The Firm would also manage street light installations across the State. The Project would provide employment for over 500 locals in Lagos State.

During the review period, the Rural Electrification Agency (REA) initiated 422 new electrification projects, across the six geopolitical zones, under the 2017 capital appropriation. Of these, 93 were sited in the North-Central, 77 in the North-West, and 52 in the North-East geopolitical zones. The South-South, South-East and South-West zones had 81, 76 and 43 projects, respectively.

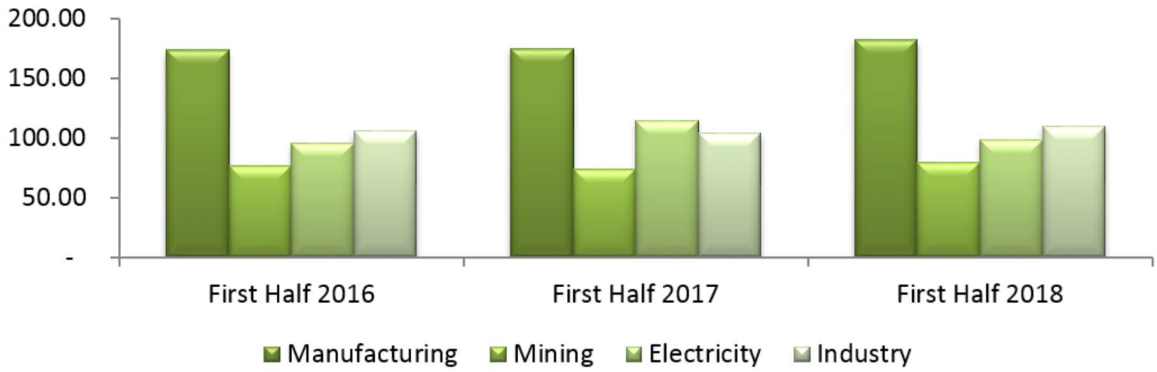
Towards the actualisation of the National Sugar Master Plan (NSMP), the Flour Mills of Nigeria, Plc, commissioned its N50 billion Sunti Golden Sugar Estate in Mokwa, Niger state. The Estate has the capacity to produce one million metric tons of sugarcane (approximately 100,000 metric tons of sugar) yearly and would save the nation about US$100 million in foreign exchange every year. It is situated on 16,000 hectares of irrigable farmland which has a sugar mill with capacity to process 4,500 metric tons of sugarcane per day. The Project would provide direct employment for about 10,000 people and up to 50,000 indirect jobs yearly, including 3,000 small-scale out-growers, cultivating sugarcane to feed the mill.

In the cement sub-sector, a 1.5 million metric tons per annum cement plant was completed by the BUA Group. The Plant would provide at least 2,000 direct and 10,000 indirect jobs. As part of the innovative approach to power the factory, a 32 megawatts multi-fuel capacity power plant and a coal mill were built.

4.3.2.2 Industrial Production

Provisional data indicated increased activities in the industrial sector in the first half of 2018. At 110.1 (2010=100), the index of industrial production rose by 6.1 per cent, above the level in the corresponding period of 2017. The development was attributed, largely, to improved performance of the manufacturing and mining sub-sectors.

Figure 61
Industrial Production Index
(First Half 2016 - 2018, 2010=100)

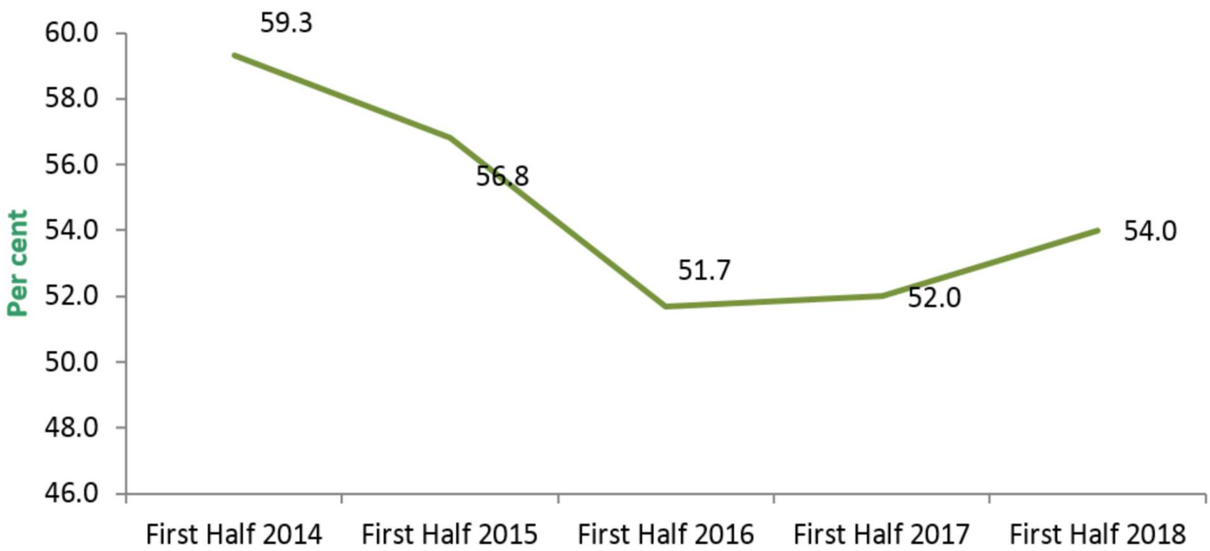


Source: Computed based on data obtained from NBS and Manufacturing Association of Nigeria (MAN)

4.3.2.3 Manufacturing

At 182.7 (2010=100), the estimated index of manufacturing production in the first half of 2018 rose by 4.1 per cent, above the level in the corresponding period of 2017. Similarly, capacity utilisation, during the period, increased by 3.8 percentage points to 54.0 per cent, above its level in the first half of 2017. The improvement was as a result of increase in new orders, expansion in export businesses, and enhanced access to foreign exchange by manufacturers.

Figure 62
Average Manufacturing Capacity Utilisation
(First Half 2014-2016, Per cent)



Source: Computed based on data obtained from NBS and Manufacturing Association of Nigeria (MAN)

4.3.3 Crude Oil

The Department of Petroleum Resources (DPR) issued 13 additional licences for the establishment of modular refineries during the first half of 2018, bringing the total number of licensed companies to twenty-five (25). Three (3) licences were issued for the construction of conventional stick-build plants, while 10 were for modular units.

Also, in the first half of 2018, the operations of the Total Upstream Nigeria Limited was boosted with the arrival of the US$3.3 billion Egina Floating Production Storage and Offloading (FPSO) vessel from South Korea. The Egina FPSO has the capacity of producing 200,000 barrels of crude oil per day. The Project, which would be completed by end-2018, involves the development of local content and a commitment to technology transfer in ship building and offshore plant manufacturing technology. Consequently, six (6) major components, out of the topside 18 modules of the Egina FPSO, were fabricated in Nigeria.

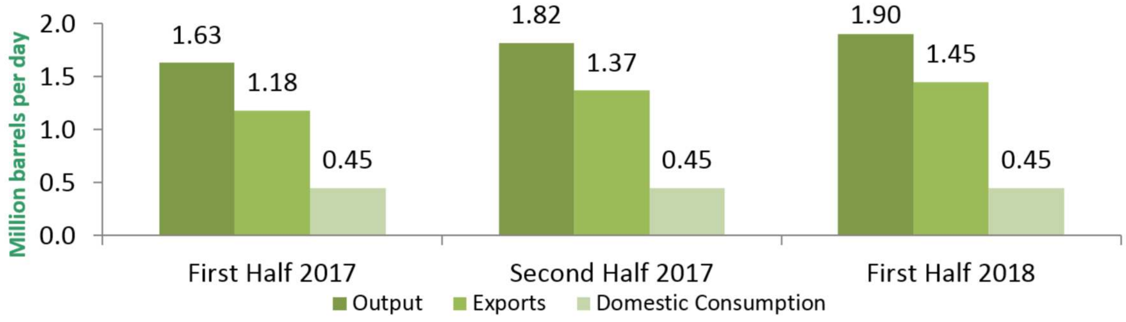
4.3.3.2 Crude Oil Production and Demand

Aggregate crude oil production, including natural gas liquids (NGLs) and condensates by the Organisation of Petroleum Exporting Countries (OPEC), averaged 38.60 million barrels per day (mbd) in the first half of 2018. This represented a marginal increase of 0.3 per cent, above the level in the corresponding period of 2017, but a decrease of 0.8 per cent below the level in the preceding half year. The inclusion of oil output from the Republic of Congo in the OPEC production data and the easing of the OPEC production-cut agreement, resulting in an increase in output, accounted for the slight rise in OPEC production. Non-OPEC supply was estimated at an average of 59.15 mbd, indicating a 2.5 per cent increase over the corresponding period of 2017. The development was due, mainly, to higher production in the US, Brazil, Canada, Australia, and Kazakhstan. Total world supply averaged 97.75 mbd, indicating a rise of 1.6 per cent above the level in the first half of 2017.

World crude oil demand was estimated at an average of 97.85 mbd in the review period, compared with 95.35 mbd in the corresponding period of 2017. This represented an increase of 2.6 per cent, compared with the level in the corresponding period of 2017. Of this, demand from the Organisation for Economic Co-operation and Development (OECD) countries averaged 47.55 mbd, while that of non-OECD was 50.30 mbd. The increase was driven, largely, by the bullish demand for NGLs/LPG, diesel oil, residual fuel, gasoline and jet fuel/kerosene by industries and the transportation sectors in the US, OECD Europe and China.

At an average daily production of 1.90 mbd or 343.9 million barrels (mb), Nigeria's crude oil output increased by 0.27 mbd or 16.6 per cent above the level in the corresponding half of 2017. The development was due, mainly, to the sustained stability in the Niger Delta region. Aggregate export of crude oil was estimated at 1.45 mbd or 262.5 mb, compared with 1.8 mbd or 213.6 mb in the corresponding period of 2017.

Figure 63
Crude Oil Production and Exports

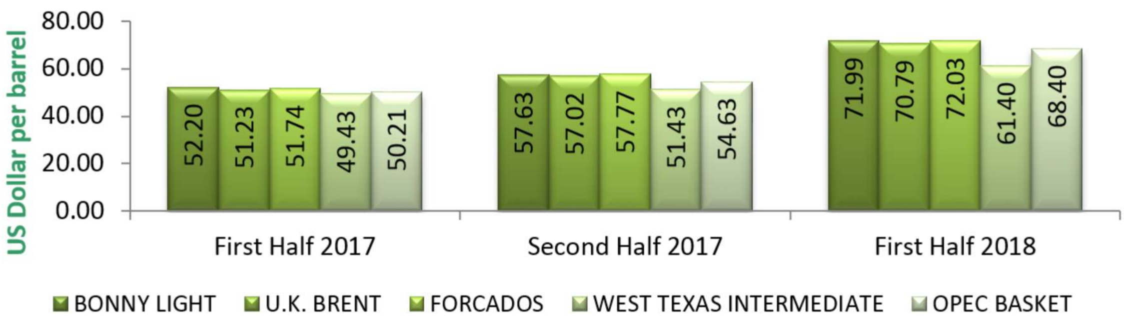


Source: Nigerian National Petroleum Corporation (NNPC)

4.3.3.3 Crude Oil Prices

The average spot price of Nigeria's reference crude, the Bonny Light (37o API), at US$71.99 per barrel, in the first half of 2018, increased by 37.9 per cent, above its level in the first half of 2017. Similarly, the average prices of the Forcados, the UK Brent and the West Texas Intermediate relative to the levels in the first half of 2017, rose by 39.2, 38.2 and 24.2 per cent, to US$72.03, US$70.79 and US$61.40 per barrel, respectively. Oil prices rose, mainly, on account of geopolitical tension in the Middle East and the Korean Peninsula, and uncertainties on the impact of the U.S. possible withdrawal from the Iran nuclear deal. Others included production outages in Iran and Libya and the lingering effect of the trade dispute between the US and China. The average price of the OPEC basket of fourteen (14) crude streams was US$68.40 per barrel, representing an increase of 36.2 per cent, compared with US$50.21 per barrel in the corresponding period of 2017.

Figure 64
Average Spot Prices of Selected Crudes



Source: Reuters

4.3.4 Refinery Utilisation

The estimated average capacity utilisation of the three (3) refineries was 18.6 per cent in the first half of 2018, compared with below 20.9 per cent in the corresponding period of 2017. A breakdown showed that the average capacity utilisation of the Kaduna Refining and Petrochemical Company (KRPC), the Warri Refining and Petrochemical Company (WRPC), and the Port Harcourt Refining Company (PHRC) was 16.61, 22.95, and 17.01 per cent, respectively.

Aggregate production of petroleum products from the refineries was estimated at 3.9 million tonnes in the first half of 2018, compared with 3.7 million metric tonnes recorded in the corresponding period of 2018. The development was attributed to sustained seasonal maintenance, which began in 2016, improved the efficiency of the refineries. Analysis of products by refinery showed that the WRPC produced 0.70 million tonnes, while the PHRC and the KRPC produced 0.86 and 0.53 million tonnes, respectively. Of the total, PMS accounted for the largest share at 31.1 per cent, while the shares of Automotive Gas Oil (AGO), fuel oil, Dual Purpose Kerosene (DPK), fuel and losses, Liquefied Petroleum Gas (LPG), and Asphalt were 22.8, 21.6, 14.1, 6.3, 3.7 and 0.4 per cent, respectively.

4.3.5 Gas

In the review period, Nigeria signed an agreement with Morocco for the construction of a 5,660 km long onshore and offshore gas pipeline. The Project would connect Nigeria to other West African countries, extending to Morocco and Europe. The construction of the pipeline would be phased and based on the increasing needs of the countries for a period of 25 years.

The NNPC, in the first half of 2018, awarded two gas pipelines contracts worth US$2.8 billion. The first contract awarded to Oando and OilServe covers 200 km of the 614 km Ajaokuta-Kaduna-Kano pipeline to connect the Eastern, Western and Northern parts of the country. The China Petroleum Pipeline Bureau and Brentex were awarded the second contract that covers 200 km of pipeline between the Kaduna and Kano Terminal Gas Stations. The contracts were aimed at boosting gas production and supply.

4.3.6 Solid Minerals

The Federal Government inaugurated a new model for revenue generation and collection in the mining sector during the review period. Under the model, 100 consultants were appointed to generate ₦32.0 billion from the solid mineral sector; aid the Federal Ministry of Mines and Steel Development (FMMSD) to identify challenges and improve operations in the mining sector. The arrangement, which was part of the Revenue Organisation and Verification (ROV) project of the Ministry, would check leakages and ensure higher remittances of royalties and taxes by operators in the industry.

4.3.6.2 Solid Minerals Production

Provisional data from the Federal Ministry of Mines and Steel Development indicated that solid minerals production in the first half of 2018 increased by 44.2 per cent above the level in the corresponding period of 2018, to 22.83 million tonnes. The increase in production of principal minerals such as clay, coal, lead/zinc and laterite accounted for the rise.

4.3.7 Electricity Generation

Average electricity generation, estimated at 3,847.37 MW/h, increased by 9.6 per cent, in the first half of 2018, compared with 3,511.62 MW/h in the first half of 2017. This was attributed to improvement in gas supply to thermal plants, better water management and enhanced transmission infrastructure.

4.3.8 Electricity Consumption

Average electricity consumed, in the review period, was estimated at 3,363.98 MW/h. This represented a growth of 6.1 per cent, above the level in the corresponding period of 2017. The increase in consumption was attributed to the improvement in transmission and distribution infrastructure.

4.3.9 Industrial Financing

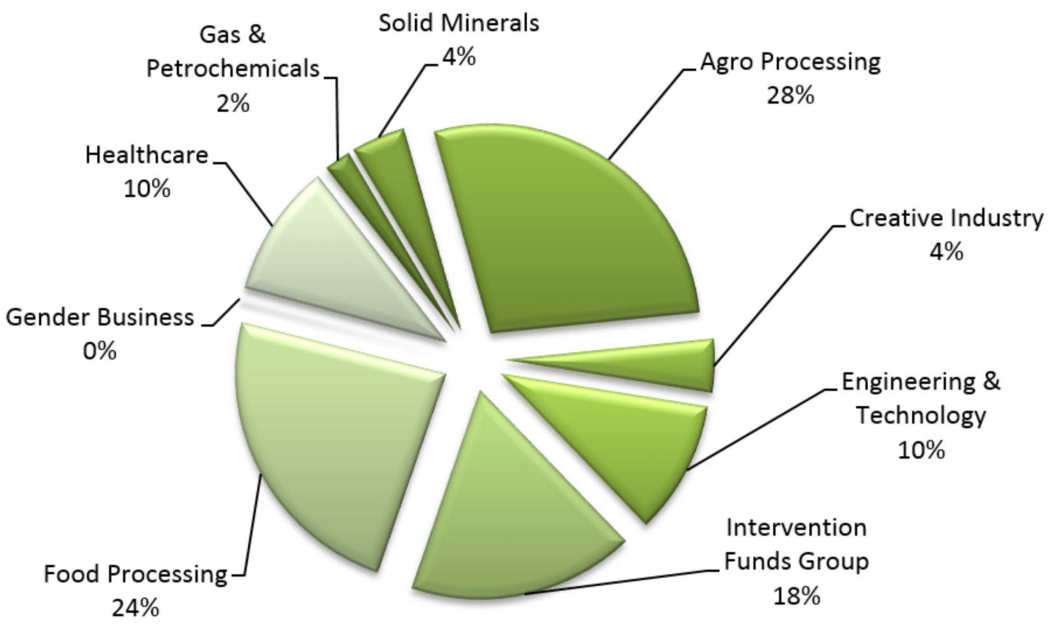
4.3.9.1 The Bank of Industry (BOI)

The total credit disbursed to the industrial sector under the Bank's various facilities in the first half of 2018 fell by 8.1 per cent, to ₦113.54 billion, compared with ₦123.57 billion in the corresponding period of 2017.

A sectoral breakdown of the disbursements showed that the agro-processing sector received ₦30.25 billion, representing 26.6 per cent of the total, followed by the food processing sub-sector, with ₦25.76 billion, or 23.0 per cent. The sum of ₦18.74 billion, or 16.5 per cent was disbursed through intervention funds, while; engineering and technology, health care, solid minerals and metals and creativity industry received ₦11.8 billion or 10.4 per cent, ₦11.37 billion or 10.0 per cent, ₦4.25 billion or 3.7 per cent and ₦4.05 billion or 3.6 per cent, respectively, among others.

Of the total, large enterprises received ₦98.30 billion, representing 86.6 per cent, while small and medium enterprises accounted for ₦15.2 billion, representing 13.4 per cent of the total.

Figure 65
Sectoral Disbursement of BOI Loans, First Half 2018



Source: Bank of Industry (BOI)

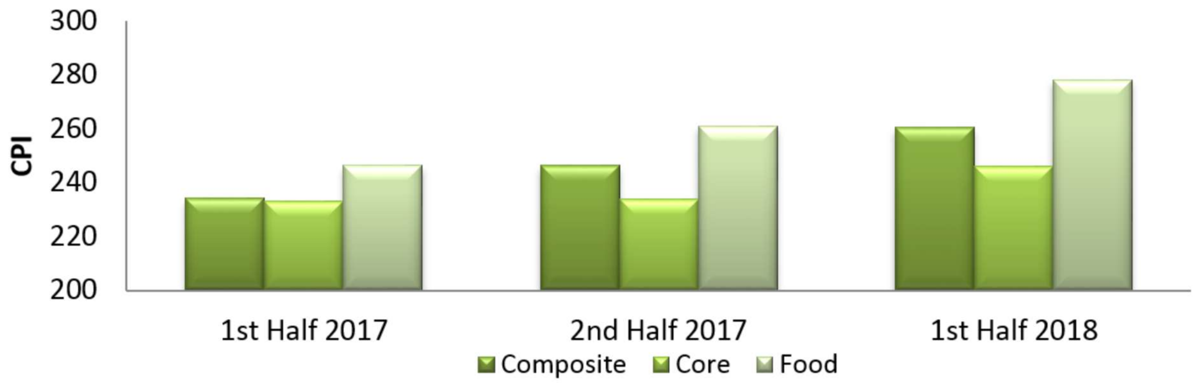
4.3.9.2 The Nigerian Export-Import Bank (NEXIM)

The total funding support provided to the non-oil export sector, under various facilities of NEXIM in the first half of 2018, was ₦37.29 million for one (1) project, compared with ₦94.54 million disbursed in 2017 for four (4) projects. The development was attributed to the ongoing restructuring of the Bank's funding model. The Facility was, however, disbursed under the medium-term lending facilities to the manufacturing sector.

4.3.10 Consumer Prices

Consumer prices declined, consistently throughout the period under review. The all-items composite consumer price index (CPI) stood at 260.5 (November 2009=100) at end-June 2018, compared with 246.4 and 234.2 at end-December and end-June 2017, respectively. The all-items-less-farm produce CPI stood at 246.1 at end-June 2018, compared with 233.8 and 223.0 at end-December and end-June 2017, respectively. The Food CPI stood at 278.2 at end-June 2018, compared with 261.0 at end-December and 246.3 at end-June 2017.

Figure 66
Consumer Price Indices
(November 2009 = 100)



Source: NBS

4.3.10.1 Headline Inflation

The year-on-year headline inflation declined steadily throughout the first half of 2018, maintaining the trend observed throughout the second and first halves of 2017. It declined consistently to 11.2 per cent at end-June 2018, compared with 15.1 and 16.1 per cent at end-December and end-June 2017, respectively. Similarly, the 12-month moving average inflation maintained a steady decline throughout the review period, as it decreased to 14.4 per cent at end-June 2018, from 16.5 and 17.6 per cent at end-December and end-June 2017, respectively. The persistent fall in headline inflation was attributed to the decline in the core and food components.

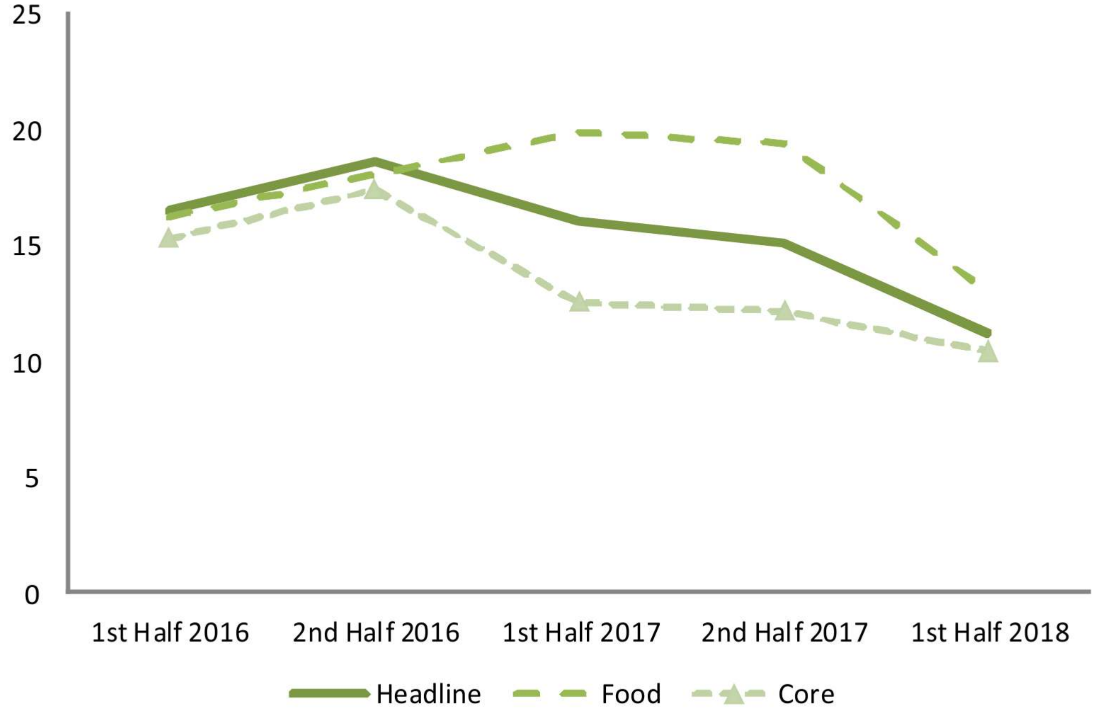
4.3.10.2 Core Inflation

The year-on-year core inflation (all-items less farm produce) declined consistently during the first half of 2018, exhibiting the same trend as in the second and first halves of 2017. The rate stood at 10.4 per cent at end-June 2018, down from 12.1 and 12.5 per cent at end-December and end-June 2017, respectively. Core inflation, on a 12-month moving average basis, also showed a similar trend as it declined to 11.7 per cent at end-June 2018, compared with 13.5 per cent at end-December 2017 and 16.2 per cent at end-June 2017. The persistent decline in core inflation over the period was attributed to the moderation in exchange rate pass-through to domestic prices, due to increased supply of foreign currency by the Bank.

4.3.10.3 Food Inflation

The year-on-year food inflation maintained a downward trend in the first half of 2018. It declined to 13.0 per cent at end-June 2018, compared with 19.4 and 19.9 per cent at end-December and end-June 2017, respectively. The 12-month moving average food inflation recorded marginal decline during the period, as the rate fell to 17.8 per cent at end-June 2018, compared with 17.9 and 19.6 per cent at end-December and end-June 2017, respectively. The decline in food inflation, during the period, was attributed to increased output arising from sustained interventions in the sector, such as the Anchor Borrowers Programme (ABP) of the CBN and the implementation of the Growth Enhancement Support Scheme (GESS), which improved input supply to farmers.

Figure 67
Inflation Rate
(Year-on-Year, Per cent)



Source: NBS

4.3.10.4 Urban and Rural Consumer Price Indices and Inflation

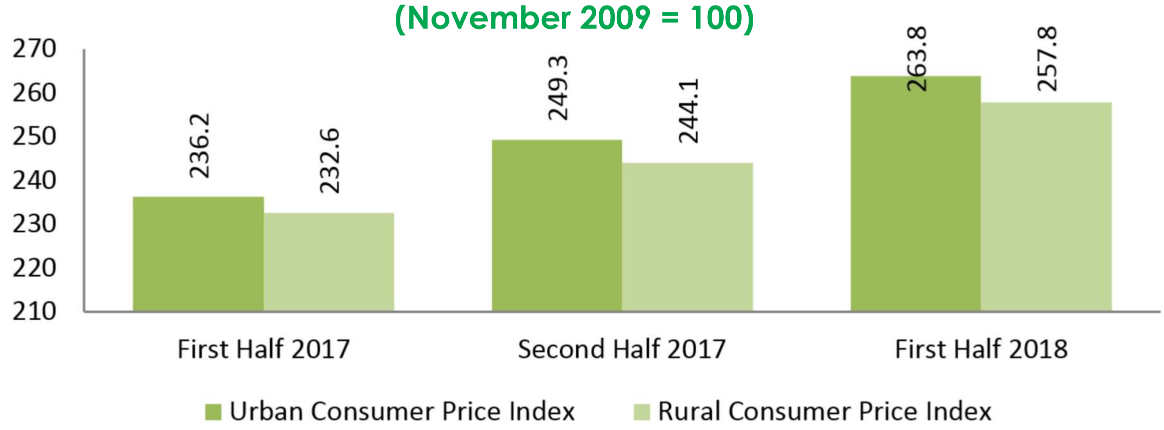
The all-items Urban CPI increased to 263.8 at end-June 2018, compared with 249.3 and 236.2 at end-December and end-June 2017, respectively. The development was attributed, majorly, to the increase in the prices of the urban core and food components of the CPI. Accordingly, the year-on-year urban inflation declined to 11.7 per cent at end-June 2018, compared with 15.8 and 16.2 per cent at end-December and end-June 2017, respectively.

Similarly, the all-items rural CPI rose to 257.8 at end-June 2018, compared with 244.1 at end-December 2017 and 232.6 at end-June 2017. The development was attributed, largely, to the increase in the prices of the rural core and food components of the CPI. Hence, the year-on-year rural inflation declined to 10.8 per cent at end-June 2018, compared with 15.0 and 16.0 per cent at end-December and at end-June 2017, respectively. Urban headline inflation was higher than the rural headline inflation by 0.9 percentage point in the period under review.

Urban core inflation was 10.8 per cent at end-June 2018, compared with 13.1 per cent at end-December 2017 and 13.6 per cent at end-June 2017. Urban food inflation was 13.7 per cent at end-June 2018, compared with 20.1 and 20.4 per cent at end-December and end-June 2017, respectively.

Rural core inflation fell to 10.0 per cent at end-June 2018, compared with 11.3 per cent at end-December 2017 and 11.5 per cent at end-June 2017. rural food inflation at 12.3 per cent at end-June 2018, declined, compared with 18.6 and 19.4 per cent at end-December and end-June 2017, respectively.

Figure 68
Urban and Rural Consumer Price Indices (November 2009 = 100)

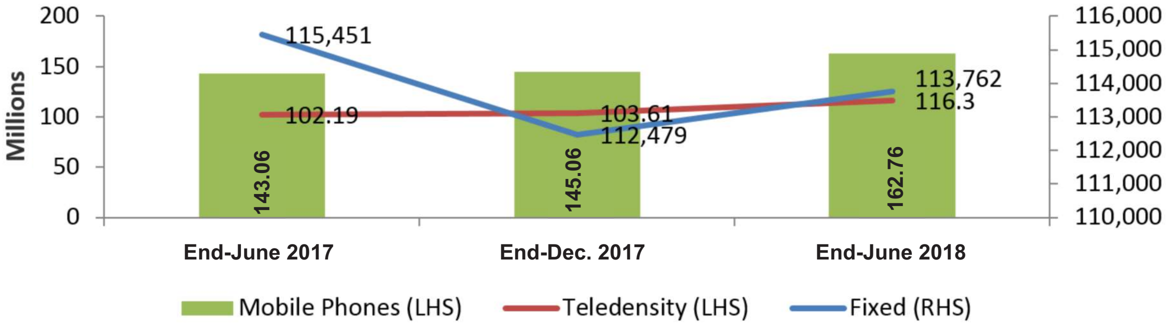


Source: NBS

4.3.11 Communications

Digital mobile lines continued to drive growth in the communications sector during the review period. Data from the Nigerian Communications Commission (NCC) showed that the number of active telephone lines was 162.8 million at end-June 2018, compared with 145.1 million and 143.1 million at end-December and end-June 2017, respectively. This represented increase of 12.2 and 13.8 per cent, relative to the preceding and corresponding periods of 2017, respectively. In addition, the number of internet users in the country increased to 102.8 million at end-June 2018, compared with 91.6 million at end-June 2017. Teledensity, at 116.26 per 100 inhabitants at end-June 2018, increased by 14.1 per cent, above the 102.2 per 100 inhabitants recorded at end-June 2017. Teledensity in Nigeria remained above the International Telecommunication Union (ITU) minimum standard of 1:100.

Figure 69
Total Active Lines and Teledensity



Source: Nigerian Communication Commission (NCC)

4.3.12 Transportation

The Federal Government during the review period, issued an executive order stopping the levy of VAT on all forms of shared transportation. This would stimulate, particularly, the domestic air transportation and reduce fares.

4.3.12.1 Aviation Services

4.3.12.1.1 Domestic Operations

A total of 6,003,642 passengers were airlifted by domestic airlines in the first half of 2018. This represented a 33.1 per cent increase above the 4,511,811 passengers airlifted in the corresponding period of 2017. Total aircraft movement for the first half of 2018 was 116,569 representing an increase of 17.3 per cent above the 99,358 recorded in the corresponding period of 2017.

4.3.12.1.2 International Operations

The number of passengers airlifted by airlines on international routes in the first half of 2018 increased by 13.4 per cent to 2,048,299, compared with 1,805,580 in the first half of 2017. Aircraft movement also rose by 13.3 per cent to 20,894 in the review period, compared with 18,439 in the corresponding period of the preceding year.

Cargo movement at designated airports increased by 20.8 per cent to 83.1 million kg from 68.8 million kg recorded in the first half of 2017. Mail movement also rose by 2.9 per cent to 20.1 million kg in the first half of 2018, compared with 19.5 million kg recorded in the corresponding period of 2017.

4.3.12.2 Railway Services

In the review period, the Nigeria Railway Corporation (NRC) commissioned ten (10) additional Standard Gauge coaches for the Abuja-Kaduna rail service, while seven (7) similar coaches were delivered at Agbor for the Itakpe-Ajaokuta-Warri line. The Federal Government, also signed an interim phase agreement with General Electric (GE) led consortium as a prelude to possible concessioning of the entire Narrow Gauge line.

A total of 1,478,634 passengers and 165,566 tonnes of freight were moved by trains operated by the NRC compared with 2,593,744 passengers and 141,186 tonnes of freight moved during the year 2017.

4.3.12.3 Maritime Services

A total of 9,289 ocean going vessels berthed at Nigerian ports during the review period, compared with 1,540 vessels in the corresponding period of 2017. Cargo throughput stood at 96,603,396.94 metric tonnes in the first half of 2018, compared with 73,628,546.62 metric tonnes in the corresponding period of 2017, representing an increase of 31.2 per cent.

4.3.13 Social Sector Developments

4.3.13.1 Health

During the review period, the Federal Government set aside ₦55.2 billion, representing 1.0 per cent of the Consolidated Revenue Fund (CRF), in the 2018 Appropriation Act, for the implementation of the Basic Healthcare Provision Fund (BHCPF), as contained in the National Health Act (NHA 2014). A breakdown showed that 50.0 per cent was allocated to the National Health Insurance Scheme (NHIS); 45.0 per cent to the National Primary Health Care Development Agency (NPHCDA); and 5 per cent to health care emergency.

The Federal Government launched the Second National Strategic Health Development Plan (NSHDP II) to enhance healthcare service delivery. The NSHDP II (2018-2022) was initiated after the first plan ended in 2015. The NSHDP II has five strategic pillars, namely: providing the enabling environment for the attainment of sector outcomes; increasing the utilisation of essential package of health care services; strengthening the health system for efficient delivery; protecting health emergencies and risks; and increasing sustainable financing and risk protection. The Plan would serve as a vehicle for the attainment of the universal health coverage, as contained in the ERGP. To further expand health care services, the Federal Government also approved the establishment of the Traditional and Alternative Medicine Department in the Federal Ministry of Health.

The Federal Government and the United Nations Children's Fund (UNICEF) signed an MoU for the procurement of Ready to Use Therapeutic Food (RUTF). This was to address the high number of malnourished children under the age of five, estimated at 2.5 million. During the review period, implementation commenced in Adamawa, Bauchi, Borno, Jigawa, Kano, Katsina, Kaduna, Sokoto, Yobe and Zamfara states, which were adjudged to have high prevalence.

4.3.13.2 Education

The Federal Government flagged off the National School Enrolment Drive Campaign to improve primary school enrolment and completion rates. Consequently, a community-based early childcare centre was established in 16 states to reduce the incidence of out-of-school children. As part of the campaign, 71,875 classrooms would be constructed annually across the country to increase the carrying capacity of the schools. In addition, a guideline to enhance teaching proficiency was developed, and 31,520 teachers were trained across 27 states.

The UNICEF, under its Cash Transfer Programme (CTP), expanded access to quality education for out-of-school children in Kebbi, Sokoto, Katsina and Zamfara states. The Programme entails direct transfer payments to victims of humanitarian crises, who had limited access to employment, income, or economic production. The overall goal of the CTP was expansion of access to quality basic education to 501,749 out-of-school children by 2020, in the beneficiary states.

4.3.13.3 Environment

In a bid to checkmate the deplorable situation of water supply, sanitation and hygiene across the country, the Federal Executive Council (FEC) approved the National Water Supply, Sanitation and Hygiene (WASH) Action Plan. The Action

Plan sets out a 13-year revitalisation strategy for WASH that included 18 months emergency phase and 5 years recovery plan. The Plan would provide for concrete actions to be taken by the Federal and state governments, as well as, other stakeholders, under 5 strategic components, namely; governance, sustainability, funding, financing and, monitoring and evaluation in achieving cleaner water resources and the nation's environmental sustainability goals.
Also, during the first half of 2018, the FEC approved the construction of N3.7 billion potable water project in Jigawa State. The Project included the construction of water treatment and distribution plants, which would be completed within 2 years. The plants were estimated to supply 2,000 litres of water per day to Kazaure Local Government Area of Jigawa State and its environs.

4.3.13.4 Housing and Urban Development

The housing sector received a boost during the review period, as the Federal Ministry of Power, Works and Housing commenced the National Housing Pilot Programme in 34 states of the Federation. The Programme, aimed at delivering 2,736 housing units, would provide affordable housing.

The management of Federal Mortgage Bank of Nigeria (FMBN) sought for an approval from the Government to increase the capital base of the Bank to ₦500.0 billion, from the current ₦2.5 billion. The Bank proposed to grant exemption of a zero per cent equity for loans not exceeding ₦5.0 million and a reduction of equity from 20 to 10 per cent for loans of ₦6.0 to ₦15.0 million. Furthermore, participation in the National Housing Fund (NHF) was to be extended to private sector employees, in the review period.

4.4 EXTERNAL SECTOR DEVELOPMENTS

Provisional data showed a significant improvement in the external sector with an overall balance of payments surplus of 4.0 per cent of gross domestic product (GDP) compared with 1.9 per cent of GDP in the corresponding period of 2017. The sector remained viable, owing, largely, to higher earnings from crude oil exports occasioned by the sustained increase in crude oil prices in the global market, improved domestic production, and stability in the foreign exchange market. In the same vein, the current account recorded a surplus of ₦2,826.55 billion or 4.7 per cent of GDP, compared with ₦1,455.29 billion or 2.7 per cent of GDP in the corresponding period. The capital and financial account recorded a net financial liability of ₦824.80 billion or 1.4 per cent of GDP in the review period, compared with ₦998.37 billion in the first half of 2018. The stock of external reserves at end-June 2018 increased by 19.8 per cent to US$47.16 billion and could finance 17.9 months of goods or 10.0 months of goods and services import. The stock of external debt increased by 16.8 per cent to US$22.08 billion or 11.3 per cent of GDP at end-June 2018, and remained within the sustainable threshold of 40.0 per cent of GDP. In the foreign exchange market, the naira remained stable owing to sustained intervention by the Bank and increased activities in the I&E window which boosted confidence and attracted private foreign capital inflow. The average exchange rate of the naira at the Inter-bank and bureau de change segments of the market were ₦305.79/US$1 and ₦362.25/US$1, respectively, while it exchanged at ₦360.61/US$1 at the I&E window.

4.4.1 Current Account

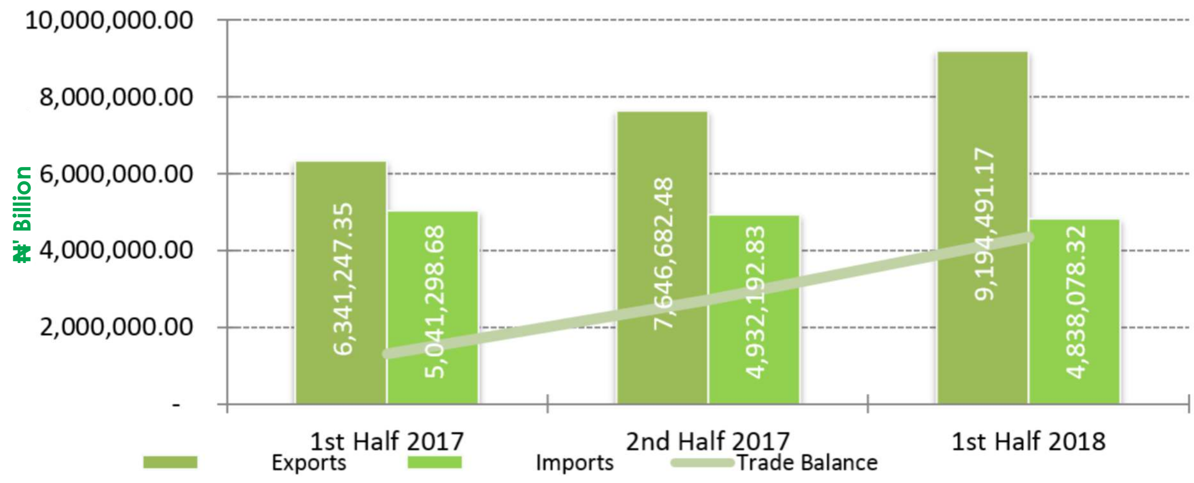
Estimated data showed that the current account recorded a higher surplus of ₦2,826.55 billion or 4.7 per cent of GDP, relative to ₦1,719.24 billion or 2.8 per cent of GDP and ₦1,455.29 billion or 2.7 per cent of GDP, respectively, in the preceding and corresponding halves of 2017. The development was attributed to the higher surpluses recorded in the goods and current transfers' accounts, induced by the improvement in crude oil export receipts and increased inflow of home remittance, respectively.

4.4.1.1 Trade

Estimated aggregate external trade increased to ₦14,032.57 billion or 23.5 per cent of GDP in the first half of 2018, above the ₦12,578.88 billion or 20.5 per cent of GDP and ₦11,382.55 billion or 21.2 per cent of GDP recorded in the preceding and the corresponding periods of 2017, respectively. A disaggregation showed that export at ₦9,194.49 billion increased from ₦7,646.68 billion and ₦6,341.25 billion in the second and first halves of 2017, respectively. Further analysis revealed that crude oil and gas component which constituted 90.8 per cent of total export increased to ₦8,352.53 billion in the review period, above ₦7,166.36 billion and ₦5,746.76 billion in the preceding and corresponding periods of 2017, respectively. The development was as a result of improved crude oil export proceeds occasioned by the increase in the average price of Nigeria's reference crude (Bonny Light) to US$71.93 per barrel from US$57.78 per barrel and US$52.29 per barrel in the first and second halves of 2017, respectively. Similarly, non-oil component which constituted the remaining 9.2 per cent of total export grew significantly by 75.3 per cent to ₦841.96 billion in the review period, relative to the ₦480.32 billion and ₦594.48 billion in the second and first halves of 2017, respectively. This was attributed to increased export of manufactured goods and agricultural produce, reflecting the steady progress in the implementation of the Economic Recovery and Growth Plan (ERGP).

Aggregate imports decreased by 1.9 per cent to ₦4,838.08 billion in the first half of 2018, above the respective levels of ₦4,932.19 billion and ₦5,041.30 billion, respectively, in the preceding and corresponding halves of 2017. This development was largely due to decline in the importation of non-oil products. Non-oil import which constituted 76.8 per cent of total declined by 3.6 per cent to ₦3,717.12 billion or 6.2 per cent of GDP in the review period compared with ₦3,857.46 billion in the second half of 2017. However, it rose by 2.5 per cent relative to ₦3,626.53 billion in the corresponding period. Oil and gas import, representing 23.2 per cent of total import, increased by 4.3 per cent to ₦1,120.96 billion or 1.9 per cent of GDP above its level in the preceding half of 2017. Nevertheless, it decreased by 20.8 per cent relative to ₦1,414.77 billion in the corresponding period. Overall, the goods account registered a trade surplus of ₦4,356.41 billion in the review period relative to ₦2,714.49 billion and ₦1,299.95 billion, respectively, in the preceding and corresponding periods of 2017.

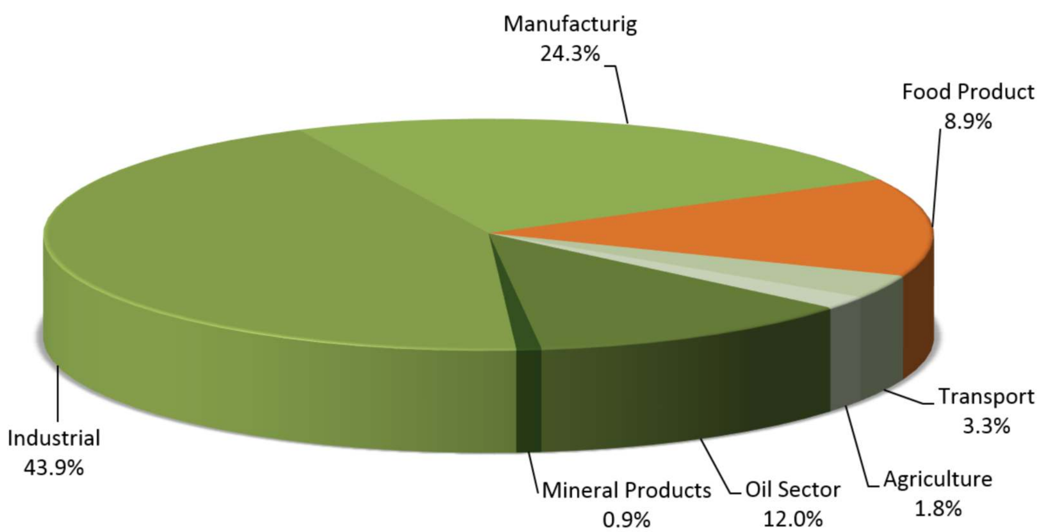
Figure 70
Exports, Imports and Trade Balance
(₦' Billion)



Source: CBN

A breakdown of visible import by sector using data on sectoral utilisation of foreign exchange by commercial banks indicated that industrial sector import accounted for the largest share of 43.9 per cent followed by manufactured products with a share of 23.3 per cent. Food products accounted for 13.8 per cent, oil sector, 12.0 per cent; transport, 3.3 per cent; agriculture, 1.8 per cent and mineral products, 0.9 per cent of total import.

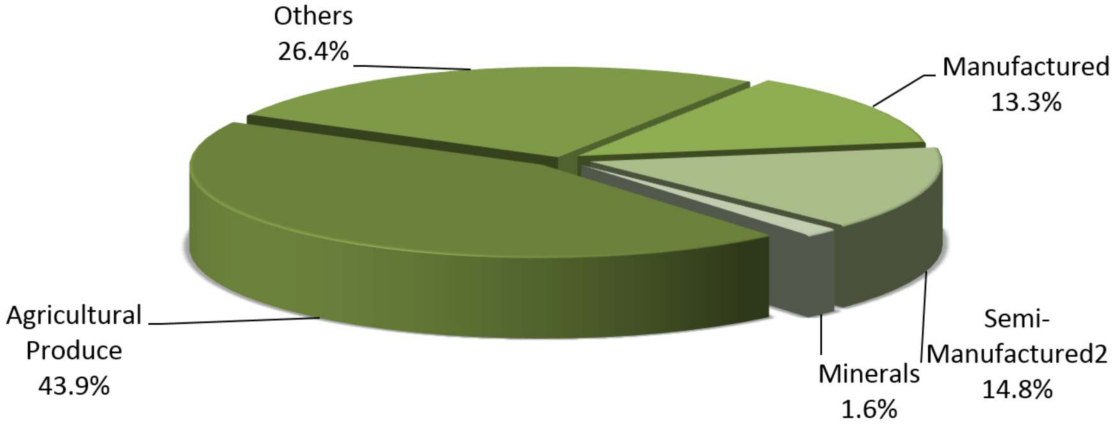
Figure 71
Foreign Exchange Utilisation in the First Half 2018
(Per cent)



Source: CBN

A disaggregation of non-oil export by products revealed that agricultural, other products, semi-manufactured, manufactured and mineral products accounted for 43.9, 26.4, 14.8, 13.3 and 1.6 per cent of total, respectively.

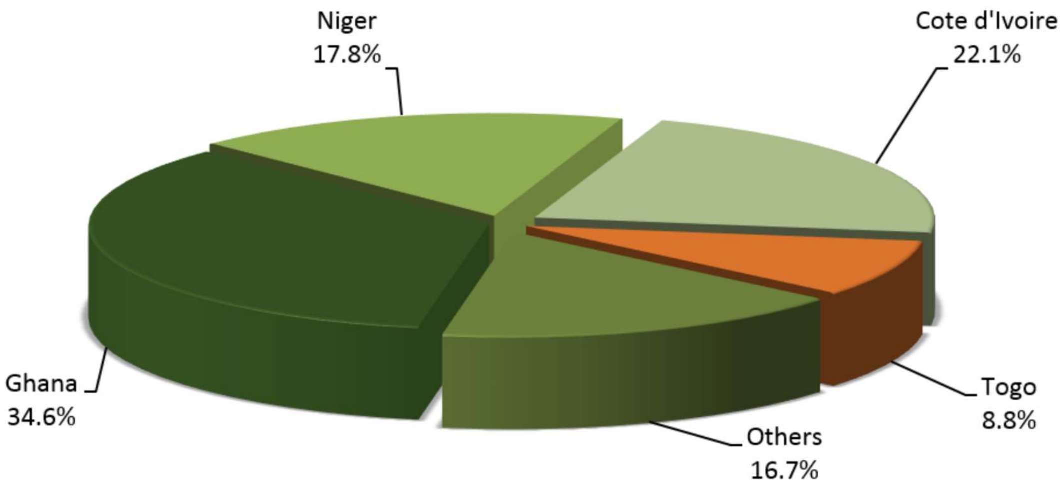
Figure 72
Non-Oil Export by Products
(First Half 2018, Per cent)



Source: CBN

Analysis of non-oil export to the Economic Community of West African States (ECOWAS) sub-region showed a total value of US$246.14 million in the first half of 2018. Among member-countries, export to Togo remained the highest at US$81.04 million or 32.9 per cent of total. This was followed by Ghana, US$64.54 million (26.2%); Niger, US$37.79 million (15.4 %); and Cote d'Ivoire, US$21.12 million (8.6%). Export to Senegal was US$13.92 million (5.7%); Benin, US$13.28 million (5.4%); Guinea, US$6.32 million (2.6%); and "Others" accounted for the balance. The dominant export commodity to the sub-region remained instant noodles, detergents, tobacco, plastics, dairy products, soya beans meal, and carbonated soft drink.

Figure 73
Non-oil Export to the ECOWAS sub-Region in the First Half of 2018
(Per cent)



Source: CBN

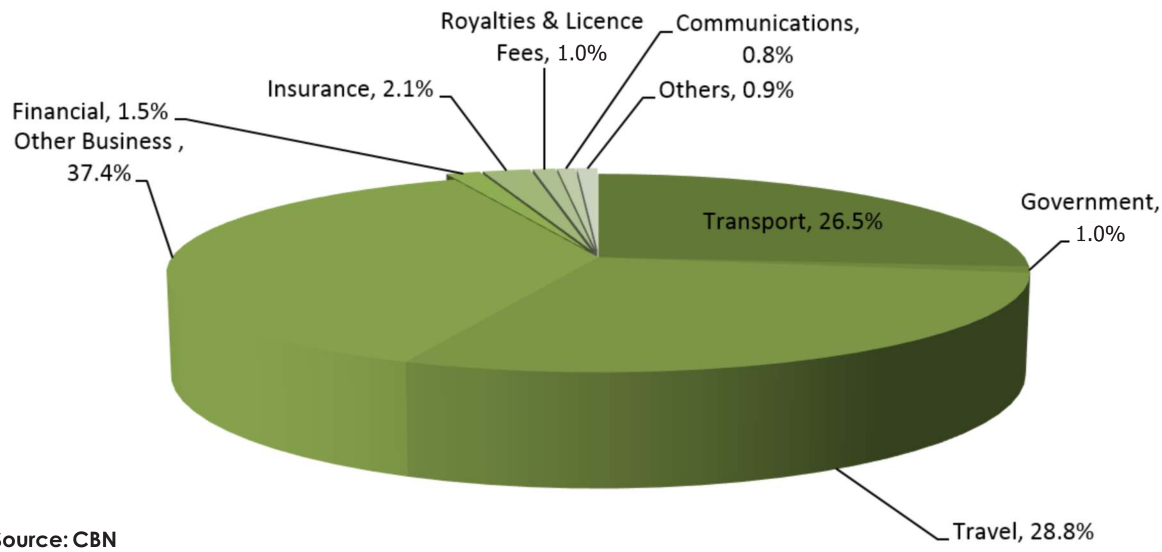
Foreign Exchange Receipts by Top Hundred (100) Exporters

Available data showed that aggregate value of export proceeds of the top one hundred exporters in the first half of 2018 was US$1,138.99 million, an increase of 56.3 per cent above the level in the corresponding period of 2017. Analysis of the activities of the "Top 100 Non-oil Exporters" showed that Olam Nigeria Limited topped the list with value of US$170.37 million or 15.0 per cent of the total from export of cocoa beans, cashew nuts, and sesame seeds to Turkey and China. The second major non-oil exporter was Nigerian National Petroleum Corporation/the Pipeline and Products Marketing Company (NNPC/PPMC) with a value of US$144.01 million (12.6%) from the export of NAPHTHA, a petroleum by-product to the USA. The third major non-oil exporter was Indorama Eleme Fertilizer and Chemicals Limited at US$100.52 million (10.9%) realised form the export of urea, fertilizers and agronomy services to Turkey and China. M + Azeezco International Limited, MRS Continental Concept Limited and Presco PLC ranked 98th, 99th and 100th, with export earnings of US$1.26 million, US$1.23 million, US$1.21 million, respectively. Their major export products were cocoa beans, baobab, and crude palm kernel oil to Malaysia, Saudi Arabia, and the Netherlands, respectively.

4.4.1.2 Services

The net deficit in the services account widened significantly to ₦3,227.92 billion or 5.4 per cent of GDP, from ₦2,731.23 billion or 4.4 per cent of GDP and ₦1,309.47 billion or 1.7 per cent of GDP, respectively, in the preceding and corresponding periods of 2017. This was due, mainly, to increased net payments in the major components of the account. A disaggregation of service payments showed that other business services constituted the bulk at ₦1,425.71 billion or 37.4 per cent of total payments. Travel services at ₦1,098.02 billion or 28.8 per cent of the total decreased by 8.9 per cent below its level in the preceding period in 2017, as a result of decreased payment in respect of personal travels (mainly education and health related). However, payments in respect of transportation services increased to ₦1,011.76 billion, accounting for 26.5 per cent of the total, due largely to increased payments of passenger fares. Payments in respect of insurance services, financial services, royalties & license fees, computer and information services and communication services, decreased to ₦78.20 billion, ₦56.33 billion, ₦38.59 billion, ₦35.16 billion and ₦28.62 billion and accounted for 2.1, 1.5, 1.0, 0.9 and 0.8 per cent, respectively, of the total. Others accounted for the balance.

Figure 74
Share of Services Out-Payments
(First Half 2018, Per cent)



Source: CBN

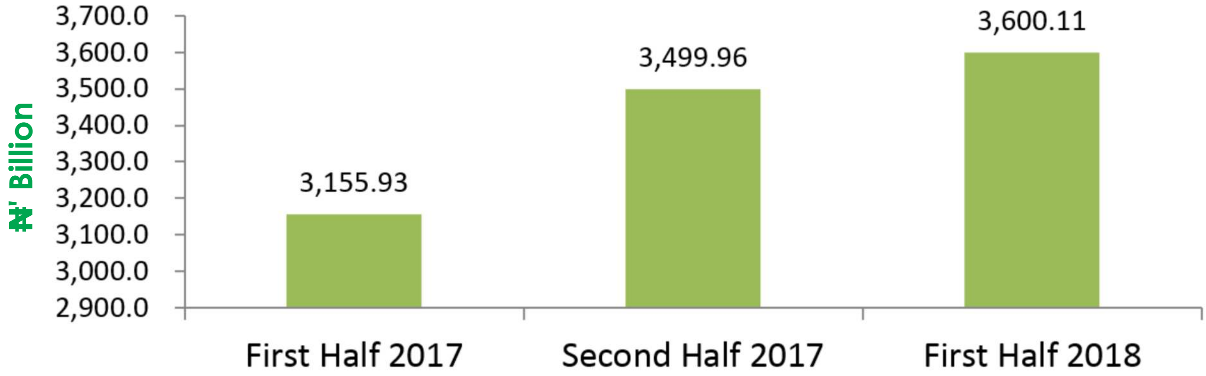
4.4.1.3 Income

Provisional data showed that transactions in the income account resulted in a higher net deficit of ₦2,156.09 billion or 3.6 per cent of GDP, compared with ₦1,822.16 billion or 3.0 per cent of GDP and ₦1,692.15 billion or 2.9 per cent of GDP, respectively, in the first and second halves of 2017. This was attributable to increased payment of dividends and distributed branch profits as most companies (particularly banks and servicing) declared their profit during the period. In addition, interest payments to portfolio investors increased, reflecting strengthened financial market activities in the review period. The deficit in the investment income sub-account widened by 17.9 and 27.1 per cent to ₦2,192.30 billion, above the ₦1,858.78 billion and ₦1,725.41 billion, respectively, in the preceding and corresponding periods of 2017. On the contrary, compensation of employees' sub-account maintained a net surplus balance of ₦36.21 billion in the review period, relative to the levels of ₦36.62 billion and ₦33.26 billion in the second and first halves of 2017, respectively.

4.4.1.4 Current Transfers

The net surplus in the current transfers account rose to ₦3,854.15 billion or 6.5 per cent of GDP, above the ₦3,558.14 billion (5.8% of GDP) and ₦3,156.96 billion, (4.4% of GDP), respectively, in the second and first halves of 2017. This was influenced largely by the 2.9 and 14.1 per cent increases in the inflow of home remittances compared with the previous and corresponding halves of 2017, respectively. Personal home remittances continued to drive the surplus in the current transfers account, constituting 92.3 per cent of the total inflow. The general government transfers (comprising payments to foreign embassies and international organisations) recorded a higher net surplus of ₦288.40 billion in the first half of 2018, above the levels in the preceding and corresponding periods of 2017.

Figure 75
Private Home Remittances
(₦' Billion)



Source: CBN

4.4.2 Capital and Financial Account

The capital and financial account recorded a net financial liability of ₦824.80 billion or 1.4 per cent of GDP compared with ₦998.37 billion or 1.9 per cent of GDP in the corresponding half of 2017. This was in contrast to a net financial asset of ₦2,320.35 billion or 3.8 per cent of GDP in the preceding half of 2017.

Further analysis showed that aggregate financial assets in form of financial outflows increased to ₦5,906.12 billion in the review period compared with the ₦5,284.47 billion and ₦1,508.07 billion, respectively, in the second and first halves of 2017. This was majorly driven by accretion to external reserves and increased foreign currency holdings by the private sector. Similarly, aggregate foreign liabilities representing financial inflows into the economy maintained an upward trend increasing to ₦6,730.92 billion, above the ₦2,964.13 billion and ₦2,506.45 billion, respectively, in the preceding and corresponding halves of 2017. The development was as a result of higher inflow of foreign portfolio investments and additional drawdown of fresh multilateral loans as well as the issuance of Euro bonds by the federal government.

4.4.2.1 Foreign Direct Investment

Inflow of FDI into the economy decreased to ₦379.84 billion equivalent to 0.6 per cent of GDP in the first half of 2018, relative to ₦536.80 billion and ₦532.63 billion, respectively, in the second and first halves of 2017. This was as a result of decreased inflow of fresh equity capital during the review period. In terms of share in total inflow, FDI accounted for 5.6 per cent. Outward direct investment increased by 7.2 and 7.5 per cent to ₦210.73 billion or 2.4 per cent above the levels in the second and first halves of 2017, respectively. This was attributable to the favourable global investment conditions particularly in the United States.

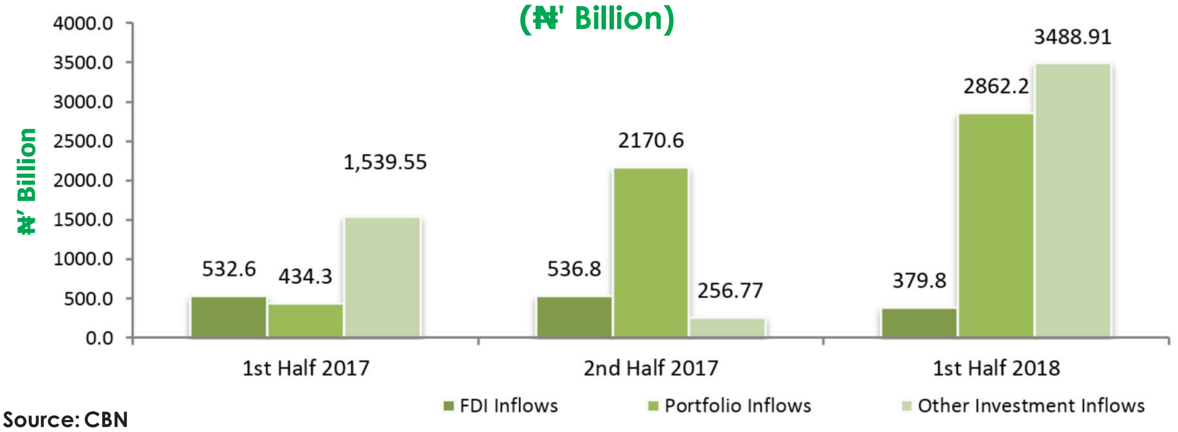
4.4.2.2 Portfolio Investment

Portfolio investment inflow comprising equity and debt securities rose to ₦2,862.17 billion or 5.3 per cent of GDP, above the ₦2,170.56 billion and ₦434.27 billion, respectively, in the preceding and corresponding halves of 2017. This was largely due to increased investment in equity and money market instruments occasioned by the bullish performance of Nigeria's capital market and attractive returns on investment, respectively. The share of portfolio investment inflow in total capital inflow was 42.5 per cent of total. A further analysis showed that the Greenspan-Guidotti measure of external reserve adequacy as measured by the ratio of portfolio investment to external reserves remained adequate at 503.0 per cent, above the 100.0 per cent international benchmark. Portfolio investment outflow stood at ₦0.19 billion in the review period which was below the ₦1.70 billion recorded in the preceding half of 2017.

4.4.2.3 'Other' Investment

Other investment inflow largely driven by loans, and currency & deposits increased to ₦3,488.91 billion (5.8% of GDP) in the review period relative to ₦256.77 billion and ₦1,539.55 billion in the second and first halves of 2017, respectively. The development was largely, due to fresh loans drawn by the general government, banks and the private sector, as well as increased non-residents placement of currency & deposits in Nigerian banks. Other investment inflow accounted for the bulk share of 42.5 per cent of total financial liabilities in the review period. The other investment asset sub-account similarly rose to ₦3,305.95 billion from ₦2,347.60 billion and ₦312.16 billion in the preceding and corresponding periods of 2017. This was largely attributed to increased foreign currency holdings of the private sector. Other investment asset also constituted the highest share of 72.7 per cent of total financial assets in the review period.

Figure 76
Foreign Capital Inflows
(₦' Billion)



Source: CBN

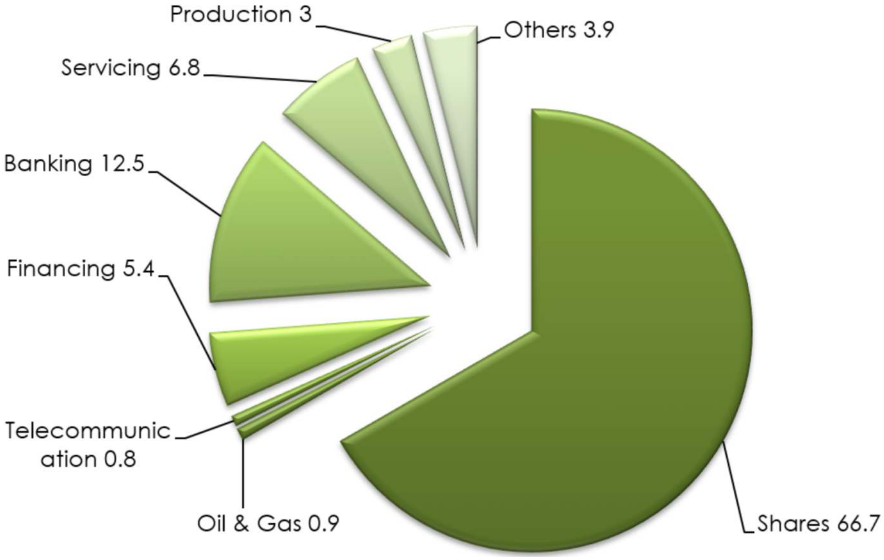
4.4.3 Capital Importation and Capital Outflow

Provisional data showed that new capital imported into the economy as reported by banks, amounted to US$11.82 billion in the review period, compared with US$2.71 billion in the first half of 2017. A disaggregation of capital imported by sectors showed that 66.7 per cent of the total new capital was for purchase of shares, while investment in banking accounted for 12.5 per cent. The servicing, financing, production/manufacturing, agriculture, and oil & gas sectors accounted for 6.8, 5.4, 3.0, 2.0 and 0.9 per cent, respectively, of the total. Other sectors accounted for the balance.

A further breakdown showed that in terms of the type of investment, portfolio investment remained dominant accounting for 73.5 per cent of the total, followed by other investments with 22.2 per cent, while FDI inflow accounted for the remaining 4.3 per cent. By country of origin, the United Kingdom remained the highest source of inflow accounting for 34.1 per cent of the total, followed by the United States with 21.0 per cent. South Africa, United Arab Emirates and Belgium accounted for 7.5, 6.1 and 5.8 per cent, respectively, while 'other' countries accounted for the balance.

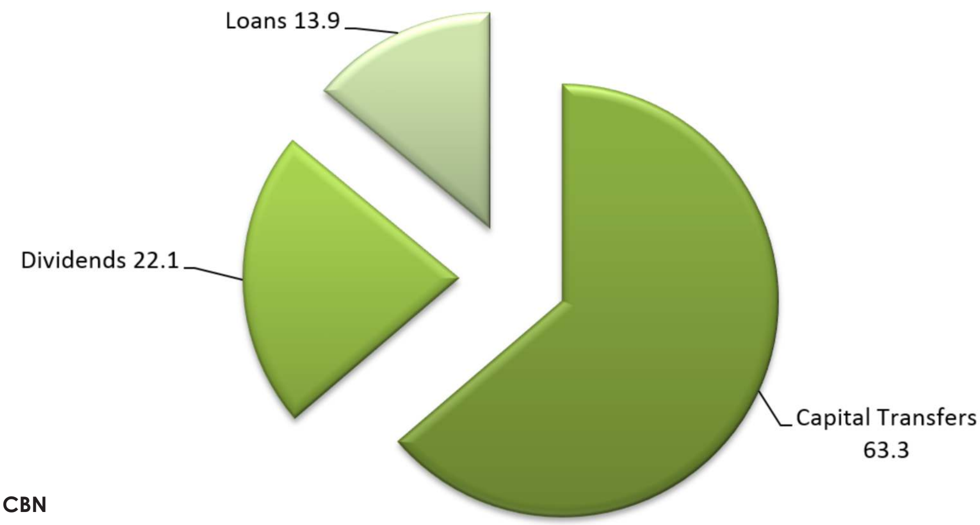
In the review period, aggregate capital outflow stood at US$6.03 billion compared with US$2.27 billion in the first half of 2017. A disaggregation showed that outflow in form of capital reversal constituted 63.3 per cent of total outflows, followed by payment of dividends to non-resident investors which accounted for 22.1 per cent. Repayment of loans represented 13.9 per cent of the total while 'others' accounted for the balance. In terms of capital outflow by sectors, servicing sector was 61.6 per cent of total outflow, followed by the banking sector which constituted 22.3 per cent of the total. Oil and gas, production/manufacturing, and telecommunication sectors accounted for 7.2, 6.3 and 1.6 per cent, respectively, of total outflows. Other sectors accounted for the balance.

Figure 77
Capital Importation by Sector
(First Half 2018, Per cent)



Source: CBN

Figure 78
Capital Outflow and Outward Transfers
(First Half 2018, Per cent)

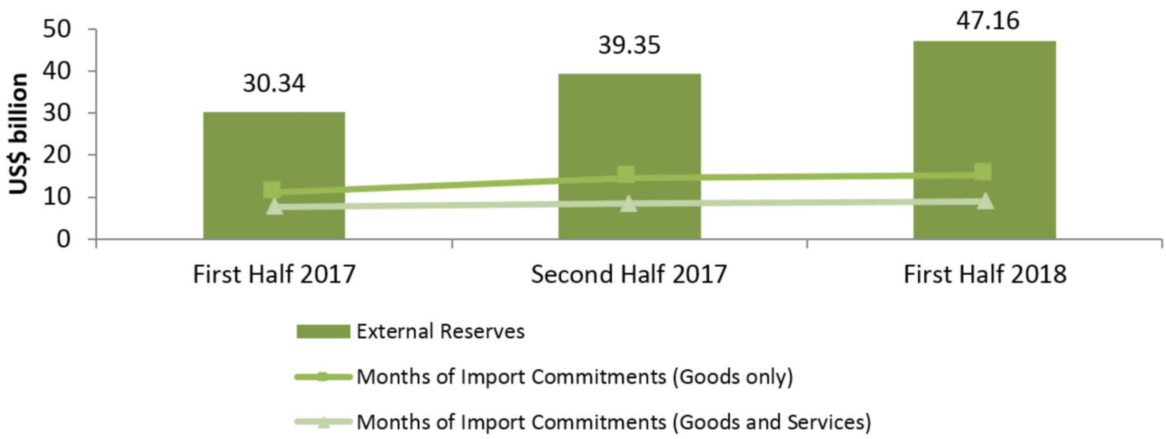


Source: CBN

4.4.4 External Reserves

Gross external reserves at end-June 2018 stood at US$47.16 billion, compared with US$39.35 billion and US$30.34 billion, respectively, at end-December and end-June 2017. The increase in external reserves was attributed mainly to crude oil-related receipts and Eurobond proceeds. The external reserves position could cover 10.0 months of import of goods and services or 17.9 months of import of goods only. A breakdown of the external reserves by ownership showed that Federation was US$2.63 billion (5.6%); Federal Government, US$6.35 billion (13.4%); and the CBN, US$38.18 billion (81.0%) of the total. In terms of the currency composition of external reserves, the US dollar of US$42.46 billion constituted 90.1 per cent of total; special drawing rights, US$2.11 billion (4.5%); Chinese yuan, US$2.06 billion (4.4%); and "others", the balance.

Figure 79
External Reserves Stock and Months of Import Commitments



Source: CBN

4.4.5 External Debt

External debt stock at end-June 2018 was US$22.08 billion (11.8% of GDP) an increase of 16.7 and 46.8 per cent relative to the US$18.91billion and US$15.05 billion, respectively, at end-December 2017 and end-June 2017. Further breakdown showed that loan from multilateral sources, mainly the World Bank and African Development Bank Groups was US$10.93 billion (49.5% of total). Loan from commercial sources in the form of Eurobond was US$8.80 billion (39.9% of total); while that from bilateral sources, mainly the China EXIM Bank accounted for the remaining US$2.35 billion (10.6% of the total).

5.0 INTERNATIONAL ECONOMIC RELATIONS

5.1 Global Institutions

5.1.1 The International Monetary Fund (IMF)/World Bank Spring and Annual Meetings

The 2018 Spring and Annual Meetings of the Board of Governors of the World Bank Group (WBG), the International Monetary Fund (IMF) and the Inter-Governmental Group of Twenty-Four (G-24) on International Monetary Affairs and Developments, were held in Washington D. C., USA, from April 16 – 22, 2018. The sideline meetings of the Ministers of the Inter-Governmental Group of 24, the International Monetary and Finance Committee (IMFC) and the Development Committee were also held.

The G-24 Ministers:

- Welcomed the recovery of global growth, driven by strong investment and trade. They noted that while growth prospects were firming up for emerging market and developing economies (EMDEs), the growth outlook for several countries, mostly commodity exporters and small and fragile states, would improve more gradually. They, however, observed that downside risk may arise from a potential sharp tightening of financial conditions, further rise in protectionism, and geopolitical tensions. Against this background, they advocated sustaining inclusive growth, while prioritising economies' resilience;
- Noted that digitalisation and technological change would further create opportunities but with challenges. They urged international financial institutions (IFIs) to strengthen their cooperation on policy responses, so that countries can seize such opportunities and manage the associated risks. They encouraged the IMF, other IFIs and financial standard-setters, to assess the implications of technological advances on the financial system, including crypto-assets and cyber-security, and support multilateral responses; and
- Urged the IMF and the WBG to continue to strengthen their assistance to improve domestic resource mobilisation. They stressed the importance of international tax cooperation to develop fair rules, avert harmful tax practices and competition, and enhance tax transparency. They welcomed the progress to date of the Automatic

Exchange of Information Initiative and encouraged EMDEs to commit to the international standards on tax transparency.

- The IMFC:
    - Urged that structural reforms should aim to lift productivity, potential growth and employment, while effectively assisting those bearing the cost of adjustment. The Committee stressed the importance of timely, full and consistent implementation and finalisation of the financial sector reform agenda, to further strengthen financial sector resilience;
    - Noted that strong fundamentals, sound policies and a resilient international monetary system (IMS) were essential to the stability of exchange rates, contributing to strong and sustainable growth and investment. Flexible exchange rates, where feasible, could serve as a shock absorber. They recognised that excessive volatility or disorderly movements in exchange rates could have adverse implications for economic and financial stability, and pledged to refrain from competitive devaluations; and
    - Reaffirmed its commitment to a strong, quota-based and adequately resourced IMF to preserve its role at the center of the Global Financial Safety Net (GFSN). It expressed its commitment to complete the 15th General Review of Quotas and agree on a new quota formula, as a basis for a rearrangement of quota shares. This would result in increased shares for developing economies in line with their relative positions in the world economy, thereby increasing the share of emerging market and developing countries, as a whole, while protecting the voice and representation of the poorest members.

The Development Committee welcomed:

- The fundamental reforms that were negotiated as part of the proposed capital package that would allow the World Bank Group (WBG) to more effectively deliver development results in a financially-sustainable manner; and
- The successful conclusion of the negotiations on the financial and policy package, contained in the Sustainable Financing for Sustainable Development report. The financial package included a US$13.0 billion paid-in capital increase, consisting of US$7.5 billion for

the International Bank for Reconstruction and Development (IBRD) and US$5.5 billion for the International Finance Corporation (IFC), via general and selective capital increases. In addition, there would be a callable capital increase for IBRD.

5.2 REGIONAL INSTITUTIONS

5.2.1 The 5th Meeting of the Presidential Task Force on the ECOWAS Single Currency

The 5th Meeting of the Presidential Task Force on the ECOWAS Single Currency Programme was held in Accra, Ghana from February 17 - 21, 2018. The Meeting was a follow-up to the 4th Meeting of the Presidential Task Force, which directed the Ministerial Committee to revise the new roadmap and propose measures to fast-track the process of creating the ECOWAS Single Currency by 2020. The Meetings were held as follows:

- Technical Committee Meeting – February 17 – 18, 2018
- Ministerial and Governors Meeting – February 19, 2018
- Presidential Task Force Meeting – February 21, 2018

The Presidential Task Force Meeting was chaired by His Excellency, Nana Addo Dankwa AKUFO-ADDO, President of the Republic of Ghana. Other dignitaries present at the meeting included: President Issoufou MAHAMADOU of the Republic of Niger; President Alassane QUATTARA of the Republic of Cote d'Ivoire; President Faure Essozimna GNASSINGBE of the Republic of Togo; and the current President of the Conference of Heads of State and Government of ECOWAS; His Excellency Professor Alpha CONDE, President of the Republic of Guinea; and Mr. Godwin I. EMEFIELE, Governor Central Bank of Nigeria, who represented the President of the Federal Republic of Nigeria.

The purpose of the Meeting was to review the revised draft roadmap for the ECOWAS Single Currency Programme, as well as, the status of the implementation of the roadmap activities for the Programme and to propose measures that would fast-track the process.

The Presidential Task Force on the ECOWAS Single Currency Programme took the following decisions:

- That Member Countries of the Presidential Task Force on the ECOWAS Single Currency Programme should hold quarterly meetings to assess the progress made in the implementation of planned activities in the roadmap. The Heads of State also directed the ECOWAS Commission to submit detailed reports on progress and challenges in the implementation of the Programme, as well as, measures adopted for ensuring compliance with the 2020 deadline to the Authority of Heads of State and Government during its biannual sessions;
- The Ministerial Committee should hold a meeting within three months to draft a proposal on the creation of a special fund to ensure adequate funding for the implementation of the activities under the roadmap, as well as, modalities for its replenishment. In addition, the Committee would also prepare clear proposals on the measures to be adopted to strengthen the technical capacities of WAMA; and
- The next meeting of the Presidential Task Force would be held in Niamey, Republic of Niger in May 2018.

5.2.2 36th Meeting of the Committee of Governors of the West African Monetary Zone (WAMZ)

The 36th Meeting of the Committee of Governors of the West African Monetary Zone (WAMZ) was held in The Gambia on February 8, 2018, to deliberate on the status of the implementation of the WAMZ Work Programme. The Report of the 42nd Meeting of the Technical Committee of the WAMZ formed the basis for the deliberations. The Meeting was chaired by the Governor of the Central Bank of The Gambia, Mr. Bakary Jammeh.

The Committee of Governors:

- Noted the report on macroeconomic developments and convergence in the WAMZ as at end-June 2017 and urged member states to do more to improve on their performance on the convergence criteria;
- Urged Member States, in collaboration with the WAMI, to make greater effort towards statistical harmonisation for improved data quality;

- Directed WAMI to coordinate the interlinking of the Payments System Project and convene a meeting of the Zonal Payments System Committee to determine its terms of reference and framework. Also, WAMI, in collaboration with the member states, should endeavour to revive the National Payments System Committees;
- Directed WAMI to review and update the Exchange Rate Mechanism (ERM), in view of the operationalisation of the Scheme on quoting and trading in the Zone and submit it at the next WAMZ statutory meetings;
- Directed WAMI to strengthen efforts and encourage member countries to quote and trade in the WAMZ member states' currencies;
- Urged the West African Securities Regulators Association (WASRA) to approve phases I and II documents to facilitate the integration of the capital markets in ECOWAS;
- Approved and adopted the Internal Audit Charter of the WAMI as the framework for conducting internal audit in WAMI and the submission of report to the Chairman of the Committee of Governors semi-annually; and
- Considered and approved WAMI's Work Programme and Budget for 2018.

5.2.3 34th Board Of Governors Meeting of the West African Institute for Financial and Economic Management (WAIFEM)

The 34th Board of Governors Meeting of the West African Institute for Financial and Economic Management (WAIFEM) was held in the Gambia on February 8, 2018. The Meeting was preceded by the 37th Meeting of the Technical Committee held on February 4, 2018. The Meeting was chaired by the Deputy Governor, Central Bank of Liberia and Chairman, Board of Governors of WAIFEM. The Report of the Technical Committee formed the basis for the Board of Governors' deliberations.

The Governors:

- Approved the Budget for the Year 2018 and noted the Progress Report on the Implementation of the WAIFEM's Strategic Plan; and
- Noted the Status Report on the WAIFEM as an ECOWAS Training Institute.

5.2.4 51st Meeting of the Committee of Governors of ECOWAS Member Central Banks

The 51st Ordinary Meeting of the Committee of Governors (COG) of Central Banks of ECOWAS member states was held in The Gambia on February 9, 2018. The Meeting was preceded by the 32nd Meeting of the Technical Committee held from February 1 - 3, 2018. The Meeting was chaired by Mr. Bakary Jammeh, Governor, Central Bank of The Gambia. The COG meeting reviewed and discussed the report of the 32nd Meeting of the Technical Committee.

The COG endorsed:

- The recommendations of the Report on the ECOWAS Monetary Cooperation Programme for the First Half of 2017;
- The recommendation of the Report on the Development of a Composite Index of Financial Stability in ECOWAS member states;
- The report on Construction of a Macroeconomic Convergence Index for ECOWAS member states (an updated version) with a proviso that it was not a replacement for the convergence criteria;
- The recommendations of the Technical Committee on the study on "Estimation of Optimal Inflation Threshold for ECOWAS Member Countries";
- The WAMA Information Technology Policies and Procedures; and
- The 2018 WAMA Work Programme and Budget.

5.2.5 39^{th} Meeting of the Convergence Council of Ministers and Governors of Central Banks of the Wamz

The 39th Meeting of the Convergence Council of Ministers and Governors of the Central Banks of the West African Monetary Zone (WAMZ) was held in The Gambia, on February 9, 2018, to deliberate on the status of implementation of the WAMZ Work Programme. The Report of the 36th Meeting of the Committee of Governors formed the basis for the deliberations. In a unanimous decision, the Governor of the Republic of The Gambia was elected Chair of the Convergence Council. The Meeting was chaired by the Minister of Finance of The Gambia. The Report of the Meeting of the Committee of Governors of the WAMZ was presented to the Convergence Council of Ministers for consideration and approval. Following the Council's deliberations, all the recommendations of the Committee of Governors of the WAMZ were approved, as earlier indicated in the COG Report.

5.2.6 The Economic Commission for Africa (ECA) and the Annual Conference of African Ministers of Finance, Planning and Economic Development

The 51st Session of the Economic Commission for Africa and the Annual Conference of African Ministers of Finance, Planning and Economic Development was held in Addis Ababa, Ethiopia from May 11-15, 2018. The Session was preceded by the meeting of the Committee of Experts, which held on May 11-12, 2018. The theme of the Conference was "African Continental Free Trade Area (AfCFTA) and Fiscal Space for Jobs and Economic Diversification", which took into account the launch of the AfCFTA and the opportunities it presented for economic growth and job creation in Africa.

The Economic Commission for Africa (ECA):

- Endorsed the revised strategic framework for 2018-2019 by the 51st Session of the Conference of African Ministers of Finance, Planning and Economic Development. The Framework summarised the outcome of recent ECA reforms and articulated its vision, overall objectives and programmatic focus.

- The Institution would concentrate on five strategic areas:
    - Advancing ECA's position as a premier knowledge institution that builds on its unique position and privilege to bring global solutions to the continent;
    - Building sustainable development solutions to accelerate Africa's economic diversification and industrialisation;
    - Creating innovative solutions to finance sustainable infrastructure, human, physical and social development for transforming Africa;
    - Contributing solutions to trans-boundary issues, with a focus on social inclusion; and
    - Developing regional solutions, as a contribution to global governance issues, and building knowledge to advocate and manage Africa's next-generation challenges.

5.2.7 The Continental Seminar of the Association of the African Central Banks (AACB) Held in N'Djamena, Chad

The 2018 AACB Continental Seminar was hosted by the Banque des Etats de l'Afrique Centrale (BEAC) in N'Djamena, Chad from May 14 - 16, 2018. The theme of the Seminar was 'Financial Technology Innovations, Cybercrime: Challenges for Central Banks'. Fifty delegates from twenty-one member central banks and five (5) regional and international institutions attended the Seminar, including representatives of the Central Bank of Nigeria.

The Seminar featured a plenary session with three lead papers. The first paper focused on the Role of Mobile Money and Socio-Economic Development in Africa. The second paper addressed Opportunities and Challenges of FinTech for African Central Banks; while the third paper analysed The Implications of Cybersecurity for Supervisory Practices. The plenary session ended with sharing of experiences on the seminar theme by ten AACB central banks.

Three break-out sessions were held simultaneously focusing on the Implications of Financial Technologies (including digital currencies and block chain technologies) on Monetary Policy and Financial Stability in Africa; Mobile Financial Services (MFS): Overview - Potential Risks and Roles of African Central Banks; and Cybersecurity and Financial Stability: Challenges for African Central Banks.

The Seminar recommended that:

- Central banks should strengthen collaborations and exchange ideas on FinTech innovations to increase public awareness on FinTech, especially cryptocurrency and review of regulatory frameworks to accommodate emerging FinTech innovations;
- Each member central bank should develop specific national strategies to promote mobile financial services; and
- Central banks to set up robust internal capability units and establish cross-departmental cybersecurity working group.

5.2.8 Regional Meeting of Monetary and Exchange Rate Policy Experts on the Choice of a Single Monetary Policy Framework and Exchange Rate Regime for the Future ECOWAS Monetary Zone Held in Abuja, Nigeria

The regional meeting of Monetary and Exchange Rate Policy Experts on the choice of a single monetary policy framework and exchange rate regime for the future ECOWAS monetary zone was held in Abuja, Nigeria, from June 4-7, 2018. The purpose of the Experts Meeting was to continue the process of finding a common ground on the choice of a single exchange rate regime and monetary policy framework for the proposed ECOWAS monetary zone.

The various organisations, present at the Meeting, made presentations on the following themes:

- Review of Monetary Policy Objectives, Instruments, and Frameworks (WAIFEM);
- Review of Exchange Rate Regimes (WAMA);
- Experience Sharing on Monetary, Exchange Rate and Fiscal Policy Management Coordination (ECOWAS) by:
    - BCEAO (Central Bank of West African States)
    - BCRG (Central Bank of the Republic of Guinea)
    - Central Bank of Liberia
    - Central Bank of Nigeria
    - Bank of Ghana
    - Bank of Sierra-Leone
    - Central Bank of The Gambia
- Common Exchange Rate Regime For the ECOWAS (WAMA); and
- Common Monetary Policy Framework for the Future ECOWAS Monetary Union (WAMA).

6.0 OUTLOOK FOR THE SECOND HALF OF 2018

The outlook for Nigeria's economy for the rest of the year is optimistic. Growth in the near-term is expected to witness expansion, premised on favourable oil price and production, sustained stability in the foreign exchange market and continued intervention in the real economy.

The real sector remained robust, with sustained government spending on infrastructure, and the moderation in headline, core and food inflation. Government policy interventions, particularly the Anchor Borrowers' Programme (ABP) would continue to impact positively on the economy. However, a number of headwinds remain, including a general sense of insecurity and the envisaged 2019 pre-election spending activities. Nevertheless, the improvement in monetary and fiscal policies coordination, and the sustenance of CBN interventions in growth-stimulating and labour-intensive sectors, such as, the manufacturing, agriculture and the Micro, Small and Medium Enterprises (MSMEs), among others, are expected to moderate the effects of these risks.

The external sector is expected to remain strong through the rest of the year in anticipation of stronger terms of trade gains occasioned by the improvement in crude oil prices at the international market and the sustained recovery in oil production as well as growth in non-oil export; increased foreign exchange availability; and attractive returns on investment. However, downside risks to the external sector include rising trade tensions particularly between the US and China; increasing geopolitical tensions particularly in the Middle East; risk of capital reversal; rising external debt, and uncertainty surrounding the political environment, typical of an election period.

In the fiscal sector, there is high prospect for government revenue, as crude oil price is expected to remain above the budget benchmark of US$51.0 per barrel. This optimism reflects the growth momentum in most advanced and emerging economies. Similarly, the diversification of the economy and the expansion of the tax base. through tax reform measures are expected to further strengthen government revenue. In addition, the passage of the 2018 Budget would enhance capital releases with positive impact for economic growth. However, there is a likelihood of bunching of capital releases towards the last quarter of the year.

The financial sector would remain resilient in the second half of 2018, as all the major prudential indicators are strong. Also, the continued implementation of payments system initiatives are expected to sustain improved efficiency, safety and confidence in the Nigerian payments system. However, rising interest rate in the United States remains a major threat to the retention of portfolio investments in the country. Nonetheless, effective surveillance and prompt regulatory actions by the Bank are expected to mitigate any unintended effects to the financial system, and ensure improvement in the health and safety of banks for the rest of the year.

Table 20
DMBs' Credit to the Core Private Sector: (Percentage Share)

Sources	Share in Outstanding (Per cent)				
	Jun-16	Dec-16	Jun-17	Dec-17	Jun-18
Agriculture	**3.09**	**3.26**	**3.19**	**3.36**	**3.41**
Industry	**37.89**	**38.82**	**39.61**	**39.56**	**38.46**
Mining & Quarrying	0.11	0.13	0.07	0.16	0.07
Manufacturing	13.25	13.75	14.11	13.79	13.16
Oil & Gas	21.66	22.26	22.46	22.72	22.52
of which DownStream, Natural Gas and Crude Oil Refining	21.66	22.26	22.46	22.72	22.52
Power and Energy	2.88	2.68	2.97	2.88	2.71
of which IPP and Power Generation	2.88	2.68	2.97	2.88	2.71
Construction	**3.91**	**3.92**	**4.01**	**4.17**	**3.99**
Trade/General Commerce	**6.56**	**6.11**	**6.11**	**6.50**	**6.81**
Government	**8.91**	**8.45**	**8.70**	**8.84**	**9.61**
Services	**39.62**	**39.44**	**38.38**	**37.57**	**37.72**
Real Estate	4.61	4.91	5.06	4.79	4.85
Finance, Insurance and Capital Market	5.51	5.82	5.79	7.15	6.46
Education	0.56	0.54	0.48	0.46	0.47
Oil & Gas	7.32	7.87	6.94	7.38	8.05
of which Upstream and Oil & Gas Services	7.32	7.87	6.94	7.38	8.05
Power and Energy	1.53	1.82	1.92	1.91	2.09
of which Power Transmission and Distribution	1.53	1.82	1.92	1.91	2.09
Others	20.09	18.48	18.18	15.88	15.80
of which: i. General	8.53	8.16	8.16	6.59	6.14
ii. Information & Communication	6.08	5.25	5.00	4.92	5.31
iii. Transportation & Storage	2.94	2.80	2.57	2.11	1.98
Total Private Sector Credit	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

Source: Central Bank of Nigeria

Table 21
Money Market Rates: First Half 2018
(Per cent)

WEIGHTED AVERAGE						
Month	**MPR**	**Interbank Call Rate**	**OBB**	**NIBOR: Call**	**NIBOR: 30 Days**	**NIBOR: 90 Days**
Jan - 18	14.00	14.72	10.04	11.24	15.00	16.21
Feb - 18	14.00	23.54	18.40	19.91	15.12	15.79
Mar - 18	14.00	16.06	13.92	15.97	15.32	16.38
Apr - 18	14.00	3.10	2.88	3.88	12.91	14.08
May - 18	14.00	25.43	18.37	22.77	13.15	14.45
Jun - 18	14.00	5.00	11.13	11.65	13.94	14.43
1st Half 2018 Average	**14.00**	**14.64**	**12.46**	**14.24**	**14.24**	**15.22**
1st Half 2017 Average	**14.00**	**24.58**	**28.97**	**31.41**	**28.43**	**29.59**

Sources: Central Bank of Nigeria and Financial Markets Dealers Association

Table 22
Selected Interest Rates: First Half 2018
(Per cent)

Month	Savings	Average Term Deposit	Prime Lending	Maximum Lending
Jan - 18	4.07	9.23	17.50	31.39
Feb - 18	4.07	8.90	17.53	31.40
Mar - 18	4.07	8.64	17.35	31.55
Apr - 18	4.07	8.74	17.24	31.56
May - 18	4.07	8.69	17.08	31.29
Jun - 18	4.07	8.54	16.78	31.17
1st Half 2018 Average	**4.07**	**8.79**	**17.25**	**31.39**
1st Half 2017 Average	**4.18**	**7.89**	**17.35**	**30.06**

Source: Central Bank of Nigeria

Table 23
Open Market Operations (OMO) Sessions

Period	Total Bids (N' Million)	Amount Sold (N' Million)	Average Tenor (Days)	Average Yield (%)
2014				
January	1,271,958.85	1,091,488.65	118	12.47
February	405,786.77	307,403.51	130	13.17
March	836,869.23	714,571.36	133	13.76
April	359,329.93	285,940.65	125	12.87
May	1,229,507.61	905,994.13	121	11.29
June	1,351,007.15	1,179,539.92	122	11.20
Total	**5,454,459.54**	**4,484,938.22**		
Average	**909,076.59**	**747,489.70**	**125**	**12.46**
July	812,923.19	810,924.19	129	11.23
August	654,527.07	654,527.07	133	11.24
September	1,070,421.99	989,578.88	143	11.25
October	800,935.02	652,505.59	164	11.52
November	1,012,679.55	830,230.89	163	11.81
December	0.00	0.00	0	0.00
Total	**4,351,486.82**	**3,937,766.62**		
Average	**870,297.36**	**787,553.32**	**146**	**11.41**
2015				
January	1,637,224.91	1,295,880.94	165	15.29
February	279,283.49	217,327.54	193	16.09
March	586,859.44	543,859.44	188	16.09
April	1,027,454.90	933,744.73	261	16.44
May	657,106.07	524,540.43	206	15.24
June	979,350.37	746,365.40	145	14.55
Total	**5,167,279.18**	**4,261,718.48**		
Average	**861,213.20**	**710,286.41**	**193**	**15.61**
July	963,380.00	771,823.00	227	15.34
August	226,718.00	73,269.00	346	16.14
September	402,805.00	-	-	-
October	-	-	-	-
November	-	-	-	-
December	736,952.00	482,153.00	303	8.57
Total	**2,329,855.00**	**1,327,245.00**		
Average	**582,463.75**	**442,415.00**	**292**	**13.35**
2016				
January	913,260.00	698,420.00	186	8.15
February	630,890.00	509,230.00	175	8.08
March	706,990.00	394,630.00	231	8.81
April	710,300.00	363,720.00	233	9.72
May	367,700.00	64,630.00	288	10.56
June	540,800.00	299,120.00	285	12.93
Total	**3,869,940.00**	**2,329,750.00**		
Average	**644,990.00**	**388,291.67**	**233**	**9.71**
July	909,780.00	695,210.00	233	19.38
August	2,248,650.00	1,728,150.00	275	17.87
September	1,067,340.00	1,057,950.00	232	20.64
October	832,900.00	807,020.00	234	20.67
November	732,660.00	665,570.00	278	17.25
December	633,140.00	575,970.00	266	21.12
Total	**6,424,470.00**	**5,529,870.00**		
Average	**1,070,745.00**	**921,645.00**	**253**	**19.49**
2017				
January	1,237,870.00	700,520.00	248	20.89
February	621,146.00	619,140.00	249	21.06
March	418,192.00	391,160.00	252	20.93
April	376,660.00	316,090.00	266	21.11
May	585,900.00	580,080.00	259	21.03
June	1,354,120.00	1,267,280.00	252	19.65
Total	**4,593,888.00**	**3,874,270.00**		
Average	**765,648.00**	**645,711.67**	**254**	**20.78**
July	1,546,700.00	1,517,530.00	260	21.00
August	1,175,660.00	1,104,570.00	205	19.86
September	787,080.00	741,850.00	219	19.25
October	1,204,690.00	1,179,200.00	226	16.49
November	1,568,350.00	1,461,130.00	226	16.41
December	1,468,530.00	1,467,930.00	219	15.61
Total	**7,751,010.00**	**7,472,210.00**		
Average	**1,291,835.00**	**1,245,368.33**	**226**	**18.11**
2018				
January	2,132,608.00	2,132,608.00	164	14.71
February	919,310.30	845,282.70	180	14.46
March	1,599,250.20	1,561,378.30	173	14.42
April	3,423,078.00	2,084,455.30	168	13.43
May	2,484,392.20	2,033,421.30	175	13.52
June	1,092,612.10	1,086,612.10	229	12.51
Total	**11,651,250.80**	**9,743,757.70**		
Average	**1,941,875.13**	**1,623,959.62**	**181**	**13.84**

Source: Central Bank of Nigeria

Table 24
Treasury Bills: Issues and Allotments
(₦' Million)

Period	Issues	Central Bank	Allotment to Subscriber	
			Deposit Money Banks	Non-Bank Public
2014				
June	440,713.48	0.00	165,215.22	275,498.26
December	378,130.00	21,260.00	132,010.00	224,850.00
Annual Total	**3,879,469.09**	**88,240.00**	**1,985,031.81**	**1,806,194.96**
Annual Average	**323,289.09**	**7,353.33**	**165,419.32**	**150,516.25**
2015				
June	380,023.16	0.00	212,850.32	167,172.84
December	352,034.71	0.00	344,843.52	7,191.20
Annual Total	**3,845,317.30**	**0.00**	**2,686,460.16**	**1,158,857.14**
Annual Average	**320,443.11**	**0.00**	**223,871.68**	**96,571.43**
2016				
June	480,753.95	28,000.00	260,910.92	191,843.03
December	347,920.69	43,511.80	157,769.48	146,639.42
Annual Total	**4,555,502.05**	**163,590.48**	**2,329,090.90**	**2,062,820.67**
Annual Average	**379,625.17**	**13,632.54**	**194,090.91**	**171,901.72**
2017				
June	487,067.69	0.00	217,907.79	269,159.90
December	0.00	0.00	0.00	0.00
Annual Total	**4,495,472.98**	**127,180.46**	**2,495,904.08**	**1,872,388.44**
Annual Average	**374,622.75**	**10,598.37**	**207,992.01**	**156,032.37**
2018				
January	391,390.89	0.00	279,918.90	111,472.00
February	428,884.25	0.00	266,921.29	161,962.96
March	279,665.33	0.00	178,770.28	100,895.05
April	153,691.50	0.00	113,008.38	40,683.12
May	178,866.91	0.00	83,885.43	94,981.49
June	220,867.59	0.00	38,248.38	182,619.21
Half Year Total	**1,653,366.47**	**0.00**	**960,752.64**	**692,613.83**
Half Year Average	**275,561.08**	**0.00**	**160,125.44**	**115,435.64**

Source: Central Bank of Nigeria

Table 25
Monetary and Credit Developments 3/
(₦' Million)

Item	Jun 2014	Dec 2014	Jun 2015	Dec 2015	Jun 2016	Dec 2016	Jun 2017	Dec 2017	Jun 2018 /4
(1) Domestic Credit (Net)	**16,689,493.70**	**19,273,756.71**	**21,409,774.20**	**21,612,452.09**	**24,623,626.70**	**26,857,719.34**	**27,236,433.60**	**25,931,583.48**	**25,568,207.12**
(a) Claims on Federal Government (Net)	**-238,488.87**	**1,147,707.24**	**2,511,101.09**	**2,891,946.66**	**3,171,443.45**	**4,875,570.30**	**5,250,486.41**	**3,640,925.17**	**3,286,340.59**
By Central Bank	-2,913,883.11	-2,141,684.16	-769,517.43	-1,653,067.50	-1,185,761.66	109,158.25	232,806.35	-353,560.95	23,409.82
By Commecial Banks	2,629,128.88	3,214,435.52	3,219,301.45	4,470,267.34	4,179,939.12	4,563,266.39	4,821,703.05	3,842,802.34	3,137,584.55
By Merchant Banks	46,265.36	74,955.88	61,317.08	74,746.83	177,266.00	203,145.66	195,977.01	151,683.77	125,346.22
By Non Interest Banks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b) Claims on Private Sector	**16,927,982.57**	**18,126,049.46**	**18,898,673.11**	**18,720,505.43**	**21,452,183.25**	**21,982,149.04**	**21,985,947.18**	**22,290,658.31**	**22,281,866.53**
By Central Bank	4,702,335.98	4,859,887.74	5,093,071.50	5,061,611.28	5,402,940.93	5,298,255.90	5,692,288.30	5,870,697.13	6,420,376.25
By Commercial Banks	12,168,761.86	13,179,598.11	13,712,964.87	13,568,543.70	15,903,577.86	16,500,150.26	16,092,233.81	16,193,858.35	15,615,487.94
By Merchant Banks	40,749.44	62,646.43	68,535.18	62,845.80	111,828.57	145,180.11	161,090.01	176,742.22	196,447.33
By Non Interest Banks	16,135.29	23,917.18	24,101.56	27,504.65	33,835.89	38,562.77	40,335.06	49,360.61	49,555.01
(i) Claims on State and Local Govts	**489,324.37**	**538,767.32**	**472,792.84**	**585,060.12**	**729,427.54**	**989,541.97**	**1,180,310.12**	**1,544,829.78**	**1,628,824.48**
By Central Bank	0.00	0.00	0.00	0.00	27,800.00	300,379.00	495,915.00	640,431.37	656,531.37
By Commercial Banks	486,924.37	536,367.32	471,430.12	583,817.73	698,822.78	681,830.36	678,439.76	892,044.23	959,904.40
By Merchant Banks	0.00	0.00	0.00	0.00	1,650.14	6,272.36	4,996.57	6,285.23	5,609.80
By Non Interest Banks	2,400.00	2,400.00	1,362.72	1,242.40	1,154.62	1,060.25	958.80	6,068.95	6,778.90
			99.42	-0.01	1,149.39	0.06	28.83	7.50	496.07
(ii) Claims on Non-Financial Public Ent's	**23,587.73**	**25,590.35**	**51,033.53**	**25,588.01**	**319,694.07**	**25,603.30**	**32,984.48**	**27,524.42**	**164,064.18**
By Central Bank	23,587.73	25,590.35	51,033.53	25,588.01	319,694.07	25,603.30	32,984.48	27,524.42	164,064.18
By Commercial Banks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
By Merchant Banks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
By Non Interest Banks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Claims on Other Private Sector	**16,415,070.47**	**17,561,691.79**	**18,374,846.74**	**18,109,857.30**	**20,403,061.64**	**20,967,003.77**	**20,772,652.59**	**20,718,304.11**	**20,488,977.87**
By Central Bank	4,678,748.26	4,834,297.39	5,042,037.96	5,036,023.27	5,055,446.86	4,972,273.60	5,163,388.82	5,202,741.34	5,599,780.69
By Commercial Banks	11,681,837.48	12,643,230.79	13,241,534.75	12,984,725.98	15,204,755.08	15,818,319.90	15,413,794.05	15,301,814.12	14,655,583.54
By Merchant Banks	40,749.44	62,646.43	68,535.18	62,845.80	110,178.43	138,907.76	156,093.44	170,456.99	190,837.53
By Non Interest Banks	13,735.29	21,517.18	22,738.84	26,262.25	32,681.27	37,502.52	39,376.27	43,291.66	42,776.11
(2) Foreign Assets (Net)	**7,673,096.58**	**6,954,214.77**	**5,951,452.90**	**5,653,320.37**	**7,105,663.47**	**9,149,659.29**	**8,468,080.62**	**15,520,760.99**	**18,337,532.47**
By Central Bank	6,343,984.91	6,244,718.92	5,795,959.61	5,545,320.51	6,840,426.38	8,790,652.82	8,378,904.55	15,134,616.53	17,844,063.96
By Commecial Banks	1,317,873.30	712,557.52	159,892.93	125,384.36	254,493.47	346,200.38	101,695.18	422,361.51	551,440.52
By Merchant Banks	8,419.57	-6,373.02	-5,946.22	-18,785.78	8,455.14	11,711.36	-21,000.64	-41,666.45	-63,082.90
By Non Interest Banks	2,818.80	3,311.35	1,546.58	1,401.28	2,288.47	1,094.72	8,481.53	5,449.39	5,110.89
(3) Other Assets (Net)	**-6,785,949.98**	**-7,314,942.50**	**-8,549,797.70**	**-7,235,941.34**	**-9,651,276.71**	**-12,415,646.05**	**-13,723,931.86**	**-17,311,710.27**	**-19,091,735.07**
Total Monetary Assets	**17,576,640.29**	**18,913,028.98**	**18,811,429.40**	**20,029,831.12**	**22,078,013.46**	**23,591,732.58**	**21,980,582.35**	**24,140,634.21**	**24,814,004.52**
Quasi-Money /1	**10,480,203.25**	**12,008,237.57**	**12,269,037.20**	**11,458,129.82**	**12,559,032.07**	**12,320,225.75**	**11,790,391.44**	**12,965,060.24**	**14,112,894.51**
Money Supply	**7,096,437.05**	**6,904,791.41**	**6,542,392.20**	**8,571,701.30**	**9,518,981.39**	**11,271,506.82**	**10,190,190.92**	**11,175,573.96**	**10,701,110.00**
Currency Outside Banks	1,211,563.93	1,437,397.09	1,183,988.38	1,456,096.85	1,379,045.17	1,820,415.90	1,477,147.44	1,782,664.58	1,519,902.32
Demand Deposits /2	5,884,873.12	5,467,394.32	5,358,403.82	7,115,604.46	8,139,936.23	9,451,090.92	8,713,043.48	9,392,909.39	9,181,207.68
Total Monetary Liabilities	**17,576,640.29**	**18,913,028.98**	**18,811,429.40**	**20,029,831.12**	**22,078,013.46**	**23,591,732.58**	**21,980,582.35**	**24,140,634.21**	**24,814,004.52**
GROWTH RATE OVER THE PRECEDING DECEMBER (In Percentages)									
Credit to the Domestic Economy (Net)	14.82	32.60	11.08	12.13	13.93	24.27	1.41	-3.45	-1.40
Credit to the Private Sector	4.55	11.95	4.26	3.28	14.59	17.42	0.02	1.40	-0.04
Claims on Federal Government (Net)	85.60	169.29	118.79	151.98	9.66	68.59	7.69	-25.32	-9.74
By Central Bank	-27.29	6.44	64.07	22.81	28.27	106.60	113.27	-423.90	106.62
Claims on State and Local Governments	-37.20	-30.85	-12.25	8.59	24.68	69.14	19.28	56.12	5.44
Claims on Non-Financial Public Enterprises	0.04	8.53	99.42	-0.01	1,149.39	0.06	28.83	7.50	496.07
Claims on Other Private Sector	6.67	14.12	4.63	3.12	12.66	15.78	-0.93	-1.19	-1.11
Foreign Assets (Net)	-11.38	-19.68	-14.42	-18.71	25.69	61.85	-7.45	69.63	18.15
Quasi-Money	21.07	38.73	2.17	-4.58	9.61	7.52	-4.30	5.23	8.85
Money Supply (M1)	0.90	-1.82	-5.25	24.14	11.05	31.50	-9.59	-0.85	-4.25
Broad Money (M2)	12.03	20.55	-0.54	5.90	10.23	17.78	-6.83	2.33	2.79
Other Assets (Net)	9.58	2.53	-16.88	1.08	-33.38	-71.58	-10.54	-39.43	-10.28

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, on the other.

/3 Adoption of International Financial Reporting Standard (IFRS) and bank returns in compliance with the IFRS commenced in March 2015.

/4 Provisional

Table 26
Value of Money Market Assets 1/
(₦' Million)

Instrument	2014		2015		2016		2017		2018 /2
	June	Dec	June	Dec	June	Dec	June	Dec	June
Treasury Bills	2,735,869.09	2,815,523.75	2,824,952.25	2,772,867.04	2,901,807.05	3,277,278.83	3,702,831.68	3,579,799.14	2,953,580.70
Certificates of Deposits	51,500.00	50,954.00	38,693.10	75,702.83	55,020.04	0.00	0.00	59,497.94	59,449.33
Commercial Papers	10,088.31	9,822.17	6,679.00	6,291.85	3,546.10	490.47	497.34	515.98	27,175.48
Bankers' Acceptances	7,350.82	8,757.23	8,596.28	28,417.89	29,755.86	27,795.30	41,039.93	26,428.84	3,826.11
FGN Bonds	4,369,837.71	4,792,281.22	5,300,418.82	5,808,140.82	7,473,539.17	7,564,937.47	8,134,876.26	8,715,811.65	8,927,657.64
FGN Savings Bonds /3							4,754.08	7,197.33	8,521.32
FGN Sukuk /3								100,000.00	100,000.00
FGN Green Bond /3								10,690.00	10,690.00
Total	**7,174,645.94**	**7,677,338.37**	**8,179,339.46**	**8,691,420.43**	**10,463,668.22**	**10,870,502.06**	**11,883,999.29**	**12,499,940.88**	**12,090,900.58**
Percentage Change Over Preceding December									
Treasury Bills	5.98	9.06	0.33	-1.52	4.65	18.19	12.98	9.23	-17.49
Certificates of Deposits	151.22	148.56	-24.06	48.57	-27.32	-100.00			-0.08
Commercial Papers	8.19	5.33	-32.00	-35.94	-43.64	-92.20	1.40	5.20	5166.79
Bankers' Acceptances	-64.09	-57.22	-1.84	224.51	4.71	-2.19	47.65	-4.92	-85.52
FGN Bonds	3.50	13.51	10.60	21.20	28.67	30.25	7.53	15.21	2.43
FGN Savings Bonds /3									18.40
FGN Sukuk /3									0.00
FGN Green Bond /3									0.00
Percentage Change of Total	**4.68**	**12.01**	**6.54**	**13.21**	**20.39**	**25.07**	**9.32**	**14.99**	**-3.27**

Source: Central Bank of Nigeria
/1 Revised
/2 Provisional
/3 FGN Savings Bond, FGN Sukuk and FGN Green Bond were introduced by the Debt Management Office in March, September and December 2017, respectively.

Table 27
Selected Interest Rates /1
(End-Period Rate)

	2014		2015		2016		2017		2018
	Jun	Dec	Jun	Dec	Jun	Dec	Jun	Dec	Jun
End-Period Rates									
Monetary Policy Rate	12.00	13.00	13.00	11.00	12.00	14.00	14.00	14.00	14.00
Treasury Bills Issue Rate	10.26	15.22	12.16	6.31	13.47	17.94	17.18	15.36	11.50
Weighted Average Rates									
Inter-bank Call Rate	10.50	24.30	10.85	0.77	35.26	10.39	13.46	9.49	5.00
NIBOR Call Rate	10.84	25.51	14.07	1.04	20.34	8.53	32.88	9.71	11.65
NIBOR 30-days	12.17	13.71	14.54	9.11	17.62	16.34	30.84	16.95	13.94
NIBOR 90-days	13.28	13.75	15.30	10.84	18.43	18.66	31.55	18.12	14.43
Open Buy Back (OBB)	10.52	22.28	10.65	0.98	21.75	7.35	29.57	8.46	11.13
Deposit Money Banks (DMBs) (Weighted Average Rates)									
Savings Deposit Rate	3.42	3.46	3.60	3.33	3.61	4.18	4.08	4.08	4.07
Time Deposit Rate (3 months)	9.30	9.48	10.27	6.91	6.92	8.80	9.01	9.61	9.38
Prime Lending Rate	16.50	15.88	17.24	16.96	16.78	17.09	17.59	17.71	16.78
Maximum Lending Rate	26.07	25.91	26.84	26.84	26.93	28.55	30.94	30.99	31.17

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

/1 Revised

Table 28
Federation Account Operations
(₦' Billion)

	2014 1st Half	2015 1st Half	2016 1st Half	2017 1/ 1st Half	2018 2/ 1st Half	2018 Half Year Budget
Total Revenue (Gross)	**5,109.04**	**3,452.84**	**2,395.44**	**2,992.83**	**4,401.91**	**6,642.72**
Oil Revenue (Gross)	**3,604.39**	**2,049.78**	**1,203.32**	**1,613.02**	**2,686.12**	**3,841.25**
Crude oil and Gas Exports	1,094.04	489.49	194.98	213.17	207.54	611.38
PPT and Royalties etc.	1,713.36	898.33	526.82	645.86	1,767.36	2,757.99
Domestic Crude Oil / Gas Sales	748.21	607.21	440.37	723.25	706.31	126.05
Other Oil Revenue	48.78	54.76	41.15	30.74	4.91	313.62
Dividend by NLNG	0.00	0.00	0.00	0.00	0.00	32.21
Less:						
Deductions	**1,124.72**	**450.66**	**241.04**	**631.60**	**329.54**	**267.91**
Oil Revenue (Net)	**2,479.67**	**1,599.12**	**962.28**	**981.43**	**2,356.58**	**3,573.33**
Non-oil Revenue	**1,504.64**	**1,403.06**	**1,192.12**	**1,379.80**	**1,715.79**	**2,801.47**
Corporate Tax	582.31	334.30	347.97	365.33	572.00	865.90
Customs & Excise Duties	257.91	265.67	242.05	294.84	328.02	360.11
Value-Added Tax (VAT)	407.95	398.84	391.18	465.31	541.26	772.00
Independent Revenue of Fed. Govt.	134.01	290.93	106.62	119.38	77.67	423.97
Education Tax	18.57	16.38	25.39	41.17	32.95	105.25
Customs Special Levies (Federation Account)	44.93	36.32	23.11	30.09	93.39	64.15
National Information Technology Development Fund (NITDF)	2.04	2.70	3.95	0.72	3.31	21.27
Customs Special Levies (Non-Federation Account)	56.91	57.92	51.85	62.97	67.20	33.68
Non-Regular Earning	0.00	0.00	0.00	0.00	0.00	153.75
Solid Minerals and Other Mining Revenue	0.00	0.00	0.00	0.00	0.00	1.39
Less:						
Cost of Collection	**217.35**	**48.54**	**46.87**	**80.14**	**74.97**	**117.10**
Non-Oil Revenue (Net)	**1,287.29**	**1,354.52**	**1,145.53**	**1,299.67**	**1,640.82**	**2,684.37**
Estmiated Balances in Special Accounts for the previous year	0.00	0.00	0.00	0.00		9.59
Federally-collected revenue (Net)	**3,766.96**	**2,953.64**	**2,107.52**	**2,281.09**	**3,997.39**	**6,268.40**
Federation Account Allocation:	**3,766.96**	**2,953.64**	**2,107.52**	**2,281.09**	**3,997.39**	**6,268.40**
Transfer to Federal Govt. Ind. Revenue	134.01	290.93	106.62	119.38	77.67	423.97
Transfer to VAT Pool Account	391.63	382.88	375.53	446.70	519.89	741.12
Other Tranfers 3/	122.46	113.32	104.30	134.94	196.84	304.09
Amount Distributed	**3,118.87**	**2,166.51**	**1,521.07**	**1,580.07**	**3,202.98**	**4,799.21**
Federal Government	1,473.20	1,031.80	735.40	765.17	1,525.94	2,285.71
State Government	747.23	523.34	373.00	388.10	773.98	1,159.34
Local Government	576.08	403.48	287.57	299.21	596.71	893.81
13% Derivation	322.36	207.89	125.10	127.59	306.35	460.35
Vat Pool Account	**391.63**	**382.88**	**375.53**	**446.70**	**512.70**	**741.12**
FG	58.75	57.43	56.33	67.01	76.90	111.17
SG	195.82	191.44	187.77	223.35	256.35	370.56
LG	137.07	134.01	131.44	156.35	179.44	259.39
Special Funds (FGN)	**116.89**	**81.87**	**58.30**	**60.71**	**121.08**	**181.36**
Federal Capital Territory	27.97	19.59	13.91	14.52	28.97	43.39
Ecology	27.97	19.59	13.96	14.52	28.97	43.39
Statutory Stabilization	13.98	9.79	6.98	7.26	14.48	21.69
Natural Resources	46.98	32.90	23.45	24.40	48.66	72.89
FCT VAT	3.92	3.83	3.76	4.47	5.13	7.41
Overall Balance	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Memorandum Items						
Deductions	**1,124.72**	**450.66**	**241.04**	**631.60**	**329.54**	**267.91**
JVC Cash calls	684.05	383.66	194.98	460.65	282.72	0.00
Excess Crude Proceeds	182.50	0.00	0.00	14.37	0.00	0.00
Excess PPT & Royalty	206.85	15.50	0.00	117.17	24.50	0.00
Domestic Subsidy	0.00	0.00	0.00	0.00	0.00	0.00
DPR Cost of Collection	0.00	13.52	8.09	13.89	22.19	0.00
Others 4/	51.33	37.98	37.98	25.52	0.13	267.91
Total Non-Oil Revenue Deductions	**217.35**	**48.54**	**46.87**	**80.14**	**74.97**	**117.10**
Cost of Collection	**57.66**	**48.54**	**46.59**	**54.64**	**66.88**	**98.32**
7% NCS	18.05	18.60	16.92	20.60	22.95	29.70
4% FIRS	23.29	13.99	14.02	15.42	22.56	37.74
VAT	16.32	15.95	15.65	18.61	21.36	30.88
Non Regular Earnings	0.00	0.00	0.00	0.00	0.00	6.10
Non-Oil Revenue (Excess)	159.69	0.00	0.00	0.00	0.00	0.00
FIRS Tax Refunds	0.00	0.00	0.00	25.42	6.09	12.50
NCS Refunds	0.00	0.00	0.29	0.08	2.01	0.00
13% Derivation (Solid Mineral)	0.00	0.00	0.00	0.00	0.00	0.18

Source: Office of the Accountant-General of the Federation (OAGF)
1/ Revised
2/ Provisional
3/ Includes Education Tax, Customs Levies and NITDF
4/ Includes NNPC Refunds in 2014-2017 and Transfer to Lagos State 13% Derivation in 2018 (N0.13 billion)

Table 29
Federally Collected Revenue Distribution
(₦' Billion)

	2014 1st Half	2015 1st Half	2016 1st Half	2017 1/ 1st Half	2018 2/ 1st Half	2018 Half Year Budget
Statuory Allocation	**3,118.87**	**2,166.51**	**1,521.07**	**1,580.07**	**3,202.98**	**4,799.21**
Federal Government	1,473.20	1,031.80	735.40	765.17	1,525.94	2,285.71
State Government	747.23	523.34	373.00	388.10	773.98	1,159.34
Local Government	576.08	403.48	287.57	299.21	596.71	893.81
13% Derivation	322.36	207.89	125.10	127.59	306.35	460.35
Vat Pool Account	**391.63**	**382.88**	**375.53**	**446.70**	**512.70**	**741.12**
FG	58.75	57.43	56.33	67.01	76.90	111.17
SG	195.82	191.44	187.77	223.35	256.35	370.56
LG	137.07	134.01	131.44	156.35	179.44	259.39
Distribution from Excess Crude/PPT	**0.00**	**15.63**	**0.00**	**166.58**	**30.77**	**0.00**
Federal Government	0.00	7.16	0.00	76.35	14.10	0.00
State Government	0.00	3.63	0.00	38.72	7.15	0.00
Local Government	0.00	2.80	0.00	29.85	5.51	0.00
13% Derivation	0.00	2.03	0.00	21.66	4.00	0.00
Provisional Dist & Actual Budget (Diff)/Non-Oil Excess Revenue	**0.00**	**0.00**	**1.59**	**0.00**	**2.59**	**0.00**
Federal Government	0.00	0.00	0.84	0.00	1.37	0.00
State Government	0.00	0.00	0.42	0.00	0.69	0.00
Local Government	0.00	0.00	0.33	0.00	0.53	0.00
13% Derivation	0.00	0.00	0.00	0.00	0.00	0.00
Exchange Rate Gain	**0.00**	**210.43**	**19.08**	**311.75**	**62.53**	**0.00**
Federal Government	0.00	96.44	8.91	145.98	28.66	0.00
State Government	0.00	48.92	4.52	74.04	14.54	0.00
Local Government	0.00	37.71	3.48	57.08	11.21	0.00
13% Derivation	0.00	27.36	2.17	34.65	8.13	0.00
SURE-P/ Signature Bonus 6/	**213.30**	**0.00**	**0.00**	**0.00**	**0.00**	**117.83**
Federal Government	97.76	0.00	0.00	0.00	0.00	62.07
State Government	49.58	0.00	0.00	0.00	0.00	31.49
Local Government	38.23	0.00	0.00	0.00	0.00	24.27
13% Derivation	27.73	0.00	0.00	0.00	0.00	0.00
NNPC Refund/Tax Amnesty Income	**30.47**	**37.98**	**37.98**	**25.32**	**0.00**	**146.40**
Federal Government	0.00	37.98	37.98	25.32	0.00	43.92
State Government	14.97	0.00	0.00	0.00	0.00	102.48
Local Government	11.54	0.00	0.00	0.00	0.00	0.00
13% Derivation	3.96	0.00	0.00	0.00	0.00	0.00
Federation Revenue Augmentation/NNPC Additional Rev.	**0.00**	**14.68**	**29.40**	**0.00**	**11.27**	**0.00**
Federal Government	0.00	6.73	15.49	0.00	5.16	0.00
State Government	0.00	3.41	7.86	0.00	2.62	0.00
Local Government	0.00	2.63	6.06	0.00	2.02	0.00
13% Derivation	0.00	1.91	0.00	0.00	1.46	0.00
Total Excluding VAT	**3,362.63**	**2,445.23**	**1,609.11**	**2,083.72**	**3,310.14**	**5,019.52**
Federal Government	1,570.96	1,180.12	798.61	1,012.81	1,575.23	2,347.79
State Government	811.78	579.30	385.80	500.87	798.98	1,293.31
Local Government	625.85	446.62	297.44	386.15	615.98	918.08
13% Derivation	354.05	239.19	127.26	183.90	319.95	460.35
Total Statutory Revenue and VAT Distribution 3/	**3,754.26**	**2,828.11**	**1,984.65**	**2,530.42**	**3,822.84**	**5,804.56**
Federal Government	1,629.70	1,237.55	854.94	1,079.82	1,652.14	2,502.88
State Government	1,007.60	770.74	573.57	724.22	1,055.33	1,663.87
Local Government	762.92	580.63	428.87	542.49	795.42	1,177.47
13% Derivation	354.05	239.19	127.26	183.90	319.95	460.35

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

1/ Revised

2/Provisional

3/ Includes Education Tax, Customs Levies and NITDF

Table 30
Summary of Federal Government Finances
(₦' Billion)

	2014 1st Half	2015 1st Half	2016 1st Half	2017 1/ 1st Half	2018 2/ 1st Half	2018 Half Year Budget
Total Federal Government Retained Revenue	**1,881.04**	**1,583.19**	**1,305.75**	**2,366.65**	**1,799.38**	**3,822.20**
Share of Federation Account (Gross)	1,473.20	1,031.80	735.40	765.17	1,525.94	2,285.71
Share of VAT Pool Account	58.75	57.43	56.33	67.01	76.90	111.17
Federal Government Independent Revenue	134.01	290.93	106.62	119.38	77.67	423.97
Share of Excess Crude Account (incl. Augment.)	0.00	7.16	0.00	95.07	14.10	0.00
Share from SURE-P Distribution	97.76	0.00	15.49	0.00	0.00	62.07
Share from Excess Non-Oil 3/	84.12	0.00	0.84	0.00	1.37	0.00
NNPC Refund (Incl. Additional NNPC Share)	0.00	44.71	37.98	25.20	5.16	43.92
Subsidy	0.00	0.00	0.00	0.00	0.00	0.00
Exchange Gain	0.00	96.44	8.91	145.98	28.66	0.00
Others 4/	33.20	54.72	344.19	1,148.85	69.57	895.35
Total Expenditure	**2,128.70**	**2,259.66**	**2,517.21**	**3,287.78**	**2,586.13**	**4,799.43**
Recurrent Expenditure	**1,610.20**	**1,872.80**	**1,885.36**	**2,424.04**	**2,127.98**	**3,099.42**
Goods and Services	**979.27**	**1,166.06**	**1,178.01**	**1,323.06**	**745.10**	**1,758.24**
Personnel Cost	753.13	860.15	890.81	723.89	348.80	1,059.13
Pension	73.88	96.01	79.18	143.28	29.46	120.98
Overhead Cost	152.26	209.90	208.02	455.89	366.84	578.13
Interest Payments	**477.80**	**592.17**	**609.52**	**927.74**	**1,240.52**	**1,101.92**
Foreign	36.37	35.82	30.71	55.80	58.93	127.04
Domestic 5/	441.44	556.35	578.81	871.94	1,181.59	974.88
Transfers	**153.13**	**114.57**	**97.83**	**173.24**	**142.36**	**239.27**
Special Funds and others 6/	153.13	114.57	97.83	173.24	142.36	239.27
Capital Expenditure & Net Lending 7/	**353.15**	**274.53**	**346.18**	**541.42**	**342.74**	**1,434.80**
Domestic Financed Budgets	**353.15**	**274.53**	**346.18**	**541.42**	**342.74**	**1,434.80**
Budgetary	255.40	57.43	90.79	0.00	19.36	1,434.80
Subsidy	0.00	61.00	0.00	408.19	323.38	0.00
SURE-P/ Loan to Ex Dom Naira Account	97.76	156.10	0.00	133.23	0.00	0.00
Previous Year Capital	0.00	0.00	255.39	0.00	0.00	0.00
Transfers	**165.34**	**112.33**	**285.67**	**322.33**	**115.41**	**265.21**
NDDC	15.49	7.71	20.53	10.23	0.00	40.94
NJC	27.92	39.71	35.00	10.83	0.00	55.00
UBE	29.36	10.30	38.56	15.41	0.00	54.53
Refund of Signature Bonuses/Others	92.58	54.61	191.59	285.86	115.41	114.74
Balance Of Revenue And Expenditure						
Primary Surplus (+)/Deficit (-)	**230.14**	**(84.30)**	**(601.94)**	**6.61**	**453.77**	**124.69**
Current Surplus (+)/Deficit (-)	**270.84**	**(289.61)**	**(579.61)**	**(57.39)**	**(328.60)**	**722.78**
Overall Surplus (+)/Deficit (-)	**(247.66)**	**(676.47)**	**(1,211.46)**	**(921.13)**	**(786.75)**	**(977.23)**
Financing:	**247.66**	**676.47**	**1,211.46**	**921.13**	**786.75**	**977.23**
Foreign (Net)	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**424.84**
Domestic (Net)	**247.66**	**676.47**	**1,211.46**	**921.13**	**786.75**	**552.40**
Banking System	0.00	0.00	0.00	0.00	0.00	0.00
CBN	0.00	421.20	0.20	0.20	0.00	0.00
DMBs	0.00	0.00	0.00	0.00	280.33	0.00
Non Bank Public	504.00	330.00	524.60	0.00	127.58	396.90
Privatization Proceeds	0.00	72.60	5.92	0.00	0.00	155.50
Loans from Special Accts	36.70	24.01	296.51	0.00	0.00	0.00
Excess Crude	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Recoveries of Misappropriated Funds	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Other Funds	**(293.04)**	**249.86**	**384.42**	**921.13**	**659.17**	**424.84**

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

1/ Revised

2/ Provisional

3/ Includes Excess Bank Charges of N1.02 billion in 2018

4/ Includes FGN balance of special accounts, transfers to CRF and payments to FGN and other statutory benefits

5/ Include Ways and Means Advances

6/ Includes FCT share of VAT

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

Table 31
Functional Classification of Federal Government Recurrent and Capital Expenditure
(₦' Billion)

	2014 Half - Year	2015 Half - Year	2016 Half - Year 1/	2017 Half - Year 1/	2018 Half - Year 2/
TOTAL EXPENDITURE	**2,128.70**	**2,259.65**	**2,628.81**	**3,287.78**	**2,586.13**
A. RECURRENT EXPENDITURE	**1,610.20**	**1,872.80**	**1,885.36**	**2,424.04**	**2,127.98**
A1. ADMINISTRATION	**512.59**	**607.41**	**649.01**	**592.42**	**359.03**
General Administration	203.22	206.57	280.36	255.88	143.65
Defence	112.80	150.73	137.62	125.50	80.07
Internal Security	196.57	250.12	231.03	211.04	135.30
A2. ECONOMIC SERVICES	**106.50**	**123.33**	**163.75**	**186.37**	**106.48**
Agriculture	19.33	23.28	24.76	28.76	16.92
Roads & Construction	20.53	23.47	25.13	30.13	18.81
Transport & Communications	46.29	53.98	57.65	68.17	42.84
Others	20.35	22.61	56.21	59.30	27.91
A3. SOCIAL & COMMUNITY SERVICES	**293.52**	**339.31**	**286.07**	**401.00**	**250.13**
Education	136.39	158.83	160.03	194.45	123.63
Health	64.55	76.78	74.53	92.98	58.69
Others	92.58	103.69	51.52	113.56	67.80
A4. TRANSFERS	**697.60**	**802.75**	**786.53**	**1,244.26**	**1,412.34**
Public Debt Charges (Int)	477.80	592.17	609.52	927.74	1,240.52
Domestic	441.44	556.35	578.81	871.94	1,181.59
Foreign	36.37	35.82	30.71	55.80	58.93
Pensions & Gratuities	66.66	96.01	79.18	143.28	29.46
FCT & Others	153.13	114.57	97.83	173.24	142.36
Contingencies (Others)	-	-	-	-	-
External Obligations	-	-	-	-	-
Extra-Budgetary Expenditure	-	-	-	-	-
Deferred Customs Duties	-	-	-	-	-
Unspecified Expenditure	-	-	-	-	-
Others	-	-	-	-	-
B. CAPITAL EXPENDITURE	**353.15**	**274.53**	**457.78**	**541.42**	**342.74**
B1. ADMINISTRATION	**136.65**	**106.64**	**172.38**	**207.89**	**131.60**
General Administration	86.20	66.72	107.85	130.43	82.57
Defence	19.89	15.80	25.54	30.62	19.38
Internal Security	30.56	24.12	38.99	46.84	29.65
B2 ECONOMIC SERVICES	**142.68**	**112.05**	**194.81**	**223.38**	**141.41**
Agriculture & Natural Resources	26.04	21.20	34.28	40.78	25.81
Manuf., Mining & Quarrying	8.53	6.48	10.56	12.79	8.10
Transport & Communications	36.65	29.51	47.67	56.96	36.06
Housing	-	-	-	-	-
Roads & Construction	47.40	38.30	62.07	73.91	46.79
National Priority Projects	-	-	-	-	-
JVC Calls/NNPC Priority Projects	-	-	-	-	-
PTF	-	-	-	-	-
Counterpart Funding	-	-	-	-	-
Others	24.06	16.55	40.24	38.93	24.65
B3 SOCIAL & COMMUNITY SERVICES	**57.90**	**43.48**	**70.54**	**85.98**	**54.43**
Education	23.23	18.53	30.06	35.92	22.74
Health	18.96	15.03	24.39	29.20	18.48
Others	15.71	9.92	16.10	20.86	13.20
B4 TRANSFERS	**15.92**	**12.36**	**20.05**	**24.17**	**15.30**
Financial Obligations	-	-	-	-	-
Capital Repayments	-	-	-	-	-
Domestic	-	-	-	-	-
Foreign	-	-	-	-	-
External Obligations	-	-	-	-	-
Contingencies	-	-	-	-	-
Capital Supplementation	12.06	9.31	15.09	18.23	11.54
Net Lending to States/L.G.s/Parast.	-	-	-	-	-
Grants to States	-	-	-	-	-
Others	3.86	3.05	4.95	5.94	3.76
C. STATUTORY TRANSFERS	**165.34**	**112.33**	**285.67**	**322.33**	**115.41**
NDDC	15.49	7.71	20.53	10.23	-
NJC	27.92	39.71	35.00	10.83	-
UBE	29.36	10.30	38.56	15.41	0.00
Others	92.58	54.61	191.59	285.86	115.41

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

1/ Revised

2/ Provisional

Table 32
Summary of Statutory & VAT Revenue Allocation to State Governments: First Half 2018 1/ (₦' Billion)

First Half 2014

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	18.45	0.87	3.81	21.39				0.37	1.20	4.07	27.90	27.03
2	Adamawa	19.63	0.46	-	19.17				0.41	1.33	4.16	25.53	25.07
3	Akwa Ibom	19.81	2.44	106.46	123.82				0.41	1.35	4.42	132.44	130.00
4	Anambra	19.59	0.58	-	19.02				0.41	1.35	4.74	26.09	25.52
5	Bauchi	23.57	2.71	-	20.86				0.46	1.56	4.82	30.42	27.71
6	Bayelsa	17.44	14.01	69.07	72.50				0.32	1.07	3.91	91.80	77.79
7	Benue	22.10	3.11	-	18.99				0.44	1.44	4.65	28.63	25.52
8	Borno	24.48	0.25	-	24.23				0.47	1.59	4.60	31.14	30.89
9	Cross River	19.82	1.52	0.29	18.59				0.38	1.25	4.19	25.93	24.41
10	Delta	20.01	8.80	74.20	85.40				0.41	1.35	4.90	100.86	92.06
11	Ebonyi	17.63	3.68	-	13.95				0.35	1.11	3.79	22.87	19.19
12	Edo	18.43	4.93	8.80	22.29				0.41	1.26	4.33	33.22	28.29
13	Ekiti	17.62	3.63	-	13.99				0.35	1.12	3.79	22.87	19.23
14	Enugu	19.82	0.64	-	19.18				0.38	1.26	4.28	25.74	25.10
15	Gombe	18.56	3.16	-	15.40				0.35	1.18	3.76	23.85	20.69
16	Imo	20.49	2.98	3.54	21.05				0.40	1.34	4.49	30.26	27.29
17	Jigawa	22.04	0.65	-	21.39				0.45	1.48	4.93	28.89	28.24
18	Kaduna	25.82	3.10	-	22.72				0.50	1.68	5.54	33.54	30.44
19	Kano	31.26	1.34	-	29.92				0.61	2.11	7.44	41.42	40.08
20	Katsina	24.22	0.73	-	23.49				0.48	1.60	5.37	31.67	30.94
21	Kebbi	20.81	0.72	-	20.08				0.40	1.34	4.36	26.90	26.18
22	Kogi	21.78	1.37	-	20.41				0.40	1.34	4.21	27.73	26.35
23	Kwara	17.54	0.78	-	16.76				0.36	1.22	3.82	22.95	22.16
24	Lagos	26.40	14.54	-	11.85				0.58	1.90	37.44	66.32	51.78
25	Nasarawa	18.17	1.79	-	16.38				0.34	1.14	3.60	23.25	21.46
26	Niger	23.34	3.71	-	19.63				0.46	1.56	4.51	29.87	26.16
27	Ogun	18.31	0.47	-	17.83				0.39	1.30	4.44	24.44	23.97
28	Ondo	18.34	5.63	14.13	26.84				0.38	1.25	4.28	38.39	32.75
29	Osun	17.97	6.25	-	11.72				0.38	1.24	4.39	23.98	17.73
30	Oyo	22.10	1.25	-	20.85				0.47	1.56	5.41	29.54	28.29
31	Plateau	20.58	1.39	5.50	24.69				0.40	1.31	4.30	32.08	30.69
32	Rivers	21.25	7.68	68.21	81.79				0.44	1.46	6.56	97.93	90.25
33	Sokoto	21.72	0.91	-	20.80				0.42	1.39	4.56	28.09	27.18
34	Taraba	18.98	0.45	-	18.53				0.39	1.32	3.79	24.49	24.03
35	Yobe	19.57	0.25	-	19.32				0.38	1.31	3.80	25.06	24.81
36	Zamfara	19.61	0.65	-	18.96				0.40	1.31	4.19	25.51	24.86
37	Disputed Deriv.	-	0.06	0.04	(0.02)				-	-	-	0.04	(0.02)
	Rivers/Akwa Disputed Fund	-	-	0.01	0.01				-	-	-	0.01	0.01
	Total	747.23	107.51	354.05	993.77	-	-	-	14.97	49.58	195.82	1,361.64	1,254.14

First Half 2015

S/N	States	Gross Stat. Alloc.	Deductions	13% Derivation	Total Net Stat. Alloc.	Augmentation	NNPC Refund/Additional Fund	Excess Crude 2/	Exchange Gain	VAT	Total Gross Alloc.	Total Net Alloc.
1	Abia	12.92	0.77	2.25	14.41		0.11	0.11	1.52	3.98	20.90	20.13
2	Adamawa	13.75	0.93	-	12.82		0.09	0.10	1.29	4.15	19.37	18.44
3	Akwa Ibom	13.88	0.70	60.83	74.01		0.68	0.73	9.46	4.68	90.25	89.55
4	Anambra	13.72	0.23	-	13.49		0.09	0.10	1.28	4.55	19.74	19.50
5	Bauchi	16.51	3.47		13.03		0.11	0.11	1.54	4.75	23.02	19.55
6	Bayelsa	12.21	9.62	40.21	42.81		0.44	0.46	6.28	3.49	63.09	53.47
7	Benue	15.48	3.09	-	12.38		0.10	0.11	1.45	4.47	21.60	18.51
8	Borno	17.15	0.09	-	17.06		0.11	0.12	1.60	4.42	23.40	23.31
9	Cross River	13.88	3.52	-	10.36		0.09	0.10	1.30	4.13	19.49	15.97
10	Delta	14.01	8.40	49.94	55.55		0.53	0.56	7.93	4.90	77.88	69.48
11	Ebonyi	12.35	4.45	-	7.90		0.08	0.09	1.15	3.68	17.34	12.90
12	Edo	12.90	4.73	6.06	14.24		0.13	0.15	1.99	4.26	25.49	20.77
13	Ekiti	12.34	3.45	-	8.89		0.08	0.09	1.15	3.72	17.38	13.93
14	Enugu	13.88	0.98	-	12.90		0.09	0.10	1.30	4.39	19.75	18.77
15	Gombe	13.00	4.02	-	8.98		0.08	0.09	1.22	3.77	18.16	14.15
16	Imo	14.35	2.74	2.14	13.74		0.11	0.12	1.62	4.38	22.72	19.98
17	Jigawa	15.43	0.13	-	15.30		0.10	0.11	1.44	4.65	21.74	21.60
18	Kaduna	18.08	3.21	-	14.88		0.12	0.13	1.69	5.40	25.41	22.21
19	Kano	21.89	0.42	-	21.47		0.14	0.15	2.05	7.26	31.49	31.07
20	Katsina	16.96	0.71	-	16.25		0.11	0.12	1.59	5.35	24.13	23.42
21	Kebbi	14.57	0.22	-	14.35		0.10	0.10	1.36	4.11	20.24	20.02
22	Kogi	15.25	1.62	-	13.64		0.10	0.11	1.43	4.11	21.00	19.38
23	Kwara	12.29	0.70	-	11.59		0.08	0.09	1.15	3.76	17.36	16.66
24	Lagos	18.49	13.93	-	4.56		0.12	0.13	1.73	36.74	57.21	43.27
25	Nasarawa	12.73	0.87	-	11.85		0.08	0.09	1.19	3.53	17.62	16.74
26	Niger	16.35	3.20	-	13.14		0.11	0.11	1.53	4.40	22.49	19.29
27	Ogun	12.82	0.99	-	11.83		0.08	0.09	1.20	4.49	18.68	17.70
28	Ondo	12.85	6.36	7.39	13.88		0.15	0.17	2.18	4.20	26.94	20.58
29	Osun	12.59	6.75	-	5.84		0.08	0.09	1.18	4.17	18.10	11.36
30	Oyo	15.48	1.69	-	13.79		0.10	0.11	1.45	5.60	22.73	21.04
31	Plateau	14.41	2.80	-	11.62		0.09	0.10	1.35	4.24	20.19	17.40
32	Rivers	14.88	8.36	39.07	45.60		0.46	0.48	6.46	5.90	67.26	58.90
33	Sokoto	15.21	0.25	-	14.96		0.10	0.11	1.42	4.27	21.11	20.86
34	Taraba	13.29	1.11	-	12.18		0.09	0.09	1.24	3.75	18.46	17.35
35	Yobe	13.70	0.11	-	13.59		0.09	0.10	1.28	3.68	18.85	18.74
36	Zamfara	13.73	2.41	-	11.32		0.09	0.10	1.28	4.10	19.30	16.89
37	Disputed Deriv.											
	Rivers/Akwa Disputed Fund											
	Total	523.34	107.06	207.89	624.17	-	5.32	5.67	76.27	191.44	1,009.93	902.88

First Half 2016

S/N	States	Gross Stat. Alloc.	Deductions	13% Derivation	Total Net Stat. Alloc.	Non-oil Excess	NNPC Refund/Additional Fund	Excess Crude 2/	Exchange Gain	VAT	Total Gross Alloc.	Total Net Alloc.
1	Abia	9.21	2.09	1.15	8.28	0.01	0.19		0.13	3.84	14.54	12.45
2	Adamawa	9.80	2.10	-	7.70	0.01	0.21		0.12	4.02	14.15	12.05
3	Akwa Ibom	9.89	7.51	40.22	42.60	0.01	0.21		0.82	4.30	55.45	47.94
4	Anambra	9.78	0.87	-	8.91	0.01	0.21		0.12	4.44	14.56	13.69
5	Bauchi	11.77	3.31	-	8.45	0.01	0.25		0.14	4.60	16.77	13.45
6	Bayelsa	8.70	17.40	21.06	12.37	0.01	0.18		0.46	3.39	33.81	16.41
7	Benue	11.03	5.13	-	5.90	0.01	0.23		0.13	4.43	15.84	10.71
8	Borno	12.22	2.02	-	10.21	0.01	0.26		0.15	4.35	16.99	14.98
9	Cross River	9.89	8.67	-	1.23	0.01	0.21		0.12	3.85	14.08	5.42
10	Delta	9.99	14.45	30.03	25.56	0.01	0.21		0.64	4.78	45.66	31.21
11	Ebonyi	8.80	0.89	-	7.91	0.01	0.19		0.11	3.57	12.67	11.79
12	Edo	9.20	6.31	3.04	5.93	0.01	0.19		0.16	4.30	16.91	10.60
13	Ekiti	8.80	6.12	-	2.67	0.01	0.19		0.11	3.67	12.76	6.64
14	Enugu	9.89	1.42	-	8.48	0.01	0.21		0.12	4.21	14.44	13.03
15	Gombe	9.27	4.86	-	4.41	0.01	0.20		0.11	3.68	13.27	8.41
16	Imo	10.23	4.38	1.13	6.97	0.01	0.22		0.14	4.30	16.03	11.65
17	Jigawa	11.00	0.72	-	10.28	0.01	0.23		0.13	4.48	15.86	15.13
18	Kaduna	12.89	2.36	-	10.53	0.01	0.27		0.16	5.30	18.63	16.27
19	Kano	15.60	2.09	-	13.51	0.02	0.33		0.19	7.16	23.30	21.20
20	Katsina	12.09	1.55	-	10.54	0.01	0.25		0.15	5.25	17.76	16.21
21	Kebbi	10.39	1.68	-	8.71	0.01	0.22		0.13	3.99	14.73	13.05
22	Kogi	10.87	1.92	-	8.95	0.01	0.23		0.13	4.02	15.26	13.35
23	Kwara	8.76	2.62	-	6.14	0.01	0.18		0.11	3.68	12.74	10.12
24	Lagos	13.18	14.22	-	(1.04)	0.01	0.28		0.16	36.48	50.11	35.90
25	Nasarawa	9.07	1.28	-	7.79	0.01	0.19		0.11	3.41	12.80	11.51
26	Niger	11.65	4.06	-	7.59	0.01	0.25		0.14	4.35	16.40	12.34
27	Ogun	9.14	7.47	-	1.67	0.01	0.19		0.11	4.26	13.71	6.24
28	Ondo	9.16	7.22	5.59	7.53	0.01	0.19		0.21	4.11	19.27	12.06
29	Osun	8.97	14.39	-	(5.42)	0.01	0.19		0.11	4.09	13.37	(1.02)
30	Oyo	11.03	3.82	-	7.21	0.01	0.23		0.13	5.86	17.27	13.45
31	Plateau	10.27	7.36	-	2.92	0.01	0.22		0.12	4.05	14.68	7.32
32	Rivers	10.61	11.64	22.87	21.84	0.01	0.22		0.52	6.05	40.28	28.64
33	Sokoto	10.84	1.23	-	9.61	0.01	0.23		0.13	4.23	15.44	14.21
34	Taraba	9.48	2.19	-	7.29	0.01	0.20		0.11	3.62	13.42	11.23
35	Yobe	9.77	0.79	-	8.98	0.01	0.21		0.12	3.63	13.73	12.94
36	Zamfara	9.79	5.58	-	4.21	0.01	0.21		0.12	4.01	14.14	8.56
37	Disputed Deriv.											
	Rivers/Akwa Disputed Fund											
	Total	373.00	181.69	125.10	316.41	0.42	7.86	-	6.69	187.77	700.83	519.14

Source: Federation Account Allocation, Federal Ministry of Finance.
1/ Provisional
2/ Includes the share of oil-producing states from the excess crude
3/ Includes excess bank charges of N0.52 billion in 2018

Table 32 Contd.
Summary of Statutory & VAT Revenue Allocation to State Governments: First Half 2018 /I
(₦' Billion)

First Half 2017

S/N	States	Gross Stat. Alloc.	Deductions	13% Derivation	Total Net Stat. Alloc.	Fed. Rev. Augmentation	NNPC Refund/Additional Fund	Excess Crude 2/	Exchange Gain	VAT	Total Gross Alloc.	Total Net Alloc.
1	Abia	9.58	1.63	1.46	9.41	-	-	1.22	2.24	4.58	19.07	17.44
2	Adamawa	10.20	1.52	-	8.68	-	-	1.02	1.95	4.79	17.95	16.43
3	Akwa Ibom	10.29	4.35	38.58	44.52	-	-	6.69	12.79	5.12	73.48	69.13
4	Anambra	10.18	0.59	-	9.58	-	-	1.02	1.94	5.37	18.50	17.91
5	Bauchi	12.24	3.60	-	8.64	-	-	1.22	2.34	5.47	21.27	17.66
6	Bayelsa	9.06	5.90	26.85	30.01	-	-	5.38	8.70	4.36	54.34	48.44
7	Benue	11.48	2.42	-	9.06	-	-	1.15	2.19	5.24	20.06	17.64
8	Borno	12.72	1.37	-	11.35	-	-	1.27	2.43	5.19	21.60	20.24
9	Cross River	10.29	6.09	-	4.20	-	-	1.03	1.96	4.66	17.94	11.86
10	Delta	10.39	9.37	24.48	25.50	-	-	5.45	8.78	5.47	54.58	45.20
11	Ebonyi	9.16	0.64	-	8.52	-	-	0.91	1.75	4.34	16.16	15.52
12	Edo	9.57	3.97	1.25	6.85	-	-	1.14	2.10	5.04	19.11	15.13
13	Ekiti	9.15	4.07	-	5.08	-	-	0.91	1.75	4.35	16.16	12.08
14	Enugu	10.29	1.65	-	8.65	-	-	1.03	1.96	5.05	18.33	16.68
15	Gombe	9.64	2.71	-	6.93	-	-	0.96	1.84	4.36	16.81	14.10
16	Imo	10.64	3.51	1.53	8.66	-	-	1.38	2.43	5.15	21.13	17.62
17	Jigawa	11.45	0.47	-	10.97	-	-	1.14	2.18	5.41	20.18	19.71
18	Kaduna	13.41	1.69	-	11.72	-	-	1.34	2.56	6.59	23.89	22.20
19	Kano	16.23	2.14	-	14.09	-	-	1.62	3.10	10.42	31.37	29.23
20	Katsina	12.58	1.38	-	11.20	-	-	1.26	2.40	6.04	22.28	20.90
21	Kebbi	10.81	1.27	-	9.54	-	-	1.08	2.06	4.76	18.70	17.44
22	Kogi	11.31	1.85	-	9.46	-	-	1.13	2.16	4.81	19.41	17.56
23	Kwara	9.11	1.50	-	7.61	-	-	0.91	1.74	4.38	16.14	14.64
24	Lagos	13.71	8.83	-	4.88	-	-	1.37	2.62	38.29	55.99	47.15
25	Nasarawa	9.44	1.01	-	8.43	-	-	0.94	1.80	4.16	16.34	15.33
26	Niger	12.12	1.87	-	10.26	-	-	1.21	2.31	5.14	20.79	18.92
27	Ogun	9.51	4.85	-	4.66	-	-	0.95	1.81	5.17	17.44	12.59
28	Ondo	9.53	4.31	6.45	11.67	-	-	2.12	3.68	4.89	26.66	22.35
29	Osun	9.33	6.01	-	3.32	-	-	0.93	1.78	4.86	16.90	10.89
30	Oyo	11.48	2.67	-	8.81	-	-	1.15	2.19	7.67	22.48	19.81
31	Plateau	10.69	4.75	-	5.94	-	-	1.07	2.04	4.83	18.63	13.88
32	Rivers	11.04	7.39	26.98	30.62	-	-	6.27	9.22	8.95	62.45	55.07
33	Sokoto	11.28	0.87	-	10.41	-	-	1.13	2.15	4.96	19.52	18.65
34	Taraba	9.86	2.14	-	7.72	-	-	0.98	1.88	4.36	17.09	14.95
35	Yobe	10.16	0.50	-	9.66	-	-	1.01	1.94	4.35	17.47	16.96
36	Zamfara	10.18	4.02	-	6.16	-	-	1.02	1.94	4.74	17.88	13.86
37	Disputed Deriv.											
	Rivers/Akwa Disputed Fund											
	Total	388.10	112.92	127.59	402.77	-	-	60.38	108.69	223.35	908.11	795.19

First Half 2018 1/

S/N	States	Gross Stat. Alloc.	Deductions	13% Derivation	Total Net Stat. Alloc.	Non-oil Excess 3/	Fed. Rev. Augmentation	Excess Crude 2/	Exchange Gain	VAT	Total Gross Alloc.	Total Net Alloc.
1	Abia	19.11	2.38	4.04	20.77	0.02	0.09	0.22	0.47	5.31	29.27	26.89
2	Adamawa	20.33	2.77	-	17.57	0.02	0.07	0.19	0.38	5.49	26.48	23.71
3	Akwa Ibom	20.52	6.98	76.46	90.01	0.02	0.45	1.25	2.47	6.00	107.17	100.20
4	Anambra	20.29	0.76	-	19.53	0.02	0.07	0.19	0.38	6.23	27.18	26.42
5	Bauchi	24.41	5.82	-	18.59	0.02	0.08	0.23	0.46	6.21	31.41	25.59
6	Bayelsa	18.06	9.86	61.01	69.21	0.02	0.33	0.90	1.89	4.78	86.99	77.13
7	Benue	22.89	3.29	-	19.60	0.02	0.08	0.21	0.43	5.97	29.60	26.30
8	Borno	25.36	2.04	-	23.32	0.02	0.09	0.23	0.48	5.89	32.07	30.03
9	Cross River	20.52	9.34	0.00	11.19	0.02	0.07	0.19	0.39	5.27	26.46	17.12
10	Delta	20.72	13.81	83.38	90.30	0.02	0.49	1.32	2.65	6.40	114.99	101.18
11	Ebonyi	18.26	2.19	-	16.07	0.02	0.06	0.17	0.34	4.94	23.79	21.60
12	Edo	19.08	3.79	10.64	25.93	0.02	0.11	0.29	0.63	5.90	36.67	32.88
13	Ekiti	18.25	5.92	-	12.33	0.02	0.06	0.17	0.34	5.00	23.84	17.91
14	Enugu	20.53	1.68	-	18.84	0.02	0.07	0.19	0.39	5.55	26.74	25.06
15	Gombe	19.23	4.15	-	15.08	0.02	0.07	0.18	0.36	4.94	24.78	20.63
16	Imo	21.22	5.22	2.67	18.67	0.02	0.08	0.23	0.48	5.90	30.60	25.38
17	Jigawa	22.83	1.14	-	21.69	0.02	0.08	0.21	0.43	6.32	29.88	28.75
18	Kaduna	26.74	2.34	-	24.41	0.02	0.09	0.25	0.50	7.59	35.19	32.86
19	Kano	32.37	3.21	-	29.16	0.03	0.11	0.30	0.61	9.67	43.09	39.88
20	Katsina	25.09	4.43	-	20.66	0.02	0.08	0.23	0.47	6.92	32.82	28.39
21	Kebbi	21.55	1.82	-	19.74	0.02	0.07	0.20	0.40	5.48	27.73	25.92
22	Kogi	22.56	3.62	-	18.94	0.02	0.08	0.21	0.42	5.51	28.79	25.17
23	Kwara	18.17	2.43	-	15.74	0.02	0.06	0.17	0.34	5.06	23.82	21.39
24	Lagos	27.34	17.04	-	10.30	0.02	0.09	0.25	0.51	48.20	76.43	59.38
25	Nasarawa	18.82	1.53	-	17.30	0.02	0.06	0.17	0.35	4.73	24.16	22.63
26	Niger	24.18	3.61	-	20.57	0.02	0.08	0.22	0.45	5.89	30.84	27.23
27	Ogun	18.96	7.22	-	11.74	0.02	0.06	0.18	0.36	6.44	26.01	18.79
28	Ondo	19.00	4.00	9.29	24.29	0.02	0.11	0.32	0.63	5.58	34.95	30.95
29	Osun	18.61	14.52	-	4.09	0.02	0.06	0.17	0.35	5.55	24.77	10.24
30	Oyo	22.89	3.73	-	19.16	0.02	0.08	0.21	0.43	8.25	31.88	28.16
31	Plateau	21.31	6.90	-	14.42	0.02	0.07	0.20	0.40	5.49	27.49	20.60
32	Rivers	22.01	7.93	58.86	72.94	0.02	0.35	0.93	1.89	8.88	92.94	85.01
33	Sokoto	22.49	3.65	-	18.84	0.02	0.08	0.21	0.42	5.65	28.87	25.22
34	Taraba	19.66	2.75	-	16.91	0.02	0.07	0.18	0.37	4.95	25.25	22.49
35	Yobe	20.27	0.74	-	19.53	0.02	0.07	0.19	0.38	5.00	25.92	25.18
36	Zamfara	20.31	7.75	-	12.57	0.02	0.07	0.19	0.38	5.42	26.39	18.64
37	Disputed Deriv.				-						-	-
	Rivers/Akwa Disputed Fund				-						-	-
	Total	773.98	180.36	306.35	899.97	0.69	4.08	11.15	22.66	256.35	1,375.28	1,194.92

Source: Federation Account Allocation, Federal Ministry of Finance.
1/ Provisional
2/ Includes the share of oil-producing states from the excess crude
3/ Includes excess bank charges of N0.52 billion in 2018

Table 33
Allocation to Local Governments from the Federation and VAT Pools Accounts
(₦' Billion)

S/N	State	1st Half 2014 1/ Fed. Acct.	Excess Crude	Fed. Rev. Augmentation	Exchange Gain	NNPC Refunds	SURE-P	VAT	Total
1	Abia	11.96	-	-	-	0.24	0.80	2.4	15.4
2	Adamawa	15.08	-	-	-	0.32	1.03	2.8	19.3
3	Akwa-Ibom	20.09	-	-	-	0.39	1.35	3.9	25.7
4	Anambra	15.16	-	-	-	0.33	1.02	3.2	19.7
5	Bauchi	17.21	-	-	-	0.33	1.18	3.2	21.9
6	Bayelsa	7.01	-	-	-	0.13	0.43	1.5	9.0
7	Benue	18.73	-	-	-	0.37	1.20	3.4	23.7
8	Borno	20.34	-	-	-	0.40	1.37	3.7	25.8
9	Cross-River	13.11	-	-	-	0.27	0.85	2.6	16.8
10	Delta	16.80	-	-	-	0.36	1.13	3.7	21.9
11	Ebonyi	9.70	-	-	-	0.18	0.61	1.9	12.4
12	Edo	12.85	-	-	-	0.29	0.85	2.7	16.7
13	Ekiti	10.21	-	-	-	0.21	0.70	2.1	13.3
14	Enugu	13.06	-	-	-	0.24	0.82	2.6	16.7
15	Gombe	8.95	-	-	-	0.17	0.60	1.7	11.4
16	Imo	17.50	-	-	-	0.35	1.19	3.6	22.6
17	Jigawa	18.39	-	-	-	0.37	1.25	3.9	23.9
18	Kaduna	20.68	-	-	-	0.41	1.34	4.0	26.4
19	Kano	32.92	-	-	-	0.64	2.20	7.1	42.8
20	Katsina	25.06	-	-	-	0.48	1.61	4.8	32.0
21	Kebbi	15.82	-	-	-	0.30	1.00	3.0	20.1
22	Kogi	16.35	-	-	-	0.30	1.04	2.9	20.6
23	Kwara	11.57	-	-	-	0.25	0.80	2.2	14.8
24	Lagos	19.71	-	-	-	0.43	1.34	21.7	43.2
25	Nassarawa	10.32	-	-	-	0.19	0.64	1.7	12.9
26	Niger	19.10	-	-	-	0.39	1.29	3.4	24.2
27	Ogun	13.63	-	-	-	0.30	0.96	2.9	17.8
28	Ondo	13.02	-	-	-	0.27	0.88	2.7	16.8
29	Osun	17.63	-	-	-	0.39	1.20	3.8	23.0
30	Oyo	22.24	-	-	-	0.46	1.54	4.7	29.0
31	Plateau	13.94	-	-	-	0.26	0.88	2.6	17.7
32	Rivers	17.28	-	-	-	0.34	1.15	4.5	23.3
33	Sokoto	17.41	-	-	-	0.34	1.10	3.3	22.1
34	Taraba	13.05	-	-	-	0.26	0.88	2.1	16.3
35	Yobe	13.12	-	-	-	0.26	0.85	2.2	16.5
36	Zamfara	11.85	-	-	-	0.23	0.80	2.2	15.1
37	FCT Abuja	5.23	-	-	-	0.09	0.34	6.5	12.2
	TOTAL	576.08	-	-	-	11.54	38.23	137.07	762.92

S/N	State	1st Half 2015 1/ Fed. Acct.	Excess Crude	Fed. Rev. Augmentation	Exchange Gain	NNPC Refunds	SURE-P	Additional Revenue	VAT	Total
1	Abia	8.37	0.06	-	0.78	-	-	0.05	2.4	11.6
2	Adamawa	10.56	0.07	-	0.99	-	-	0.07	2.8	14.5
3	Akwa-Ibom	14.07	0.10	-	1.32	-	-	0.09	4.0	19.6
4	Anambra	10.62	0.07	-	0.99	-	-	0.07	3.1	14.9
5	Bauchi	12.06	0.08	-	1.13	-	-	0.08	3.2	16.5
6	Bayelsa	4.91	0.03	-	0.46	-	-	0.03	1.2	6.7
7	Benue	13.12	0.09	-	1.23	-	-	0.09	3.2	17.8
8	Borno	14.24	0.10	-	1.33	-	-	0.09	3.6	19.3
9	Cross-River	9.18	0.06	-	0.86	-	-	0.06	2.5	12.7
10	Delta	11.77	0.08	-	1.10	-	-	0.08	3.6	16.7
11	Ebonyi	6.79	0.05	-	0.63	-	-	0.04	1.8	9.3
12	Edo	9.00	0.06	-	0.84	-	-	0.06	2.6	12.6
13	Ekiti	7.15	0.05	-	0.67	-	-	0.05	2.1	10.0
14	Enugu	9.15	0.06	-	0.85	-	-	0.06	2.6	12.7
15	Gombe	6.27	0.04	-	0.59	-	-	0.04	1.7	8.6
16	Imo	12.26	0.09	-	1.15	-	-	0.08	3.5	17.1
17	Jigawa	12.88	0.09	-	1.20	-	-	0.08	3.7	17.9
18	Kaduna	14.48	0.10	-	1.35	-	-	0.09	3.9	19.9
19	Kano	23.06	0.16	-	2.16	-	-	0.15	6.9	32.4
20	Katsina	17.55	0.12	-	1.64	-	-	0.11	4.8	24.2
21	Kebbi	11.08	0.08	-	1.04	-	-	0.07	2.8	15.1
22	Kogi	11.45	0.08	-	1.07	-	-	0.07	2.8	15.5
23	Kwara	8.10	0.06	-	0.76	-	-	0.05	2.1	11.1
24	Lagos	13.80	0.10	-	1.29	-	-	0.09	20.6	35.9
25	Nassarawa	7.23	0.05	-	0.68	-	-	0.05	1.7	9.7
26	Niger	13.38	0.09	-	1.25	-	-	0.09	3.4	18.2
27	Ogun	9.55	0.07	-	0.89	-	-	0.06	3.0	13.5
28	Ondo	9.12	0.06	-	0.85	-	-	0.06	2.6	12.7
29	Osun	12.35	0.09	-	1.15	-	-	0.08	3.6	17.3
30	Oyo	15.58	0.11	-	1.46	-	-	0.10	4.8	22.0
31	Plateau	9.76	0.07	-	0.91	-	-	0.06	2.5	13.3
32	Rivers	12.10	0.08	-	1.13	-	-	0.08	4.1	17.5
33	Sokoto	12.19	0.08	-	1.14	-	-	0.08	3.1	16.6
34	Taraba	9.14	0.06	-	0.85	-	-	0.06	2.1	12.2
35	Yobe	9.19	0.06	-	0.86	-	-	0.06	2.2	12.3
36	Zamfara	8.30	0.06	-	0.78	-	-	0.05	2.2	11.4
37	FCT Abuja	3.67	0.03	-	0.34	-	-	0.02	7.2	11.3
	TOTAL	403.48	2.80	-	37.71	-	-	2.63	134.01	580.63

S/N	State	1st Half 2016 2/ Fed. Acct.	Excess Crude	Non-Oil Excess 3/	Fed. Rev. Augmentation	Exchange Gain	NNPC Refunds	NLNG Dividend	SURE-P	Additional Revenue	VAT	Total
1	Abia	5.97		0.01	-	0.07	-	0.13	-	-	2.3	8.5
2	Adamawa	7.53		0.01	-	0.09	-	0.16	-	-	2.7	10.5
3	Akwa-Ibom	10.03		0.01	-	0.12	-	0.21	-	-	3.8	14.2
4	Anambra	7.57		0.01	-	0.09	-	0.16	-	-	3.0	10.9
5	Bauchi	8.59		0.01	-	0.10	-	0.18	-	-	3.1	11.9
6	Bayelsa	3.50		0.00	-	0.04	-	0.07	-	-	1.2	4.8
7	Benue	9.35		0.01	-	0.11	-	0.20	-	-	3.2	12.9
8	Borno	10.15		0.01	-	0.12	-	0.21	-	-	3.5	14.0
9	Cross-River	6.54		0.01	-	0.08	-	0.14	-	-	2.4	9.1
10	Delta	8.39		0.01	-	0.10	-	0.18	-	-	3.6	12.2
11	Ebonyi	4.84		0.01	-	0.06	-	0.10	-	-	1.8	6.8
12	Edo	6.42		0.01	-	0.08	-	0.14	-	-	2.6	9.3
13	Ekiti	5.09		0.01	-	0.06	-	0.11	-	-	2.1	7.4
14	Enugu	6.52		0.01	-	0.08	-	0.14	-	-	2.5	9.3
15	Gombe	4.47		0.01	-	0.05	-	0.09	-	-	1.7	6.3
16	Imo	8.74		0.01	-	0.11	-	0.18	-	-	3.5	12.5
17	Jigawa	9.18		0.01	-	0.11	-	0.19	-	-	3.6	13.1
18	Kaduna	10.32		0.01	-	0.13	-	0.22	-	-	3.8	14.5
19	Kano	16.43		0.02	-	0.20	-	0.35	-	-	6.8	23.8
20	Katsina	12.51		0.01	-	0.15	-	0.26	-	-	4.7	17.6
21	Kebbi	7.90		0.01	-	0.10	-	0.17	-	-	2.7	10.9
22	Kogi	8.16		0.01	-	0.10	-	0.17	-	-	2.8	11.2
23	Kwara	5.78		0.01	-	0.07	-	0.12	-	-	2.1	8.1
24	Lagos	9.84		0.01	-	0.12	-	0.21	-	-	21.1	31.2
25	Nassarawa	5.15		0.01	-	0.06	-	0.11	-	-	1.7	7.0
26	Niger	9.54		0.01	-	0.12	-	0.20	-	-	3.3	13.2
27	Ogun	6.80		0.01	-	0.08	-	0.14	-	-	2.8	9.9
28	Ondo	6.50		0.01	-	0.08	-	0.14	-	-	2.6	9.3
29	Osun	8.80		0.01	-	0.11	-	0.19	-	-	3.6	12.7
30	Oyo	11.10		0.01	-	0.13	-	0.23	-	-	4.9	16.4
31	Plateau	6.96		0.01	-	0.08	-	0.15	-	-	2.4	9.6
32	Rivers	8.63		0.01	-	0.10	-	0.18	-	-	4.1	13.1
33	Sokoto	8.69		0.01	-	0.11	-	0.18	-	-	3.1	12.0
34	Taraba	6.51		0.01	-	0.08	-	0.14	-	-	2.0	8.8
35	Yobe	6.55		0.01	-	0.08	-	0.14	-	-	2.1	8.9
36	Zamfara	5.92		0.01	-	0.07	-	0.12	-	-	2.2	8.3
37	FCT Abuja	2.61		0.00	-	0.03	-	0.06	-	-	6.3	9.0
	TOTAL	287.57		0.33	-	3.48	-	6.06	-	-	131.44	428.87

Source: Federation Account Allocation, Federal Ministry of Finance (FMF)
1/ Revised
2/ Provisional
3/ includes Excess Bank Charges of N0.40 billion in 2018

Table 33 Contd.
Allocation to Local Governments from the Federation and VAT Pools Accounts
(₦' Billion)

S/N	State	1st Half 2017 2/											1st Half 2018 2/										
		Fed. Acct.	Excess Crude	Non-Oil Excess	Fed. Rev. Augmentation	Exchange Gain	NNPC Refunds	NLNG Dividend	SURE-P	Additional Revenue	VAT	Total	Fed. Acct.	Excess Crude	Non-Oil Excess	Fed. Rev. Augmentation 1/	Exchange Gain	NNPC Refunds	NLNG Dividend	SURE-P	Additional Revenue	VAT	Total
1	Abia	6.21	0.62		-	1.18	-		-		2.7	**10.7**	12.39	0.11	0.01	0.04	0.23	-		-		3.2	15.95
2	Adamawa	7.83	0.78		-	1.49	-		-		3.3	**13.4**	15.62	0.14	0.01	0.05	0.29	-		-		3.7	19.87
3	Akwa-Ibom	10.43	1.04		-	1.99	-		-		4.5	**18.0**	20.81	0.19	0.02	0.07	0.39	-		-		5.2	26.73
4	Anambra	7.88	0.79		-	1.50	-		-		3.7	**13.8**	15.71	0.15	0.01	0.05	0.29	-		-		4.2	20.45
5	Bauchi	8.94	0.89		-	1.71	-		-		3.6	**15.2**	17.83	0.16	0.02	0.06	0.33	-		-		4.1	22.55
6	Bayelsa	3.64	0.36		-	0.69	-		-		1.6	**6.3**	7.26	0.07	0.01	0.02	0.14	-		-		1.7	9.23
7	Benue	9.73	0.97		-	1.86	-		-		3.8	**16.3**	19.40	0.18	0.02	0.07	0.36	-		-		4.3	24.35
8	Borno	10.56	1.05		-	2.02	-		-		4.2	**17.8**	21.06	0.19	0.02	0.07	0.40	-		-		4.7	26.49
9	Cross-River	6.81	0.68		-	1.30	-		-		2.9	**11.7**	13.58	0.13	0.01	0.05	0.26	-		-		3.3	17.28
10	Delta	8.73	0.87		-	1.66	-		-		4.1	**15.4**	17.40	0.16	0.02	0.06	0.33	-		-		4.8	22.75
11	Ebonyi	5.04	0.50		-	0.96	-		-		2.1	**8.6**	10.05	0.09	0.01	0.03	0.19	-		-		2.4	12.81
12	Edo	6.68	0.67		-	1.27	-		-		3.1	**11.7**	13.31	0.12	0.01	0.05	0.25	-		-		3.6	17.38
13	Ekiti	5.30	0.53		-	1.01	-		-		2.5	**9.3**	10.57	0.10	0.01	0.04	0.20	-		-		2.8	13.75
14	Enugu	6.78	0.68		-	1.29	-		-		3.0	**11.8**	13.53	0.13	0.01	0.05	0.25	-		-		3.3	17.29
15	Gombe	4.65	0.46		-	0.89	-		-		2.0	**8.0**	9.27	0.09	0.01	0.03	0.17	-		-		2.2	11.79
16	Imo	9.09	0.91		-	1.73	-		-		4.1	**15.9**	18.13	0.17	0.02	0.06	0.34	-		-		4.7	23.44
17	Jigawa	9.55	0.95		-	1.82	-		-		4.3	**16.6**	19.05	0.18	0.02	0.06	0.36	-		-		5.0	24.66
18	Kaduna	10.74	1.07		-	2.05	-		-		4.7	**18.5**	21.42	0.20	0.02	0.07	0.40	-		-		5.4	27.48
19	Kano	17.10	1.71		-	3.26	-		-		9.1	**31.2**	34.10	0.32	0.03	0.12	0.64	-		-		9.2	44.41
20	Katsina	13.02	1.30		-	2.48	-		-		5.5	**22.3**	25.96	0.24	0.02	0.09	0.49	-		-		6.3	33.05
21	Kebbi	8.22	0.82		-	1.57	-		-		3.3	**13.9**	16.38	0.15	0.01	0.06	0.31	-		-		3.7	20.66
22	Kogi	8.49	0.85		-	1.62	-		-		3.3	**14.2**	16.94	0.16	0.02	0.06	0.32	-		-		3.8	21.25
23	Kwara	6.01	0.60		-	1.15	-		-		2.5	**10.2**	11.98	0.11	0.01	0.04	0.23	-		-		2.9	15.24
24	Lagos	10.24	1.02		-	1.95	-		-		22.3	**35.5**	20.41	0.19	0.02	0.07	0.38	-		-		27.8	48.87
25	Nassarawa	5.36	0.53		-	1.02	-		-		2.0	**8.9**	10.69	0.10	0.01	0.04	0.20	-		-		2.3	13.33
26	Niger	9.92	0.99		-	1.89	-		-		3.9	**16.7**	19.79	0.18	0.02	0.07	0.37	-		-		4.5	24.92
27	Ogun	7.08	0.71		-	1.35	-		-		3.4	**12.6**	14.12	0.13	0.01	0.05	0.27	-		-		4.2	18.77
28	Ondo	6.76	0.67		-	1.29	-		-		3.0	**11.8**	13.48	0.12	0.01	0.05	0.25	-		-		3.5	17.39
29	Osun	9.16	0.91		-	1.75	-		-		4.2	**16.1**	18.26	0.17	0.02	0.06	0.34	-		-		4.8	23.70
30	Oyo	11.55	1.15		-	2.20	-		-		6.2	**21.2**	23.04	0.21	0.02	0.08	0.43	-		-		6.9	30.64
31	Plateau	7.24	0.72		-	1.38	-		-		2.9	**12.2**	14.44	0.13	0.01	0.05	0.27	-		-		3.3	18.19
32	Rivers	8.98	0.90		-	1.71	-		-		5.9	**17.5**	17.90	0.17	0.02	0.06	0.34	-		-		6.0	24.49
33	Sokoto	9.04	0.90		-	1.72	-		-		3.6	**15.3**	18.03	0.17	0.02	0.06	0.34	-		-		4.1	22.72
34	Taraba	6.78	0.68		-	1.29	-		-		2.5	**11.2**	13.51	0.12	0.01	0.05	0.25	-		-		2.8	16.75
35	Yobe	6.81	0.68		-	1.30	-		-		2.6	**11.4**	13.59	0.13	0.01	0.05	0.26	-		-		2.9	16.97
36	Zamfara	6.16	0.61		-	1.17	-		-		2.5	**10.5**	12.28	0.11	0.01	0.04	0.23	-		-		2.9	15.58
37	FCT Abuja	2.72	0.27		-	0.52	-		-		7.4	**10.9**	5.42	0.05	0.00	0.02	0.10	-		-		8.7	14.25
	TOTAL	**299.21**	**29.85**		**-**	**57.08**	**-**		**-**	**-**	**156.35**	**542.49**	**596.71**	**5.51**	**0.53**	**2.02**	**11.21**	**-**	**-**	**-**	**-**	**179.44**	**795.42**

Source: Federation Account Allocation, Federal Ministry of Finance (FMF)
1/ Revised
2/ Provisional
3/ includes Excess Bank Charges of N0.40 billion in 2018

Table 34
Domestic Debt of the Federal Government
(₦' Billion)

	First Half 2014	First Half 2015	First Half 2016	First Half 2017 1/	Second Half 2017 2/	First Half 2018 2/
1. Composition of Debt						
i Treasury Bills	2,735.87	2,824.95	2,901.81	3,702.83	3,579.80	2,953.58
ii Treasury Bonds	315.39	271.22	230.99	190.99	175.99	150.99
iii Development Stocks	0.00	0.00	0.00	0.00	0.00	0.00
iv FGN Bonds	4,369.84	5,300.42	7,473.54	8,134.88	8,715.81	8,927.66
v Promissory Note	0.00	0.00	0.00	0.00	0.00	0.00
vi FGN Savings Bond				4.75	7.20	8.52
vii FGN Sukuk					100.00	100.00
viii FGN Green Bond					10.69	10.69
Total	**7,421.10**	**8,396.59**	**10,606.33**	**12,033.45**	**12,589.49**	**12,151.44**
2. Holders						
i Banking System	5,400.85	6,040.09	6,927.25	6,272.76	7,545.19	6,356.03
a. Central Bank	832.12	948.97	689.42	1,677.41	1,746.44	1,823.13
b. Deposit Money Banks /3	4,568.73	5,091.12	6,237.83	4,595.35	5,798.75	4,532.90
ii Non-Bank Public	1,673.99	1,961.60	3,407.33	5,634.35	4,925.94	5,694.86
iii Sinking Fund	346.26	394.90	271.75	126.34	118.35	100.55
Total Debt Outstanding	**7,421.10**	**8,396.59**	**10,606.33**	**12,033.45**	**12,589.49**	**12,151.44**

Source: Debt Management Office

1/ Revised

2/ Provisional

3/ Includes holdings of Discount Houses

Table 35
Domestic Debt Service Payment of the Federal Government by Instrument
(₦' Billion)

	1st Half 2014	1st Half 2015	1st Half 2016	1st Half 2017	2nd Half 2017	1st Half 2018 1/
i Treasury Bills	173.08	191.04	219.93	201.57	243.56	1,018.40
ii Treasury Bonds	18.75	43.75	40.63	34.62	13.37	9.38
iii Development Stocks	-	-	-	-	-	-
iv FGN Bonds	247.35	293.74	381.13	473.19	509.47	542.73
v FGN Savings Bond				0.07	0.37	0.50
vi FGN Sukuk						8.17
vii FGN Green Bond						0.72
Total	**439.18**	**528.54**	**641.68**	**709.45**	**766.77**	**1,579.90**

Source: Debt Management Office
Note: Debt Service excludes sinking fund charges
₦638.90 Billion of Treasury Bills were redeemed during the first half of 2018.
1/ Provisional

Table 36
External Public Debt Outstanding

Holder	US$ Million						Naira Billion					
	End-June 2014	End-June 2015	End-June 2016	End-June 2017	End-December 2017	End-June 2018 1/	End-June 2014	End-June 2015	End-June 2016	End-June 2017	End-December 2017	End-June 2018 1/
MULTILATERAL	**6,730.45**	**7,232.86**	**7,991.00**	**9,673.99**	**10,241.44**	**10,883.70**	**1,048.13**	**1,424.51**	**2,261.45**	**2,959.27**	**3,133.88**	**3,327.15**
IBRD	-	-	7.25	124.18	124.18	124.18	-	-	2.05	37.99	38.00	37.96
IDA	5,772.77	6,091.45	6,844.97	7,596.11	7,905.62	8,348.92	898.99	1,199.71	1,937.13	2,323.65	2,419.12	2,552.26
IFAD	91.57	94.80	103.01	121.21	148.26	159.44	14.26	18.67	29.15	37.08	45.37	48.74
ADB Group	***748.24***	***946.53***	***938.91***	***1,740.70***	***1,971.05***	***2,163.40***	***116.52***	***186.42***	***265.71***	***532.48***	***603.14***	***661.35***
ADB	150.00	350.00	400.73	1,002.33	1,186.60	1,319.93	23.36	68.93	113.41	306.61	363.10	403.50
ADF	598.24	596.53	538.18	738.37	784.45	843.47	93.16	117.49	152.30	225.87	240.04	257.85
Others 2/	117.87	100.08	96.86	91.79	92.33	87.76	18.36	19.71	27.41	28.08	28.25	26.83
BILATERAL	**1,140.79**	**1,583.95**	**1,770.90**	**2,073.02**	**2,372.00**	**2,399.74**	**177.66**	**311.96**	**501.16**	**634.14**	**725.83**	**733.60**
Exim Bank of China	1,031.84	1,388.87	1,495.85	1,768.95	1,930.98	1,913.07	160.69	273.54	423.33	541.12	590.88	584.83
French Devt. Agency (AFD)	108.95	140.25	182.95	218.25	274.98	274.98	16.97	27.62	51.77	66.76	84.14	84.06
Others 3/	-	54.83	92.10	85.82	166.04	211.69	-	10.80	26.06	26.25	50.81	64.71
COMMERCIAL	**1,505.88**	**1,500.00**	**1,500.00**	**3,300.00**	**6,300.00**	**8,800.00**	**234.51**	**295.43**	**424.50**	**1,009.47**	**1,927.80**	**2,690.16**
Euro Bond	1,500.00	1,500.00	1,500.00	3,000.00	6,000.00	8,500.00	233.60	295.43	424.50	917.70	1,836.00	2,598.45
Diaspora Bond				300.00	300.00	300.00				91.77	91.80	91.71
Other 4/	5.88						0.92	-	-	-	-	-
Total Debt Outstanding	**9,377.12**	**10,316.81**	**11,261.90**	**15,047.01**	**18,913.44**	**22,083.44**	**1,460.30**	**2,031.90**	**3,187.12**	**4,602.88**	**5,787.51**	**6,750.91**
	155.73	**196.95**	**283.00**	**305.90**	**306.00**	**305.70**						

Source: Debt Management Office

1/ Provisional

2/ Includes BADEA, IDB and EDF

3/ Japan (JICA), India (Exim Bank of India), Gernamy (KfW), Exim Bank of Korea and Nig. ICT Infrast. Backbone Project.

4/ Includes Papalanto & Omotosho, ZTE, Arcatel and SBI Holdings.

Table 37
External Debt Service Payments

Holder	US$ Million						Naira Billion					
	1st Half 2014	1st Half 2015	1st Half 2016	1st Half 2017	2nd Half 2017	1st Half 2018 1/	1st Half 2014	1st Half 2015	1st Half 2016	1st Half 2017	2nd Half 2017	1st Half 2018 1/
MULTILATERAL	**82.43**	**63.39**	**77.01**	**85.64**	**106.08**	**111.15**	**12.97**	**12.00**	**15.62**	**26.18**	**32.45**	**33.99**
IBRD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IDA	0.06	0.05	0.06	0.07	0.08	0.08	0.01	0.01	0.01	0.02	0.03	0.03
IFAD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ADB Group	***18.75***	***7.60***	***8.59***	***11.34***	***17.33***	**19.96**	***2.95***	***1.44***	***1.74***	***3.47***	***5.30***	**6.10**
ADB	0.01	0.00	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00
ADF	0.01	0.01	0.01	0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00
Others 2/	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
BILATERAL	**23.17**	**29.43**	**30.75**	**34.02**	**37.81**	**76.53**	**3.64**	**5.57**	**6.24**	**10.40**	**11.57**	**23.40**
Exim Bank of China	0.02	0.03	0.03	0.03	0.03	0.07	0.00	0.01	0.01	0.01	0.01	0.02
French Devt. Agency (AFD)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Others 3/	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
COMMERCIAL	**72.58**	**66.49**	**57.89**	**66.51**	**133.99**	**239.94**	**11.42**	**12.59**	**11.74**	**20.33**	**40.98**	**73.37**
Eurobonds	0.05	0.05	0.05	0.05	0.10	0.15	0.01	0.01	0.01	0.01	0.03	0.05
Diaspora Bond					0.01	0.07					0.00	0.02
Others 4/	0.03	0.02	0.01	0.02	0.02	0.02	0.00	0.00	0.00	0.01	0.01	0.01
Total Debt Service Payments	**178.18**	**159.31**	**165.66**	**186.16**	**277.89**	**427.63**	**28.03**	**30.17**	**33.59**	**56.91**	**85.00**	**130.76**

Source: Debt Management Office, The Presidency, Abuja.

1/ Provisional

2/ Includes AGTF, ABEDA, IDB and EDF

3/ Japan (JICA), India (Exim Bank of India), Gernamy (KfW), Exim Bank of Korea and Nigeria ICT Infrastructure Backbone Project.

4/ Includes ZTE & CMCE, Oil Warrants and Agency Fees

Table 38a
Consolidated Debt of the Federal Government
(₦' Billion)

Holders	End-June 2014	End-June 2015	End-June 2016	End-June 2017	End-December 2017	End-June 2018 1/
External Debt	1,460.30	2,031.90	3,187.12	4,602.88	5,787.51	6,750.91
Domestic Debt	7,421.10	8,396.59	10,606.33	12,033.45	12,589.49	12,151.44
Total Consolidated Debt	8,881.40	10,428.49	13,793.45	16,636.33	18,377.00	18,902.35

Table 38b
Consolidated Debt Service Payment
(₦' Billion)

Holders	1st Half 2014	1st Half 2015	1st Half 2016	1st Half 2017	2nd Half 2017	1st Half 2018 1/
External Debt	28.03	30.17	33.59	56.91	85.00	130.76
Domestic Debt 2/	439.18	528.54	641.68	709.45	766.77	1,579.90
Total Consolidated Debt	**467.21**	**558.71**	**675.28**	**766.40**	**851.77**	**1,710.66**

Source: Debt Management Office (DMO)

1/ Provisional

2/ Includes ₦638.9 Billion of Treasury Bills redeemed during the first half of 2018.

Table 39
Gross Domestic Product at 2010 Constant Basic Prices
(₦' Billion unless otherwise stated)

Activity Sector	1st Half 2015	2nd Half 2015	1st Half 2016	2nd Half 2016	1st Half 2017 1/	2nd Half 2017 2/	1st Half 2018 2/	Share of Total GDP (Per Cent)				
								1st Half 2016	2nd Half 2016	1st Half 2017 1/	2nd Half 2017 2/	1st Half 2018 2/
1. Agriculture	**6,654.44**	**9,297.78**	**6,910.26**	**9,697.08**	**7,130.69**	**10,048.80**	**7,277.03**	**21.49**	**27.11**	**22.19**	**27.64**	**22.26**
(a) Crop Production	5,840.32	8,434.61	6,068.95	8,825.50	6,272.02	9,165.03	6,423.19	18.87	24.67	19.52	25.21	19.65
(b) Livestock	547.96	603.37	575.65	609.47	587.13	617.08	575.96	1.79	1.70	1.83	1.70	1.76
(c) Forestry	81.09	86.17	83.61	88.03	86.36	90.97	89.37	0.26	0.25	0.27	0.25	0.27
(d) Fishing	185.08	173.62	182.05	174.08	185.18	175.73	188.51	0.57	0.49	0.58	0.48	0.58
2. Industry	**6,550.29**	**6,768.84**	**6,096.27**	**5,965.78**	**5,930.51**	**6,384.17**	**6,137.13**	**18.95**	**16.68**	**18.46**	**17.56**	**18.78**
(a) Crude Petroleum & Natural Gas	3,291.61	3,338.36	3,023.25	2,648.96	2,824.38	3,113.66	2,965.19	9.40	7.41	8.79	8.56	9.07
(b) Solid Minerals	49.28	53.26	31.09	56.52	33.77	53.97	36.81	0.10	0.16	0.11	0.15	0.11
(c) Manufacturing	3,209.41	3,377.21	3,041.94	3,260.30	3,072.36	3,216.54	3,135.13	9.46	9.11	9.56	8.85	9.59
3. Construction	**1,437.57**	**1,242.65**	**1,353.69**	**1,167.16**	**1,355.54**	**1,190.45**	**1,398.63**	**4.21**	**3.26**	**4.22**	**3.27**	**4.28**
4. Trade	**5,686.39**	**6,011.20**	**5,742.90**	**5,926.17**	**5,607.42**	**5,939.03**	**5,475.30**	**17.86**	**16.57**	**17.45**	**16.33**	**16.75**
5. Services	**12,185.25**	**13,189.53**	**12,059.14**	**13,012.80**	**12,108.52**	**12,795.85**	**12,399.16**	**37.49**	**36.38**	**37.68**	**35.19**	**37.93**
(a) Transport	366.48	438.98	380.31	428.29	388.74	451.11	457.89	1.18	1.20	1.21	1.24	1.40
(b) Information and Communication	3,857.96	3,850.16	3,960.18	3,898.51	3,989.00	3,787.90	4,258.77	12.31	10.90	12.41	10.42	13.03
(c) Utilities	165.58	201.74	138.01	197.23	159.16	218.45	172.83	0.43	0.55	0.50	0.60	0.53
(d) Accommodation and Food Services	312.49	341.72	290.49	328.93	278.89	330.57	281.90	0.90	0.92	0.87	0.91	0.86
(e) Finance & Insurance	1,115.13	1,008.77	991.88	1,035.63	1,046.58	1,006.42	1,120.57	3.08	2.90	3.26	2.77	3.43
(f) Real Estate	2,373.28	2,891.42	2,254.40	2,649.21	2,179.27	2,515.12	2,039.36	7.01	7.41	6.78	6.92	6.24
(g) Professional, Scientific & Technical Services	1,162.07	1,354.00	1,162.99	1,373.30	1,161.22	1,368.46	1,159.66	3.62	3.84	3.61	3.76	3.55
(h) Administrative and Support Services Bussiness Services	6.96	7.51	6.78	7.59	6.77	7.70	6.63	0.02	0.02	0.02	0.02	0.02
(i) Public Administration	809.79	834.99	766.92	802.59	765.66	797.96	738.50	2.38	2.24	2.38	2.19	2.26
(j) Education	623.37	875.33	644.44	874.49	643.30	864.68	642.83	2.00	2.44	2.00	2.38	1.97
(k) Human Health & Social Services	234.00	250.33	231.37	244.32	231.41	242.83	231.48	0.72	0.68	0.72	0.67	0.71
(l) Arts, Entertainment & Recreation	75.47	65.86	79.39	67.19	84.07	68.56	85.50	0.25	0.19	0.26	0.19	0.26
(m) Other Services	1,082.67	1,068.71	1,151.96	1,105.51	1,174.46	1,136.08	1,203.23	3.58	3.09	3.66	3.12	3.68
TOTAL (GDP)	**32,513.94**	**36,509.99**	**32,162.26**	**35,768.98**	**32,132.69**	**36,358.30**	**32,687.24**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**
NON-OIL (GDP)	**29,222.34**	**33,171.63**	**29,139.01**	**33,120.02**	**29,308.30**	**33,244.63**	**29,722.05**	90.60	92.59	91.21	91.44	**90.93**
NET INDIRECT TAXES ON PRODUCTS	**312.91**	**443.85**	**274.26**	**446.93**	**264.40**	**450.31**	**276.38**					
TOTAL GDP AT 2010 CONSTANT MARKET PRICES	**32,826.86**	**36,953.84**	**32,436.52**	**36,215.91**	**32,397.08**	**36,808.61**	**32,963.62**					
TOTAL GDP GROWTH RATE (%)	**3.14**	**2.47**	**(1.08)**	**(2.03)**	**(0.09)**	**1.65**	**1.73**					
OIL GDP GROWTH RATE (%)	**(7.49)**	**(3.34)**	**(8.15)**	**(20.65)**	**(6.58)**	**17.54**	**4.99**					
NON-OIL GDP GROWTH RATE (%)	**4.50**	**3.10**	**(0.29)**	**(0.16)**	**0.58**	**0.38**	**1.41**					
Growth in Total GDP												
Agriculture (%)	4.07	3.47	3.84	4.29	3.19	3.63	2.05					
Industry (%)	(4.88)	(1.97)	(6.93)	(11.86)	(2.72)	7.01	3.48					
Construction (%)	8.67	(0.24)	(5.83)	(6.07)	0.14	2.00	3.18					
Trade (%)	5.77	4.55	0.99	(1.41)	(2.36)	0.22	(2.36)					
Services (%)	5.56	3.50	(1.04)	(1.34)	0.41	(1.67)	2.40					

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

Table 40
Gross Domestic Product at Current Basic Prices
(₦' Billion unless otherwise stated)

Activity Sector	1st Half 2015	2nd Half 2015	1st Half 2016	2nd Half 2016	1st Half 2017 1/	2nd Half 2017 2/	1st Half 2018 2/	Share of Total GDP (Per Cent)				
								1st Half 2016	2nd Half 2016	1st Half 2017 1/	2nd Half 2017 2/	1st Half 2018 2/
1. Agriculture	**7,827.50**	**11,809.47**	**8,897.75**	**12,625.76**	**9,896.37**	**14,056.19**	**10,722.44**	**19.43**	**22.66**	**18.65**	**23.17**	**18.12**
(a) Crop Production	6,652.62	10,537.35	7,601.06	11,282.02	8,499.64	12,596.46	9,241.70	16.60	20.25	16.02	20.77	15.62
(b) Livestock	821.92	926.11	902.80	972.99	962.08	1,012.36	961.73	1.97	1.75	1.81	1.67	1.63
(c) Forestry	108.16	114.67	113.28	122.98	125.22	131.99	130.03	0.25	0.22	0.24	0.22	0.22
(d) Fishing	244.80	231.34	280.61	247.78	309.42	315.38	388.98	0.61	0.44	0.58	0.52	0.66
2. Industry	**7,455.57**	**7,618.21**	**6,061.42**	**8,311.37**	**9,470.47**	**11,055.99**	**13,298.34**	**13.24**	**14.92**	**17.85**	**18.23**	**22.48**
(a) Crude Petroleum & Natural Gas	3,137.49	2,852.92	1,847.05	3,520.27	4,562.32	5,793.63	7,675.99	4.03	6.32	8.60	9.55	12.97
(b) Solid Minerals	52.68	56.91	34.45	67.77	47.05	78.97	69.01	0.08	0.12	0.09	0.13	0.12
(c) Manufacturing	4,265.40	4,708.38	4,179.91	4,723.33	4,861.09	5,183.39	5,553.33	9.13	8.48	9.16	8.55	9.39
3. Construction	**1,835.19**	**1,637.06**	**1,881.22**	**1,725.34**	**2,244.43**	**2,037.34**	**2,855.29**	**4.11**	**3.10**	**4.23**	**3.36**	**4.83**
4. Trade	**8,538.49**	**9,490.41**	**9,766.09**	**10,909.77**	**10,465.20**	**11,108.52**	**10,353.22**	**21.33**	**19.58**	**19.72**	**18.31**	**17.50**
5. Services	**18,244.10**	**19,688.96**	**19,176.31**	**22,134.47**	**20,982.13**	**22,394.99**	**21,934.60**	**41.89**	**39.73**	**39.55**	**36.92**	**37.07**
(a) Transport	614.58	746.49	716.31	857.21	822.20	965.29	1,051.30	1.56	1.54	1.55	1.59	1.78
(b) Information and Communication	5,685.01	5,096.07	5,691.91	5,787.59	6,017.28	5,700.28	6,471.17	12.43	10.39	11.34	9.40	10.94
(c) Utilities	284.54	358.00	259.47	402.36	336.77	494.90	411.26	0.57	0.72	0.63	0.82	0.70
(d) Accommodation and Food Services	424.48	469.19	426.75	498.32	446.58	537.62	484.74	0.93	0.89	0.84	0.89	0.82
(e) Finance & Insurance	1,674.24	1,586.26	1,686.93	1,906.40	1,953.33	1,882.44	2,118.55	3.68	3.42	3.68	3.10	3.58
(f) Real Estate	3,626.21	4,561.34	3,678.47	4,661.96	3,977.91	4,613.63	3,847.40	8.03	8.37	7.50	7.61	6.50
(g) Professional, Scientific & Technical Services	1,799.16	2,128.14	1,979.74	2,528.02	2,167.22	2,559.58	2,193.42	4.32	4.54	4.08	4.22	3.71
(h) Administrative and Support Services Bussiness Services	10.46	11.79	11.55	13.97	12.63	14.40	12.54	0.03	0.03	0.02	0.02	0.02
(i) Public Administration	1,216.61	1,335.84	1,305.88	1,477.95	1,429.03	1,492.55	1,396.87	2.85	2.65	2.69	2.46	2.36
(j) Education	853.49	1,262.85	989.74	1,456.21	1,101.79	1,489.07	1,134.45	2.16	2.61	2.08	2.46	1.92
(k) Human Health & Social Services	322.11	360.58	351.50	394.08	382.00	402.80	393.76	0.77	0.71	0.72	0.66	0.67
(l) Arts, Entertainment & Recreation	109.93	100.49	126.39	112.99	143.77	117.32	146.67	0.28	0.20	0.27	0.19	0.25
(m) Other Services	1,623.27	1,671.93	1,951.68	2,037.41	2,191.62	2,125.09	2,272.47	4.26	3.66	4.13	3.50	3.84
TOTAL (GDP)	**43,900.85**	**50,244.11**	**45,782.78**	**55,706.71**	**53,058.61**	**60,653.03**	**59,163.89**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**
NON-OIL (GDP)	40,763.36	47,391.18	43,935.73	52,186.44	**48,496.29**	**54,859.40**	**51,487.89**	95.97	93.68	91.40	90.45	**87.03**
NET INDIRECT TAXES ON PRODUCTS	**422.60**	**610.18**	**389.98**	**695.95**	**436.64**	**750.98**	**500.07**					
TOTAL GDP AT CURRENT MARKET PRICES	**44,323.45**	**50,854.28**	**46,172.76**	**56,402.66**	**53,495.25**	**61,404.00**	**59,663.96**					
TOTAL GDP GROWTH RATE (%)	**4.76**	**6.59**	**4.29**	**10.87**	**15.89**	**8.88**	**11.51**					
OIL GDP GROWTH RATE (%)	**(40.19)**	**(34.73)**	**(41.13)**	**23.39**	**147.01**	**64.58**	**68.25**					
NON-OIL GDP GROWTH RATE (%)	**11.20**	**10.81**	**7.78**	**10.12**	**10.38**	**5.12**	**6.17**					
Growth in Total GDP												
Agriculture (%)	8.34	9.41	13.67	6.91	11.22	11.33	8.35					
Industry (%)	(21.77)	(14.13)	(18.70)	9.10	56.24	33.02	40.42					
Construction (%)	12.92	4.70	2.51	5.39	19.31	18.08	27.22					
Trade (%)	14.90	14.72	14.38	14.96	7.16	1.82	(1.07)					
Services (%)	13.37	11.63	5.11	12.42	9.42	1.18	4.54					

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

Table 41
Selected Real Sector Indicators /1
(Percent, except otherwise indicated)

Item	2013 First Half	2014 First Half	2015 First Half	2016 First Half	2017 First Half	2018 /2 First Half
Agricultural Production Index (2010 = 100)						
Aggregate	112.7	117.9	122.7	127.4	131.5	134.2
Crops	111.6	116.3	120.7	125.4	129.6	132.7
Staples	112.0	116.6	121.0	125.7	130.0	133.1
Other Crops	118.9	124.2	128.6	132.8	137.2	141.5
Livestock	120.5	126.6	134.6	141.4	144.2	141.5
Fishery	123.3	131.5	137.0	134.8	136.6	139.1
Forestry	118.3	125.1	132.9	137.0	141.5	146.4
Indices of Average World Prices of Nigeria's Major Agricultural Export Commodities (2010 = 100) (Dollar Based)						
All Commodities	74.7	96.1	92.2	93.6	67.3	76.5
Cocoa	72.1	96.3	95.5	97.0	65.1	75.9
Coffee	75.8	98.3	86.1	78.7	82.2	69.2
Cotton	88.1	90.0	68.1	66.6	82.8	89.3
Palm Oil	89.6	93.6	71.4	71.8	77.5	77.7
Copra	74.2	121.3	99.6	124.9	148.0	102.1
Soya Bean	138.9	134.4	93.2	92.1	93.4	109.6
Indices of Average World Prices of Nigeria's Major Agricultural Export Commodities (2010 = 100) (Naira Based)						
All Commodities	78.2	100.6	117.8	126.4	137.6	155.6
Cocoa	75.5	100.8	122.1	131.1	132.9	154.5
Coffee	79.4	102.9	109.6	106.4	166.2	140.8
Cotton	92.2	94.2	87.1	90.1	168.7	181.7
Palm Oil	93.8	97.9	91.1	96.9	159.7	158.0
Copra	77.6	126.9	127.1	169.0	300.6	207.5
Soya Bean	145.3	140.7	119.0	124.8	192.2	222.9
GROWTH RATE OVER THE PRECEDING PERIOD (%)						
Agricultural Production Index (2010 = 100)						
Aggregate	2.5	4.6	4.1	3.8	3.2	2.1
Crops	1.9	4.2	3.8	3.9	3.4	2.4
Staples	1.9	4.1	3.8	3.9	3.4	2.4
Other Crops	8.4	4.4	3.6	3.3	3.3	3.1
Livestock	6.7	5.1	6.3	5.1	2.0	-1.9
Fishery	9.6	6.7	4.2	-1.6	1.4	1.8
Forestry	5.9	5.7	6.3	3.1	3.2	3.5
Indices of Average World Prices of Nigeria's Major Agricultural Export Commodities (2010 = 100) (Dollar Based)						
All Commodities	-7.2	28.7	-4.1	1.6	-28.2	13.7
Cocoa	-2.3	33.7	-0.9	1.6	-33.0	16.7
Coffee	-26.1	29.6	-12.5	-8.6	4.4	-15.7
Cotton	-4.2	2.2	-24.4	-2.1	24.2	8.0
Palm Oil	-26.5	4.4	-23.7	0.6	7.9	0.2
Copra	-35.0	63.4	-17.9	25.5	18.5	-31.1
Soya Bean	8.3	-3.2	-30.7	-1.2	1.4	17.4
Indices of Average World Prices of Nigeria's Major Agricultural Export Commodities (2010 = 100) (Naira Based)						
All Commodities	-7.4	28.7	17.1	7.3	8.8	13.1
Cocoa	-2.5	33.6	21.1	7.3	1.4	16.2
Coffee	-26.3	29.6	6.5	-2.9	56.3	-15.3
Cotton	-4.5	2.2	-7.5	3.5	87.3	7.7
Palm Oil	-26.6	4.3	-6.9	6.3	64.9	-1.1
Copra	-35.2	63.4	0.2	33.0	77.8	-31.0
Soya Bean	8.1	-3.2	-15.4	4.9	53.9	16.0
Industrial Production Index (2010 = 100)						
Industrial Production Index	**114.52**	**120.58**	**114.23**	**105.67**	**103.79**	**107.50**
Manufacturing Production Index	162.99	186.98	182.78	173.74	175.48	179.07
Mining Production Index	92.36	91.35	84.69	77.07	73.20	76.89
Electricity Production Index	191.95	173.58	138.73	95.64	114.96	122.78
Capacity Utilization Rate (%)	57.6	59.3	55.5	51.7		53.1
Inflation Rate (12-Month Moving Average; End-Period)	10.4	8.0	8.4	11.4	17.6	14.4
Inflation Rate (Year-on-Year; End-Period)	8.4	8.2	9.2	16.5	16.1	11.2
Food Inflation Rate (Year-on-Year; End-Period)	9.6	9.8	10.0	15.3	19.9	13.0
Non-Food Inflation Rate (Year-on-Year; End-Period)	5.5	8.1	8.4	16.2	12.5	10.4

1/Revised
2/Provisional

Table 41 cont'd
Selected Real Sector Indicators
(Percent, except otherwise indicated)

Item	2016 1/		2017 1/		2018 2/	Absolute Change Between		Percentage Change Between	
	First Half (1)	Second Half (2)	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	38.86	38.97	38.50	38.90	38.60	0.10	-0.30	0.26	-0.77
Crudes	32.60	32.84	32.25	32.55	32.30	0.05	-0.25	0.16	-0.77
NGLs and condensates	6.26	6.13	6.25	6.35	6.30	0.05	-0.05	0.80	-0.79
Total non-OPEC	57.13	57.17	57.70	58.10	59.15	1.45	1.05	2.51	1.81
Total World Supply	**95.99**	**96.14**	**96.20**	**97.00**	**97.75**	**1.55**	**0.75**	**1.61**	**0.77**
Demand									
OECD	46.13	46.99	46.75	47.75	47.55	0.80	-0.20	1.71	-0.42
Non-OECD	47.04	48.39	48.60	50.35	50.30	1.70	-0.05	3.50	-0.10
Total World Demand	**93.17**	**95.38**	**95.35**	**98.10**	**97.85**	**2.50**	**-0.25**	**2.62**	**-0.25**
Nigeria									
Output	1.68	1.55	1.63	1.82	1.90	0.27	0.08	16.56	4.40
Exports	1.23	1.10	1.18	1.37	1.45	0.27	0.08	22.88	5.84
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	39.51	47.03	51.23	57.02	70.79	19.56	13.77	38.18	24.15
West Texas Intermediate (WTI)	39.52	46.94	49.43	51.43	61.40	11.97	9.97	24.22	19.39
Bonny Light	40.51	48.59	52.20	57.63	71.99	19.79	14.36	37.91	24.92
Forcados	40.12	47.80	51.74	57.77	72.03	20.29	14.26	39.22	24.68
OPEC Basket	36.32	45.18	50.21	54.63	68.40	18.19	13.77	36.23	25.21
Gas Activities									
(MMm^3)									
Gas Produced	32,472.43	35,643.45	32,472.43	N/A	N/A				
Total Gas Utilised	28,009.65	32,075.79	28,009.65	N/A	N/A				
Gas Utilised as % of Gas Produced	86.26	89.99	86.26	N/A	N/A				
Gas Flared	4,462.79	3,525.43	4,462.79	N/A	N/A				
Gas Flared as % Gas Produced	13.74	9.89	13.74	N/A	N/A				

Sources: OPEC, NNPC, Reuters & CBN Estimates
1/ Revised
2/ Provisional

Table 42
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 (%)
2014										
January	153.3	8.0	147.9	8.4	153.3	6.6	7.3	155.5	9.3	9.6
February	154.0	7.7	148.8	8.3	154.1	7.2	7.0	156.5	9.2	9.5
March	155.2	7.8	149.8	8.2	154.7	6.8	7.0	158.0	9.3	9.5
April	156.2	7.9	150.7	8.1	155.3	7.5	7.0	159.3	9.4	9.4
May	157.4	8.0	151.7	8.0	156.3	7.7	7.2	160.6	9.7	9.4
June	158.6	8.2	152.7	8.0	157.4	8.1	7.4	161.9	9.8	9.5
July	159.7	8.3	153.7	8.0	157.7	7.1	7.4	163.1	9.9	9.5
August	160.4	8.5	154.8	8.0	158.4	6.3	7.3	164.0	10.0	9.5
September	161.3	8.3	155.8	8.0	159.4	6.3	7.2	165.0	9.7	9.5
October	162.1	8.1	156.8	8.0	160.3	6.3	7.1	165.8	9.3	9.5
November	163.1	7.9	157.8	8.0	161.3	6.3	7.0	166.8	9.1	9.5
December	164.4	8.0	158.8	8.0	162.5	6.2	6.9	168.4	9.2	9.5
2015										
January	165.8	8.2	159.9	8.1	163.7	6.8	6.9	169.8	9.2	9.5
February	166.9	8.4	160.9	8.1	164.8	7.0	6.9	171.1	9.4	9.5
March	168.4	8.5	162.0	8.2	166.2	7.5	6.9	172.8	9.4	9.5
April	169.7	8.7	163.2	8.2	167.2	7.7	6.9	174.4	9.5	9.5
May	171.6	9.0	164.3	8.3	169.2	8.3	7.0	176.3	9.8	9.5
June	173.2	9.2	165.5	8.4	170.6	8.4	7.0	178.1	10.0	9.5
July	174.4	9.2	166.8	8.5	171.6	8.8	7.2	179.5	10.0	9.6
August	175.4	9.3	168.0	8.6	172.7	9.0	7.4	180.6	10.1	9.6
September	176.5	9.4	169.3	8.7	173.7	8.9	7.6	181.8	10.2	9.6
October	177.2	9.3	170.5	8.8	174.4	8.7	7.8	182.6	10.1	9.7
November	178.4	9.4	171.8	8.9	175.3	8.7	8.0	184.1	10.3	9.8
December	180.1	9.6	173.1	9.0	176.7	8.7	8.2	186.2	10.6	9.9
2016										
January	181.7	9.6	174.5	9.1	178.2	8.8	8.4	187.9	10.6	10.0
February	185.9	11.4	176.0	9.4	183.0	11.0	8.7	190.5	11.3	10.2
March	189.9	12.8	177.8	9.8	186.4	12.2	9.1	194.9	12.7	10.5
April	193.0	13.7	179.8	10.2	189.5	13.4	9.6	197.4	13.2	10.8
May	198.3	15.6	182.0	10.7	194.7	15.1	10.2	202.5	14.9	11.2
June	201.7	16.5	184.4	11.4	198.3	16.2	10.9	205.4	15.3	11.7
July	204.2	17.1	186.9	12.0	200.7	16.9	11.6	207.9	15.8	12.2
August	206.3	17.6	189.4	12.7	202.4	17.2	12.2	210.3	16.4	12.7
September	208.0	17.9	192.1	13.5	204.3	17.7	13.0	212.0	16.6	13.2
October	209.7	18.3	194.8	14.2	205.9	18.1	13.8	213.8	17.1	13.8
November	211.3	18.5	197.5	15.0	207.3	18.2	14.5	215.7	17.2	14.4
December	213.6	18.5	200.3	15.7	208.6	18.1	15.3	218.6	17.4	14.9
2017										
January	215.7	18.7	203.1	16.4	210.0	17.9	16.0	221.4	17.8	15.5
February	218.9	17.8	205.9	17.0	212.3	16.0	16.4	225.8	18.5	16.1
March	222.7	17.3	208.6	17.3	215.1	15.4	16.7	230.8	18.4	16.6
April	226.3	17.2	211.4	17.6	217.5	14.8	16.8	235.5	19.3	17.1
May	230.5	16.3	214.1	17.6	220.0	13.0	16.6	241.5	19.3	17.5
June	234.2	16.1	216.8	17.6	223.0	12.5	16.2	246.3	19.9	17.9
July	237.0	16.1	219.5	17.5	225.2	12.2	15.8	250.0	20.3	18.2
August	239.3	16.0	222.3	17.3	227.3	12.3	15.4	252.9	20.3	18.6
September	241.2	16.0	225.0	17.2	229.1	12.1	14.9	255.1	20.3	18.9
October	243.0	15.9	227.8	17.0	230.9	12.1	14.4	257.2	20.3	19.1
November	244.9	15.9	230.6	16.8	232.6	12.2	13.9	259.5	20.3	19.4
December	246.4	15.4	233.4	16.5	233.8	12.1	13.5	261.0	19.4	19.5
2018										
January	248.4	15.1	236.1	16.2	235.4	12.1	13.0	263.3	18.9	19.6
February	250.3	14.3	238.7	15.9	237.2	11.7	12.7	265.5	17.6	19.5
March	252.4	13.3	241.2	15.6	239.2	11.2	12.3	267.9	16.1	19.3
April	254.5	12.5	243.5	15.2	241.3	10.9	12.0	270.4	14.8	18.9
May	257.3	11.6	245.7	14.8	243.6	10.7	11.8	273.9	13.4	18.4
June	260.5	11.2	247.9	14.4	246.1	10.4	11.7	278.2	13.0	17.7

Source: National Bureau of Statistics (NBS)

Table 43
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(%)
2014												
January	152.2	8.2	150.7	5.8	152.3	9.8	154.4	7.8	155.5	7.3	158.6	8.8
February	153.0	7.8	151.6	6.5	153.2	9.5	155.1	7.7	156.1	7.7	159.5	9.0
March	154.2	7.9	152.1	7.1	154.7	10.0	156.4	7.6	156.8	6.6	161.2	8.7
April	155.1	7.9	152.6	7.0	156.1	9.9	157.3	7.5	157.6	7.5	162.3	8.8
May	156.4	8.2	153.6	7.7	157.4	10.3	158.5	7.8	158.6	7.7	163.6	9.2
June	157.6	8.4	154.6	8.0	158.8	10.3	159.7	8.0	159.7	8.2	164.9	9.3
July	158.7	8.5	155.3	6.8	160.1	10.4	160.7	8.1	159.8	7.4	166.0	9.4
August	159.5	8.67	156.1	5.7	161.1	10.5	161.4	8.37	160.3	6.7	166.8	9.5
September	160.3	8.36	156.9	6.2	162.0	10.1	162.4	8.24	161.5	6.3	167.9	9.3
October	161.1	8.06	157.9	6.2	162.7	9.7	163.3	8.02	162.4	6.3	168.8	9.0
November	162.1	7.90	158.8	6.3	163.8	9.5	164.2	7.90	163.3	6.2	169.7	8.8
December	163.4	7.95	160.1	6.4	165.4	9.5	165.5	7.96	164.6	6.1	171.2	8.8
2015												
January	164.7	8.2	161.2	7.0	166.9	9.6	166.9	8.09	165.8	6.6	172.7	8.9
February	165.9	8.4	162.4	7.1	168.2	9.8	168.0	8.29	166.9	6.9	173.9	9.0
March	167.4	8.6	163.7	7.6	169.9	9.8	169.5	8.40	168.3	7.3	175.6	9.0
April	168.7	8.7	164.7	7.9	171.6	9.9	170.8	8.56	169.3	7.4	177.1	9.1
May	170.6	9.1	166.8	8.6	173.5	10.3	172.6	8.90	171.2	8.0	178.9	9.4
June	172.2	9.2	168.2	8.8	175.4	10.5	174.2	9.10	172.6	8.1	180.8	9.7
July	173.3	9.2	169.2	9.0	176.7	10.4	175.5	9.24	173.7	8.7	182.2	9.8
August	174.3	9.2	170.2	9.0	177.8	10.4	176.6	9.38	174.8	9.0	183.3	9.9
September	175.5	9.5	171.3	9.2	179.2	10.6	177.5	9.30	175.7	8.7	184.3	9.8
October	176.2	9.4	172.0	8.9	180.1	10.7	178.2	9.16	176.4	8.6	185.1	9.7
November	177.4	9.4	172.8	8.8	181.5	10.8	179.4	9.26	177.4	8.7	186.5	9.9
December	179.2	9.7	174.3	8.9	183.8	11.1	181.1	9.41	178.7	8.6	188.6	10.1
2016												
January	180.8	9.7	175.8	9.1	185.5	11.1	182.7	9.48	180.2	8.7	190.3	10.2
February	186.2	12.3	181.2	11.6	187.8	11.7	186.0	10.69	184.6	10.6	193.2	11.1
March	190.0	13.5	184.6	12.8	192.1	13.1	189.9	12.04	188.0	11.7	197.5	12.5
April	194.1	15.1	188.0	14.1	194.3	13.2	192.6	12.77	190.8	12.7	200.3	13.1
May	199.8	17.1	193.3	15.9	199.8	15.2	197.4	14.35	195.9	14.4	205.0	14.5
June	203.4	18.1	197.0	17.1	203.0	15.8	200.5	15.09	199.3	15.5	207.6	14.9
July	206.1	18.9	199.7	18.1	205.7	16.4	202.8	15.5	201.5	16.0	209.9	15.2
August	208.0	19.3	201.4	18.4	207.7	16.8	205.0	16.1	203.2	16.3	212.7	16.0
September	209.6	19.5	203.6	18.9	209.4	16.9	206.7	16.4	205.0	16.7	214.4	16.3
October	211.3	19.9	205.1	19.3	211.3	17.3	208.4	16.9	206.5	17.1	216.2	16.8
November	213.0	20.1	206.7	19.6	213.2	17.4	210.1	17.1	207.8	17.1	218.0	16.9
December	215.3	20.1	208.5	19.6	216.2	17.6	212.2	17.2	208.7	16.8	220.8	17.1
2017												
January	217.5	20.3	210.0	19.5	219.1	18.1	214.4	17.3	210.0	16.6	223.6	17.5
February	220.8	18.6	212.7	17.4	223.6	19.0	217.5	17.0	212.1	14.9	228.0	18.0
March	224.7	18.3	215.7	16.9	228.8	19.1	221.2	16.5	214.6	14.2	232.8	17.8
April	228.3	17.6	217.9	15.9	233.6	20.2	224.7	16.7	217.1	13.8	237.4	18.5
May	232.5	16.3	220.5	14.1	239.7	19.9	229.0	16.0	219.7	12.1	243.3	18.7
June	236.2	16.2	223.7	13.6	244.6	20.5	232.6	16.0	222.4	11.5	248.0	19.4
July	239.2	16.0	225.9	13.1	248.5	20.8	235.4	16.1	224.6	11.5	251.6	19.8
August	241.5	16.1	228.1	13.2	251.5	21.1	237.6	15.9	226.6	11.5	254.3	19.6
September	243.5	16.2	230.2	13.1	253.9	21.3	239.4	15.8	228.2	11.3	256.4	19.6
October	245.5	16.2	232.1	13.2	256.2	21.3	241.1	15.7	229.8	11.3	258.4	19.5
November	247.6	16.3	234.3	13.3	258.7	21.3	242.8	15.6	231.3	11.3	260.5	19.5
December	249.3	15.8	235.8	13.1	260.3	20.4	244.1	15.0	232.2	11.3	261.9	18.6
2018												
January	251.3	15.6	237.3	13.0	262.7	19.9	246.0	14.8	233.8	11.3	264.1	18.1
February	253.4	14.8	239.3	12.5	265.0	18.5	247.9	14.0	235.4	11.0	266.3	16.8
March	255.6	13.7	241.3	11.9	267.5	16.9	249.9	13.0	237.4	10.6	268.6	15.4
April	257.7	12.9	243.3	11.6	270.0	15.5	252.0	12.1	239.6	10.3	271.0	14.2
May	260.6	12.1	245.4	11.3	273.7	14.2	254.7	11.2	242.1	10.2	274.4	12.8
June	263.8	11.7	247.9	10.8	278.1	13.7	257.8	10.8	244.6	10.0	278.6	12.3

Source: National Bureau of Statistics (NBS)

Table 44
Balance of Payments Analytic Presentation
(US$ Million)

	1st Half 2017 1/	2nd Half 2017	1st Half 2018 2/
CURRENT ACCOUNT	**4,768.44**	**5,629.77**	**9,258.85**
Goods	**4,259.22**	**8,888.93**	**14,270.11**
Exports (fob)	20,776.48	25,041.01	30,117.76
Oil and Gas	18,828.77	23,468.09	27,359.78
Non-oil	1,947.70	1,572.92	2,757.98
Imports (fob)	-16,517.26	-16,152.08	-15,847.65
Oil	-4,635.42	-3,519.72	-3,671.75
Non-oil	-11,881.84	-12,632.36	-12,175.90
Unrecorded(TPAdj)	-	-	-
Services(net)	**-4,290.18**	**-8,944.10**	**-10,573.43**
Credit	2,487.82	2,542.68	1,916.89
Transportation	636.45	664.08	653.29
Travel	1,310.99	1,238.11	456.54
Insurance Services	10.76	59.31	194.51
Communication Services	136.04	154.01	121.66
Construction Services	-	-	-
Financial Services	124.89	166.04	223.74
Computer & information Services	0.00	0.00	0.00
Royalties and License Fees	0.00	0.00	0.00
Government Services	241.75	239.79	235.59
Personal, cultural & recreational services	-	-	-
Other Bussiness Services	26.94	21.33	31.55
Debit	-6,778.00	-11,486.78	-12,490.33
Transportation	-2,210.63	-2,436.16	-3,314.11
Travel	-1,851.35	-3,945.92	-3,596.73
Insurance Services	-503.75	-310.04	-256.17
Communication Services	-108.08	-109.97	-93.75
Construction Services	-0.12	-1.00	-0.29
Financial Services	-174.98	-363.55	-184.53
Computer & information Services	-104.15	-118.13	-115.19
Royalties and License Fees	-126.42	-126.42	-126.42
Government Services	-132.67	-129.08	-129.14
Personal, cultural & recreational services	-39.39	-69.91	-3.91
Other Bussiness Services	-1,526.48	-3,876.60	-4,670.10
Income(net)	**-5,544.05**	**-5,967.18**	**-7,062.59**
Credit	719.84	845.60	959.04
Investment Income	607.64	722.46	837.12
Compensation of employees	112.20	123.13	121.92
Debit	-6,263.89	-6,812.78	-8,021.63
Investment Income	-6,260.66	-6,809.58	-8,018.32
Compensation of employees	-3.22	-3.19	-3.30
Current transfers(net)	**10,343.45**	**11,652.12**	**12,624.77**
Credit	10,704.66	11,812.54	12,781.34
General Government	340.97	338.69	944.69
Other Sectors	10,363.68	11,473.86	11,836.64
Workers Remittance	10,340.08	11,461.61	11,792.61
Debit	-361.20	-160.42	-156.57
General Government	-	-	-
Other Sectors	-361.20	-160.42	-156.57
Workers Remittance	-236.08	-32.85	-25.53
CAPITAL AND FINANCIAL ACCOUNT	**3,270.73**	**-7,598.61**	**2,701.78**
Capital account(net)	**-**	**-**	**-**
Credit	-	-	-
Capital Transfers(Debt Forgiveness)	-	-	-
Debit	-	-	-
Capital Transfers	-	-	-
Financial account(net)	**3,270.73**	**-7,598.61**	**2,701.78**
Assets	**-4,941.52**	**-17,305.52**	**-19,345.75**
Direct investment (Abroad)	-642.40	-643.78	-690.27
Portfolio investment	-1.66	-5.58	-0.61
Other investment	-1,022.82	-7,688.64	-10,828.94
Change in Reserve	-3,274.65	-8,967.53	-7,825.93
Liabilities	**8,212.25**	**9,706.91**	**22,047.53**
Direct Invesment in reporting economy	1,745.12	1,757.88	1,244.21
Portfolio Investment	1,422.77	7,108.00	9,375.33
Other investment liabilities	5,044.36	841.03	11,428.00
NET ERRORS AND OMISSIONS	**-8,039.17**	**1,968.84**	**-11,960.64**

Memorandum Items:	1st Half 2017 1/	2nd Half 2017	1st Half 2018 2/
Current Account Balance as % of G.D.P	**2.72**	**2.80**	**4.74**
Capital and Financial Account Balance as % of G.D.P	**1.87**	**-3.78**	**1.38**
Overall Balance as % of G.D.P	**1.87**	**4.46**	**4.00**
External Reserves - Stock (US $ million)	**30,340.96**	**39,353.49**	**47,157.90**
Number of Months of Imports Equivalent	**11.02**	**14.62**	**17.85**
External Debt Stock (US$ million)	**15,047.00**	**18,913.44**	**22,083.44**
Debt Service Due as % of Exports of Goods Non Factor Services	**-**	**-**	**-**
Effective Central Exchange Rate (N/$)	**305.20**	**305.38**	**305.29**
Average Exchange Rate (N/$)	**305.70**	**305.88**	**305.79**
End-Period Exchange Rate (N/$)	**305.90**	**305.50**	**305.25**

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

Table 45
Balance of Payments Analytic Presentation
(₦' Million)

	1st Half 2017 1/	2nd Half 2017	1st Half 2018 2/
CURRENT ACCOUNT	**1,455,292.60**	**1,719,236.00**	**2,826,554.74**
Goods	**1,299,948.68**	**2,714,489.65**	**4,356,412.85**
Exports (fob)	6,341,247.35	7,646,682.48	9,194,491.17
Oil and Gas	5,746,763.65	7,166,358.91	8,352,534.91
Non-oil	594,483.71	480,323.57	841,956.26
Imports (fob)	-5,041,298.68	-4,932,192.83	-4,838,078.32
Oil	-1,414,772.22	-1,074,734.23	-1,120,955.85
Non-oil	-3,626,526.46	-3,857,458.60	-3,717,122.46
Unrecorded(TPAdj)	-	-	-
Services(net)	**-1,309,468.36**	**-2,731,230.63**	**-3,227,918.28**
Credit	759,316.58	776,432.18	585,192.98
Transportation	194,253.34	202,783.00	199,440.11
Travel	400,131.19	378,066.01	139,370.29
Insurance Services	3,283.87	18,112.36	59,382.52
Communication Services	41,521.46	47,028.45	37,140.41
Construction Services	-	-	-
Financial Services	38,119.50	50,702.88	68,305.91
Computer & information Services	-	-	-
Royalties and License Fees	-	-	-
Government Services	73,784.84	73,224.38	71,923.11
Personal, cultural & recreational services	-	-	-
Other Bussiness Services	8,222.36	6,515.09	9,630.65
Debit	-2,068,784.93	-3,507,662.81	-3,813,111.26
Transportation	-674,714.74	-743,897.41	-1,011,764.41
Travel	-565,088.66	-1,204,905.10	-1,098,016.92
Insurance Services	-153,748.67	-94,676.83	-78,204.42
Communication Services	-32,985.41	-33,579.76	-28,619.25
Construction Services	-36.02	-305.30	-88.54
Financial Services	-53,405.86	-111,018.53	-56,333.54
Computer & information Services	-31,789.78	-36,074.25	-35,164.04
Royalties and License Fees	-38,584.79	-38,604.06	-38,594.17
Government Services	-40,491.68	-39,416.01	-39,424.92
Personal, cultural & recreational services	-12,023.65	-21,349.21	-1,193.43
Other Bussiness Services	-465,915.67	-1,183,836.35	-1,425,707.63
Income(net)	**-1,692,147.25**	**-1,822,159.50**	**-2,156,094.09**
Credit	219,703.45	258,216.32	292,779.38
Investment Income	185,459.59	220,616.43	255,560.49
Compensation of employees	34,243.87	37,599.88	37,218.89
Debit	-1,911,850.71	-2,080,375.82	-2,448,873.47
Investment Income	-1,910,866.69	-2,079,400.39	-2,447,864.79
Compensation of employees	-984.02	-975.43	-1,008.69
Current transfers(net)	**3,156,959.53**	**3,558,136.48**	**3,854,154.27**
Credit	3,267,198.12	3,607,122.81	3,901,953.19
General Government	104,065.08	103,422.19	288,401.43
Other Sectors	3,163,133.04	3,503,700.62	3,613,551.76
Workers Remittance	3,155,929.36	3,499,960.86	3,600,109.55
Debit	-110,238.58	-48,986.33	-47,798.92
General Government	-	-	-
Other Sectors	-110,238.58	-48,986.33	-47,798.92
Workers Remittance	-72,049.67	-10,029.21	-7,794.63
CAPITAL AND FINANCIAL ACCOUNT	**998,373.14**	**-2,320,347.16**	**824,799.34**
Capital account(net)	**-**	**-**	**-**
Credit	-	-	-
Capital Transfers(Debt Forgiveness)	-	-	-
Debit	-	-	-
Capital Transfers	-	-	-
Financial account(net)	**998,373.14**	**-2,320,347.16**	**824,799.34**
Assets	**-1,508,074.57**	**-5,284,473.06**	**-5,906,122.98**
Direct investment (Abroad)	-196,066.93	-196,585.99	-210,727.97
Portfolio investment	-506.08	-1,704.17	-186.60
Other investment	-312,158.83	-2,347,604.94	-3,305,950.32
Change in Reserve	-999,342.73	-2,738,577.97	-2,389,258.08
Liabilities	**2,506,447.72**	**2,964,125.91**	**6,730,922.32**
Direct Invesment in reporting economy	532,632.03	536,802.29	379,844.51
Portfolio Investment	434,269.54	2,170,555.06	2,862,166.04
Other investment liabilities	1,539,546.15	256,768.56	3,488,911.78
NET ERRORS AND OMISSIONS	**-2,453,665.75**	**601,111.16**	**-3,651,354.09**

Memorandum Items:	**1st Half 2017 1/**	**2nd Half 2017**	**1st Half 2018 2/**
Current Account Balance as % of G.D.P	**2.72**	**2.80**	**4.74**
Capital and Financial Account Balance as % of G.D.P	**1.87**	**-3.78**	**1.38**
Overall Balance as % of G.D.P	**1.87**	**4.46**	**4.00**
External Reserves - Stock (US $ million)	**30,340.96**	**39,353.49**	**47,157.90**
Number of Months of Imports Equivalent	**11.02**	**14.62**	**17.85**
External Debt Stock (US$ million)	**15,047.00**	**18,913.44**	**22,083.44**
Debt Service Due as % of Exports of Goods Non Factor Services	**-**	**-**	**-**
Effective Central Exchange Rate (N/$)	**305.20**	**305.38**	**305.29**
Average Exchange Rate (N/$)	**305.70**	**305.88**	**305.79**
End-Period Exchange Rate (N/$)	**305.90**	**305.50**	**305.25**

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

Table 46
Foreign Exchange Flows Through the Economy
(US$ Million)

CATEGORY	1st Half 2014	1st Half 2015	1st Half 2016	1st Half 2017 /2	2nd Half 2017 /3	1st Half 2018 /3
INFLOW	**75,643.39**	**52,124.57**	**29,154.54**	**34,781.07**	**53,398.75**	**65,090.55**
A. Through the Central Bank	**22,888.76**	**15,283.04**	**8,713.12**	**15,835.15**	**26,337.00**	**30,559.28**
1. Oil	21,027.88	9,237.67	4,613.69	4,299.49	6,069.68	7,129.45
2.Non-oil	1,860.88	6,045.36	4,099.43	11,535.66	20,267.32	23,429.84
(i) Drawings on Loans/Grants	-	-	0.00	-	-	-
(ii) RDAS/WDAS Purchases	270.00	645.04	30.00	1,163.81	5,320.84	7,161.60
(iii) Swaps	500.00	4,060.00	1,850.00	1,567.00	1,360.00	3,328.89
(iv) Interest on Reserves & Investments	79.07	70.41	120.19	102.97	227.34	331.43
(v) Interest Repatriated from Overseas	0.12	0.24	0.15	-	-	-
(vi) Refund on World Bank/IBRD/IMF Loans/SDR Allocation	-	-	0.00	-	-	-
(vii) Cash Swap IRO BDC Sales			0.00	10.00	1,910.59	1,548.29
(vii) Eurobond Proceeds - Fixed Income Securities	7.40	1.34	0.00	-	-	-
(viii) Returned Payments [Wired/Cash]	11.21	10.56	194.71	753.67	399.22	910.21
(ix) Unutilised funds from DAS	134.02	94.00	49.97	644.73	729.25	1,029.53
(x) Recovered Funds	226.39		0.00	-	322.52	-
(xi) Other Official Receipts	632.67	1,163.78	1,854.40	864.88	1,614.32	1,616.68
(xii) CBN Interbank Transactions			0.00	-	-	-
(xiiii) Return of Unutilised IMTO Funds			0.00	310.09	709.99	810.28
(xv) TSA and Third Party Funds				1,498.09	2,673.25	4,192.93
(xvi) Others (FGN Loans)				4,620.42	5,000.00	2,500.00
B. Through Autonomous Sources	**52,754.63**	**36,841.53**	**20,441.42**	**18,945.92**	**27,061.74**	**34,531.26**
1. Non-Oil Exports	3,650.25	2,431.21	1,592.34	1,910.83	1,202.34	1,395.41
2. Capital Inflow	271.85	41.17	58.78	33.80	55.80	21.65
3. Invisibles	48,832.53	34,369.15	18,790.30	17,001.29	25,803.60	33,114.21
(a) Ordinary Domiciliary Accounts			11,959.46	9,994.31	9,832.93	9,554.10
(b) Total OTC Purchases			6,830.83	7,006.99	15,970.67	23,560.11
(i) Oil Companies			3,328.12	897.39	747.37	42.42
(ii) Capital Importations			1,738.94	2,817.11	9,549.31	11,696.02
(iii) Home Remittances			152.73	389.50	714.05	912.09
(iv) Other OTC Purchases			1,611.04	2,902.98	8,262.94	10,909.58
OUTFLOW	**29,092.93**	**21,837.26**	**11,880.58**	**13,879.61**	**19,799.77**	**24,929.41**
A. Through the Central Bank	**28,501.99**	**21,070.35**	**10,742.85**	**12,775.68**	**17,777.09**	**22,942.32**
1. WDAS/RDAS Utilisation	**25,172.86**	**18,273.40**	**7,805.33**	**9,835.84**	**11,569.96**	**15,472.02**
(i) WDAS/RDAS Sales	17,233.85	3,184.55	0.00	-	-	-
(ii) WDAS Forward/Inter-Bank FWD	1,075.86	1,339.82	0.00	4,426.20	6,109.79	6,774.11
(iii) BDC Sales	3,518.15	1,825.41	15.49	1,198.98	2,959.62	3,166.47
(iv) Inter-bank Sales	3,345.00	9,673.62	5,599.84	4,011.98	1,588.08	3,202.48
(v) Swaps	-	2,250.00	2,190.00	198.68	912.48	2,328.96
(vi) Invisibles IFEM	-	-	0.00	-	-	-
2. Drawings on L/C	**194.70**	**142.62**	**57.13**	**184.66**	**173.60**	**187.59**
3. External Debt Service	**178.18**	**207.16**	**166.11**	**189.83**	**232.66**	**405.66**
(i) Principal	95.88	90.99	84.45	-	-	-
(ii) Interest	5.21	-	0.00	-	-	-
(iii) Others 1/	77.09	116.17	81.67	189.83	232.66	405.66
4. Professional Fees/Commission		-	0.00	-	-	-
5. Govt and Int'l Grants / Contributions, Grants & Equity Investments (AFC Equity Participation)	135.55	-	0.00	29.99	-	-
6. National Independent Priority Projects (Niger-Delta Payments)	**42.52**	**91.00**	**21.58**	**0.61**	**1.97**	**12.92**
7. Forex Special Payment (NSA) (Cash Swap/FX Advance/To MDAs)			**0.00**	**57.48**	**66.23**	**209.42**
8. Other Official Payments	**2,427.90**	**1,847.36**	**1,699.91**	**1,473.57**	**3,955.47**	**4,131.80**
(i) Int'l Organisations & Embassies /4	176.51	290.44	118.19	-	-	-
(ii) Estacode	106.26	522.96	38.56	29.55	200.25	135.70
(iii) Parastatals (Public Sector Uses)	458.29	120.20	278.77	581.35	2,403.79	2,617.17
(iv) NNPC/JVC (JVC) Cash Calls	1,564.81	892.52	1,155.09	862.67	1,351.43	1,378.93
(v) Miscellaneous (CBN Uses)	122.02	21.24	109.30	-	-	-
9. Bank Charges	0.05	0.04	0.09	4.72	5.02	10.40
10. NSIA Transfer	-	-	0.00	-	-	-
11. Funds Returned to Remitters	0.23	45.96	10.04	23.38	63.59	252.38
12. 3rd Party MDA Transfer	350.00	462.79	982.65	975.60	1,708.59	2,260.13
B. Through Autonomous Sources	**590.94**	**766.92**	**1,137.74**	**1,103.93**	**2,022.68**	**1,987.09**
1. Imports	577.23	385.05	326.18	319.12	266.56	200.69
2. Invisibles	13.71	381.87	811.56	784.81	1,756.11	1,786.40
						-
NETFLOW THROUGH THE CBN	**(5,613.23)**	**(5,787.31)**	**-2,029.72**	**3,059.47**	**8,559.91**	**7,616.96**
NETFLOW	**46,550.46**	**30,287.31**	**17,273.96**	**20,901.46**	**33,598.98**	**40,161.14**

Source: Central Bank of Nigeria

1/ Includes penalty and service charges

2/ Revised

3/ Provisional

4/ Includes IMF (SDR charges)

Table 47
Nigeria's Gross External Reserves
(US$ Million)

Month	2014	2015	2016	2017	2018
January	40,667.56	32,385.71	27,607.85	28,592.98	41,150.28
February	36,923.61	29,566.99	27,811.82	29,990.36	45,276.58
March	37,399.22	29,357.21	27,336.38	29,996.38	46,730.54
April	37,105.27	29,829.75	26,614.81	30,749.28	47,438.22
May	35,398.10	28,566.54	26,594.39	29,811.85	46,923.01
June	37,330.03	28,335.21	26,505.50	30,340.96	47,157.90
July	39,065.42	31,222.81	25,581.58	30,898.96	
August	38,705.71	30,637.17	25,031.93	31,278.95	
September	38,278.62	29,880.21	23,806.51	33,159.73	
October	36,280.25	30,336.36	23,689.87	34,332.58	
November	35,248.66	29,263.02	25,081.22	38,207.96	
December	34,241.54	28,284.82	26,990.58	39,353.49	

Source: Central Bank of Nigeria

Table 48
Nigeria's Foreign Exchange Cross Rates
Naira per Unit of Foreign Currency (Monthly Average)

2014	Pounds	Euro	CFAFr	US$ (DAS/WDAS)	US$ (BDC)
Jan	256.59	212.10	0.32	157.29	171.71
Feb	257.81	212.72	0.32	157.31	169.45
Mar	258.95	215.39	0.33	157.30	171.52
Apr	260.67	215.14	0.33	157.29	170.30
May	262.41	213.98	0.33	157.29	166.85
Jun	263.29	211.68	0.32	157.29	167.17
1st Half Average	**259.95**	**213.50**	**0.32**	**157.29**	**169.50**
Jul	265.93	211.24	0.32	157.29	167.71
Aug	260.12	207.41	0.32	157.29	170.36
Sep	254.06	201.00	0.31	157.30	168.64
Oct	250.27	197.63	0.30	157.31	169.43
Nov	249.96	197.60	0.30	160.00	175.85
Dec	262.86	207.16	0.32	169.68	188.45
2nd Half Average	**257.20**	**203.67**	**0.31**	**159.81**	**173.41**
2015	**Pounds**	**Euro**	**CFAFr**	**US$ (RDAS/IFEM)**	**US$ (BDC)**
Jan	254.39	194.85	0.30	169.68	196.13
Feb	274.79	204.78	0.31	178.54	213.03
Mar	295.20	213.64	0.32	197.07	222.93
Apr	294.73	212.54	0.32	197.00	210.70
May	304.79	219.85	0.34	197.00	219.55
Jun	306.37	220.74	0.34	196.92	218.98
1st Half Average	**288.38**	**211.07**	**0.32**	**189.37**	**213.55**
Jul	306.41	216.87	0.33	196.97	237.15
Aug	307.21	219.33	0.33	197.00	216.64
Sep	302.55	221.22	0.34	197.00	222.68
Oct	302.26	221.45	0.34	196.99	224.98
Nov	299.38	211.53	0.32	196.99	232.40
Dec	295.39	214.00	0.32	196.99	258.30
2nd Half Average	**302.20**	**217.40**	**0.33**	**196.99**	**232.02**
2016	**Pounds**	**Euro**	**CFAFr**	**US$ (IFEM)**	**US$ (BDC)**
Jan	283.62	214.09	0.33	197.00	289.78
Feb	281.79	218.55	0.33	197.00	329.83
Mar	280.40	218.89	0.33	197.00	320.93
Apr	282.07	223.46	0.34	197.00	320.71
May	286.33	222.85	0.34	197.00	336.93
Jun	328.53	260.03	0.38	231.76	351.82
1st Half Average	**290.46**	**226.31**	**0.34**	**202.79**	**325.00**
Jul	388.37	325.90	0.49	294.57	364.47
Aug	406.13	347.33	0.53	309.73	396.15
Sep	401.08	342.17	0.52	305.23	431.10
Oct	375.71	336.21	0.51	305.21	462.03
Nov	379.49	329.83	0.50	305.18	415.36
Dec	381.39	322.13	0.47	305.22	455.26
2nd Half Average	**388.70**	**333.93**	**0.50**	**304.19**	**420.73**
2017	**Pounds**	**Euro**	**CFAFr**	**US$ (IFEM)**	**US$ (BDC)**
Jan	376.32	324.37	0.49	305.20	493.29
Feb	381.17	324.95	0.50	305.31	494.70
Mar	378.13	327.35	0.50	306.40	429.48
Apr	386.92	328.15	0.50	306.05	392.89
May	395.04	337.72	0.51	305.54	384.48
Jun	391.57	343.24	0.52	305.72	366.25
1st Half Average	**384.86**	**330.96**	**0.50**	**305.70**	**426.85**
Jul	397.36	352.13	0.54	305.86	365.38
Aug	396.08	360.93	0.55	305.67	365.57
Sep	408.57	364.53	0.56	305.89	365.55
Oct	403.25	359.34	0.55	305.62	362.21
Nov	404.45	359.07	0.54	305.90	362.41
Dec	410.48	362.36	0.55	306.31	362.83
2nd Half Average	**403.37**	**359.73**	**0.55**	**305.88**	**363.99**
2018	**Pounds**	**Euro**	**CFAFr**	**US$ (IFEM)**	**US$ (BDC)**
Jan	422.35	373.00	0.57	305.78	363.20
Feb	427.40	377.84	0.58	305.90	362.48
Mar	427.26	377.19	0.57	305.74	362.07
Apr	428.38	374.22	0.57	305.61	362.25
May	412.23	361.67	0.55	305.83	362.86
Jun	406.64	357.48	0.54	305.87	360.66
1st Half Average	**420.71**	**370.23**	**0.56**	**305.79**	**362.25**

Source: Central Bank of Nigeria

Note: The Interbank exchange rate became the reference official rate on February 18, 2015 when the RDAS segment of the FOREX market was closed by the CBN.

Table 49
Monthly Average Exchange Rate Movements
(₦/US$ 1.00)

2014	W/RDAS	Interbank	BDC
Jan	157.29	160.23	171.71
Feb	157.31	163.62	169.45
Mar	157.30	164.62	171.52
Apr	157.29	162.19	170.30
May	157.29	161.86	166.85
Jun	157.29	162.82	167.17
1st Half	**157.29**	**162.56**	**169.50**
End-Period	**157.29**	**162.95**	**168.00**
Jul	157.29	162.25	167.71
Aug	157.29	161.99	170.36
Sep	157.30	162.93	168.64
Oct	157.31	164.64	169.43
Nov	160.00	171.10	175.85
Dec	169.68	180.33	188.45
2nd Half	**159.81**	**167.21**	**173.41**
End-Period	**169.68**	**180.00**	**191.50**
2015	**RDAS**	**Interbank**	**BDC**
Jan	169.68	181.78	196.13
Feb	169.68	194.48	213.03
Mar	Closed	197.07	222.93
Apr	Closed	197.00	210.70
May	Closed	197.00	219.55
Jun	Closed	196.92	218.98
1st Half	**Closed**	**194.04**	**213.55**
End-Period	**Closed**	**196.95**	**225.50**
Jul	Closed	196.97	237.15
Aug	Closed	197.00	216.64
Sep	Closed	197.00	222.68
Oct	Closed	196.99	224.98
Nov	Closed	196.99	232.40
Dec	Closed	196.99	258.30
2nd Half	**Closed**	**196.99**	**232.02**
End-Period	**Closed**	**197.00**	**267.00**
2016	**RDAS**	**Interbank**	**BDC**
Jan	Closed	197.00	289.78
Feb	Closed	197.00	329.83
Mar	Closed	197.00	320.93
Apr	Closed	197.00	320.71
May	Closed	197.00	336.93
Jun	Closed	231.76	351.82
1st Half	**Closed**	**202.79**	**325.00**
End-Period	**Closed**	**283.00**	**348.00**
Jul	Closed	294.57	364.47
Aug	Closed	309.73	396.15
Sep	Closed	305.23	431.10
Oct	Closed	305.21	462.03
Nov	Closed	305.18	415.36
Dec	Closed	305.22	455.26
2nd Half	**Closed**	**304.19**	**420.73**
End-Period	**Closed**	**305.00**	**490.00**
2017	**RDAS**	**Interbank**	**BDC**
Jan	Closed	305.20	493.29
Feb	Closed	305.31	494.70
Mar	Closed	306.40	429.48
Apr	Closed	306.05	392.89
May	Closed	305.54	384.48
Jun	Closed	305.72	366.25
1st Half	**Closed**	**305.70**	**426.85**
End-Period	**Closed**	**305.90**	**366.00**
Jul	Closed	305.86	365.38
Aug	Closed	305.67	365.57
Sep	Closed	305.89	365.55
Oct	Closed	305.62	362.21
Nov	Closed	305.90	362.41
Dec	Closed	306.31	362.83
2nd Half	**Closed**	**305.88**	**363.99**
End-Period	**Closed**	**306.00**	**363.00**
2018	**RDAS**	**Interbank**	**BDC**
Jan	Closed	305.78	363.20
Feb	Closed	305.90	362.48
Mar	Closed	305.74	362.07
Apr	Closed	305.61	362.25
May	Closed	305.83	362.86
Jun	Closed	305.87	360.66
1st Half	**Closed**	**305.79**	**362.25**
End-Period	**Closed**	**305.75**	**360.50**

Source: Central Bank of Nigeria
CBN closed the RDAS segment of the FOREX market on February 18, 2015.

Table 50
Supply of Foreign Exchange
(US$ Million)

Year/Month	2017							First Half 2018						
	Interbank Sales (Auction)	Interbank Sales (Cash-Backed)	Sales to BDCs	Interbank Forward Sales (Auction)	Interbank Forward Sales (Cash-Backed)	Swaps	Total Supply	Interbank Sales (Auction)	Interbank Sales (Cash-Backed)	Sales to BDCs	Interbank Forward Sales (Auction)	Interbank Forward Sales (Cash-Backed)	Swaps	Total Supply
January	31.50	33.00	31.60	687.26	370.11	-	434.71	417.20	301.95	495.24	925.92	1,110.93	117.31	2,025.43
February	68.00	124.16	74.58	395.42	324.97	-	523.72	345.90	209.58	405.13	891.36	1,161.11	55.16	1,830.98
March	161.00	219.41	111.51	1,126.53	835.02	24.06	1,190.00	412.00	170.70	452.38	888.93	1,040.96	370.71	2,034.75
April	572.27	587.41	136.25	1,347.03	824.57	-	1,548.22	533.86	202.66	515.76	842.09	1,313.76	170.83	2,203.01
May	711.71	2,202.18	-	1,091.23	1,080.39	144.62	3,427.19	634.19	1,302.70	499.29	758.54	1,223.46	515.55	3,541.01
June	117.34	845.82	845.04	146.53	941.13	30.00	2,662.00	1,152.50	1,014.88	798.67	1,004.25	923.89	1,099.40	3,836.84
First Half	**1,661.82**	**4,011.98**	**1,198.98**	**4,794.00**	**4,376.20**	**198.68**	**9,785.84**	**3,495.64**	**3,202.48**	**3,166.47**	**5,311.10**	**6,774.11**	**2,328.96**	**15,472.02**
July	309.91	323.77	870.57	520.34	1,286.52	88.07	2,568.93							
August	322.40	263.56	584.39	640.93	970.15	575.02	2,393.12							
September	319.14	101.55	311.89	901.19	1,055.50	54.83	1,523.77							
October	409.57	308.21	365.64	906.42	1,000.85	7.73	1,682.42							
November	344.26	252.27	384.18	854.39	1,004.37	111.99	1,752.82							
December	399.19	338.72	442.96	907.50	792.39	74.84	1,648.91							
Second Half	**2,104.47**	**1,588.08**	**2,959.62**	**4,730.77**	**6,109.79**	**912.48**	**11,569.96**							

Source: Central Bank of Nigeria

Total supply includes cash-backed Interbank spot and forward sales, sales to BDCs and Swaps.

CBN closed the RDAS segment of the FOREX market on February 18, 2015.

Table 51
Sectoral Utilization of Foreign Exchange
(US Dollar)

SECTORS	1st Half 2014	1st Half 2015	1st Half 2016	1st Half 2017	2nd Half 2017	1st Half 2018 1/
A. Imports	**16,631,013,170.43**	**15,215,575,071.71**	**8,852,611,269.25**	**7,364,998,409.50**	**6,461,030,052.77**	**7,664,472,234.63**
Industrial Sector	4,661,644,212.04	4,493,151,505.19	2,946,712,931.16	3,266,078,241.66	3,141,866,006.68	3,344,556,755.89
Food Products	2,658,782,598.59	2,388,706,799.43	1,003,229,417.58	635,679,458.20	709,222,679.77	1,069,999,673.62
Manufactured Products	2,783,304,773.17	2,345,876,977.09	1,542,644,777.06	1,037,599,371.48	992,704,660.48	1,879,755,049.17
Transport Sector	940,834,300.06	551,500,023.46	257,479,536.32	202,690,647.57	157,723,976.30	252,307,992.84
Agricultural Sector	242,451,389.17	134,476,199.54	101,522,957.10	119,692,811.00	137,775,930.01	134,413,316.28
Minerals	180,202,551.19	272,719,634.74	43,160,449.27	43,125,418.58	26,922,972.06	66,892,514.57
Oil Sector	5,163,793,346.21	5,029,143,932.26	2,957,861,200.76	2,060,132,461.01	1,294,813,827.47	916,546,932.26
B. Invisibles	**16,274,798,516.97**	**10,527,665,789.29**	**4,256,388,912.77**	**4,695,483,165.42**	**5,955,468,042.73**	**10,073,936,940.75**
Business Services	1,542,253,118.81	848,445,662.91	283,899,866.62	558,819,878.91	582,226,379.01	993,382,569.47
Communication Services	374,076,738.67	349,419,890.87	63,726,178.74	139,275,231.58	84,347,820.33	89,503,224.42
Construction and Engineering	45,162,720.93	49,253,638.79	257,282.43	-	1,000,000.00	291,455.44
Distribution Services	49,743,988.82	29,288,273.16	11,933,333.38	4,916,699.05	22,652,800.21	7,907,612.12
Educational Services	140,778,938.66	244,053,566.86	316,150,957.37	235,831,630.79	200,680,181.80	289,428,240.22
Environmental Services		-	-	-	0.00	-
Financial Services	13,210,340,603.21	8,257,543,710.34	3,264,410,451.02	3,122,109,272.19	4,337,086,537.40	7,856,773,391.06
Health Related and Social Services	333,168.32	858,801.93	3,287,760.74	1,553,904.69	559,313.28	942,172.46
Tourism and Travel Related Services	21,363,448.93	131,694,368.56	9,187,235.78	39,394,273.87	64,770,168.90	3,908,888.48
Recreational, Cultural and Sporting Services	1,366,685.32	-	12,758.55	-	0.00	0.00
Transport Services	722,244,970.80	451,772,572.86	241,964,311.63	274,136,611.37	513,993,123.61	713,040,276.03
Other Services not Included Elsewhere	167,134,134.50	165,375,303.01	61,558,776.51	319,445,662.97	148,151,718.19	118,759,111.05
TOTAL (A+B)	**32,905,811,687.40**	**25,743,210,861.00**	**13,109,000,182.02**	**12,060,481,574.92**	**12,416,498,095.50**	**17,738,409,175.38**

Source: Central Bank of Nigeria
1/ Provisional

Table 52
Total External Assets of Financial Institutions
(₦' Million)

	End-June 2014	End-June 2015	End-June 2016	End-June 2017	End-December 2017	End-June 2018 1/
1. Monetary Authorities	**6,724,347.45**	**7,646,654.46**	**8,022,108.88**	**9,449,922.16**	**15,313,254.77**	**18,204,739.37**
Foreign Assets	**6,724,347.45**	**7,646,654.46**	**8,022,108.88**	**9,449,922.16**	**15,313,254.77**	**18,204,739.37**
Gold	19.01	19.01	19.01	19.01	19.01	19.01
IMF Reserve Tranche	22.62	22.62	22.62	22.62	22.62	22.62
Foreign Currencies	57,913.74	50,119.83	80,286.35	152,856.43	106,801.99	316,146.16
Demand Deposits at Foreign Banks	6,264,354.82	7,132,975.63	7,348,315.40	6,390,693.98	11,937,107.21	14,344,501.76
of which: Domicilliary Accounts	716,973.32	216,467.10	1,934,552.48	2,079,248.89	3,684,526.11	3,306,474.42
Securities of Foreign Governments	51.36	702.76	828.21	2,205,283.74	2,601,148.09	2,874,408.07
SDR Holdings	401,985.90	462,814.61	592,637.30	631,681.32	650,823.78	650,823.78
Foreign Equity				744.55	744.55	744.55
FX Swap/Forward/Futures				68,620.51	16,587.52	18,073.42
Regional Monetary Cooperation Funds						
Other Foreign Assets						
2. Semi Official Institutions	**-**	**-**	**-**	**-**	**-**	**-**
i) BOI	**-**	**-**	**-**	**-**	**-**	**-**
ii) Others	**-**	**-**	**-**	**-**	**-**	**-**
3. Deposit Money Banks	**2,234,406.82**	**1,748,403.66**	**2,379,967.15**	**2,447,082.43**	**2,644,519.32**	**2,970,213.50**
Total Assets	**8,958,754.27**	**9,395,058.12**	**10,402,076.02**	**11,897,004.59**	**17,957,774.09**	**21,174,952.87**
Total Assets (US$' Million)	**54,978.55**	**47,702.76**	**36,756.45**	**38,891.81**	**58,685.54**	**69,255.77**
Exchange Rate (End-period)	**162.95**	**196.95**	**283.00**	**305.90**	**306.00**	**305.75**

Source: Central Bank of Nigeria

1/ Provisional