CENTRAL BANK OF NIGERIA

ECONOMIC REPORT FIRST QUARTER 2012

The Central Bank of Nigeria Quarterly Economic Report is designed for the dissemination of financial and economic information on the Nigerian economy on current basis. The Report analyses developments in the financial, fiscal, real and external sectors of the economy, as well as international economic issues of interest. The Report is directed at a wide spectrum of readers including economists and financial analysts in government and the private sector, as well as general readers.

Subscription to the Quarterly Economic Report is available without charge to institutions, corporations, embassies and development agencies. Individuals, on written request, can obtain any particular issue without a charge. Please direct all inquiries on the publication to the Director of Research, Central Bank of Nigeria, P.M.B. 187, Garki, Abuja, Nigeria.

The Quarterly Reports can also be freely downloaded from the CBN website: www.cbn.gov.ng

Contents

1.0 Summary 1
2.0 Financial Sector Developments 5
2.1 Monetary and Credit Developments 5
2.2 Currency-in-circulation (CIC) and Deposits at the CBN 8
2.3 Money Market Developments 9
2.3.1 Interest Rate Developments 9
2.3.2 Commercial Paper (CP) 10
2.3.3 Bankers' Acceptances (BAs) 11
2.3.4 Open Market Operations 11
2.3.5 Primary Market 11
2.3.6 Bonds Market 11
2.3.7 CBN Standing Facilities 12
2.4 Deposit Money Banks' Activities 12
2.5 Discount Houses' Activities 13
2.6 Capital Market Developments 13
2.6.1 Secondary Market 13
2.6.2 Over-the-Counter (OTC) Bonds Market 14
2.6.3 New Issues Market 14
2.6.4 Market Capitalization 15
2.6.5 NSE All-Share Index 15
3.0 Fiscal Operations 17
3.1 Federation Account Operations 17
3.2 The Fiscal Operations of the Three Tiers of Government 20
3.2.1 The Federal Government 20
3.2.2 Statutory Allocations to State Governments 22
3.2.3 Statutory Allocations to Local Government Councils 22
4.0 Domestic Economic Conditions 23
4.1 Aggregate Output 23
4.2 Agricultural Sector 24

4.3 Industrial Production 25
4.4 Petroleum Sector 27
4.5 Consumer Prices 29
5.0 External Sector Developments 33
5.1 Foreign Exchange Flows 33
5.2 Non-Oil Export Earnings by Exporters 35
5.3 Sectoral Utilisation of Foreign Exchange 35
5.4 Foreign Exchange Market Developments 36
5.5 Gross External Reserves 38
6.0 Global Economic Conditions 41
6.1 Global Output 41
6.2 Global Inflation 41
6.3 Global Commodity Demand and Prices 42
6.4 International Financial Markets 42
6.5 Other International Economic Development and Meetings 43

Text Tables

Table 1: Growth in Monetary and Credit Aggregates 8
Table 2: Selected Interest Rates (Percent, Averages) 10
Table 3: Traded Securities on the Nigerian Stock Exchange (NSE) 14
Table 4: New and Supplementary Securities Issues 15
Table 5: Market Capitalization and All Share Index (ASI) 16
Table 6: Gross Federation Account Revenue 17
Table 7: Components of Gross Oil Revenue 18
Table 8: Components of Gross Non-Oil Revenue 19
Table 9: Federal Government Fiscal Operations 20
Table 10: Growth Rate of Real GDP and Sectoral Shares 24
Table 11: Disbursement of Credit Under the Commercial Agriculture Credit Scheme 25
Table 12: Index of Industrial Production and Manufacturing Capacity Utilization Rate 27
Table 13: Average Crude Oil Prices in the International Oil Market 29
Table 14: Consumer Price Index (November 2009 = 100) 30
Table 15: Headline Inflation Rate 31
Table 16: Foreign Exchange Flows Through the CBN 34
Table 17: Demand for and Supply of Foreign Exchange 37
Table 18: Exchange Rate Movements and Exchange Rate Premium 38
Table 19: Gross External Reserves 39

Appendix Tables

Table A1: Money and Credit Aggregates 49
Table A2: Money and Credit Aggregates (Growth Rates) 50
Table A3: Federal Government Fiscal Operations 51
Table A4: Gross Domestic Product at 1990 Basic Prices 52

Figures

Figure 1: Growth Rate of Narrow Money (M_1) and Broad Money (M_2) 6
Figure 2: Growth Rate of Aggregate Domestic Credit to the Economy 7
Figure 3: Selected DMBs Interest Rates (Average) 10
Figure 4: Volume and Value of Traded Securities 14
Figure 5: Market Capitalization and All-Share Index 16
Figure 6: Components of Gross Federally-Collected Revenue 17
Figure 7: Gross Oil Revenue and Its Components 18
Figure 8: Gross Non-Oil Revenue and Its Components 19
Figure 9: Federal Government Retained Revenue 20
Figure 10: Federal Government Expenditure 21
Figure 11: Real GDP Growth Rate and Share of Oil and Non-oil in GDP 23
Figure 12: Capacity Utilization Rate 26
Figure 13: Index of Industrial Production (1990=100) 27
Figure 14: Trends in Crude Oil Prices 28
Figure 15: Consumer Price Index 30
Figure 16: Inflation Rate 31
Figure 17: Foreign Exchange Flows Through the CBN 34
Figure 18: Sectoral Utilisation of Foreign Exchange 36
Figure 19: Demand for and Supply of Foreign Exchange 36
Figure 20: Average Exchange Rate Movements 37
Figure 21: Exchange Rate Premium 38
Figure 22: Gross External Reserves 39

1.0 Summary

Provisional data from the National Bureau of Statistics (NBS) estimated gross domestic product (GDP) growth in the first quarter of 2012 at 6.6 per cent, compared with 7.7 per cent in the preceding quarter. The development was attributed, largely, to the increase in the contribution of the service sector by 2.7 per cent.

Broad money supply, (M2), fell by 0.2 per cent at end-March 2012 relative to the level at end-December 2011. The development reflected the 3.0 per cent decline in other assets (net) of the banking system. Narrow money supply, (M1), also declined by 3.7 per cent, against the increase of 12.7 per cent at the end of the preceding quarter. Reserve money (RM) declined by 9.2 per cent below the level at the end of the preceding quarter.

Available data indicated a mixed trend in banks' interest rates. The spread between average term deposit and the maximum lending rates narrowed by 1.31 percentage points to 16.4 per cent at the end of first quarter of 2012. Similarly, the margin between the average savings deposit and the maximum lending rates, also, narrowed from 22.04 per cent in the preceding quarter to 21.62 per cent. The weighted average inter-bank call rate, which stood at 15.47 per cent at end December 2011, fell by 1.25 percentage points to 14.22 per cent in the first quarter of 2012, reflecting the liquidity condition in the interbank funds market.

Provisional data indicated that the value of money market assets outstanding for the first quarter of 2012 stood at ₦5,837.3 billion, showing an increase of 5.3 per cent, compared with the increase of 7.0 per cent recorded at the end of the fourth quarter of 2011. The development was attributed largely, to the 12.7 per cent increase in outstanding Nigerian Treasury Bills (NTBs). Activities on the Nigerian Stock Exchange (NSE) in the first Quarter 2012 were mixed.

Total federally-collected revenue in the first quarter of 2012 stood at ₦ 2,897.65 billion, representing a decline of 4.2 per cent below the level in the preceding quarter, but an increase of 23.2 and 22.2 per cent over the proportionate budget estimate and receipts in the corresponding quarter of 2011, respectively. At ₦2,376.02 billion, gross oil receipts, which constituted 82.0 per cent of the total, exceeded the proportionate budget estimate by 48.4 per cent, but was lower than the level in the preceding quarter by 1.3 per cent. The increase in oil receipts relative to the budget estimate was attributed, largely, to the improvement in receipts from PPT and Royalties during the quarter under review. Non-oil receipts, at ₦521.63 billion (18.0 per cent of the total), was below the

proportionate budget estimate and the level in the preceding quarter by 30.5 and 15.5 per cent, respectively. The decline in non-oil revenue relative to the preceding quarter's level reflected largely the fall in Corporate Taxes and Independent Revenue of the Federal Government during the review quarter.

Federal Government retained revenue for the first quarter of 2012 was N825.52 billion, while total expenditure was N902.47 billion. Thus, the fiscal operations of the Federal Government resulted in an estimated deficit of N76.95 billion or 0.8 per cent of estimated nominal GDP for first quarter 2012, compared with the deficit of N365.07 billion and N271.39 billion for the preceding quarter and the corresponding quarter of 2011, respectively.

Agricultural activities in most parts of the country during the first quarter of 2012 were dominated by harvesting of tree crops and preparation of land for the 2012 cropping season. In the livestock sub-sector, farmers replenished their stock of broilers and layers in anticipation for increased demand during the Easter festivity in April 2012.

Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at 2.06 million barrels per day (mbd) or 187.46 million barrels during the first quarter of 2012. Crude oil export was estimated at 1.61 mbd or (146.51 million barrels) in the review period, while deliveries to the refineries for domestic consumption remained at 0.45 mbd or 40.95 million barrels in the quarter. The average price of Nigeria's reference crude, the Bonny Light (370 API), estimated at US$121.10 per barrel, rose by 7.9 per cent over the level in the preceding quarter.

The end-period inflation rate for the first quarter of 2012, on a year-on-year basis rose from the preceding quarter's level of 10.3 per cent, to 12.1 per cent, but was lower than the 12.8 per cent recorded at the end of the corresponding quarter of 2011. The inflation rate on a twelve-month moving average basis for the first quarter was 10.9 per cent, compared with 10.8 and 13.0 per cent in the preceding quarter and the corresponding quarter of 2011, respectively.

Foreign exchange inflow and outflow through the Central Bank of Nigeria (CBN) amounted to US$12.12 billion and US$9.76 billion, respectively, resulting in a net inflow of US$2.36 billion during the quarter. Foreign exchange sales by the CBN to the authorized dealers amounted to US$7.98 billion in the first quarter of 2012, compared with US$11.70 billion in the fourth quarter of 2011.

The average exchange rate of the Naira vis-à-vis the US dollar depreciated by 1.4 per cent to N157.95 per US dollar at the wDAS segment. It also depreciated by 3.9 per cent relative to the level in the corresponding quarter of 2011. In the bureaux-de-change segment of the market, the Naira traded at an average of N161.63 per US dollar, same as in the level in the preceding quarter. At the interbank segment however, the Naira exchanged for an average of N159.20 to the US dollar in the first quarter of 2012, compared with N160.27 and N156.11 per US dollar in the preceding quarter and the corresponding quarter of 2011, respectively. Non-oil export earnings by exporters, at US$1.04 billion, increased by 76.2 and 14.3 per cent over the levels in the preceding quarter and the corresponding quarter of 2011, respectively.

The April 2012 edition of the International Monetary Fund (IMF) World Economic Output (WEO) reported that the global economy was slowly improving, but growth was expected to be weak, especially in Europe, while unemployment in many advance economies would stay high. Global output was projected to grow by 3.5 percent in 2012, compared with3.9 per cent in 2011. Output growth in Sub-Saharan Africa was projected at 5.4 per cent in 2012, compared with 5.1 per cent in 2011.

Other major international economic developments and meetings of relevance to the domestic economy during the review quarter included: the World Economic Forum Annual Meeting held at Davos-Klosters, Switzerland from January 25-29, 2012 on the theme: "The Great Transformation: Shaping New Models".

Also, the meeting of the National Coordinating Committee (NCC) on the Economic Community of West African States (ECOWAS) Multilateral Surveillance Mechanism was held in Ouagadougou, Burkina Faso, from January 23 – 27, 2012. The meeting was convened to receive presentation on Members' economic and financial situation during the first half of 2011 and assess their progress towards achieving macroeconomic convergence, which is critical to attaining monetary union in the West African sub-region.

Furthermore, the 18th African Union (AU) Heads of State and Government Summit was held in Addis Ababa, Ethiopia from January 29 - 30, 2012 with the theme "Boosting Intra-African Trade". The Heads of State adopted twenty-five (25) decisions, one resolution and two declarations.

The African Union Commission and the US Agency for International Development (USAID), on February 1, 2012, discussed the upcoming conference on the Horn of Africa. Among the issues deliberated *upon included: the Grow Africa Initiative, the African Risk Capacity (ARC) and strengthening of the African Mission to Somalia (AMISOM) with the aim of placing these issues on the G8 agenda, and attracting funds for the programmes.*

The Board of the International Monetary Fund (IMF) concluded discussions on staff report on Article IV Mission to Nigeria on February 22, 2012. The Nigerian authorities were applauded by the IMF team for promoting countercyclical policies that have supported economic activity in challenging circumstances. They also supported Nigeria's strategy to rebuild fiscal buffers through a better prioritization of public expenditure, continued subsidy reform, and improved tax administration.

Furthermore, the first Bureau Meeting of the Association of African Central Banks (AACBs) was hosted by the Central Bank of Nigeria on February 29, 2012. The meeting was preceded by a meeting of the Technical Committee of the AACB and that of the Joint Technical Committee of the African Union Commission and the AACB on February 27 and 28, 2012, respectively.

In addition, a task force made up of officials of the ECOWAS Commission and the West African Monetary Institute (WAMI) at the end of a three-day meeting, agreed on mechanisms to boost regional trade by eliminating impediments to intra-community trade and improve the implementation of the ECOWAS Trade Liberalization Scheme (ETLS), which is one of the pillars of the region's integration agenda.

Finally, a meeting of experts of the three Local Bilateral Committees of the Nigeria – Niger Joint Commission was held in Katsina State, Nigeria, from March 19-24, 2012. The meeting examined issues of common interest to the people of the border areas, particularly, construction of secondary roads between the two countries, progress on the re-demarcation of the Nigeria - Niger international boundary, food security, trade and industry, health, education, sports, youth activities, environment, water resources and renewable sources of energy.

2.0 Financial Sector Developments

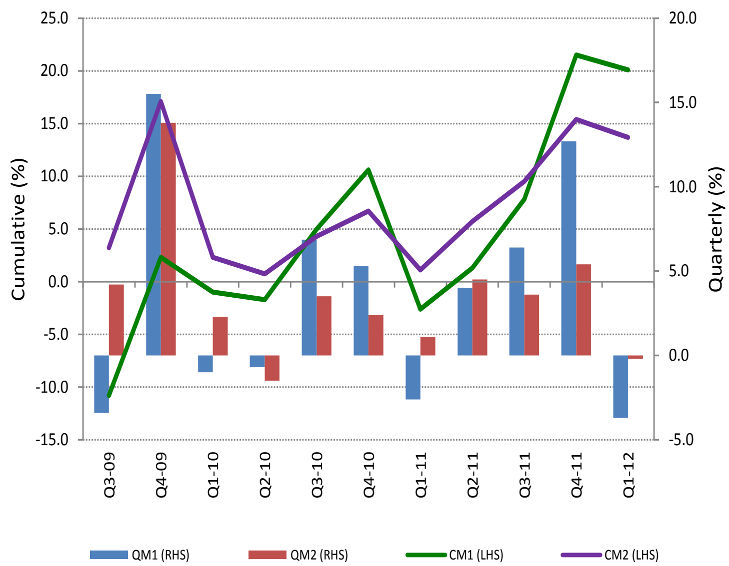
The growth in the key monetary aggregate decelerated at the end of the first quarter of 2012. Banks' deposit rates generally increased, while lending rates indicated mixed developments during the quarter under review. The value of money market assets increased, due largely, to the rise in FGN bonds and Nigerian Treasury Bills (NTBs). Transactions on the Nigerian Stock Exchange (NSE) were mixed during the review quarter.

Growth in the key monetary aggregate decelerated in Q1 2012.

2.1 Monetary and Credit Developments

Provisional data indicated that growth in the major monetary aggregate decelerated at the end of the first quarter of 2012. Relative to the level at the end of the preceding quarter, broad money supply, (M_2), fell by 0.2 per cent to ₦13,265.0 billion at end-March 2012, compared with the growth of 5.4 and 1.1 per cent at the end of the preceding quarter and the corresponding quarter of 2011, respectively. The development reflected the 3.0 per cent decline in other assets (net) of the banking system. Similarly, narrow money supply, (M_1), at ₦6,516.9 billion, declined by 3.7 per cent, in contrast to the growth of 12.7 per cent at the end of the preceding quarter. Relative to the preceding quarter's level, the development reflected the 8.3 per cent and 2.6 per cent decline in its currency and demand deposits components, respectively. Quasi-money, at ₦6,748.0 billion, rose by 3.3 per cent over the level at the end of the preceding quarter (Fig. 1, Table 1).

Figure 1: Growth Rate of Narrow Money (M_1) and Broad Money (M_2)[1]



At ₦13,688.9 billion, aggregate banking system credit (net) to the domestic economy, rose marginally by 0.23 per cent at the end of the first quarter of 2012, compared with the growth of 36.8 per cent at the end of the preceding quarter. It, however, fell by 5.8 per cent at the end of the corresponding quarter of 2011. The moderation in the growth of aggregate banking system credit (net) relative to the preceding quarter's level reflected, largely, the 0.1 per cent decline in credit to the private sector, which dampened the effect of the 9.9 per cent growth in claims on the Federal Government.

Banking system's credit (net) to the Federal Government, at end of the review quarter, rose by 9.9 per cent to negative ₦474.5 billion, in contrast to a decline of 54.0 per cent in the preceding quarter. The development was accounted for, largely, by the rise in the banking system's holding of government securities, particularly Treasury Bills and bonds. The Federal Government, however, remained a net lender to the banking system at the end of the review quarter.

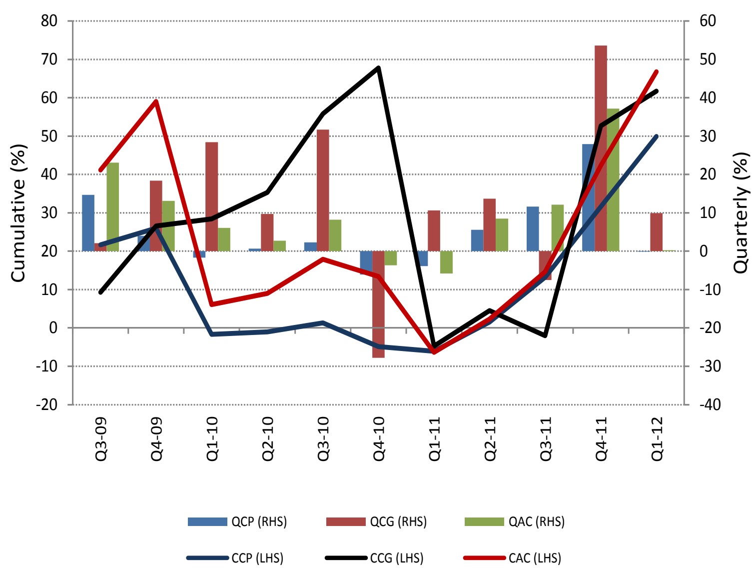
---

[1] QM1 and QM2 represent quarter-on-quarter changes, while CM1a and CM2 represent cumulative changes (year-to-date).

At the end of first quarter 2012, banking system's credit to the private sector fell by 0.1 per cent to ₦14,163.4 billion, in contrast to the growth of 27.5 per cent at the end of the fourth quarter of 2011. The development was attributed, wholly, to the 0.3 per cent decline in claims on the core private sector. (Fig. 2, Table 1).

Banking system credit to the private sector fell at the end of the first quarter of 2012.

Figure 2: Growth Rate of Aggregate Domestic Credit to the Economy[2]



At ₦7,301.6 billion, foreign assets (net) of the banking system rose by 2.3 per cent at the end of the review quarter, compared with 7.0 and 7.4 per cent at the end of the preceding quarter and the corresponding quarter of 2011, respectively. The rise in foreign assets (net) was attributed, wholly, to the increase in DMBs' holdings.

Foreign assets (net) of the banking system increased at the end of the quarter under review.

At the end of the review quarter, other assets (net) of the banking system declined by 3.0 per cent to negative ₦ 7,725.5 billion, compared with the decline of 86.0 and 4.0 per cent at the end of the preceding quarter and the corresponding quarter of 2011, respectively. The development reflected, largely, the decline in unclassified assets of the CBN.

[2] QCP, QCG and QAC represent quarter-on-quarter changes in credit to private sector, credit to government (net) and aggregate credit (net) to the domestic economy, respectively, while CCP, CCG and CAC, represent the cumulative changes (year-to-date).

Table 1: Growth in Monetary and Credit Aggregates (Percent)

	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12
Domestic Credit (Net)	2.7	8.1	-6.4	-9.8	8.5	12.1	37.2	0.2
Claims on Federal Government (Net)	-9.7	-31.1	9.3	-40.1	13.7	-7.5	53.5	9.9
Claims on Private Sector	0.7	2.3	-4.9	-4.1	5.6	11.6	27.9	-0.1
Claims on Other Private Sector	0.5	2.1	-5.4	-4.3	5.6	12.3	15.8	-0.3
Foreign Assets (Net)	-10.6	-0.5	0.8	7.4	-7.6	3.4	7.0	2.3
Other Assets (Net)	8.1	6.7	18.7	13.6	-10.1	26.6	-87.0	-3.0
Broad Money Supply (M2)	-1.5	3.5	2.7	1.1	4.5	3.6	5.4	-0.2
Quasi-Money	-2.1	0.7	-0.3	4.6	4.9	1.2	-1.3	3.3
Narrow Money Supply (M1)	-0.7	-0.7	5.3	-2.6	4.0	6.4	12.7	-3.7
Memorandum Items:								
Reserve Money (RM)	9.5	-12.4	37.2	-7.6	21.1	-7.6	45.9	-9.2

2.2 Currency-in-circulation (CIC) and Deposits at the CBN

At ₦1,432.8 billion, currency in circulation fell by 8.5 per cent at the end of the first quarter of 2012, in contrast to the increase of 16.6 per cent at the end of the preceding quarter. The development was attributed, largely, to the 8.7 per cent decline in currency outside banks.

Total deposits at the CBN amounted to ₦5,692.4 billion, indicating a decline of 7.0 per cent, as against an increase of 13.3 per cent at the end of the preceding quarter. The development reflected the 10.1 and 6.9 per cent decline in both DMBs and Federal Government deposits, respectively. Of this total, the shares of the Federal Government, banks and ''others'' were ₦4,007.05 billion (70.4 per cent), ₦1,094.77 billion (19.2 per cent) and ₦590.55 billion (10.4 per cent), respectively.

Reserve money (RM) declined at the end of the first quarter of 2012.

Consistent with the trends in DMBs' deposits with the CBN, the reserve money (RM), declined by 9.2 per cent to ₦2,527.6 billion, from ₦2,784.1 billion at the end of the preceding quarter.

2.3 Money Market Developments

During the quarter under review, the Bank conducted Open Market Operations (OMO) for liquidity management purposes. In addition, FGN Bonds and NTBs were issued at the primary market, on behalf of the Debt Management Office (DMO), for the fiscal operations of the Federal Government of Nigeria (FGN). Money market rates were close to the upper bound of the interest rate corridor. Yields on fixed income securities remained inverted.

Provisional data indicated that the value of money market assets outstanding at the end of the first quarter of 2012 stood at ₦5,837.3 billion, showing an increase of 5.3 per cent, compared with the increase of 7.0 per cent at the end of the fourth quarter of 2011. The development was attributed, largely, to the 12.7 per cent increase in outstanding Nigerian Treasury Bills (NTBs).

2.3.1 Interest Rate Developments

Available data indicated mixed trends in banks' interest rates in the first quarter of 2012. All rates on deposits of various maturities rose from a range of 1.41 – 7.09 per cent in the fourth quarter of 2011 to 1.48 – 7.94 per cent. Similarly, at 6.71 per cent, the average term deposit rate, increased by 0.98 percentage point above the level in the preceding quarter. The average prime lending rate increased by 0.41 percentage point to 17.1 per cent, while the maximum lending rate fell by 0.34 percentage point to 23.1 per cent in the first quarter. Consequently, the spread between average term deposit and the maximum lending rates narrowed by 1.31 percentage points to 16.4 per cent at the end of the first quarter of 2012. The margin between the average savings deposit and the maximum lending rates, also, narrowed from 22.04 per cent in the preceding quarter to 21.62 per cent. With headline inflation rate at 12.1 per cent at end-March 2012, all rates, with the exception of lending rates, were negative in real terms.

All rates on deposits of various maturities trended upwards in Q1 2012.

The spread between the average term deposit and maximum lending rates narrowed.

At the interbank call segment, the weighted average inter-bank call rate, which stood at 15.47 per cent at end December 2011, fell by 1.25 percentage points to 14.22 per cent at the end of the first quarter of 2012, reflecting the

With the exception of rates at the OBB segment, all interbank money market rates declined in Q1

liquidity condition in the inter-bank funds market. The weighted average rate at the Open Buy Back (OBB) segment, increased to 13.70 per cent at the end of the review quarter from 13.49 per cent in the preceding quarter. The Nigeria Inter-bank Offered Rate (NIBOR) for the 7- and 30-day tenors also declined to 14.6 and 15.2 per cent, respectively, from 16.07 and 16.56 per cent in the fourth quarter of 2011 (Fig. 3, Table 2).

Figure 3: Selected DMBs Interest Rates (Average)

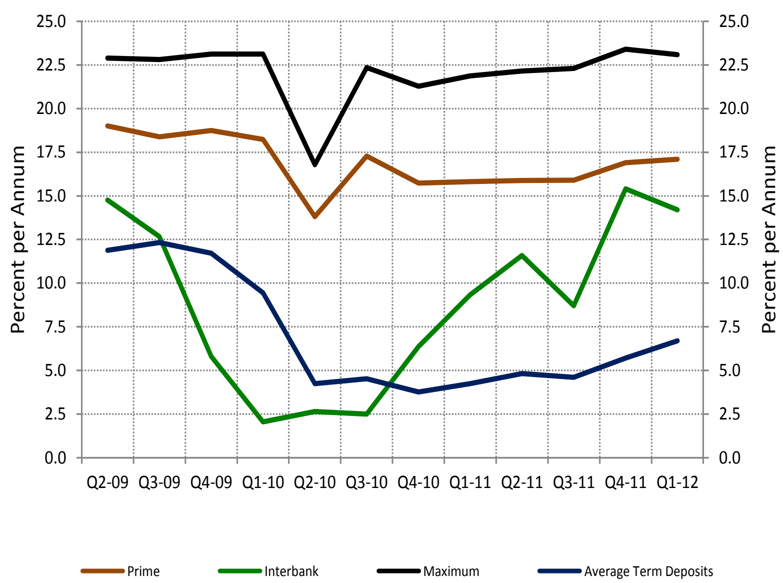


Table 2: Selected Interest Rates (Percent, Averages)

	Q4-09	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12
Average Term Deposits	11.72	8.70	5.7	4.1	4.4	4.1	4.7	4.6	5.7	6.7
Prime Lending	18.6	18.86	18.5	17.0	15.7	15.8	15.8	15.9	16.7	17.1
Interbank	5.80	2.59	2.98	2.5	8.2	7.6	10.6	8.7	15.3	14.2
Maximum Lending	23.12	23.24	22.69	22.3	21.9	21.9	22.2	22.3	23.4	23.1

2.3.2 Commercial Paper (CP)

Investment in CP by DMBs declined in the first quarter of 2012.

The value of Commercial Paper (CP) held by DMBs declined by 3.6 per cent to ₦195.80 billion at the end of the first quarter of 2012, as against a decline of 3.0 per cent at the end of the preceding quarter. Thus, CP constituted 3.4 per cent of the total value of money market assets outstanding, compared with 3.7 per cent at the end of the preceding quarter.

2.3.3 Bankers' Acceptances (BAs)

The value of BAs held by DMBs fell by 61.3 per cent to ₦28.4 billion at the end of the review quarter, compared with the decline of 15.6 per cent at the end of the preceding quarter. The development reflected the decline in investments by deposit money banks and discount houses. Consequently, BAs accounted for 0.5 per cent of the total value of money market assets outstanding at the end of the review quarter, compared with 1.3 per cent at the end of the preceding quarter.

DMBs' holdings of BAs fell during Q1 of 2012.

2.3.4 Open Market Operations

Bills with maturities ranging from 36 to 364 days were traded in the first quarter of 2012. Total sales in the first quarter was ₦1,035.93 billion. The bid rates ranged from 14.00 to 20.00 per cent, while the stop rates ranged from 15.49 to 17.59 per cent. The total sales was 26.64 per cent below the level in the previous quarter.

2.3.5 Primary Market

At the primary market segment, NTBs of 91-, 182- and 364-day tenors, amounting to ₦947.45, ₦1,947.96 and ₦807.14 billion, respectively, were offered, subscribed to and allotted in the first quarter of 2012, compared with the respective sums of ₦907.50 billion, ₦1,462.78 billion and ₦872.79 billion in the preceding quarter. The bid rates ranged from 12.00 - 17.50, 14.00 - 17.95 and 14.50 - 20.00 per cent for the 91 - 182- and 164- day tenor, respectively, while the stop rates ranged from 14.19 - 15.00, 15.00 - 16.98 and 15.57 - 17.20 per cent. The huge subscription was attributed to the growing demand for risk-free government securities with attractive yields in real terms.

Patronage at the primary market remained impressive due to market players' preference for risk-free government securities.

2.3.6 Bonds Market

FGN Bonds of 10-year tranches were auctioned during the review period. Of the three tranches, two were re-openings, while one was a new issue. Total amount offered, subscribed to and allotted were ₦209.76 billion, ₦382.40 billion and ₦193.66 billion, respectively, with marginal rates between 15.30 – 16.98 per cent. In addition, ₦41.00 billion and N50.00 billion, were sold to non-competitive bids in February and March 2012, respectively.

Subscription for FGN Bonds of various maturities was impressive and driven by market players' confidence in the economy and their perception about stable and attractive yield.

2.3.7 CBN Standing Facilities

The total standing lending facility (SLF) granted was N3,663.41 billion, compared with ₦10,448.41 billion and ₦3,146.82 in the fourth quarter of 2011 and the corresponding period of 2011, respectively. The decline in the SLF granted relative to the preceding quarter, reflected the stronger liquidity position of some DMBs that had completed the process of recapitalization. The total Standing Deposit Facility (SDF) granted was ₦1,985.58 billion, compared with ₦1,166.69 billion in the fourth quarter of 2011, reflecting the improved money market liquidity condition in the quarter under review.

2.4 Deposit Money Banks' Activities

Available data indicated that the total assets and liabilities of the DMBs stood at ₦19,880.8 billion at the end of the first quarter of 2012, representing an increase of 2.5 per cent above the level at the end of the preceding quarter. The funds, which were sourced, largely, from drawn-down on capital and reserves were used mainly to acquire unclassified liabilities and assets. Central Bank's credit to the DMBs, largely, loans and advances, declined by 7.0 per cent to ₦274.2 billion at the end of the review quarter. At ₦12,288.7 billion, DMBs' credit to the domestic economy, declined by 2.7 per cent below the level in the preceding quarter. The development was attributed, wholly, to the 9.7 per cent fall in claims on the Federal Government.

The liquidity ratio in Q1 2012 at 39.7 per cent, was above the stipulated minimum liquidity ratio by 9.7 percentage point. Loan-to-deposit ratio also rose above the prescribed minimum by 38.9 percentage point.

Total specified liquid assets of the DMBs stood at ₦5,888.4 billion, representing 39.7 per cent of their total current liabilities. At that level, the liquidity ratio fell by 2.3 percentage points below the level at the end of the preceding quarter, but was 9.7 percentage points above the stipulated minimum ratio of 30.0 per cent. The loans-to-deposit ratio, at 41.1 per cent, declined by 3.7 percentage points below the level at the end of the preceding quarter, and was 38.9 percentage points below the prescribed minimum ratio of 80.0 per cent.

2.5 Discount Houses' Activities

Total assets and liabilities of the discount houses stood at ₦349.4 billion at the end of the first quarter of 2012, indicating an increase of 8.9 and 29.5 per cent above the levels at the end of the preceding quarter and the corresponding quarter of 2011, respectively. The increase in assets, relative to the preceding quarter, was accounted for, largely, by the 161.8 per cent increase in claims on banks. Correspondingly, the increase in total liabilities was attributed, largely, to the increase of 75.2 per cent in "other amount owing".

Discount houses' investment in Federal Government securities of less than 91-day maturity increased by 35.0 per cent to ₦82.1 billion and represented 35.7 per cent of their total deposit liabilities. At this level, discount houses' investment was 24.3 percentage points below the prescribed minimum level of 60.0 per cent for fiscal year 2012. Total borrowing by the discount houses was ₦24.7 billion, while their capital and reserves stood at ₦41.8 billion. This resulted in a gearing ratio of 2.9:1, compared with the stipulated maximum of 50:1 for fiscal 2012.

2.6 Capital Market Developments

2.6.1 Secondary Market

Activities on the Nigerian Stock Exchange (NSE) were mixed during the review quarter. Available data indicated that the volume of traded securities declined by 16.8 per cent to 19.63 billion shares, while the value rose by 2.9 per cent to ₦145.05 billion in 206,908 deals, compared with 23.6 billion shares valued at ₦140.9 billion in 428,993 deals in the preceding quarter. The financial services sector was the most active (measured by turnover volume), followed by the conglomerates and consumer goods sectors. The banking sub-sector remained the most active on the Exchange with a traded volume of 13.67 billion shares, valued at ₦69.65 billion, in 105,240 deals.

Figure 4:Volume and Value of Traded Securities

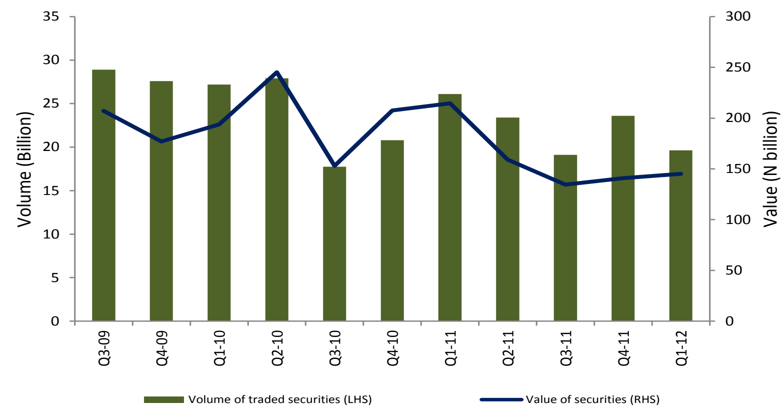


Table 3: Traded Securities on the Nigerian Stock Exchange (NSE)

	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12
Volume (Billion)	27.2	27.3	17.7	20.8	26.1	24.3	19.1	23.6	19.6
Value (₦ Billion)	193.8	245.2	153.0	207.6	214.6	159.1	134.4	140.9	145.1

2.6.2 *Over-the-Counter (OTC) Bonds Market*

Provisional data on the Over-the-Counter (OTC) bond market indicated a turnover of 2.11 billion units, worth ₦1,808.80 billion, in 14,478 deals. The most active bond (measured by turnover volume) was the 5.5% FGN February 2013 (7th FGN Bond 2013 Series 1), followed by the 10.7% FGN May 2018 (5th FGN Bond 2018 Series 2).

2.6.3 *New Issues Market*

There were nine (9) new and four (4) supplementary listings in the first quarter of 2012 as shown below.

Table 4: New and Supplementary Securities Issue for the First Quarter, 2012

1	Oasis Insurance Plc	1.5 Million Shares	Completion of Special Placing
2	Tower Funding Plc	₦3.6 MPR+7% Floating Rate Bond	Part of ₦9Billion Medium Term Note Program
3	Tower Funding Plc	₦3.6 MPR+5.25% Floating Rate Bond	Part of ₦9Billion Medium Term Note Program
4	Austin Laz and Company	1.08 Billion	New Listing into Electronic Products Sub-sector
5	Lafarge Cement WAPCO Nig. Plc	₦11.88 (11.5% Fixed Rate Bond)	Part of ₦50 Billion Debt Issunace Porgramme
6	IHS Nigeria Plc	2.7 Billion Preference Share	Series II of ₦0.50 each at ₦3.08
7	Flour Mills of Nigeria	455.56 Million Shares	Conclusion of Rights Issue
8	Starcomms Plc	208 Million Shares	Part of staff Equity Incentive Scheme
9	Ekiti State Govt. Bond	₦20 Billion	Part fo ₦25 Billion Debt Issunace Porgramme
10	Chellarams Plc	₦540 Million	Unsecured Floating Rate Bond 2019
11	Neimeth Int'l Pharmaceuticals	482 Million Shares	Conclusion of Rights Issue
12	Access Bank Plc	₦5 Billion	Conclusion of merger with Intercontinental bank
13	Benue State Govt. Bond	₦13 Billion	Part of fixed rate devpt. Bond 2011/2016

2.6.4 Market Capitalization

Aggregate market capitalization of all the listed securities (equities and bonds) stood at ₦11.97 trillion at the end of the quarter under review. Market capitalization of the 187 listed equities stood at ₦6.55 trillion, representing a marginal increase of 0.3 per cent over the level of ₦6.53 trillion at the end of the preceding quarter. The listed equities accounted for 54.7 per cent of the aggregate market capitalization.

Market capitalization increased, while All-Share Index trended downwards during Q1 2012.

2.6.5 NSE All-Share Index

The All-Share Index, which opened at 20,730.63 at the beginning of the quarter, closed at 20,652.47, representing a decline of 0.4 per cent below the level at the end of preceding quarter. At end-March 2012, two of the four sectoral indices, the NSE Banking and the Consumer Goods indices rose by 3.2 and 189.7 per cent, respectively, while the NSE Oil/Gas and Insurance indices declined by 9.2 and 13.4 per cent to close at 199.9 and 124.3 points, respectively, at the end of the first quarter.

Figure 5: Market Capitalization and All-Share Index

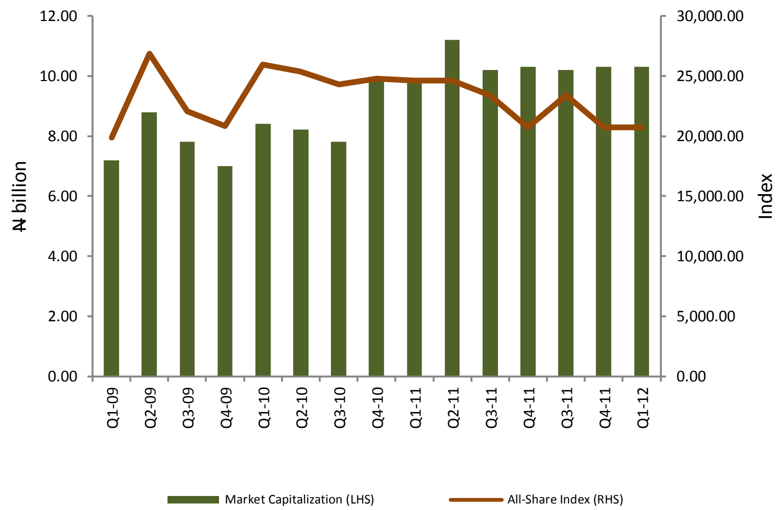


Table 5: Market Capitalization and All Share Index (ASI)

	Q1-09	Q2-09	Q2-10	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12
Market Capitalization (₦ trillion)	7.2	8.8	8.2	7.8	9.9	9.9	11.2	10.2	10.3	12.0
All-Share Index (Equities)	19851.9	26861.6	25384.1	24268.2	24770.5	24621.2	24980.2	23373.0	20730.6	20652.5

3.0 Fiscal Operations

3.1 Federation Account Operations

Available data showed that total federally-collected revenue during the first quarter of 2012 stood at ₦2,897.65 billion, representing a decline of 4.2 per cent below the level in the preceding quarter, but an increase of 23.2 and 22.2 per cent above the proportionate budget estimate and the level in the corresponding quarter of 2011, respectively (Fig. 6, Table 6).

Gross federally collected revenue fell by 4.2 per cent below the level in the preceding quarter.

Figure 6: Components of Gross Federally Collected Revenue

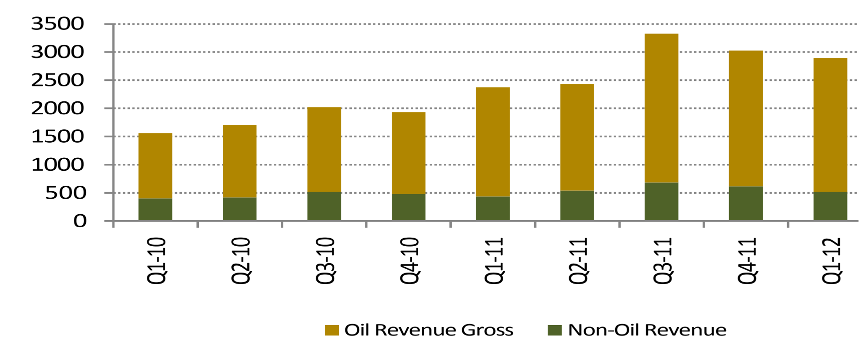


Table 6: Gross Federation Account Revenue (₦ billion)

	Q4-09	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12
Federally-collected revenue (Gross)	1371.5	1554.3	1712.0	2023.6	1994.6	2372.3	2433.2	3327.8	3025.1	2897.7
Oil Revenue	936.3	1156.7	1288.7	1502.0	1448.6	1935.6	1892.4	2642.8	2408.1	2376.0
Non-Oil Revenue	435.2	397.5	423.3	521.5	546.0	436.6	540.9	685.0	617.0	521.6

At ₦2,376.02 billion, gross oil receipts, which constituted 82.0 per cent of the total, exceeded the proportionate budget estimate by 48.4 per cent, but was lower than the level in the preceding quarter by 1.3 per cent. The increase in oil receipts relative to the budget estimate was attributed, largely, to the improvement in the receipts from PPT and Royalties during the quarter under review (Fig. 7, Table 7).

Figure 7: Gross Oil Revenue and Its Components

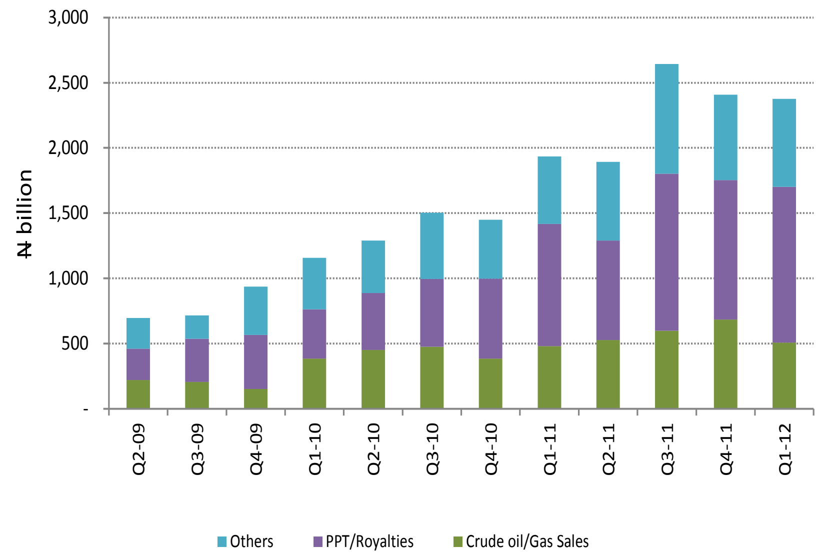


Table 7: Components of Gross Oil Revenue (₦ billion)

	Q4-09	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12
Oil Revenue	936.3	1156.7	1288.7	1502.0	1448.6	1935.7	1892.4	2642.8	2408.1	2376.0
Crude oil/Gas Sales	*151.9*	384.8	449.5	476.1	385.8	481.1	526.6	596.9	683.4	506.5
PPT/Royalties	*414.9*	376.5	436.7	520.1	611.4	935.9	763.1	1206.5	1070.9	1194.0
Others	*369.4*	394.1	402.4	505.8	450.5	517.8	602.8	839.4	653.8	675.5

Non-oil receipts, at ₦521.63 billion (18.0 per cent of the total), was below the level in the preceding quarter and the proportionate budget estimate by 15.1 and 30.5 per cent, respectively. The decline in non-oil receipts reflected largely, the fall in Corporate Taxes and the Independent Revenue of the Federal Government during the review quarter. As a percentage of estimated GDP for the first quarter, non-oil revenue stood at 5.7 per cent (Fig. 8, Table 8).

Figure 8: Gross Non-Oil Revenue and Its Components

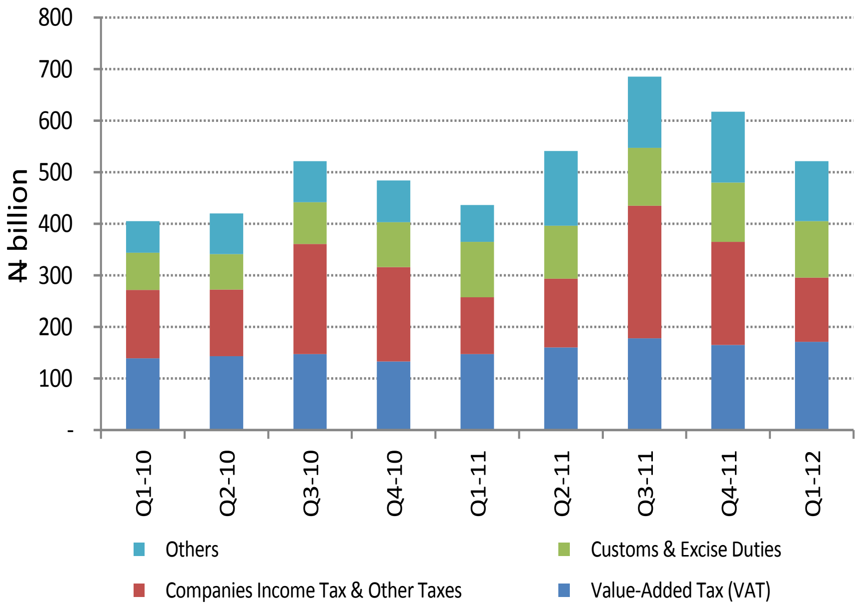


Table 8: Components of Gross Non-Oil Revenue (₦ billion)

	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12
Non-Oil Revenue	**397.5**	423.3	512.5	546.0	436.6	540.9	667.3	617.0	521.6
Value-Added Tax (VAT)	139.2	143.1	147.3	133.1	147.4	159.7	177.7	164.7	171.0
Companies Income Tax & Other Taxes	132.2	129.3	213.2	182.6	109.8	133.5	257.0	200.3	124.4
Customs & Excise Duties	72.0	68.7	81.0	87.5	107.7	102.9	112.9	114.9	109.3
Others	61.4	82.2	80.1	80.3	71.8	144.8	119.8	137.1	117.0

As a percentage of estimated first quarter 2012 nominal GDP, oil and non-oil revenue were 26.0 and 5.7 per cent, respectively.

Of the gross federally-collected revenue, the sum of ₦1,244.11 billion (after deductions and transfers) was transferred to the Federation Account for distribution among the three tiers of government and the 13.0% Derivation Fund. The Federal Government received ₦576.17 billion, while the state and local governments received ₦292.24 billion and ₦225.31 billion, respectively. The balance of ₦130.40 billion went to the 13.0% Derivation Fund for distribution by the oil-producing states. Also, the Federal Government received ₦24.62 billion from the VAT Pool Account, while the state and local governments received ₦82.07 billion and ₦57.45 billion, respectively. During the quarter under review, the sum of ₦440.55 billion was drawn from the excess crude account to bridge the short-fall in revenue for the period and was shared

The sum of ₦1,244.11 billion out of the federally collected revenue was set aside for distribution by the three tiers of government and the 13.0 % Derivation Fund for oil producing states.

as follows: Federal (₦201.91 billion), states (₦102.41 billion) and local governments (₦78.96 billion), while the oil producing states received ₦57.27. Thus, the total allocation to the three tiers of government in the first quarter of 2012 amounted to ₦1,926.65 billion. This exceeded the quarterly budget estimate by 4.9 per cent.

3.2 The Fiscal Operations of the Three Tiers of Government

3.2.1 The Federal Government

Federal government estimated retained revenue was lower than the proportionate budget estimate, while total expenditure was lower than the proportionate 2011 budget provision for the quarter.

At ₦825.52 billion, the Federal Government retained revenue for the first quarter of 2012 was lower than the quarterly budget estimate by 15.3 per cent, but exceeded the receipts in the preceding quarter and the corresponding quarter of 2011 by 40.5 and 37.3 per cent, respectively. Of this amount, the Federal Government share from the Federation Account, VAT Pool Account and FGN Independent Revenue were ₦576.17 billion, ₦24.62 billion and ₦15.85 billion, respectively, while "Others" accounted for the balance of ₦208.87 billion, (Fig. 9, Table 9).

Figure 9: Federal Government Retained Revenue

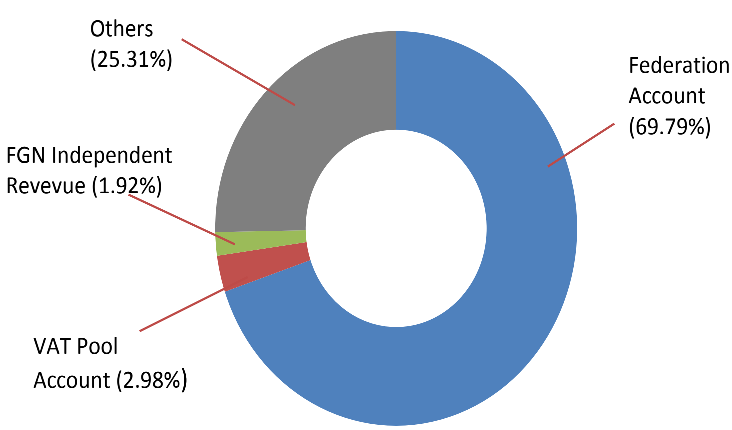


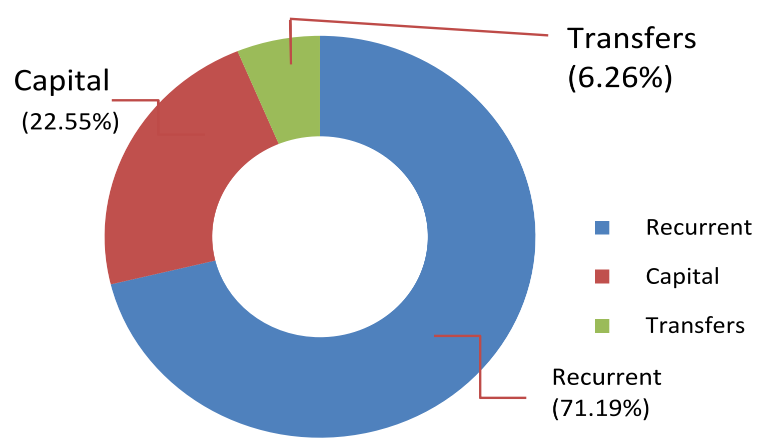
Table 9: Federal Government Fiscal Operations (₦ billion)

	Q2-09	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12
Retained Revenue	701.7	562.9	827.7	827.7	783.8	585.9	735.0	1184.2	587.7	825.5
Expenditure	669.1	840.4	977.7	1028.2	1499.6	872.5	912.5	1345.3	952.8	902.5
Overall Balance: Surplus(+)/Deficit(-)	32.6	-277.5	-150.0	-150.0	-715.8	-286.6	-177.5	-161.1	-365.1	-77.0

Total expenditure for the first quarter of 2012 stood at ₦902.47 billion, indicating lower outlay relative to the levels in the quarterly budget estimate and the preceding quarter by 27.9 and 5.3 per cent, respectively. The development was attributed to the delay in capital releases during the period. A breakdown of total expenditure showed that the recurrent component accounted for 71.2 per cent, capital component 22.6 per cent, while statutory transfers accounted for the balance of 6.2 per cent (Fig. 10). Further breakdown of the recurrent expenditure showed that the non-debt component accounted for 72.0 per cent, while debt service payments accounted for the balance of 28.0 per cent.

Thus, the fiscal operations of the Federal Government resulted in an estimated deficit of ₦77.0 billion or 0.8 per cent of estimated GDP for the first quarter, compared with the quarterly budgeted deficit and the preceding quarter deficit of ₦276.11 billion and ₦365.07 billion, respectively. The deficit was financed mainly from domestic sources.

Figure 10: Federal Government Expenditure



3.2.2 Statutory Allocations to State Governments

Total allocation to state governments (including the Federation account, VAT and 13.0 per cent Derivation Fund) stood at ₦705.77 billion during the review quarter. This represented a decline of 2.8 per cent below the preceding quarter's level, but an increase of 57.3 per cent over the corresponding quarter of 2011.

Further breakdown showed that, at ₦82.06 billion, receipts from the VAT Pool Account was 3.8 and 16.0 per cent higher than the levels in the preceding quarter and the corresponding quarter of 2011, respectively, while receipts from the Federation Account stood at ₦623.71 billion. On a monthly basis, the sum of ₦252.52 billion, ₦225.01 billion and ₦228.24 billion was allocated to the 36 state governments in January, February and March 2012, respectively.

3.2.3 Statutory Allocations to Local Government Councils

Total receipts by the local governments from the Federation and VAT Pool Accounts during the first quarter of 2012, stood at ₦383.81 billion. This amount was lower than the level in the preceding quarter by 4.1 per cent, but exceeded the level in the corresponding quarter of 2011 by 52.5 per cent. Of the total amount, allocation from the Federation Account was 85.0 per cent, while VAT Pool Account accounted for the balance of 15.0 per cent. On a monthly basis, the sum of ₦137.08 billion, ₦122.13 billion and ₦124.60 billion was allocated to the 774 local governments in January, February and March 2012, respectively.

4.0 Domestic Economic Conditions

Aggregate output measured by the real gross domestic product (GDP) grew by 6.6 per cent, compared with 7.7 per cent in the preceding quarter. The development was attributed largely to the growth in the non-oil sector, particularly services, agriculture, building and construction sectors. Crude oil production was estimated at 2.06 million barrels per day (mbd) or 187.46 million barrels for the quarter. The end-period inflation rate for the first quarter of 2012, on year-on-year basis, was 12.1 per cent, compared with 10.3 and 12.8 per cent in the preceding quarter and the corresponding quarter of 2011, respectively. The inflation rate on a 12-month moving average basis was 10.9 per cent, compared with the 10.8 and 13.0 per cent in the preceding quarter and corresponding period of 2011.

4.1 Aggregate Output

Aggregate output in the first quarter measured by gross domestic product (GDP) at 1990 basic prices grew by 6.6 per cent, compared with 7.7 per cent recorded in the preceding quarter. The growth in the review quarter was driven largely by the growth in the non-oil sector, particularly services. Real non-oil GDP stood at 7.9 per cent and accounted for 84.2 per cent of total GDP in the quarter under review. Real oil GDP, comprising crude petroleum and natural gas, grew by 0.1 per cent when compared with the level in the preceding quarter and accounted for 15.8 per cent of the total GDP (Fig. 11, Table 10).

Figure 11: Real GDP Rate and Share of Oil and Non-Oil in GDP

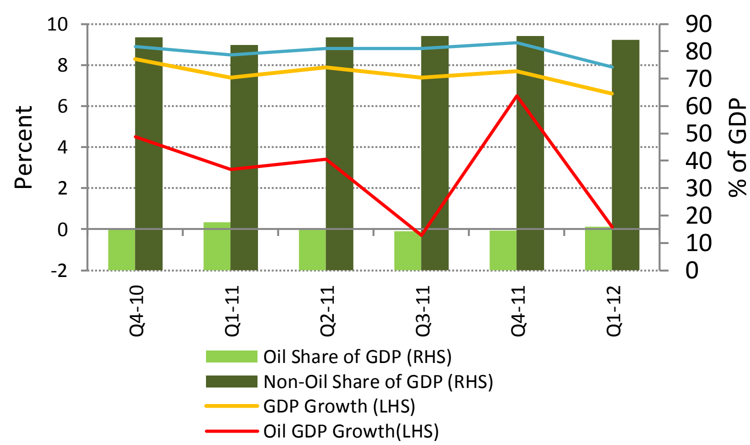


Table 10: Growth Rate of Real GDP and Sectoral Shares (Percent)

	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12
Growth Rate (%)							
Real GDP	**7.7**	**8.3**	**6.7**	**7.6**	**7.3**	**7.7**	**6.6**
Oil (Crude Petroleum/Natural Gas)	*3.9*	*4.5*	*2.9*	*3.4*	*-0.3*	*6.5*	*0.1*
Non-oil	*8.4*	*8.6*	*8.4*	*8.8*	*8.8*	*9.1*	*7.9*
Share in Real GDP (%)							
Real GDP	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Oil (Crude Petroleum/Natural Gas)	*15.2*	*14.9*	*17.6*	*14.8*	*14.3*	*14.7*	*15.8*
Non-Oil	*84.8*	*85.1*	*82.4*	*85.2*	*85.7*	*85.3*	*84.2*

4.2 Agricultural Sector

Available data indicated that agricultural activities in most parts of the country during the first quarter of 2012 were dominated by harvesting of tree crops and preparation of land for cultivation against the 2012 cropping season. In the livestock sub-sector, farmers replenished their stock of broilers and layers in anticipation for increased demand during the Easter festivity.

A total of ₦840.8 million was guaranteed to 2,547 farmers under the Agricultural Credit Guarantee Scheme (ACGS) in the first quarter of 2012. This represented a decline of 81.1 and 13.3 per cent below the levels in the preceding quarter and the corresponding quarter of 2011, respectively.

A sub-sectoral analysis of the loans guaranteed indicated that the food crops sub-sector received the largest share of ₦436.9 million (52.0 per cent) for 1,769 beneficiaries, while the livestock sub-sector got ₦286.4 million (34.1 per cent) for 587 beneficiaries. Also, 148 beneficiaries in the fisheries sub-sector obtained ₦102.5 million (12.2 per cent); ₦8.2 million (0.97 per cent) was disbursed to 23 beneficiaries in the cash crop sub-sector; 'Others' sub-sector obtained ₦6.2 million (0.7 per cent) guaranteed to 18 beneficiaries and 2 beneficiaries in the mixed crop sub-sector received ₦0.6 million (0.07 per cent). Further analysis showed that 32 states and the Federal Capital Territory, benefited from the scheme during the quarter, with the highest and lowest sums of ₦228.9 million (27.2 per cent) and ₦0.5 million (0.06 per cent) guaranteed to farmers in Lagos and Ebonyi states, respectively.

At end-March 2012, the total amount released by the CBN under the Commercial Agriculture Credit Scheme (CACS) to the participating banks for disbursement stood at ₦175.51 billion (for two hundred and twenty one projects). The beneficiaries included twenty nine state governments (Table 11).

Table 11: Disbursement of Credit Under the Commercial Agriculture Credit Scheme (CACS)

S/N	Participating Banks	Amount Disbursed (₦ billion)	Number of Projects/State Governments
1	United Bank for Africa (UBA) Plc	39.76	34
2	Zenith Bank	23.76	16
3	First Bank of Nigeria Plc	18.97	56
4	Union Bank Nigeria PLC	18.04	19
5	Unity Bank Plc	16.78	15
6	Stanbic IBTC Bank	11.16	19
7	Access Bank Plc	10.26	10
8	Skye Bank Plc	9.20	7
9	Fidelity Bank Plc	7.57	8
10	GTBank Plc	5.55	8
11	Sterling Bank Plc	4.76	9
12	Eco Bank Plc	2.67	5
13	Mainstreet Bank Plc	2.00	1
14	Diamond Bank Plc	1.90	6
15	Citibank Plc	1.50	1
16	Wema Bank Plc	0.72	4
17	FCMB Plc	0.58	2
18	Enterprise Bank Plc	0.34	1
	TOTAL	**175.51**	**221**

4.3 Industrial Production

Industrial activities declined during the first quarter of 2012 relative to the level in the preceding quarter. At 135.35 (1990=100), the estimated index of industrial production fell by 2.5 per cent below the level in the preceding quarter. It however, showed an increase of 7.7 per cent over the level recorded in the corresponding quarter of 2011. The development was attributed to the decline in activities in the electricity and manufacturing sub-sectors.

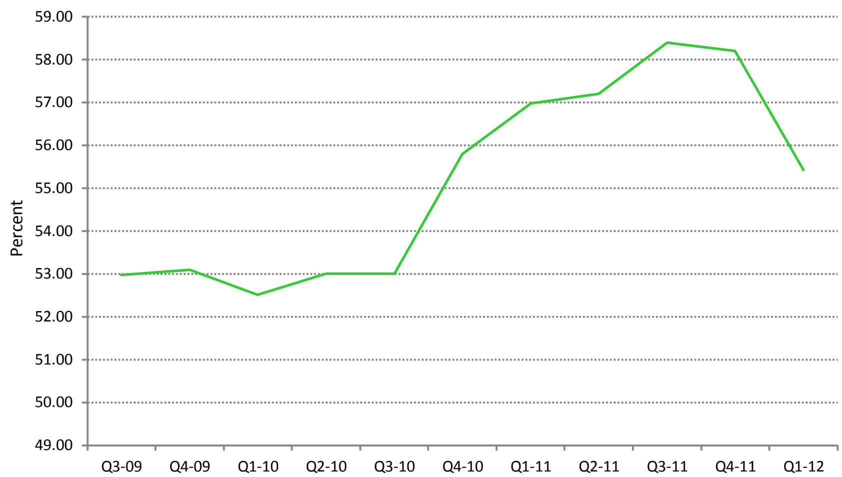
The decline in industrial activities relative to the preceding quarter was accounted for by the decline in activities in the manufacturing and electricity sub-sectors.

The estimated index of manufacturing production, at 105.89 (1990=100), declined by 3.9 per cent below the level in the preceding quarter, but increased by 12.4 per cent over the level in the corresponding period of 2011. The estimated manufacturing capacity utilization rate, relative to the level in the corresponding period of 2011, also declined by 2.8

Manufacturing capacity utilization was estimated to have declined by 2.8 percentage points in the review quarter.

percentage points to 55.4 per cent. The development was attributed to the decline in business confidence due to the delay in the passage of 2012 budgets (Fig.12, Table 11).

Figure 12: Manufacturing Capacity Utilization Rate (%)



At 145.89 (1990=100), the index of mining production increased marginally by 0.1 and 9.8 per cent above the levels in the preceding quarter and the level in the corresponding quarter of 2011, respectively.

Average electricity generation and consumption declined during the quarter under review.

At 2,788.6 MW/h, estimated average electricity generation fell by 11.4 per cent, below the level in the preceding quarter. The development resulted from the decline in gas supply to the thermal stations as well as the fall in water level at the hydro stations.

At 2,644 MW/h, estimated average electricity consumption, fell by 1.2 per cent from the level in the preceding quarter. The development was attributed to the decline in electricity generation (Fig. 13, Table 12).

Figure 13: Index of Industrial Production (1990=100)

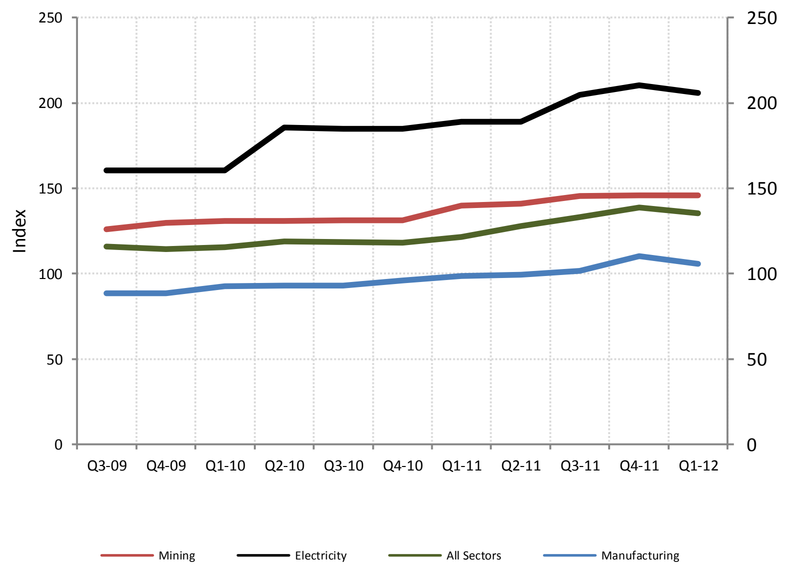


Table 12: Index of Industrial Production and Manufacturing Capacity Utilization Rate

	Q3-09	Q4-09	Q1-10	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12
All Sectors (1990=100)	**114.6**	**115.6**	**117.5**	**121.4**	**127.9**	**127.2**	**128.8**	**133.0**	**138.8**	**135.4**
Manufacturing	*88.6*	*88.4*	*88.6*	*93.2*	*95.9*	*98.5*	*99.3*	*101.8*	*110.3*	*105.9*
Mining	*125.9*	*125.9*	*129.9*	*131.2*	*131.2*	*140.1*	*141.2*	*145.7*	*145.8*	*145.9*
Electricity	*160.4*	*160.4*	*160.4*	*185.0*	*185.0*	*189.8*	*204.8*	*204.8*	*210.6*	*205.9*
Manufacturing Capacity Utilization (%)	**53.5**	**53.0**	**53.1**	**53.2**	**55.8**	**57.0**	**57.2**	**58.4**	**58.2**	**55.4**

4.4 Petroleum Sector

Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at 2.06 million barrels per day (mbd) or 187.46 million barrels during the first quarter of 2012, compared with 2.19 mbd or (201.48 million barrels) in the preceding quarter. This represented a decline of 0.13 mbd or 5.9 per cent in production level. Consequently, crude oil export was estimated at 1.61 mbd or (146.51 million barrels) in the review period, compared with 1.74 mbd (160.08 million barrels) in the preceding quarter, representing a decline of 7.5 per cent. The development was attributed to the massive leakage that occurred on Shell's Bonga Oil Field and the Nembe Trunk Pipeline in the Niger Delta in January 2012. Allocation of crude oil for domestic consumption was 0.45 mbd or 40.95 million barrels during the quarter under review.

Crude oil export also recorded a decrease in Q1 2012.

Crude oil and natural gas production decreased by 5.9 per cent, to 2.06 mbd during Q1 2012.

Average crude oil prices, including Nigeria's reference crude, Bonny Light (37o API), rose in the international crude oil market in Q1 2012.

At an estimated average of US$121.10 per barrel, the price of Nigeria's reference crude, the Bonny Light (37° API), rose by 7.9 per cent, over the level in the preceding quarter. The average prices of other competing crudes, namely the West Texas Intermediate, the U.K Brent and the Forcados also increased to US$101.74, US$119.57 and US$122.88 per barrel, respectively, from US$88.59, US$110.85 and US$113.4 per barrel in the preceding quarter. Similarly, at US$117.58 per barrel, the average price of OPEC's basket of eleven crude streams also rose by 9.0 and 17.5 per cent above the levels in the preceding quarter and the corresponding quarter of 2011, respectively. The development was attributed, largely, to the fears of supply disruptions from Iran, Sudan and Syria, which led to an increase in speculative activities in the crude oil futures markets (Fig. 14, Table 13).

Figure 14: Trends in Crude Oil Average Prices

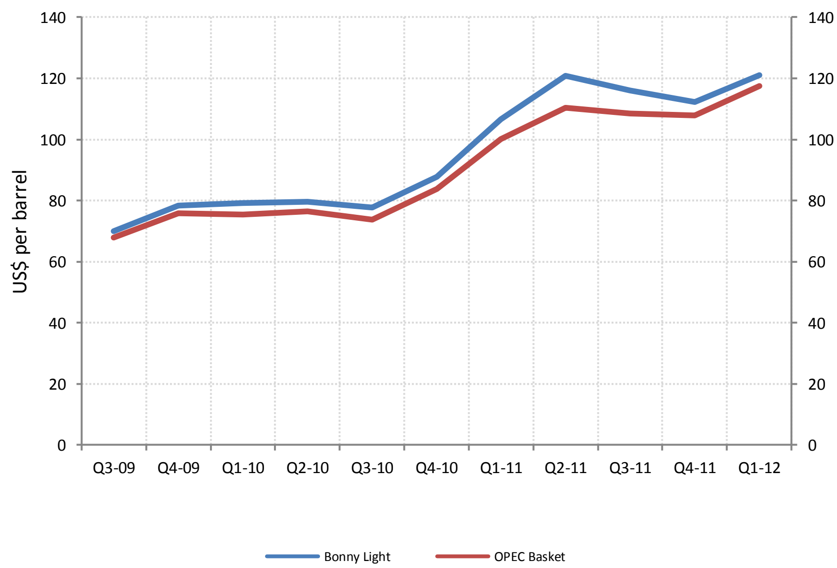


Table 13: Average Crude Oil Prices in the International Oil Market

	Q3-09	Q4-09	Q1-10	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12
Bonny Light	61.14	70.05	78.74	77.81	87.74	106.66	120.83	115.92	112.28	121.10
OPEC Basket	58.51	67.78	75.45	73.76	83.86	100.06	110.31	108.44	107.90	117.58

4.5 Consumer Prices[3]

Available data showed that the all-items composite Consumer Price Index (CPI) at the end of the first quarter of 2012, was 132.6 (November 2009=100), representing an increase of 5.2 and 12.1 per cent over the levels in the preceding quarter and the corresponding quarter of 2011, respectively. The development was attributed, largely, to the rise in the prices of food items and non-alcoholic beverages, as well as clothing and foot wear, kerosene and diesel and transport.

The general price level rose in Q1 2012 relative to Q4 2011. This was on account of the increase in the prices of food items and non-alcoholic beverages, as well as clothing and footwear, kerosene and diesel and transport.

The urban all-items CPI at the end of the first quarter 2012 was 130.7 (November 2009=100), indicating an increase of 6.9 and 13.7 per cent over the levels in the preceding quarter and the corresponding quarter of 2011, respectively. Similarly, at 129.0 (November 2009=100), the rural all-items CPI at the end of the quarter, increased by 4.2 and 11.0 per cent over the levels in the preceding quarter and the corresponding quarter of 2011, respectively (Fig. 15, Table 14).

[3] New CPI with November 2009 = 100 as base and new weight based on the 2003/2004 Nigeria Living Standard Survey (NLSS) was released by the National Bureau of Statistics (NBS) on 18th October 2010.

Figure 15: Consumer Price Index

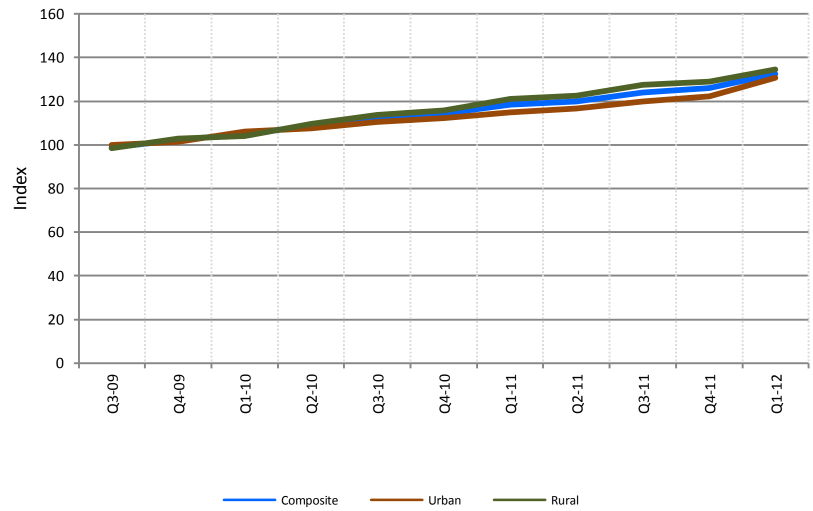


Table 14: Consumer Price Index (November 2009=100)

	Q4-09	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12
Composite	102.2	104.9	108.8	112.4	114.2	118.3	119.9	124.0	126.0	132.6
Urban	101.4	106.0	107.7	110.6	112.2	115.0	116.6	120.0	122.3	130.7
Rural	102.8	104.0	109.6	113.8	115.9	121.1	122.6	128.4	129.0	134.4

The headline inflation (y-o-y) increased by 1.8 percentage point, in Q1 2012.

The end-period inflation rate for the first quarter of 2012, on a year-on-year basis was 12.1 per cent, compared with 10.3 and 12.8 per cent in the preceding quarter and the corresponding quarter of 2011, respectively. The inflation rate on a twelve-month moving average basis for the first quarter, was 10.9 per cent, compared with 10.8 and 13.0 per cent in the preceding quarter and the corresponding quarter of 2011, respectively (Fig. 16, Table 15).

Figure 16: Inflation Rate

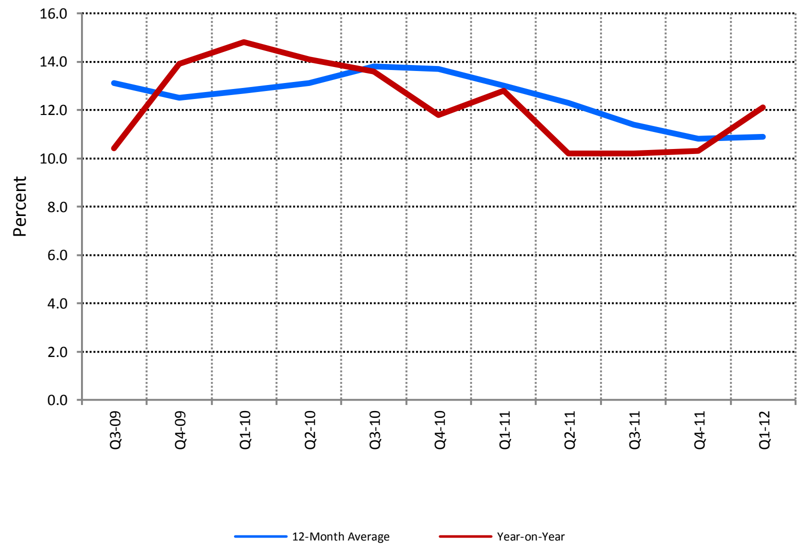


Table 15: Headline Inflation Rate (%)

	Q4-09	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12
12-Month Moving Average	12.5	12.8	13.1	13.8	13.7	13.0	12.3	11.4	10.8	10.9
Year-on-Year	13.9	14.8	14.1	13.6	11.8	12.8	10.2	10.2	10.3	12.1

5.0 External Sector Developments

Provisional data indicated that foreign exchange inflow through the CBN in the first quarter of 2012 declined by 8.9 per cent below the level in the preceding quarter, but rose by 13.1 per cent over the level in the corresponding quarter of 2011. Outflow also declined by 30.8 per cent below the level in the preceding quarter, but exceeded the level in the corresponding quarter of 2011 by 2.1 per cent. Total non-oil export receipts by banks rose significantly by 76.2 per cent over the level in the preceding quarter. The average Naira exchange rate vis-à-vis the US dollar, depreciated by 1.4 per cent at the Wholesale Dutch Auction System (wDAS). At the Interbank segment of the market, the naira appreciated by 0.7 per cent to ₦159.20 per dollar, while at the Bureau- De-Change (BDC) segment, it remained at the preceding quarter's level of ₦161.63. The gross external reserves rose by 7.8 per cent over the preceding quarter's level.

5.1 Foreign Exchange Flows

Foreign exchange inflow and outflow through the CBN in the first quarter of 2012 amounted to US$12.12 billion and US$9.76 billion, respectively, resulting in a net inflow of US$2.36 billion. Relative to the levels in the preceding quarter, inflow and outflow fell by 8.9 and 30.8 per cent, respectively. The fall in inflow was attributed largely to the 82.0 per cent decline in non-oil receipts, while the fall in outflow was, largely, due to the decline in the funding of the wDAS segment of the foreign exchange market by 33.7 per cent (Fig. 17, Table 16).

Foreign exchange inflow and outflow through the CBN fell by 8.9 and 30.8 per cent, respectively to post a net inflow of US$2.36 billion.

Figure17: Foreign Exchange Flows Through the CBN

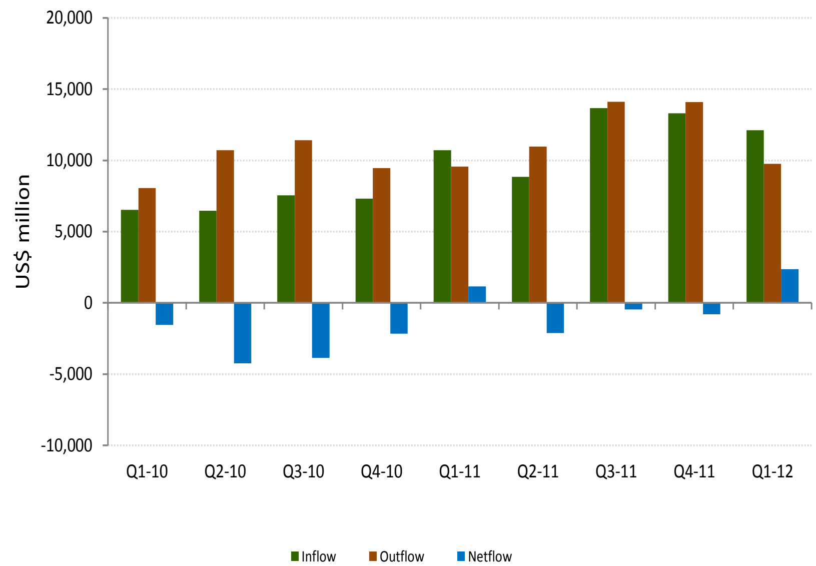


Table 16: Foreign Exchange Flows Through the CBN (US$ million)

	Q4-09	Q1-10	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12
Inflow	8083.0	5840.7	7557.0	7310.0	10719.4	8854.9	13673.1	13303.6	12119.8
Outflow	9014.9	6396.3	11424.1	9468.9	9560.4	10970.6	14121.6	14095.4	9760.5
Netflow	**-931.9**	**-555.6**	**-3867.1**	**-2158.9**	**1158.9**	**-2115.6**	**-448.5**	**-791.8**	**2359.3**

Autonomous inflows into the economy increased by 35.5 per cent, in Q1 2012 relative to the preceding quarter.

Available data on aggregate foreign exchange flows through the economy indicated that total inflow amounted to US$28.27 billion, representing an increase of 12.1 and 3.5 per cent above the levels in the preceding quarter and the corresponding quarter of 2011, respectively. Oil sector receipts, which accounted for 41.1 per cent of the total, stood at US$11.63 billion, compared with the respective levels of US$10.61 billion and US$9.67 billion in the preceding quarter and the corresponding quarter of 2011.

Non-oil public sector inflows, which accounted for 1.7 per cent of the total foreign exchange flows, declined significantly by 82.0 per cent below the preceding quarter's level, while autonomous inflow, which accounted for 57.1 per cent, increased by 35.5 per cent over the preceding quarter's level.

At US$10.09 billion, aggregate foreign exchange outflow from the economy fell by 30.6 per cent below the level in the preceding quarter. It was, however, an increase of 1.6 per cent over the level in the corresponding quarter of 2011. The outcome, relative to the preceding quarter, was accounted for by a 33.7 per cent decline in the funding of wDAS.

5.2 Non-Oil Export Earnings by Exporters

Total non-oil export earnings by exporters, at US$1.04 billion, increased by 76.2 and 14.3 per cent over the levels in the preceding quarter and the corresponding quarter of 2011, respectively. The development was attributed largely to the increase in the exports of industrial, food, manufactured, agricultural and transport products during the review quarter. A breakdown of the proceeds in the review quarter showed that manufactured, industrial, agricultural, food, mineral and transport products earned US$493.4 million, US$332.2 million, US$136.0, US$42.9 million, US$31.1 million, and US$4.3 million, respectively.

Total non-oil export earnings by exporters increased during the first quarter of 2012 on account of an increase in the prices of most traded commodities.

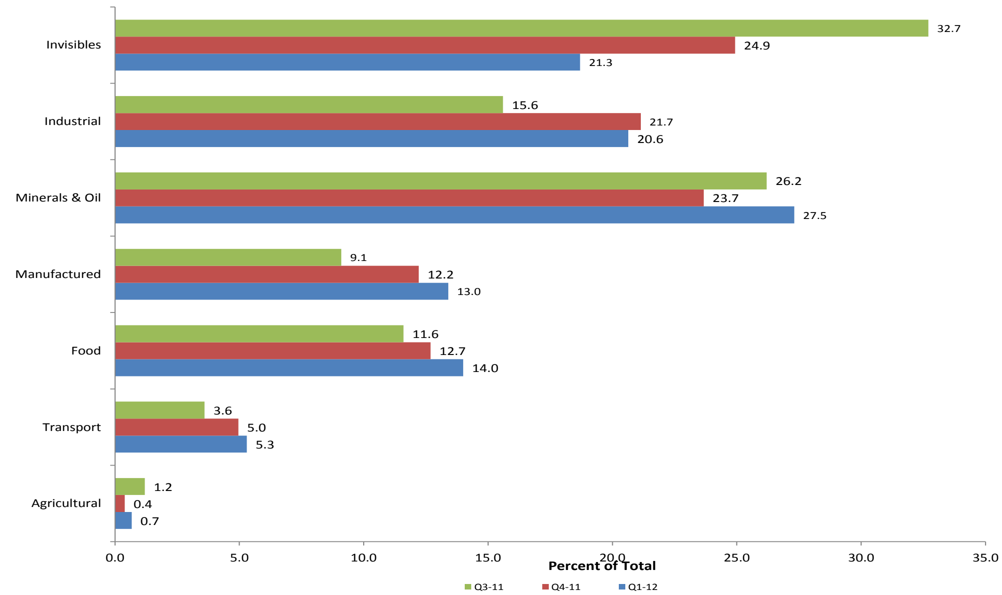
The shares of manufactured products, industrial, agricultural products, minerals, food products and transport in non-oil export proceeds were 47.4, 32.0, 13.1, 4.1, 3.0 and 0.4 per cent, respectively.

5.3 Sectoral Utilisation of Foreign Exchange

The mineral and oil sector accounted for the bulk (27.3 per cent) of total foreign exchange disbursed in the first quarter of 2012, followed by industrial sector (20.6 per cent). Other beneficiary sectors, in a descending order included: invisibles (18.7), food products (14.0 per cent), manufactured products (13.4 per cent), transport sector (5.3 per cent) and agricultural products (0.7 per cent) (Fig.18).

The minerals and oil sector accounted for the bulk of the total foreign exchange disbursed during Q1 2012.

Figure18: Sectoral Utilization of Foreign Exchange



5.4 Foreign Exchange Market Developments

Demand for foreign exchange by authorized dealers in Q1 2012 declined by 40.2 and 26.1 per cent, below the levels in the preceding quarter and the corresponding quarter of 2011, respectively.

Foreign exchange demand by the authorized dealers stood at US$7.36 billion, indicating a decline of 40.2 and 26.1 per cent below the levels in the preceding quarter and the corresponding quarter of 2011, respectively. The sum of US$7.98 billion was sold by the CBN during the review quarter, indicating a decline of 31.9 and 0.9 per cent below the levels in the preceding quarter and the corresponding quarter of 2011, respectively (Fig. 19, Table 17).

Figure 19: Demand for and Supply of Foreign Exchange

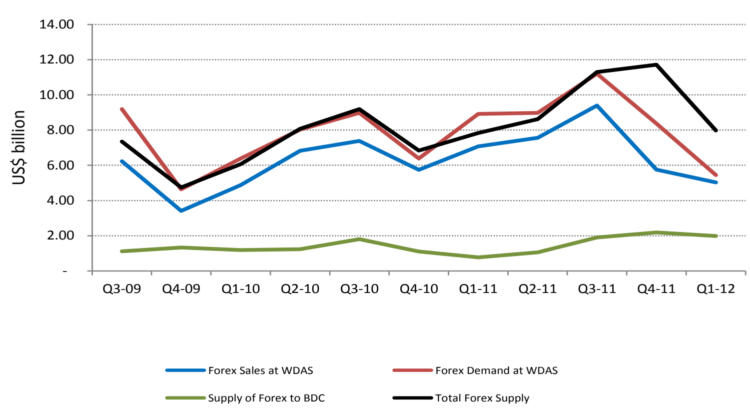


Table 17: Demand for and Supply of Foreign Exchange (US$ billion)

	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12
Forex Sales at WDAS	7.4	5.7	7.1	7.6	9.4	5.8	5.0
Forex Demand at WDAS	9.0	6.3	8.9	9.0	11.2	8.4	5.5
Supply of Forex to BDC	1.8	1.1	0.7	1.1	1.9	2.2	1.8
Total Forex Supply(BDC and WDAS)	6.1	9.2	6.8	7.8	12.1	11.7	8.0

Under the wDAS, the average exchange rate of the Naira vis-à-vis the US dollar depreciated by 1.4 per cent to ₦157.95 per US dollar from ₦155.74 in the preceding quarter. In the bureau-de-change segment of the market, the Naira traded at an average of ₦161.63 per US dollar, same as in the preceding quarter, but depreciated by 3.5 per cent below the level in the corresponding quarter of 2011. At the interbank segment, the Naira exchanged for an average of ₦159.20 to the US dollar in the first quarter of 2012, compared with ₦160.27 and ₦156.11 per US dollar in the preceding quarter and the corresponding quarter of 2011, respectively (Fig. 20, Table 17).

The Naira exchange rate vis-à-vis the US dollar depreciated at the WDAS segment. It appreciated at the interbank segments, while at the BDC segment, it remained unchanged at the preceding quarter's level.

The premium between the wDAS and the bureau-de-change rates narrowed from 3.8 per cent in the preceding quarter to 2.3 per cent. Similarly, the premium between the wDAS and interbank rates narrowed from 2.9 per cent in the preceding quarter to 0.8 per cent in the review quarter (Fig. 20, Table 18).

The premium between the WDAS rate and the rates in the other two segments were 0.8 per cent for the interbank and 2.3 per cent for the BDC segment.

Figure 20: Average Exchange Rate Movements

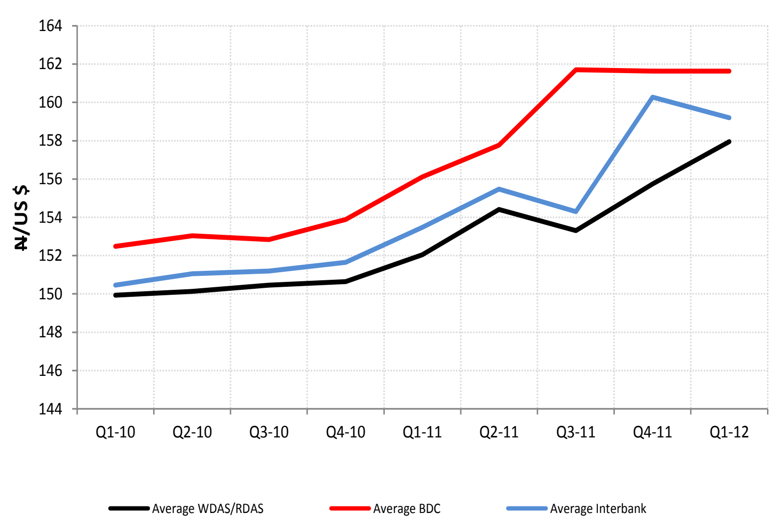
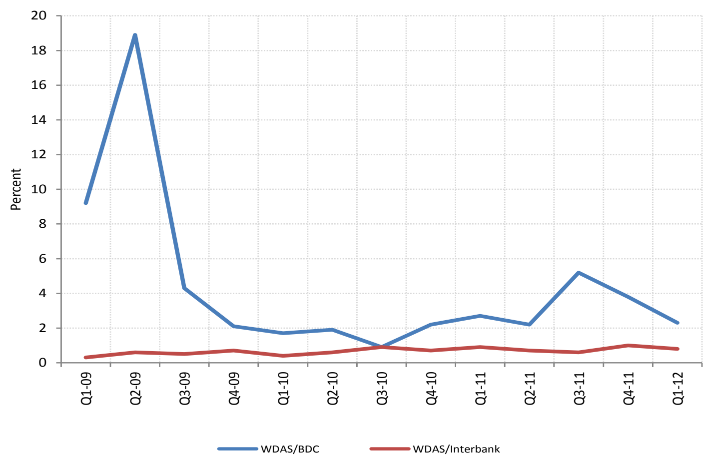


Table 18: Exchange Rate Movements and Exchange Rate Premium

	Q1-10	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12
Average Exchange Rate (₦/US$)								
WDAS/RDAS	149.9	150.5	150.6	152.0	154.4	153.3	155.7	158.0
BDC	152.5	152.8	153.8	156.1	157.8	161.7	161.6	161.6
Interbank	152.8	151.2	151.6	153.5	155.5	154.3	160.3	159.2
Premium (%)								
WDAS/BDC	4.3	0.9	2.2	2.7	2.2	5.2	3.8	2.3
WDAS/Interbank	0.4	0.9	0.7	0.9	0.7	0.6	2.9	0.8

Figure 21: Exchange Rate Premium



5.5 Gross External Reserves

Gross external reserves rose during the first quarter of 2012.

The gross external reserves at the end of the first quarter of 2012 stood at US$35.20 billion, indicating an increase of 7.8 per cent above the US$32.64 billion recorded at the end of the preceding quarter. A breakdown of the reserves showed that CBN reserves stood at US$26.69 billion (75.8 per cent), Federation reserves was US$6.03 billion (17.1 per cent) and the Federal Government reserves was US$2.48 billion (7.1 per cent) (Fig. 22, Table 19).

Figure 22: Gross External Reserves

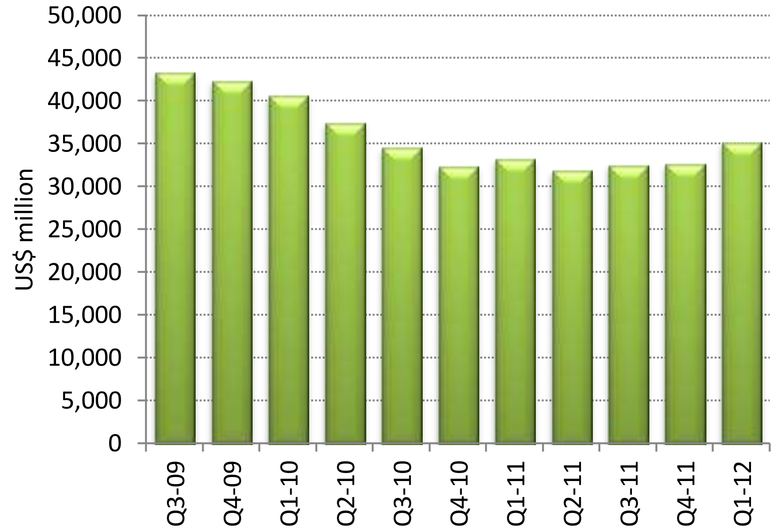


Table 19: Gross External Reserves (US$ million)

	Q4-09	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12
External Reserves	43462.74	43343.33	37468.44	34589	32347.49	33221.8	31890.48	31,740.23	32,639.78	35197.44

6.0 Global Economic Conditions

6.1 Global Output

The April 2012 edition of the International Monetary Fund (IMF) World Economic Output (WEO), reported that the global economy was slowly improving, but growth was expected to be weak, especially in Europe, while unemployment in many advanced economies would stay high. Global output was projected to grow by 3.5 percent in 2012, compared with3.9 per cent in 2011. The report projected growth in the US to 2.1 and 2.4 per cent in 2012 and 2013, respectively, compared with 1.7 per cent in 2011, reflecting the ongoing fiscal consolidation and improving housing prices. In Asia, weaker external demand had dimmed its outlook. Growth in Asia was projected to grow by 7.3 per cent, with China slowing to 8.2 per cent, as against 7.8 per cent in 2011, while India was projected to grow by 6.9 per cent in 2012. In Latin America and the Caribbean, growth was projected to at 3.8 and 4.1per cent in 2012 and 2013, respectively. Output growth in Sub-Saharan Africa was projected at 5.4 per cent in 2012, compared with 5.1 per cent in 2011.

According to the World Economic Outlook (WEO), the global output was projected to grow at 3.5 percent in 2012.

6.2 Global Inflation

Projections for inflation varied across countries and regions. Overall, global inflation was projected at 6.2 percent in 2012, compared with 7.1 per cent in 2011, partly as a result of lower commodity prices. In the Euro area, inflation was projected to rise to 1.8 per cent in 2012, compared with 1.4 per cent in 2011. In emerging Europe, the picture is mixed, but pressures were expected to ease during 2012. In emerging Asia, headline inflation was expected to sustain its downward path, but was projected to stay elevated in parts of the region, notably in India and Indonesia. In Latin America, many of the major economies were operating close to full capacity and inflation was projected to decline moderately to 6.4 percent in 2012 from 6.6 percent in 2011. In the Commonwealth of Independent States (CIS), Middle East and North Africa (MENA), and parts of Sub-Saharan Africa (SSA), inflation pressure was expected to stay quite elevated at 7.1, 9.5 and

9.6 percent, respectively, in 2012, reflecting accommodative macroeconomic policies and supply-side disruptions.

6.3 Global Commodity Demand and Prices

Oil prices stood at an average of US$125.0 per barrel in the first quarter of 2012. There were renewed uncertainties that oil supply disruptions, particularly Iran's exports disruption to Organization for Economic Cooperation and Development (OECD) economies could trigger a much larger price spike (an initial oil price increase of about 20 to 30 per cent) during the course of the year. Furthermore, the Fund projected a decline in the non-fuel commodity price index of 10.3 per cent in 2012, reflecting expected improved food supply during the review year.

6.4 International Financial Markets

The performance of international stock markets was predominantly positive across the regions of the world during the first quarter of 2012. The development was due, largely, to the positive macroeconomic data from the United States of America and the on-going efforts to curtail the sovereign debt crisis in the Euro Area. In North America, the S&P 500 index led the region with 12.0 per cent gain, followed by the Mexico Bolsa index, which rose by 6.6 per cent. In South America, the Columbian IGBC General, and Argentine Merval indices also rose by 18.7 and 9.0 per cent, respectively. Similarly, in Europe, the German DAX and French CAC 40 indices were up by 17.8 and 8.4, percent, respectively. The Japanese Nikkei 225 index led the rebound in the Asian stock markets with a gain of 19.3 per cent, followed by the Indian BSE Sensex and Chinese Shanghai Stock Exchange, with gains of 12.6 and 2.9 per cent, respectively. In Africa, all the selected stock indices recorded positive gains at the end of the first quarter of 2012 except the All-Share Index (ASI) of the Nigerian Stock Exchange (NSE) that recorded a decline of 0.4 per cent. The Egyptian EGX CSE 30, Ghanaian GSE, Kenyan Nairobi NSE 20 and South African JSE indices gained 36.6, 8.0, 5.1 and 4.9 per cent, respectively.

Most major world currencies appreciated against the U.S. Dollar in the review period. In Europe, all selected currencies (Russian Ruble, Euro and British Pound) appreciated against the U.S Dollar by 8.7, 2.7 and 2.4 per cent, respectively. In Asia, the Indian Rupee and Chinese Yuan appreciated against the U.S. Dollar by 4.1 and 0.02 per cent, respectively, while the Japanese Yen depreciated against the U.S. Dollar by 7.8 per cent. In North America, the Mexican Peso and Canadian Dollar appreciated against the U.S. Dollar by 8.1 and 2.1 per cent, respectively. In South America, the Colombian Peso and Brazilian Real appreciated against the U.S. Dollar by 7.7 and 2.3 per cent, respectively, while the Argentine Peso depreciated against the U.S Dollar by 1.8 per cent. In Africa, the South African Rand, Kenyan Shilling and Nigerian Naira appreciated against the U.S. Dollar by 5.2, 2.7 and 0.4 per cent, respectively, while the Egyptian Pound and Ghanaian Cedi depreciated against the US Dollar by 0.2 and 8.4 per cent, respectively.

6.5 Other International Economic Developments and Meetings

Other major international economic developments and meetings of relevance to the domestic economy during the review quarter included: the World Economic Forum Annual Meeting held at Davos-Klosters, Switzerland from January 25-29, 2012 on the theme: "The Great Transformation: Shaping New Models".

Also, the meeting of the National Coordinating Committee (NCC) on the Economic Community of West African States (ECOWAS) Multilateral Surveillance Mechanism was held in Ouagadougou, Burkina Faso, from January 23 – 27, 2012. The meeting was convened to receive presentation on Members' economic and financial situation during the first half of 2011 and assess their progress towards achieving macroeconomic convergence, which is critical to attaining monetary union in the West African sub-region.

Furthermore, the 18th African Union (AU) Heads of State and Government Summit was held in Addis Ababa, Ethiopia from January 29 - 30, 2012 with the theme "Boosting Intra-African

Trade". The Heads of State adopted 25 decisions, one resolution and two declarations. One major decision taken at the Summit was the suspension of the elections of the Chairperson and Deputy Chairperson of the AU Commission, alongside that of eight Commissioners.

In addition, the AU Commission and the US Agency for International Development (USAID), on February 1, 2012, discussed the upcoming conference on the Horn of Africa. Among the issues deliberated upon included: the Grow Africa Initiative, the African Risk Capacity (ARC) and strengthening of the African Mission to Somalia (AMISOM) with the aim of placing these issues on the G8 agenda, and attracting funds for the programmes. The discussion on the Africa Risk Capacity centered on improving emergency response to food insecurity.

The Board of the International Monetary Fund (IMF) concluded discussions on its staff report on Article IV Mission to Nigeria on February 22, 2012. The Nigerian authorities were applauded by the IMF team for its countercyclical policies that have supported economic activity in challenging circumstances. They also supported Nigeria's strategy to rebuild fiscal buffers through prioritization of public expenditure, continued subsidy reform, and improved tax administration.

Furthermore, the first Bureau Meeting of the Association of African Central Banks (AACBs) was hosted by the Central Bank of Nigeria on February 29, 2012. The meeting was preceded by a meeting of the Technical Committee of the AACB and that of the Joint Technical Committee of the African Union Commission and the AACB on February 27 and 28, 2012, respectively.

In addition, a task force made up of officials of the ECOWAS Commission and the West African Monetary Institute (WAMI) at the end of a three-day meeting, agreed on mechanisms to boost regional trade by eliminating impediments to intra-community trade and improve the implementation of the ECOWAS Trade Liberalization Scheme (ETLS), which is one of the pillars of the region's integration agenda.

Finally, a meeting of experts of the three Local Bilateral Committees of the Nigeria – Niger Joint Commission was held in Katsina State, Nigeria, from March 19-24, 2012. The meeting examined issues of common interest to the people of the border areas, particularly, construction of secondary roads between the two countries, progress on the re-demarcation of the Nigeria - Niger international boundary, food security, trade and industry, health, education, sports, youth activities, environment, water resources and renewable sources of energy.

APPENDIX TABLES

Table A1: Money and Credit Aggregates

	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12
	₦ billion							
Domestic Credit (Net)	**8612.9**	**9309.8**	**8708.5**	**7854.7**	**8908.5**	**9981.6**	**13657.1**	**13688.9**
Claims on Federal Government (Net)	-1489.9	-1026.3	-1121.8	-1571.8	-1070.8	-1144.5	-526.5	-474.5
Central Bank (Net)	-3272.8	-3037.4	-2884.0	-3401.4	-2730.0	-3244.7	3544.1	-3236.4
Banks	1782.9	2011.1	1762.2	1829.6	1659.3	2100.2	3017.6	2761.8
Claims on Private Sector	10102.8	10335.9	9830.3	9426.5	9979.2	11126.1	14183.6	14163.4
Central Bank	396.5	564.5	632.2	437.5	741.7	885.6	4569.1	4642.9
Banks	9706.3	9771.3	9198.2	8989.0	9237.6	9840.2	9614.5	9520.6
Claims on Other Private Sector	9763.7	9994.6	9460.5	9049.8	9559.0	10725.9	13670.4	13625.3
Central Bank	396.5	564.5	632.2	437.5	741.7	885.6	4569.1	4642.9
Banks	9367.1	9430.1	8828.4	8612.3	8817.4	9840.2	9101.2	8982.4
Claims on State and Local Government	319.2	341.3	369.8	376.7	420.2	400.2	513.2	538.1
Central Bank								
Banks	319.2	341.2	369.8	376.7	420.2	400.2	513.2	538.1
Claims on Non-financial Public Enterprises								
Central Bank								
Banks								
Foreign Assets (Net)	**6484.8**	**6453.9**	**6506.6**	**6988.1**	**6453.7**	**6669.8**	7138.7	7301.6
Central Bank	5401.0	5226.5	5372.3	5722.8	4922.6	5267.5	5823.8	5750.6
Banks	1083.7	1227.5	1134.3	1265.3	1531.1	1402.3	1314.9	1550.9
Other Assets (Net)	-4252.2	-4539.0	-3689.6	-3189.2	-3184.8	-4030.5	-7498.3	-7725.5
Total Monetary Assets (M2)	**10845.5**	**11224.8**	**11525.5**	**11653.6**	**123177.4**	**12690.9**	**13297.5**	**13265.0**
Quasi-Money 1/	5927.5	5968.9	5954.3	6229.1	6534.8	6615.8	6531.9	6748.0
Money Supply (M1)	**4918.0**	**5256.0**	**5571.3**	5424.5	**5642.6**	6005.1	6765.6	6516.9
Currency Outside Banks	795.4	881.0	1082.3	1112.7	1016.4	1012.4	1245.2	1141.4
Demand Deposits 2/	4122.6	4375.0	4489.0	4311.8	4626.1	4992.71	5520.5	5375.6
Total Monetary Liabilities (M2)	**10845.5**	**11224.8**	**11525.5**	**11653.6**	**123177.4**	**12690.9**	**13297.5**	**13265.0**
Memorandum Items:								
Reserve Money (RM)	1262.0	1535.1	1344.4	1845.7	1706	2065.1	2784.1	2527.6
Currency in Circulation (CIC)	1031.9	1063.6	1125.5	1378.1	1416.4	1354.0	1566.1	1432.83
DMBs Demand Deposit with CBN	230.1215833	471.4793	218.92969	467.6	289.5	711.1	1218.0	1094.77

1/ Quasi money consist of Time, Savings and Foreign Currency Deposit at Deposit Money Banks excluding Taking from Discount Houses.

2/ Demand Deposit consist of State, Local and Parastatals Deposits at CBN, State, Local Government and Private Sector Deposits as well as Demand Deposits of non-financial Public Enterprises at Deposit Money Banks.

Table A2: Money and Credit Aggregates (Growth Rates)

	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12
	Percentage Change Over Preceding Quarter								
Domestic Credit (Net)	13.1	2.7	8.1	-6.5	-9.8	8.6	12.1	57.3	0.2
Claims on Federal Government (Net)	-18.4	9.7	-31.1	9.3	-40.1	-13.6	-7.5	52.6	9.9
Claims on Private Sector	4.0	0.7	2.3	-4.9	-4.1	5.6	11.6	44.7	-0.1
Claims on Other Private Sector	4.0	0.5	2.2	-5.4	-4.3	5.4	12.3	45.0	-0.3
Claims on State and Local Government	5.2	0.8	6.9	8.4	1.9	11.5	-4.8	38.8	4.9
Claims on Non-financial Public Enterprises	--	--	--	--	-	-	-	-	-
Foreign Assets (Net)	10.3	-10.6	-0.5	0.8	7.4	-7.6	3.4	9.7	2.3
Other Assets (Net)	7.0	8.1	6.8	-18.7	13.6	-10.1	26.6	-104.3	-3.3
Total Monetary Assets (M2)	13.8	-1.5	3.5	2.4	1.1	4.0	3.6	15.4	-0.2
Quasi-Money 1/	11.6	12.5	-2.1	0.7	-0.3	4.6	4.9	9.7	3.3
Money Supply (M1)	-3.4	15.5	-0.7	6.9	6	-2.6	4	21.44	-3.7
Currency Outside Banks	4.3	19.1	-4.6	10.8	22.9	2.8	-8.7	15.05	-8.3
Demand Deposits 2/	-4.9	14.7	0.1	6.1	2.6	-4.0	7.3	22.98	-2.6
Total Monetary Liabilities (M2)	13.8	-1.5	3.5	2.4	1.1	4.0	3.6	15.4	-0.2
Memorandum Items:									
Reserve Money (RM)	31.1	9.5	-12.4	37.3	-7.6	21.1	-7.6	45.9	-9.2
Currency in Circulation (CIC)	14.5	-8.0	5.8	22.5	2.8	-8.7	-0.8	16.6	-8.5
DMBs Demand Deposit with CBN	105.2	53.4	-53.6	113.6	-38.1	145.6	-20.4	115.3	-10.1
	Percentage Change Over Preceding December								
Domestic Credit (Net)	-28.2	9.0	17.8	10.2	-9.8	2.3	14.62	42.4	0.2
Claims on Federal Government (Net)	25.1	35.3	55.4	51.3	-40.12	4.55	-2.02	52.7	9.9
Claims on Private Sector	-1.7	-1.0	1.3	-3.7	-4.1	1.51	13.18	31.6	-0.1
Claims on Other Private Sector	-1.8	-1.1	1.0	-4.4	-4.3	1.04	13.37	31.3	-0.3
Claims on State and Local Governments	3.7	2.9	10	19.2	1.9	13.64	8.21	38.8	4.9
Claims on Non-financial Public Enterprises	--								
Foeign Asset (Net)	-11.2	-4.5	-14.6	-15.0	-14.3	7.4	-0.81	2.51	2.3
Other Asset (Net)	9.1	-2.2	10.1	4.0	21.9	13.6	13.68	-9.24	-3.3
Total Monetary Assets (M2)	-1.0	-12.2	0.7	4.3	7	1.1	5.66	9.5	-0.2
Quasi-Money 1/	6.6	-11.1	2.8	3.6	3.3	4.6	9.75	11.11	3.3
Money Supply (M1)	-7.7	-13.4	-1.7	5.0	11.3	-2.6	1.28	7.79	-3.7
Currency Outside Banks	-16.4	-16.0	-14.2	-5.0	16.7	2.8	-6.08	-6.46	-8.3
Demand Deposits 2/	-5.7	-12.8	1.1	7.3	10.1	-4.0	3.1	11.2	-2.6
Total Monetary Liabilities (M2)	-1.0	-12.2	0.7	4.3	7.0	1.1	5.66	9.5	-0.2
Memorandum Items:									
Reserve Money (RM)	-16.6	-23.7	-7.2	-18.7	11.6	-7.6	11.9	3.42	-9.2
Currency in Circulation (CIC)	-12.9	-12.7	-10.0	-4.8	16.6	2.8	-6.08	-2.55	-8.5
DMBs Demand Deposit with CBN	-27.6	-51.3	35.0	-53.7	-1.0	-38.1	52.1	21.02	-10.1

1/ Quasi money consist of Time, Savings and Foreign Currency Deposit at Deposit Money Banks excluding Taking from Discount Houses.
2/ Demand Deposit consist of State, Local and Parastatals Deposits at CBN, State, Local Government and Private Sector Deposits as well as Demand Deposits of non-financial Public Enterprises at Deposit Money Banks.

Table A3: Federal Government Fiscal Operations (₦ billion)

	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11	Q4-11	Q1-12
Retained Revenue	**562.9**	**827.7**	**728.9**	**783.8**	**585.9**	**735.0**	**1184.2**	**587.7**	**825.5**
Federation Account	*356.0*	*440.0*	*516.2*	*518.7*	*504.3*	*501.1*	*738.7*	*423.2*	*576.2*
VAT Pool Account	*20.1*	*20.6*	*21.2*	*25.2*	*21.4*	*23.0*	*25.6*	*15.6*	*24.6*
FGN Independent Revenue	*15.9*	*36.9*	*27.6*	*72.7*	*35.9*	*103.4*	*45.1*	*39.5*	*15.9*
Excess Crude	*136.4*	*152.9*	*113.2*	*62.5*	*15.2*	*94.5*	*371.3*	*0.0*	*0.0*
Others	*34.5*	*177.4*	*50.7*	*104.6*	*9.0*	*13.0*	*3.6*	*109.4*	*208.9*
Expenditure	**840.5**	**977.7**	**1028.2**	**1499.7**	**872.5**	**912.5**	**1345.3**	**952.8**	**902.5**
Recurrent	*546.5*	*750.6*	*795.0*	*1138.6*	*682.5*	*751.0*	*939.3*	*727.9*	*642.5*
Capital	*241.0*	*204.1*	*143.8*	*309.0*	*165.6*	*85.0*	*346.4*	*136.2*	*203.5*
Transfers	*28.8*	*23.0*	*89.4*	*41.3*	*40.5*	*76.5*	*59.7*	*88.7*	*56.5*
Overall Balance: Surplus(+)/Deficit(-)	**-277.5**	**150.0**	**-299.3**	**-715.9**	**-286.6**	**-177.5**	**-161.1**	**-365.1**	**-77.0**

Table A4: Gross Domestic Product at 1990 Basic Prices

	Q4-2010	Q1-2011[1]	Q2-2011[1]	Q3-2011[1]	Q4-2011[1]	Q1-2012[1]
	₦ billion					
Real GDP	**228.21**	**170.81**	**188.03**	**228.31**	**246.28**	**182.12**
Oil GDP	***33.44***	***28.74***	***27.90***	***32.59***	***33.34***	***28.78***
Crude Petroleum & Natural Gas	33.44	28.74	27.90	32.59	33.34	28.78
Non-oil GDP	***194.77***	***142.07***	***160.13***	***195.72***	***212.94***	***153.34***
Agriculture	91.53	60.24	78.21	99.65	97.26	62.78
Industry (excluding crude petroleum/natural Gas)	16.96	2.45	8.04	8.94	18.25	2.65
Building & Construction	4.37	4.85	3.93	3.68	4.89	5.49
Wholesale & Retail Trade	43.75	39.11	31.50	41.75	48.95	42.60
Services	38.16	35.18	38.45	41.71	43.59	39.87
	Relative Share (%)					
Real GDP	**100**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**
Oil GDP	*14.7*	16.82	14.84	14.27	13.54	15.80
Crude Petroleum & Natural Gas	14.70	16.82	14.84	14.27	13.54	15.80
Non-oil GDP	*85.3*	83.18	85.16	85.73	86.46	84.20
Agriculture	40.11	35.29	41.59	43.64	39.49	34.47
Industry (excluding crude petroleum/natural Gas)	7.43	1.44	4.63	3.92	7.41	1.44
Building & Construction	1.91	2.84	2.09	1.61	1.99	3.01
Wholesale & Retail Trade	19.17	23.02	16.75	18.29	19.87	23.39
Services	16.72	20.60	20.45	18.27	17.70	21.89
	Growth Rate (%)					
Real GDP	**8.6**	**6.68**	**7.61**	**7.30**	**7.68**	**6.62**
Oil GDP	***6.56***	***-2.41***	***0.98***	***-0.38***	***-0.40***	***0.14***
Crude Petroleum & Natural Gas	***6.56***	-2.41	0.98	-0.38	-0.40	0.14
Non-oil GDP	***8.68***	***8.73***	***8.85***	***8.70***	***9.07***	***7.93***
Agriculture	5.56	5.54	5.95	5.60	5.74	4.15
Industry (excluding crude petroleum/natural Gas)	7.88	0.71	1.43	1.83	2.70	0.51
Building & Construction	12.12	13.22	12.24	11.32	12.05	13.25
Wholesale & Retail Trade	11.89	10.13	11.47	11.82	11.80	8.35
Services	12.91	12.42	12.89	13.25	14.27	13.30

Source: National Bureau of Statistics.

[1] *Provisional.*