CENTRAL BANK OF NIGERIA

ECONOMIC REPORT
SECOND QUARTER 2013

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.

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1.0 Summary

Available data from the National Bureau of Statistics (NBS) showed that estimated gross domestic product (GDP) grew by 6.7 per cent in the second quarter of 2013, compared with 6.6 per cent in the preceding quarter. The development was attributed, largely, to the increase in the contribution of the non-oil sector.

Broad money supply, (M_2), fell by 0.5 per cent at end-June 2013, in contrast to the growth of 1.2 and 1.6 per cent at the end of the preceding quarter and the end of the corresponding period of 2012, respectively. The development reflected largely the fall in foreign assets (net) of the banking system, which suppressed the growth in domestic credit (net) and other assets (net) of the banking system. Narrow money supply, (M_1), grew marginally by 0.02 per cent, in contrast to a decline of 6.5 per cent at the end of the preceding quarter. Reserve money (RM) fell at the end of the preceding quarter.

Available data indicated mixed developments in banks' deposit and lending rates. The spread between the weighted average term deposit and maximum lending rates widened by 1.34 percentage point in the preceding quarter. The margin between the average savings deposit and the maximum lending rates, also widened by 0.43 per centage point. The weighted average inter-bank call rate rose by 0.34 percentage point in the second quarter of 2013, reflecting the liquidity condition in the inter-bank funds market.

Provisional data indicated that the value of money market assets outstanding for the second quarter of 2013 increased by 5.9 per cent, in contrast to the decline of 0.6 per cent at the end of the preceding quarter. The development was attributed, largely, to the 5.6 per cent rise in FGN Bonds outstanding. Activities on the Nigerian Stock Exchange (NSE) in the second quarter 2013 indicated mixed developments.

Total federally-collected revenue at the end of the second quarter of 2013 declined by 2.3 and 5.2 per cent below the receipts in the preceding quarter and the corresponding quarter of 2012, respectively. Oil receipts, which constituted 76.5 per cent of the total, declined below the budget estimate and receipts in the preceding quarter by 6.2 and 194 per cent, respectively. The decrease in oil receipts was attributed, largely, to the fall in all components of oil revenue except domestic crude oil/gas sales during the review quarter.

Non-oil receipts was below the budget estimate and receipts in the

preceding quarter by 38.3 and 3.3 per cent, respectively. Federal Government retained revenue was ₦938.29 billion, while total expenditure was ₦1,280.14 billion. Thus, the fiscal operations of the Federal Government resulted in an estimated deficit of 4.8 per cent of estimated nominal GDP for second quarter 2013, compared with the quarterly budget deficit of 3.1per cent of estimated GDP.

Major agricultural activities during the review period included cultivation and harvesting of crops such as maize and vegetables. Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at an average of 1.93 million barrels per day (mbd) or 175.63 million barrels for the quarter. Crude oil export stood at 1.48 mbd or 134.68 million barrels for the quarter, while deliveries to the refineries for domestic consumption remained at 0.45 mbd or 40.95 million barrels. The average price of Nigeria's reference crude, the Bonny Light(37^0 API) fell by 8.8 per cent below the level in the preceding quarter.

The end-period headline inflation rate (year-on-year) was 8.4 per cent, compared with 8.6 and 12.9 per cent recorded at the end of the preceding quarter and the corresponding quarter of 2012, respectively. Inflation rate on a twelve-month moving average basis was 10.4 per cent, compared with 11.4 and 11.3 per cent in the preceding quarter and the corresponding quarter of 2012, respectively.

Foreign exchange inflow and outflow through the Central Bank of Nigeria (CBN) amounted to US$9.44 billion and US$12.45 billion, respectively, resulting in a net outflow of US$3.01 billion during the quarter. Foreign exchange sales by the CBN to the authorized dealers amounted to US$10.77 billion, compared with US$4.65 billion in the preceding quarter. The average exchange rate of the Naira vis-à-vis the US dollar at the wDAS window remained unchanged at ₦157.30 per US dollar, but appreciated marginally by 0.03 when compared with the level in the corresponding period of 2012. In the bureau-de-change and the interbank segments of the market, the Naira depreiciated by 0.6 and 0.7 per cent when compared with their levels in the preceding quarter.

At the global front, the International Monetary Fund (IMF) slashed its forecast for world economic growth for the year due to slowing emerging markets and a prolonged recession in the Eurozone. In an update to World Economic Outlook (WEO), the IMF reported that it now expects the world output to expand by 3.1 per cent in 2013, down from 3.3 per cent forecast in April.

World Crude Oil demand in the second quarter of 2013 increased marginally by 0.2 per cent above the level recorded in the preceeding quarter. Similarly, world crude oil output represented a decline of 0.3 per cent below the level recorded in the preceeding quarter. The decline was attributed to a global fall in the demand for crude as the winter months ease off, giving way to the summer season. The OPEC reference basket price of eleven selected crude streams decreased by 7.8 per cent from their levels in the previous quarter. The prices of the UK Brent and Forcados also exhibited similar trend.

Other major international economic developments and meetings of importance to the domestic economy during the review quarter included: the 2013 Association of African Central Bank (AACB) Continental Seminar held in Maseru, Lesotho, from May 6 - 8, 2013. Also, the Annual Meetings of the Board of Governors of the African Development Bank Group (AfDB) was held in Marrakech, Kingdom of Morocco from May 27 - June 1, 2013.

The West African Monetary Agency (WAMA), in collaboration with the Central Bank of West African States (BCEAO), organized a Regional Workshop on Harmonization of Regulations Governing Current and Capital Account Transactions in ECOWAS from May 13 – 15, 2013. The 2013 Spring Meetings of the Board of Governors of the World Bank Group and the International Monetary Fund (IMF) was held in Washington D.C., USA from April 15 – 22, 2013. The Ministers of the Inter-governmental Group of 24, the International Monetary and Finance Committee (IMFC) and the Development Committee also held their respective meetings.

Moreover, the African Development Bank (AfDB) Executive Directors, approved its new Ten-Year Strategy (2013 – 2022) in April 2013. The Strategy was designed to place the Bank at the centre of Africa's transformation and to improve the quality of growth. Meanwhile, representatives of the AfDB, the African Union Commission (AUC), the Economic Commission for Africa (ECA), and the New Partnership for Africa's Development (NEPAD) Secretariat gathered in Tunis on June 25-26, 2013 to discuss the African Union's 'Agenda 2063'. In related development, the African Development Bank (AfDB), in partnership with the Economic Community of West African States (ECOWAS) Commission, organized a brainstorming workshop for migration experts and stakeholders from ECOWAS member states in Dakar, Senegal, on June 20-21, 2013.

Finally, the Economic Community for West African States (ECOWAS), West African Monetary Agency (WAMA), and the West African

Monetary Institute (WAMI) Joint Multilateral Surveillance Mission to Nigeria was conducted from April 2 – 9, 2013.

2.0 Financial Sector Developments

2.1 Monetary and Credit Developments

Provisional data indicated that growth in the major monetary aggregates slowed at the end of the second quarter of 2013. Banks' deposit and lending rates generally exhibited mixed developments during the review quarter. The value of money market assets outstanding increased, due largely, to the increase in FGN Bonds outstanding. Development on the Nigerian Stock Exchange (NSE) were mixed during the review quarter.

Growth in key monetary aggregates fell during Q2 2013.

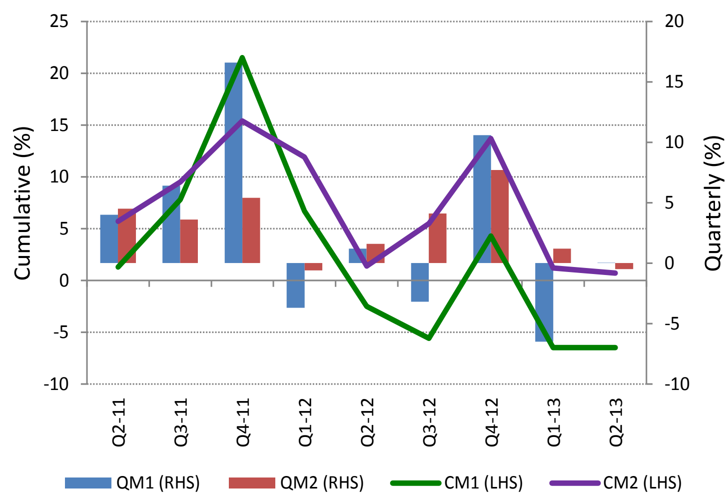
Provisional data indicated that growth in the key monetary aggregates slowed at the end of the second quarter of 2013 relative to the level at the end of the preceding quarter. Broad money supply, (M_2), fell by 0.5 per cent to ₦15,593.3 billion at end-June 2013, in contrast to the growth of 1.2 and 1.6 per cent at the end of the preceding quarter and the corresponding period of 2012, respectively. The development reflected largely the 6.9 per cent fall in foreign assets (net) of the banking system, which suppressed the growth of 4.3 and 0.6 per cent in domestic credit (net) and other assets (net) of the banking system, respectively. Over the level at end-December 2012, growth in (M2) decelerated to 0.7 per cent, owing largely to the decline in net foreign assets which more than offset the increase in net domestic credit.

At ₦6,939.6 billion, narrow money supply grew marginally by 0.02 per cent at the end of the second quarter of 2013, in contrast to a decline of 6.5 per cent at the end of the preceding quarter. The development was wholly attributed to the 2.0 per cent increase in the demand deposit component. Over the level at end-December 2012, narrow money supply (M_1) contracted by 6.5 per cent, due to the decline of 13.3 and 5.0 per cent in currency and demand deposits components, respectively.

Quasi money, at ₦8,653.6 billion, fell by 0.9 per cent, in contrast to the growth rates of 8.3 and 2.0 per cent at the end of the preceding quarter and the corresponding period of 2012, respectively. The development was attributed to the decline in time and savings deposits at the DMB's. Relative to the level at end- December 2012, quasi money grew by 7.3

per cent (Fig. 1, Table 1).

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



At ₦13,294.5 billion, aggregate banking system's credit (net) to the domestic economy, rose by 4.3 per cent at the end of the second quarter of 2013, compared with the growth of 0.3 per cent at the end of the preceding quarterand in contrast to a decline of 0.8 per cent at the end of the corresponding quarter of 2012. The development relative to the preceding quarter was due to the respective increase of 4.9 and 2.8 per cent in net claims on the Federal Government and claims on the private sector. Over the level at end- December 2012, aggregate banking system's credit (net) to the domestic economy, rose by 4.7 per cent, due largely to the increase of 3.6 per cent in claims on the private sector.

Banking system credit to the federal government rose at the end of the second quarter of 2013.

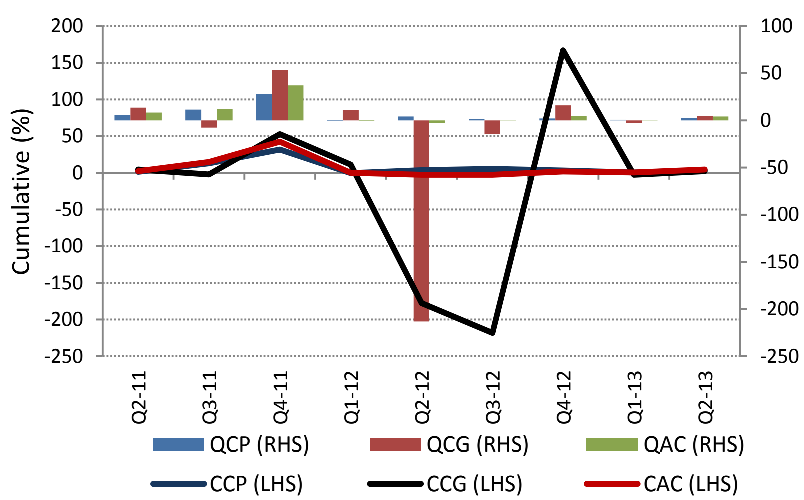
Banking system's credit (net) to the Federal Government, at the end of the review quarter, rose by 4.9 per cent to negative ₦2,397.5 billion, in contrast to the decline of 2.8 and 157.2 per cent at the end of the preceding quarter and the corresponding period of 2012, respetively. The development relative to the preceding quarter was accounted for, largely,

[1] QM1 and QM2 represent quarter-on-quarter changes, while CM1 and CM2 represent cumulative changes (year-to-date).

by the increased holdings of treasury instruments by the banking system. Over the level at end- December 2012, credit (net) to the Federal Government rose by 2.3 per cent, reflecting largely the increase in banking system's holding of Federal Government securities.

At the end of second quarter of 2013, banking system's credit to the private sector rose by 2.8 per cent to ₦15,692.0 billion, compared with the increase of 0.7 and 4.1 per cent at the end of the preceding quarter and the corresponding period of 2012, respectively. The development, relative to the preceding quarter was attributed, wholly, to the 3.0 per cent rise in claims on the core private sector. Relative to the level at end-December 2012, banking system's credit to the private sector rose by 3.6 per cent (Fig. 2, Table 1).

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



At ₦9,017.0 billion, foreign assets (net) of the banking system decreased by 6.9 per cent at the end of the review quarter, in contrast to the increase of 7.1 and 2.9 per cent at the end of the preceding quarter and the corresponding period of 2012, respectively. The development was attributed, largely, to the 7.2 and 5.4 per cent decline in CBN's and DMBs' holdings of

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

[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).

foreign assets, respectively. Over the level at end-December 201, foreign assets (net) of the banking system fell by 0.3 per cent.

At the end of the review quarter, other assets (net) of the banking system rose marginally by 0.6 per cent to negative ₦6,718.2 billion, in contrast to the decline of 8.0 per cent at the end of the preceding quarter, but showed an increase of 1.4 per cent when compared with the outcome at the end of the corresponding period of 2012. The increase, relative to the preceding quarter, reflected, largely, the rise in unclassified assets of both the CBN and the DMBs during the review period. Over the level at end-December 2012, other assets (net) of the banking system fell by 7.4 per cent.

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

	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13
Domestic Credit (Net)	37.4	0.2	-2.7	0.4	4.4	0.3	4.3
Claims on Federal Government (Net)	-56.7	9.9	-213.2	-13.3	15.1	-2.7	4.9
Claims on Private Sector	27.7	-0.1	4.1	1.6	2.3	0.7	2.8
Claims on Other Private Sector	27.6	-0.3	3.9	1.6	2.0	0.8	3.0
Foreign Assets (Net)	7.0	2.3	3.0	9.9	10.1	-7.1	-6.9
Other Assets (Net)	-87.4	-3.0	4.7	-3.0	4.7	8.0	0.6
Broad Money Supply (M2)	5.4	-0.2	1.6	4.3	7.6	1.2	0.5
Quasi-Money	-1.3	3.3	2.0	11.5	5.1	8.3	-0.9
Narrow Money Supply (M1)	12.8	-3.7	1.2	-3.2	10.6	-6.5	0.0
Memorandum Items:							
Reserve Money (RM)	45.9	-9.2	-0.6	24.1	13.3	5.6	-17.3

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

At ₦1,425.5 billion, currency in circulation fell by 5.6 per cent at the end of the second quarter of 2013, compared with the decline of 7.6 per cent at the end of the preceding quarter. The development was attributed, largely, to the 9.3 per cent decline in currency outside the banks.

Total deposits at the CBN amounted to ₦6,112.4 billion, indicating a decline of 10.2 per cent, compared with the decline of 8.3 per cent at the end of the preceding quarter. The development reflected largely, the 24.6 and 21.9 per cent fall in deposits of banks and Federal Government, respectively. Of the total deposits, the shares of the Federal

Government, banks and ''Others'' were ₦3,822.1 billion (62.5 per cent), ₦1,810.7 billion (29.6 per cent) and ₦479.6 billion (21.9 per cent), respectively.

Reserve money (RM), at ₦3,236.15 billion, fell by 17.3 per cent in contrast to the 5.5 per cent increase recorded in the preceding quarter, but showed a decline of 0.6 per cent below the level in the corresponding period of 2012. The development was attributed to the decline in currency in circulation and DMBs deposit with the CBN.

Reserve money (RM) declined at the end of the second quarter of 2013.

2.3 Money Market Developments

During the review period, money market rates were influenced by the liquidity condition in the banking system. Monetary Policy stance remained largely restrictive as the Monetary Policy Rate (MPR) was maintained at 12.0 per cent. The Liquidity Ratio (L/R), Cash Reserve Requirement (CRR) and the Net Open Position were also retained at their previous levels of 30.0, 12.0 and 1.0 per cent, respectively. Money market indicators were relatively stable in the review quarter. On two occasions, the Bank offered special OMO auctions at fixed rates of 12.75 and 12.35 per cent during the quarter. The Bank's discount window also remained open to authorized dealers to access both the standing deposit facility (SDF) and standing lending facility (SLF).

There was mixed development in the money market rates during the review period.

Provisional data indicated that the value of money market assets outstanding for the second quarter of 2013 stood at ₦6,547.20 billion, showing an increase of 5.9 per cent, in contrast to the decline of 0.6 per cent at the end of the preceding quarter. The development was attributed, largely, to the 5.6 per cent increase in FGN Bonds outstanding.

2.3.1 Interest Rate Developments

Available data indicated mixed developments in banks' deposit and lending rates during the second quarter of 2013. The average savings deposit rate rose to 2.04 per cent from 1.73 per cent in the first quarter of 2013. All other rates on deposits of various maturities, however, fell from a range of 5.05 – 8.39 per cent to a range of 4.71 -7.72 per cent in the second quarter of 2013. Similarly, at 6.58 per cent, the average term deposit rate fell by 0.6 percentage point below

The spread between the weighted – average term deposit and maximum lending rates widened.

the level in the preceding quarter. The prime and maximum lending rates rose by 0.19 and 0.74 percentage points to 16.62 and 24.56 per cent in the second quarter of 2013. Consequently, the spread between the weighted average term deposit and maximum lending rates widened by 1.34 percentage point to 17.98 per cent from 16.64 per cent in the preceding quarter. The margin between the average savings deposit and the maximum lending rates, also widened by 0.43 percentage point to 22.52 per cent from 22.09 per cent. With the headline inflation rate of 8.4 per cent at end-June 2013, all rates, with the exception of lending rates, were negative in real terms.

Interbank call rate increased in Q2 2013.

At the interbank funds segment, the weighted average inter-bank call rate, which stood at 11.35 per cent at the end of the first quarter of 2013, rose by 0.34 percentage point to 11.69 per cent in the second quarter of 2013, reflecting the liquidity condition in the banking system. Similarly, the weighted average rate at the Open Buy Back (OBB) segment rose marginally to 11.27 per cent at the end of the review quarter from 11.26 per cent in the preceding quarter. The Nigeria Inter-bank Offered Rate (NIBOR) for the 7-day and 30-day tenors rose to 12.19 and 12.46 per cent from 11.83 and 12.39per cent, respectively, in the preceding quarter (Fig. 3, Table 2).

Figure 3: Selected DMBs Interest Rates (Average)

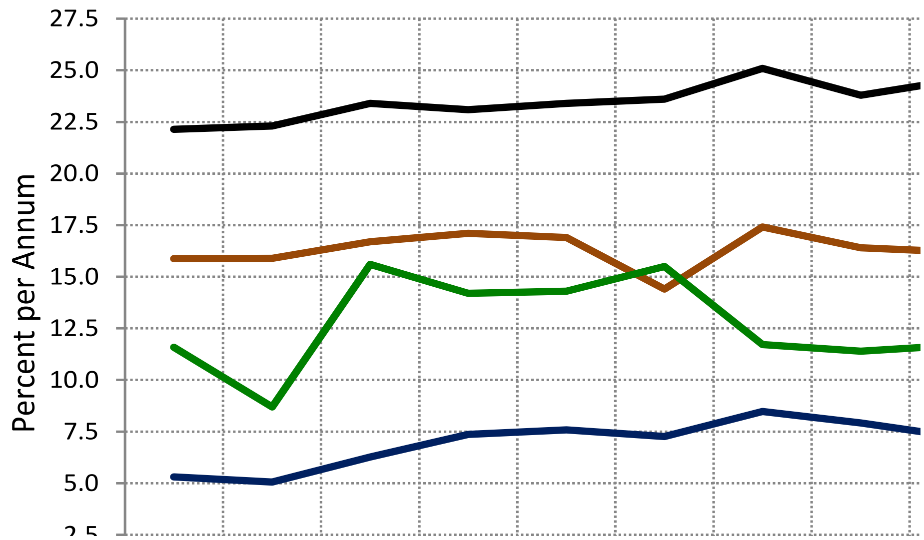


Table 2: Selected Interest Rates (Percent, Averages)

	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13
Average Term Deposits	4.7	4.6	5.7	6.7	6.9	7.3	7.7	7.2	6.6
Prime Lending	15.8	15.9	16.7	17.1	16.9	16.6	17.4	16.4	16.6
Interbank	10.6	8.7	15.3	14.2	14.3	15.5	11.7	11.4	11.7
Maximum Lending	22.2	22.3	23.4	23.1	23.4	23.6	25.1	23.8	24.6

2.3.2 *Commercial Paper (CP)*

The value of Commercial Paper (CP) held by the banks rose by 51.2 per cent to ₦15.00 billion at the end of the second quarter of 2013, compared with ₦9.92 at the end of the preceding quarter. The development was due to the increase in holding of CP by the merchant banks during the review period. Thus, CP constituted 0.2 per cent of the total value of money market assets outstanding, same as at the end of the preceding quarter.

Investment in CP by banks rose in the second quarter of 2013.

2.3.3 *Bankers' Acceptances (BAs)*

The value of BAs held by DMBs increased by 58.1 per cent to ₦16.01 billion at the end of the review quarter, compared with the increase of 5.9 per cent at the end of the preceding quarter. The development reflected the 36.9 per cent increase in investments in BAs by deposit money banks. Consequently, BAs accounted for 0.2 per cent of the total value of money market assets outstanding at the end of the review quarter, same as in the the preceding quarter.

DMBs' holdings of BAs increased during Q2 of 2013.

2.3.4 *Open Market Operations*

Bills of various maturities, ranging from 58 - 289 days, were used to mop up excess liquidity, arising from the maturity of CBN bills, the redemption of the Sovereign Debt Notes and maturing FGN Bonds. Total sales in the second quarter of 2013 amounted to ₦2,726.04 billion, while total subscription was ₦4,210.29 billion. The bid rates ranged from 11.50 – 14.49 per cent, while the stop rates ranged from 11.50 – 13.29 per cent. A total of ₦2,668.9 billion was repaid during the period, resulting in a net withdrawal of ₦57.14 billion.

2.3.5 *Primary Market*

At the primary market segment, NTBs of 91-, 182- and 364-day tenors, amounting to ₦1,000.50 billion, ₦1,752.99 billion and ₦1,000.50 billion, were offered, subscribed to and allotted, respectively, in the second quarter of 2013, compared with the respective sums of ₦1,084.5 billion, ₦2,515.7 billion and ₦1,084.5 billion in the preceding quarter. The bid rates ranged from 8.50 to 15.02 per cent, for the 91-, 182- and 364-day tenor, while the stop rates ranged from 10.30 – 13.22 per cent.

2.3.6 *Bonds Market*

Subscription for FGN Bonds of various maturities was impressive during the second quarter of 2013.

FGN Bonds of 5-, 7-,10- and 20-year tranches were re-opened and auctioned during the second quarter of 2013. The total amount offered, subscribed to and allotted for the tranches were ₦299.80 billion, ₦517.89 billion, and ₦235.61 billion, respectively. The marginal rates ranged between 11.19 – 13.50 per cent, which was higher than the range obtained in the preceding quarter. In the review period, ₦32.06 billion worth of FGN Bonds matured and were repaid, resulting in a net withdrawal of ₦203.55 billion. Relative to first quarter of 2013, the total amount offered, subscribed to and allotted stood at ₦285.00 billion, ₦607.05 billion, and ₦285.00 billion, respectively. The amount sold showed a decline of 17.3 per cent below the level in the preceding quarter.

2.3.7 *CBN Standing Facilities*

The total Standing Lending Facility (SLF) granted during the review period was ₦2,561.7 billion, compared with ₦2,781.84 billion in the preceding quarter. The decline in the SLF demanded was attributed mainly to the adjustment in the investment pattern of DMBs following the restrictions placed on standing facilities by the Bank in third quarter of 2012. The total Standing Deposit Facility (SD) was ₦6,111.90 billion during the second quarter of 2013, representing a decline of 84.5 per cent below the level in the preceding quarter. The development was attributed to the liquidity condition in the banking system during the quarter. The rates for the SLF and SDF were maintained at 10.00 and 14.00 per cent, respectively, during the review quarter.

2.4 Deposit Money Banks' Activities

Available data indicated that the total assets and liabilities of the DMBs stood at ₦22,539.56 billion at the end of the second quarter of 2013, representing an increase of 1.0 per cent over the level at the end of the preceding quarter. The funds, which were sourced, largely, from reserves and increased mobilization of demand deposit liabilities, were used mainly to extend credit to the private sector and acquisition of unclassified assests.

At 56.1 per cent, the liquidity ratio in Q2 2013 was 14.6 percentage points above the stipulated minimum ratio of 30 per cent. Loan-to-deposit ratio fell below the prescribed maximum of 80 per cent by 41.7 percentage points.

At ₦11,966.0 billion, DMBs' credit to the domestic economy, rose by 5.3 per cent above the level in the preceding quarter. The development was attributed, largely, to the 14.3 per cent increase in claims on the Federal Government.

Central Bank's credit to the DMBs, rose by 1.5 per cent to ₦242.4 billion at the end of the review quarter, reflecting the increase in overdrafts to banks, while total specified liquid assets of the DMBs stood at ₦8,544.63 billion, representing 56.1 per cent of their total current liabilities. At that level, the liquidity ratio, fell by 31.6 percentage points below the level in the preceding quarter, but was 26.1 percentage points above the stipulated minimum ratio of 30.0 per cent. The loans-to-deposit ratio, at 43.9 per cent, was 5.6 percentage points above the level at the end of the preceding quarter, and 36.1 percentage points below the prescribed maximum ratio of 80.0 per cent.

2.5 Discount Houses' Activities

Total assets/liabilities of the discount houses stood at ₦344.2 billion at the end of the second quarter of 2013, indicating a decline of 4.3 and 4.7 per cent below the levels at the end of the preceding quarter and the corresponding quarter of 2012, respectively.The fall in assets relative to the preceding quarter was accounted for, largely, by the decrease in claims on "Federal Government and others", which more than offset the rise in claims on the State Governments and Banks. Correspondingly, the fall in total liabilities was attributed, largely, to the decrease in money at call and other liabilities, which exceeded the increase in capital and reserves and other amounts owed to discount houses.

Discount houses' investment in Federal Government securities of less than 91-day maturity decreased by 2.2 per cent to ₦148.41 billion and represented 52.5 per cent of their total deposit liabilities. At this level, discount houses' investment was 7.5 percentage points below the prescribed minimum level of 60.0 per cent for fiscal 2013. Total borrowing by the discount houses was ₦78.9 billion, while their capital and reserves stood at ₦19.5 billion. This resulted in a gearing ratio of 4.1:1, compared with the stipulated maximum of 50:1 for fiscal 2013.

2.6 Capital Market Developments

2.6.1 Secondary Market

Activities on the Nigerian Stock Exchange (NSE) showed mixed developments during the review quarter. Available data indicated that the volume of traded securities declined by 16.6 per cent to 26.5 billion shares valued at ₦336.59 billion, in 380,946 deals, compared with 31.8 billion shares valued at ₦254.98 billion in 383,014 deals in the preceding quarter. The banking sub-sector maintained its dominance as the most active with a volume of 12.0 billion shares valued at ₦110.5 billion in 87,743 deals recorded during the review quarter.

Figure 4: Volume and Value of Traded Securities

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

	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13
Volume (Billion)	24.3	19.1	23.6	19.6	26.5	21.9	21.1	31.8	26.5
Value (₦ Billion)	159.1	134.4	140.9	145.1	172.2	159.2	181.4	255.0	336.6

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

Provisional data on the Over-the-Counter (OTC) bond market, for the second quarter indicated a turnover of 2.22 billion units, worth ₦2.63 trillion, in 13,396 deals, compared with 2.51 billion units worth ₦2.9 trillion in 14,641 deals in the preceding quarter.

2.6.3 *New Issues Market*

There were three (3) new and ten (10) supplementary listings in the review quarter (see table below).

Table 4: New and Supplementary Listings on the Nigeria Stock Exchange

S/N	Company	Additional Shares (billion)	Reasons	Listings
1	Flour Mills of Nigeria Plc	Outstanding 50,893,281 Shar	Merger with Nigerian Bag Manufacturing	Supplementary
2	C&I Leasing	N940 Million 18 % Fixed Rate	N10 Billion Issunace Programme	New
3	Rak Unity Petroleum Plc	43,051,159 Outstanding Shar	Conclusion of Special Placing	Supplementary
4	Osun State Governemnet	N30 Billion Fixed Rate Bond	Debt Issuance Programme	New
5	Livestock Feeds Plc	800,000,000 Shares	Placement	Supplementary
6	Custodian and Allied Ins. Plc.	781,017,387 Shares	Merger with Crusader Nigeria Plc.	Supplementary
7	BOC Gases Plc.	23,124,706 Shares	Bonus Shares Issue	Supplementary
8	Okomu Oil Plc	479,955,000 Shares	Bonus Shares Issue	Supplementary
9	CAP Plc	140,000,000 Shares	Script Issue	Supplementary
10	UACN Plc.	320,144,064 Shares	Bonus Shares Issue	Supplementary
11	First City Monument Bank	761,642,721 Shares	Bonus Shares Issue	Supplementary
12	Oando Plc	4,548,236,276 Shares	Rights Issue	Supplementary
13	FCMB Group	19,802,710,754 Shares	Restructure	New

2.6.4 Market Capitalization

Total Market capitalization declined, while All-Share Index increasd during Q2 2013.

The total market capitalization for all the listed securities (equities and debt) stood at ₦15.8 trillion at the end of the review quarter, indicating a decline of 3.8 per cent below the level in the preceding quarter. Conversely, market capitalization for the listed equities stood at ₦11.4 trillion, representing an increase of 6.5 per cent over the level at the end of the preceding quarter. The equities sub-sector, accounted for 72.4 per cent of the aggregate market capitalization on the Exchange.

2.6.5 NSE All-Share Index

The All-Share Index of listed securities, which opened at 33,536.25 at the beginning of the quarter, closed at 36,164.31, representing an increase of 7.8 per cent above the level at the end of the preceding quarter. At end-June 2013, two of the seven (7) sectoral indices rose. The NSE Consumer Goods and NSE Lotus II indices increased by 3.5 and 13.4 per cent, respectively, to close at 1,018.5 and 2,517.6 at the end of the review period. However, the NSE Banking, NSE Insurance and NSE Oil/Gas indices fell by 2.4, 10.4 and 13.5 per cent, respectively, to close at 402.3, 138.5 and 171.5 at the end of the second quarter of 2013. The newly introduced NSE industrial goods and NSE AseM indices closed at 2,093.04 and 976.11, respectively, at the end of the review period.

Figure 5: Market Capitalization and All-Share Index

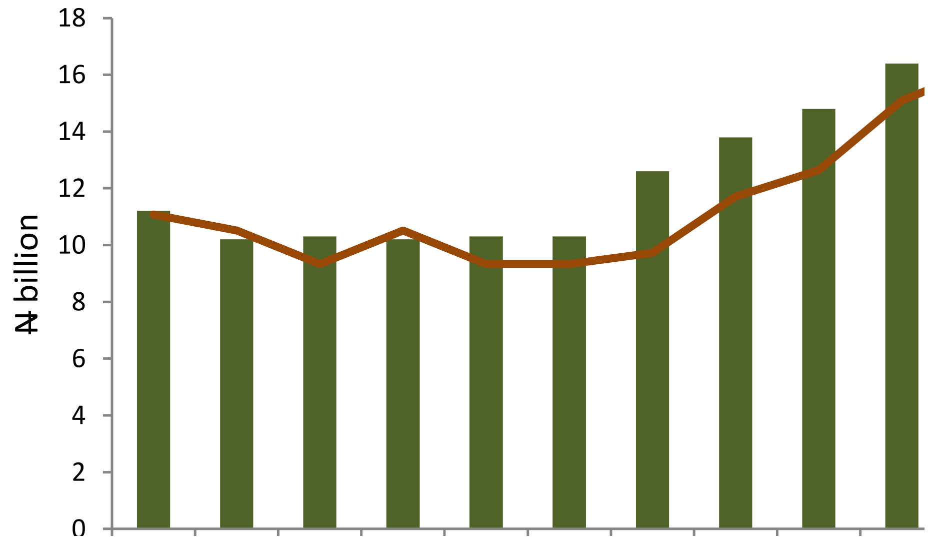


Table 5: Market Capitalization and All Share Index (NSE)

	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13
Market Capitalization (₦ trillion)	11.2	10.2	10.3	12.0	12.4	13.8	14.8	16.4	15.8
All-Share Index (Equities)	24,980.20	23,373.00	20,730.60	29,652.50	21,599.60	26,022.60	28,078.80	33,536.25	36,164.31

3.0 Fiscal Operations

3.1 Federation Account Operations

Available data showed that total federally-collected revenue during the second quarter of 2013 stood at ₦2,370.71 billion, representing a decline of 2.3, 5.2 and 16.4 per cent below the levels in the preceding quarter, the corresponding quarter of 2012 and the proportionate budget estimate, respectively, (Fig. 6, Table 6).

Gross federally collected revenue declined by 2.3 per cent below the level in the preceding quarter.

Figure 6: Components of Gross Federally Collected Revenue

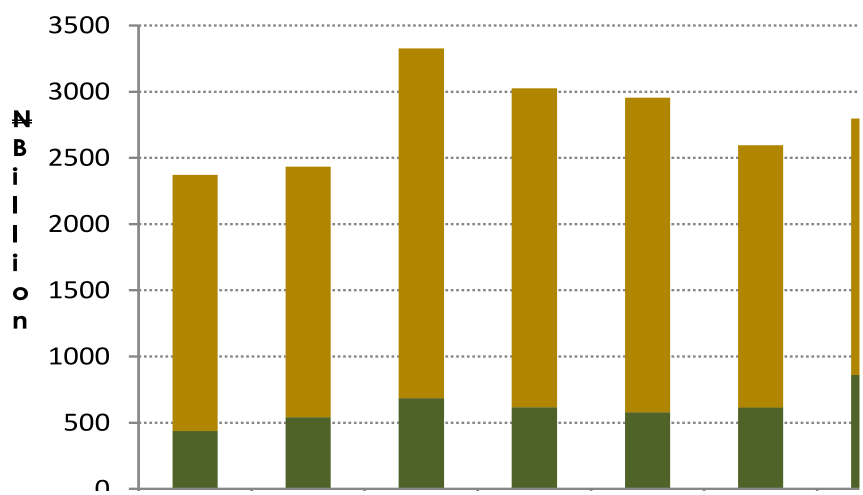


Table 6: Gross Federation Account Revenue (₦ billion)

	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13
Federally-collected revenue (Gross)	2433.2	3327.8	3025.1	2955.4	2596.2	2783.0	484.1	2425.3	2370.7
Oil Revenue	1892.4	2642.8	2408.1	2376.0	1981.6	1936.2	1823.6	1849.5	1813.8
Non-Oil Revenue	540.9	685.0	617.0	579.4	614.6	666.1	660.5	575.8	557.0

At ₦1,813.77 billion, gross oil receipts, which constituted 76.5 per cent of the total, declined below the proportionate budget estimate and the level in the preceding quarter by 6.2 and 1.9 per cent, respectively. The development relative to the preceding quarter was attributed to the decline in all the components of oil revenue during the review quarter, except domestic crude oil and gas sales (Fig. 7, Table 7).

Figure 7: Gross Oil Revenue and Its Components

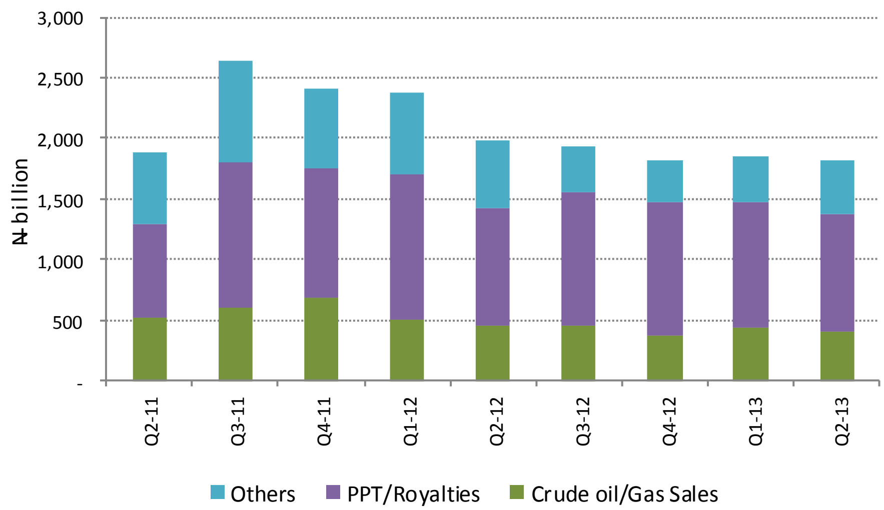


Table 7: Components of Gross Oil Revenue (₦ billion)

	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13
Oil Revenue	1892.4	2642.8	2408.1	2376.0	1958.7	1936.2	1823.6	1849.5	1813.8
Crude oil/Gas Sales	526.6	596.9	683.4	506.5	452.5	455.2	366.7	439.1	403.8
PPT/Royalties	763.1	1206.5	1070.9	1194.0	966.1	1103.5	1103.9	1030.2	973.1
Others	602.8	839.4	653.8	675.5	562.9	377.4	353.1	380.1	436.9

Non-oil receipts (gross), at ₦556.95 billion (23.5 per cent of the total), was below the level in the preceding quarter and the proportionate budget estimate by 3.3 and 38.3 per cent, respectively. The decline in non-oil revenue relative to the preceding quarter reflected, largely, the decline in customs and excise duties, independent revenue of the Federal Government, education tax and customs levies (Fig. 8, Table 8).

As a percentage of projected second quarter 2013 nominal GDP, oil and non-oil revenue were 25.6 and 7.9 per cent, respectively.

Figure 8: Gross Non-Oil Revenue and its Components

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

	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13
Non-Oil Revenue	540.9	667.3	617.0	579.4	542.1	861.4	660.5	575.8	557.0
Value-Added Tax (VAT)	159.7	177.7	164.7	171.0	181.8	173.6	183.8	185.5	193.6
Companies Income Tax & Other Taxes	133.5	257.0	200.3	124.4	157.4	398.7	168.1	158.3	183.0
Customs & Excise Duties	102.9	112.9	114.9	109.3	117.7	50.1	121.0	109.9	97.3
Others	144.8	119.8	176.6	174.7	157.7	238.9	187.6	122.0	83.0

Of the gross federally-collected revenue during the review quarter, the sum of ₦1,520.28 billion (after accounting for all 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 ₦715.00 billion, while the states and local governments received ₦362.66 billion and ₦279.59 billion, respectively. The balance of ₦163.03 billion went to the 13.0% Derivation Fund for distribution to the oil-producing states. Also, the Federal Government received ₦27.88 billion from the VAT Pool Account, while the state and local governments received ₦92.95 billion and ₦65.06 billion, respectively. During the review period, the sum of ₦280.07 billion was drawn from the Excess Crude Account (ECA) to bridge the short-fall in revenue for the period and was shared as follows: Federal (₦128.36 billion), state (₦65.11 billion) and local governments (₦50.19 billion), while the oil producing states received ₦36.41 billion. The sum of ₦106.65 billion was also distributed as the

The sum of ₦1,520.28 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.

Subsidy Re-Investment and Empowerment Programme (SURE-P) among the three tiers of government and the 13% Derivation Fund as follows: Federal Government (₦48.88 billion), States government (₦24.79 billion), Local Governments (₦19.11 billion) and 13% Derivation Fund (₦13.86 billion).

In addition, the sum of ₦22.85 billion from NNPC Refund was shared by the sub-national governments and 13% derivation Fund as follows: States Government (₦11.23 billion), Local Governments (₦8.65 billion)and 13% Derivation Fund (₦2.97 billion). Thus, the total allocation to the three tiers of government in the second quarter of 2013 amounted to ₦2,115.74 billion. This was higher than the 2013 quarterly budget estimate by 2.1 per cent.

3.2 The Fiscal Operations of the Three Tiers of Government

3.2.1 The Federal Government

Federal government estimated retained revenue and total expenditure was lower than the proportionate budget estimate for the quarter.

At ₦938.29 billion, the Federal Government retained revenue for the second quarter of 2013 was lower than the proportionate budget estimate by 23.5 per cent, but higher than the receipts in the first quarter of 2013 and the corresponding quarter of 2012 by 3.3 and 6.0 per cent, respectively. Of this amount, the Federal Government share from the Federation Account, VAT Pool Account, FGN Independent Revenue, Revenue Augmentation and Sure-P were ₦715.00 billion, ₦27.88 billion, ₦18.17 billion, ₦128.36 billion and ₦48.88 billion, respectively (Fig. 9, Table 9).

Figure 9: Federal Government Retained Revenue

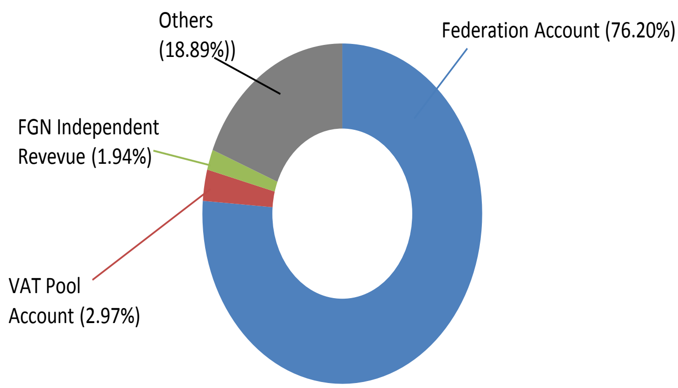


Table 9: Federal Government Fiscal Operations (₦ billion)

	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13
Retained Revenue	735.0	1184.2	587.7	1015.7	852.0	762.6	923.0	908.1	938.3
Expenditure	912.5	1345.3	952.8	1101.4	1063.8	1221.7	1130.3	1192.9	1280.4
Overall Balance: Surplus(+)/Deficit(-)	-177.5	-161.1	-365.1	-85.7	-192.2	-459.1	-207.3	-284.8	-342.1

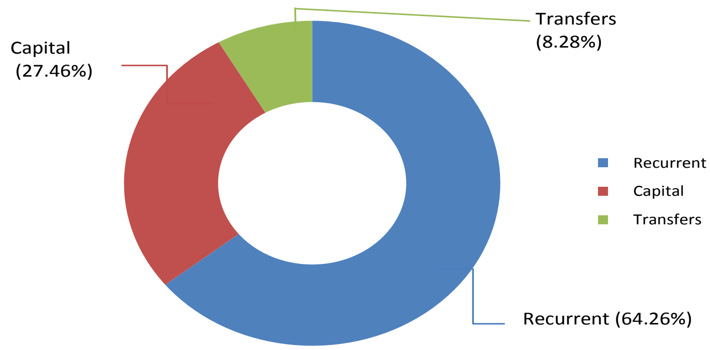
Total estimated expenditure for second quarter 2013 stood at ₦1,280.41 billion, indicating a decline of 11.6 per cent relative to the quarterly budget estimate. It was, however, higher than the level in the preceding quarter by 7.3 per cent. The development relative to the quarterly budget estimate was attributed largely to the non-release of capital outlay during the period. A breakdown of the total expenditure showed that the recurrent component accounted for 64.3 per cent, capital component 27.5 per cent, while statutory transfers accounted for the balance of 8.2 per cent (Fig. 10). Further breakdown of the recurrent expenditure showed that the non-debt component accounted for 75.5 per cent, while debt service payments accounted for the balance of 24.5 per cent.

Thus, the fiscal operations of the Federal Government resulted in an estimated deficit of ₦342.12 billion or 4.8 per cent of GDP, compared with a proportionate budget deficit of

The fiscal operations of the FG resulted in an estimated deficit of ₦342.12 billion in Q2 2013.

₦221.77 billion or 3.1 per cent of GDP for the second quarter 2013.

Figure10: Federal Government Expenditure



3.2.2 *Statutory Allocations to State Governments*

Total allocation to state governments (including the Federation Account, 13.0% Derivation Fund and VAT) stood at ₦773.01 billion during the review quarter. This represented an increase of 5.3 and 21.6 per cent above the levels in the preceding quarter and the corresponding quarter of 2012, respectively.

Further breakdown showed that, at ₦680.06 billion, receipts from Federation Account constituted 87.9 per cent of the total, indicating an increase of 5.3 and 24.0 per cent above the levels in the preceding quarter and the corresponding quarter of 2012, respectively. At ₦92.95 billion, receipts from the VAT Pool Account, constituted 12.0 per cent of the total , indicating an increase of 4.4 and 6.5 per cent relative to the levels in the preceding quarter and the corresponding quarter of 2012, respectively. On a monthly basis, the sum of ₦266.08 billion, ₦228.09 billion and ₦278.84 billion was allocated as statutory allocations and VAT receipts to the 36 state governments in April, May and June 2013, 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 second quarter of 2013, stood at ₦422.62 billion. This amount was higher than the levels in the preceding quarter and the corresponding quarter of 2012 by 5.2 and 19.7 per cent, respectively. Of the total amount, allocation from the Federation Account was ₦357.55 billion (84.6 per cent), while VAT Pool Account accounted for the balance of ₦65.06 billion (15.4 per cent). On a monthly basis, the sum of ₦143.85 billion, ₦124.06 billion and ₦154.71 billion was allocated to the 774 local governments in April, May and June 2013, respectively.

4.0 Domestic Economic Conditions

Provisional data showed that aggregate output measured by the real gross domestic product (GDP) grew by 6.7 per cent, compared with 6.6 per cent in the preceding quarter. The development was attributed, largely, to the growth in the contribution of the non-oil sector, during the review period. Crude oil production was estimated at 1.93 million barrels per day (mbd) or 175.63 million barrels for the quarter. The end-period inflation rate for the second quarter of 2013, on year-on-year basis, was 8.4 per cent, compared with 8.6 and 12.9 per cent in the preceding quarter and the corresponding quarter of 2012, respectively. The inflation rate on a 12-month moving average basis was 10.4 per cent, compared with 11.4 and 11.3 per cent in the preceding quarter and the corresponding period of 2012, respectively.

4.1 Aggregate Output

Provisional data showed that in the second quarter of 2013, output measured by the real gross domestic product (GDP), grew by 6.7 per cent, compared with the 6.6 per cent recorded in the preceding quarter. The development was attributed largely to the growth in the contribution of the non-oil sector. Real non-oil GDP grew at 7.9 per cent and accounted for 87.1 per cent of total GDP in the review quarter. Real oil GDP, comprising crude petroleum and natural gas, fell by 0.7 per cent and accounted for 12.9 per cent of GDP, compared with the decline of 0.5 per cent recorded in the preceding quarter of 2013 (Fig. 11, Table 10).

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

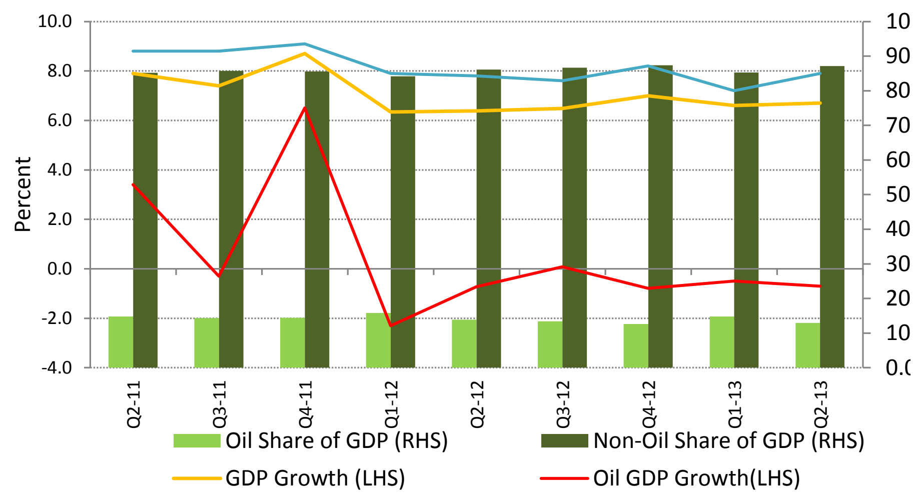


Table 10: Growth Rate of Real GDP and Sectoral Shares (Percent)

	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13
Growth Rate (%)									
Real GDP	7.7	7.4	8.7	6.3	6.4	6.5	7.0	6.6	6.7
Oil (Crude Petroleum/Natural Gas)	3.4	-0.3	6.5	-2.3	-0.7	0.1	-0.8	-0.5	-0.7
Non-oil	8.8	8.8	9.1	8.1	7.6	7.6	8.2	7.2	7.9
Share in Real GDP (%)									
Real GDP	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Oil (Crude Petroleum/Natural Gas)	14.8	14.3	14.4	15.8	13.9	13.4	12.6	14.8	12.9
Non-Oil	85.2	85.7	85.6	84.2	86.1	86.7	87.4	85.2	87.1

4.2 Agricultural Sector

Available data indicated that the second quarter of 2013 experienced increase and widespread rainfall in most parts of the country. This led to increased level of agricultural activities, especially cultivation and harvesting of crops such as maize and vegetables. In the livestock sub-sector, farmers concentrated on sanitizing poultry houses and their surroundings to avoid exposure to livestock related diseases.

A total of ₦932.6 million was guaranteed to 7,591 farmers under the Agricultural Credit Guarantee Scheme (ACGS) in the second quarter of 2013. This represented a decline of 50.7

and 41.4 per cent below the levels in the preceding quarter and the corresponding quarter of 2012, respectively.

A sub-sectoral analysis of the loans guaranteed indicated that the food crops sub-sector received the largest share of ₦601.8 million (64.5 per cent) for 6,014 beneficiaries, while the livestock sub-sector got ₦241.6 million (26.0 per cent) for 1,056 beneficiaries. Fisheries sub-sector obtained ₦60.7 million (6.5 per cent) for 348 beneficiaries; while cash crop sub-sector received ₦11.6 million (1.2 per cent) guaranteed to 101 beneficiaries. Mixed crops obtained ₦10.6 million (1.1 per cent) guaranteed to 40 beneficiaries, while 'Others' sub-sector obtained ₦6.3 million (0.7 per cent) guaranteed to 32 beneficiaries. Further analysis showed that 30 states benefited from the scheme during the quarter, with the highest and lowest sums of ₦137.3 million (14.7 per cent) and ₦0.2 million (0.02 per cent) guaranteed to farmers in Edo and Borno states, respectively.

At end-June 2013, the total amount released by the CBN under the Commercial Agriculture Credit Scheme (CACS) to the participating banks for disbursement stood at ₦217.4 billion (for two hundred and eighty-eight projects). The beneficiaries included thirty state governments (Table 11).

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

S/N	Participating Banks	Amount Disbursed (₦ billion)	mber of Projects/State Governme
1	United Bank for Africa (UBA) Plc	41.8	35
2	Zenith Bank	32.9	21
3	First Bank of Nigeria Plc	22.7	64
4	Unity Bank Plc	19.9	22
5	Union Bank Nigeria PLC	18.2	21
6	Stanbic IBTC Bank	11.7	23
7	Access Bank Plc	10.90	12
8	Skye Bank Plc	9.2	7
9	Fidelity Bank Plc	12.90	11
10	Sterling Bank Plc	12.10	19
11	GTBank Plc	5.80	9
12	FCMB Plc.	4.90	8
13	ECOBANK	3.80	7
14	Citibank Plc	3.00	2
15	Diamond Bank Plc	2.70	13
16	Mainstreet Bank Plc	2.00	1
17	Keystone Bank	1.70	2
18	Wema Bank Plc	0.70	5
19	Enterprise Bank PLC	0.50	6
	TOTAL	**217.4**	**288**

4.3 Industrial Production

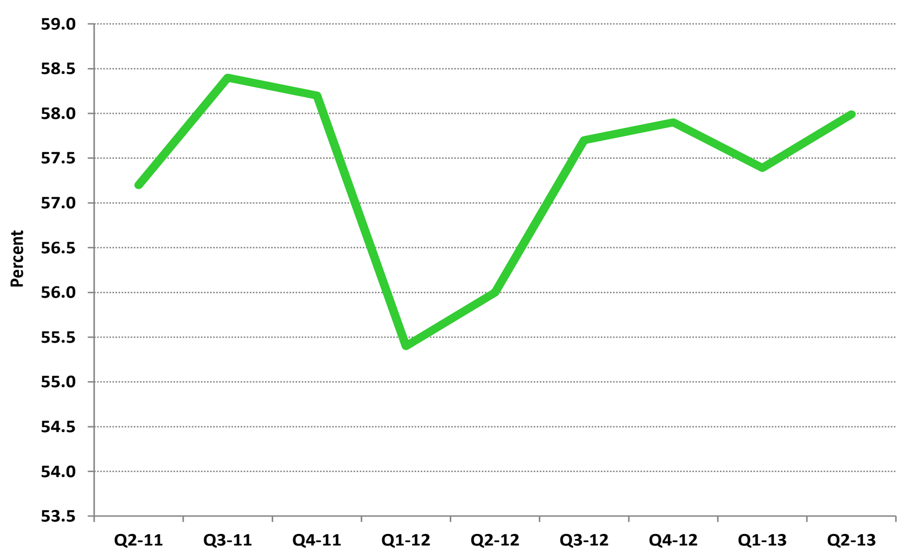
Industrial activities during the second quarter of 2013 indicated an improved performance relative to the level in the preceding quarter. At 138.69 (1990=100), the estimated index of industrial production rose by 1.7 and 1.8 per cent above the levels in the preceding quarter and the corresponding period of 2012, respectively. The development was attributed to the improvement in activities in the electricity and manufacturing sub-sectors.

Industrial activities improved relative to the preceding quarter due to increased manufactuiring and electricity supply.

The estimated index of manufacturing production, at 110.56 (1990=100), rose by 3.9 per cent above the levels in the preceding quarter and the corresponding period of 2012, respectively. The estimated capacity utilization also rose marginally by 0.6 percentage point (57.99 per cent). The development was attributed to the improved electricity generation within the quarter (Fig.12, Table 11).

Actual industrial capacity utilization increased by 0.6 percentage point relative to the level in the preceding quarter.

Figure 12: Capacity Utilization Rate



At 146.25 (1990=100), the index of mining production rose by 0.04, compared with the level attained in the preceding quarter. It, however, fell by 0.3 per cent, compared with the corresponding quarter of 2012. The marginal increase in mining production during the quarter was accounted for by

improved quarrying and other mining activities despite a fall in the domestic crude oil and gas production.

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

At 3,521.0 MW/h, estimated average electricity generation increased by 0.9 per cent, compared with the level attained in the preceding quarter. The development was attributable largely to the improvement in hydro power generation as a result of increase in water levels.

At 3,012.0 MW/h, estimated average electricity consumption increased by 0.5 per cent, compared with the level attained in the preceding quarter. The development was attributed to the increased power supply, owing to the improvement in electricity generation (Fig. 13, Table 12).

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

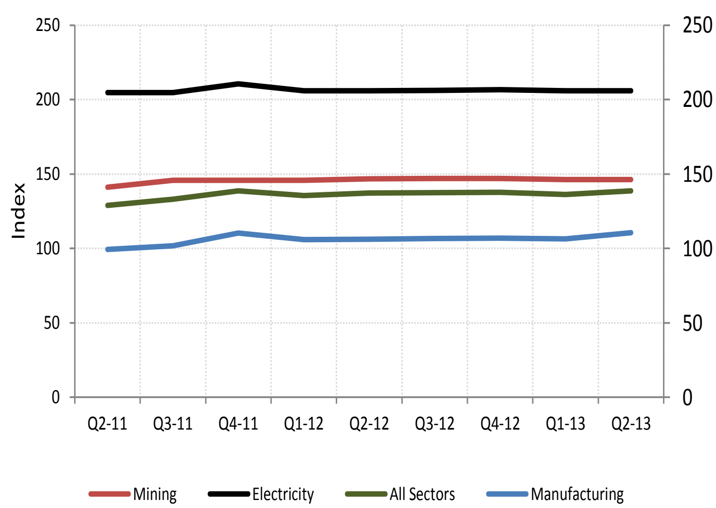


Table 12: Index of Industrial Production and Manufacturing Capacity Utilization Rate

	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13
All Sectors (1990=100)	128.8	133.0	138.8	135.4	137.3	137.5	137.6	136.4	138.7
Manufacturing	*99.3*	*101.8*	*110.3*	*105.9*	*106.3*	*106.7*	*106.8*	*106.4*	*110.6*
Mining	*141.2*	*145.7*	*145.8*	*145.9*	*146.7*	*147.0*	*147.1*	*146.2*	*146.3*
Electricity	*204.8*	*204.8*	*210.6*	*205.9*	*205.9*	*206.1*	*206.6*	*206.6*	*206.2*
Capacity Utilization (%)	57.2	58.4	58.2	55.4	56.0	57.7	57.9	57.4	58.0

4.4 Petroleum Sector

Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at 1.93 million barrels per day (mbd) or 175.63 million barrels compared with 2.05 mbd or (184.5 million barrels) in the preceding quarter. This represented a decline in production of 0.12 mbd or 5.9 per cent. Consequently, crude oil export was estimated at 1.48 mbd or (134.68 million barrels) in the review period, compared with 1.60 mbd or 144.0 in the preceding quarter, thus representing a decline of 7.5 per cent. The development was attributed to the incessant pipeline vandalization resulting from crude oil theft in the Niger Delta. Allocation of crude oil for domestic consumption was 0.45 mbd or 40.95 million barrels during the period under review.

Crude oil and natural gas production decreased by 5.9 per cent to 0.12 mbd during Q2 2013.

Crude oil export also recorded a decrease in Q2 2013.

At an estimated average of US$105.24 per barrel, the price of Nigeria's reference crude, the Bonny Light (37° API), fell by 8.8 per cent, from the level in the preceding quarter. The average prices of other competing crudes, namely the U.K Brent and the Forcados also declined, to US$103.14 and US$106.46 per barrel, respectively, from US$113.68 and US$116.89 per barrel in the preceding quarter, while the West Texas Intermediate (WTI) at US$93.97 per barrel recorded a slight increase of 3.2 per cent. Similarly, at US$100.90 per barrel, the average price of OPEC's basket of eleven crude streams also declined by 7.8 and 4.9 per cent, compared with the average of US$109.48 and US$106.08 per barrel recorded in the preceding quarter and the corresponding quarter of 2012, respectively. The fall in prices was attributed to the on–going Eurozone economic turmoil and high record levels of the US oil inventories (Fig. 14, Table 13).

Average crude oil prices, including Nigeria's Bony Light (37o API), fell in the international crude oil market in Q2 2013.

Figure14: Trends in Crude Oil Prices

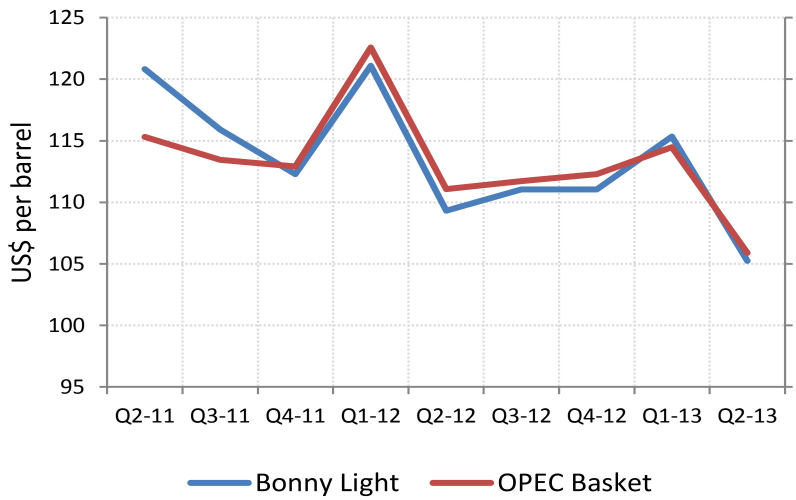


Table 13: Average Crude Oil Prices in the International Oil Market

	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13
Bonny Light	120.83	115.92	112.28	121.10	109.32	111.04	111.04	115.34	105.24
OPEC Basket	110.31	108.44	107.90	117.58	106.08	106.72	107.29	109.48	100.90

4.5 Consumer Prices[3]

The general price level rose in Q2 2013 on account of the increase in the prices of food items and non-alcoholic beverages, as well as housing, electricity, and footwear, gas and other fuel.

Available data showed that the all-items composite Consumer Price Index (CPI) at the end of the second quarter of 2013, was 146.6 (November 2009=100), representing an increase of 1.8 and 8.4 per cent over the levels in the preceding quarter and the corresponding quarter of 2012, respectively. The development reflected the relative contributions of food items and non-alcoholic beverages, as well as housing, water, electricity, gas and other fuel, clothing and foot wear, transport, furnishing, household equipment and maintenance, education, health, recreation & culture and communication.

[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.

The urban all-items CPI at the end of the second quarter of 2013, was 145.5 (November 2009=100), indicating an increase of 1.9 and 8.5 per cent over the levels in the preceding quarter and the corresponding quarter of 2012, respectively. Similarly, the rural all-items CPI at the end of the quarter, at 147.9 (November 2009=100), represented an increase of 1.8 and 8.4 per cent over the levels in the preceding quarter and the corresponding quarter of 2012, respectively (Fig. 15, Table 14).

Figure15: Consumer Price Index

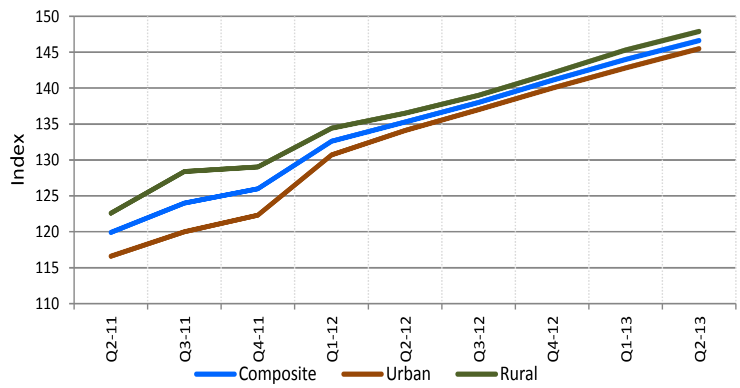


Table 14: Consumer Price Index (November 2009=100)

	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13
Composite	119.9	124.0	126.0	132.6	135.3	138.0	141.1	144.0	146.6
Urban	116.6	120.0	122.3	130.7	134.1	137.0	140.0	142.8	145.5
Rural	122.6	128.4	129.0	134.4	136.5	139.0	142.1	145.3	147.9

The end-period inflation rate for the second quarter of 2013, on a year-on-year basis stood at 8.4 per cent compared with 8.6 per cent in the preceding quarter. This indicated a decrease of 0.2 and 4.5 percentage points below the levels in the preceding quarter and the corresponding quarter of 2012, respectively. The inflation rate on twelve-month moving average basis was 10.4 per cent, compared with 11.4 and 11.3 per cent in the preceding quarter and the corresponding quarter of 2012, respectively (Fig. 16, Table 15).

The headline inflation (y-o-y) decreased by 0.2 per cent in Q2 2013.

Figure 16: Inflation Rate

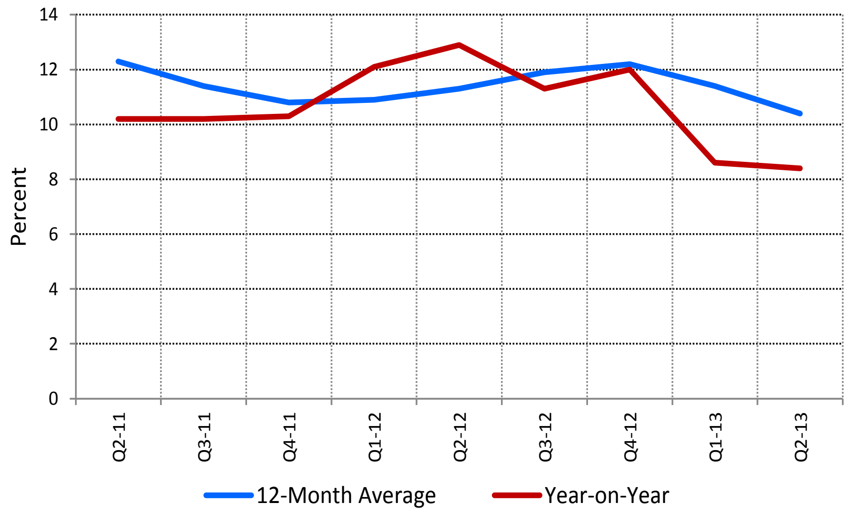


Table 15: Headline Inflation Rate (%)

	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13
12-Month Moving Average	12.3	11.4	10.8	10.9	11.3	11.0	12.2	11.4	10.4
Year-on-Year	10.2	10.2	10.3	12.1	12.9	11.3	12.0	8.6	8.4

5.0 External Sector Developments

Provisional data indicated that foreign exchange inflow through the CBN in the second quarter of 2013 declined by 8.4 and 6.1 per cent below the levels in the preceding quarter and the corresponding quarter of 2012, respectively. Outflow through the Bank, however, increased by 97.2 and 29.8 per cent above the levels in the preceding quarter and the corresponding quarter of 2012, respectively. Total non-oil export receipts by banks decreased by 33.0 and 20.1 per cent below the levels in the preceding quarter and the correspeonding period of 2012, respectively. Relative to the preceding quarter, the average Naira exchange rate vis-à-vis the US dollar, remained unchanged at the preceding quarter's level of ₦157.30 per US dollar. In the BDC segment of the market, the average naira exchange rate at ₦160.12 vis-à-vis the dollar, depreciated by 0.6 per cent below the level at the preceding quarter. Similarly, at the interbank segment, the average Naira exchange rate relative to the preceding quarter depreciated to N158.75 per dollar. The gross external reserves fell by 6.1 per cent to US$44.96 billion from the preceding quarter's level.

5.1 Foreign Exchange Flows

Foreign exchange inflow through the CBN in the second quarter of 2012 amounted to US$9.44 billion, representing a decline of 8.4 and 6.1 per cent below the levels in the preceding quarter and the corresponding quarter of 2012, respectively. Outflow amounted to US$12.45 billion, showing an increase of 97.2 and 29.8 per cent above the levels in the preceding quarter and the corresponding quarter of 2012, respectively. This resulted in a net outflow of US$3.01 billion, in contrast to a net inflow of US$3.99 billion and US$0.46 billion recorded in the preceding quarter and the corresponding quarter of 2012, respectively. The fall in inflow relative to the preceding quarter was attributed to the decline in crude oil sales and non-oil receipts, while the rise in outflow was attributed to the increase in the payments of Joint Venture Cash Calls, international organization and embassies, parastatals and estacode and others (Fig.17, Table 16).

Foreign exchange inflow through the CBN declined by 8.4 per cent, while outflow grew by 97.2 per cent, resulting in a net outflow of US$3.01 billion during Q2 of 2013.

Figure 17: Foreign Exchange Flows Through the CBN

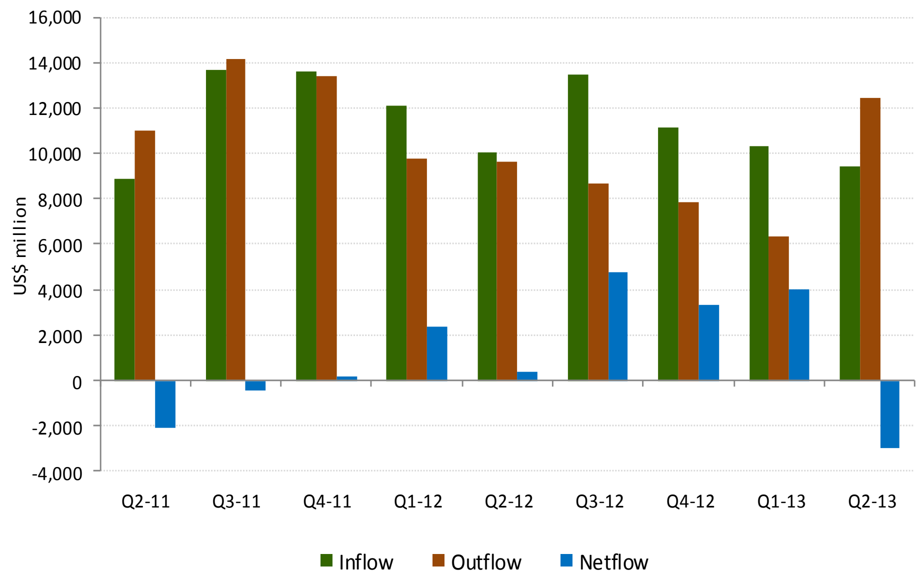


Table 16: Foreign Exchange Flows Through the CBN (US$ million)

	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13
Inflow	8,854.93	13,673.10	13,603.64	12,119.80	10,050.94	13,444.07	11,168.38	10,304.46	9,442.91
Outflow	10,970.56	14,121.60	13,395.68	9,760.50	10,118.35	8,668.74	7,817.12	6,313.04	12,450.66
Netflow	(2,115.63)	(448.50)	207.96	2,359.30	(67.41)	4,775.33	3,351.26	3,991.42	(3,007.75)

Available data on aggregate foreign exchange flows through the economy indicated that total inflow amounted to US$38.01 billion, representing an increase of 11.5 and 35.3 per cent above the levels in the preceding quarter and the corresponding quarter of 2012, respectively. Oil sector receipts, which accounted for 24.2 per cent of the total, stood at US$9.20 billion, compared with the US$9.77 billion and US$9.66 billion achieved in the preceding quarter and the corresponding quarter of 2012, respectively.

Autonomous inflows into the economy rose by 20.1 per cent in Q2 2013 relative to the preceding quarter.

Non-oil public sector inflow, which accounted for 0.6 per cent of the total, declined by 54.8 per cent below the preceding quarter's level, while autonomous inflow, which accounted for 75.4 per cent, rose by 20.1per cent above the preceding quarter's level.

At US$12.56 billion, aggregate foreign exchange outflow from the economy grew by 96.1 and 24.1 per cent above the levels in the preceding quarter and the corresponding quarter of 2012, respectively. The increase, relative to the preceding quarter, was accounted for mainly by the rise in wDAS Utilization.

5.2 Non-Oil Export Earnings by Exporters

Total non-oil export earnings by Nigerian exporters stood at US$0.76 billion. This indicated a decline of 33.0 and 20.1 per cent below the levels in the preceding quarter and the corresponding quarter of 2012, respectively. The development was attributed, largely, to the fall in the proceeds of industrial and manufacturing sectors, which declined by 49.9 and 20.7 per cent, respectively. A breakdown of the proceeds showed that industrial, manufactured products, agricultural products, minerals, food products and transport earned US$317.8 million, US$255.8 million, US$106.2 million, US$53.8 million, US$28.1 million, and US$0.1million, respectively.

Total non-oil export earnings by exporters fell during thesecond quarter of 2013 on account of declinein the prices of most traded commodities.

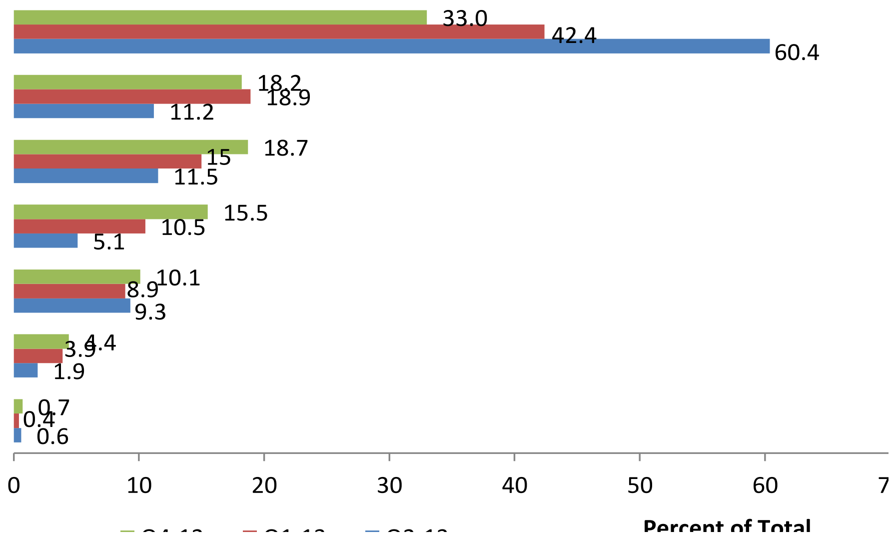
The shares of industrial, manufactured products, agricultural products, minerals, food products and transport in non-oil export proceeds were 41.7, 33.6, 13.9, 7.1, 3.7 and 0.0 per cent, respectively.

5.3 Sectoral Utilisation of Foreign Exchange

The invisible sector accounted for the bulk (60.4 per cent) of total foreign exchange disbursed in the second quarter of 2013, followed by mineral and oil sector (11.5 per cent). Other beneficiary sectors, in a descending order included: industrial sector (11.2 per cent), food products (9.3 per cent, manufactured products (5.1 per cent), transport sector (1.9 per cent) and agricultural products (0.6 per cent) (Fig.18).

The invisible sector accounted for the bulk of the total foreign exchange disbursed during Q2 2013.

Figure18: Sectoral Utilisation of Foreign Exchange



5.4 Foreign Exchange Market Developments

Demand and Supply of foreign exchange by authorized dealers rose during Q2 2013.

Foreign exchange demand by the authorized dealers stood at US$8.13 billion, indicating an increase of 66.7 and 9.7 per cent above the levels in the preceding quarter and the corresponding period of 2012, respectively. The sum of US$10.77 billion (excluding inter-bank sales and swaps) was sold by the CBN during the review period, indicating an increase of 130.8 and 23.7 per cent above the levels in the preceding quarter and the corresponding quarter of 2012, respectively (Fig. 19, Table 17).

Figure 19: Demand for and Supply of Foreign Exchange

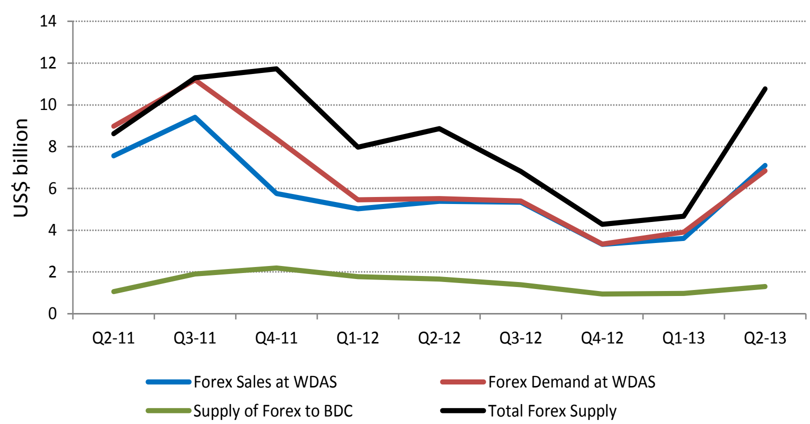


Table 17: Demand for and Supply of Foreign Exchange (US$ billion)

	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13
Forex Sales at WDAS	5.8	5.0	5.4	5.3	3.3	3.6	7.1
Forex Demand at WDAS	8.4	5.5	5.5	5.4	3.3	3.9	6.8
Supply of Forex to BDC	2.2	1.6	1.3	1.4	0.9	0.9	1.3
Total Forex Supply(BDC and WDAS)	9.5	7.9	8.6	6.8	4.3	4.7	10.8

Under the wDAS, the average exchange rate of the Naira vis-à-vis the US dollar remained unchanged at the preceding quarter's level of ₦157.30 per US dollar. It, however, appreciated by 0.03 per cent relative to the level in the corresponding quarter of 2012. In the bureau-de-change segment of the market, the naira traded at an average of ₦160.12 per US dollar, indicating a depreciation of 0.6 per cent below the level in the preceding quarter. At the interbank segment, the Naira exchanged at an average of ₦158.75 to the US dollar indicating a depreciation of 0.7 per cent below the level in the preceding quarter. The rates, however, showed appreciation of 1.3 and 0.2 percent, respectively, when compared with their levels in the corresponding quarter of 2012 (Fig. 20, Table 18).

The Naira exchange rate vis-à-vis the US dollar depreciated at the interbank and BDC segments but remain unchanged at the wDAS segments of the foreign exchange market in Q2 2013.

The premium between the wDAS and the bureau-de-change rates widened from 1.2 per cent in the preceding quarter to 1.8 per cent in the review period. The premium between the wDAS and interbank widened from 0.2 per cent in the preceding quarter to 0.9 per cent in the review period (Fig. 21, Table 18).

The premium between the wDAS and the BDC rates as well as that between wDAS and interbank widened in the review period.

Figure 20: Average Exchange Rate Movements

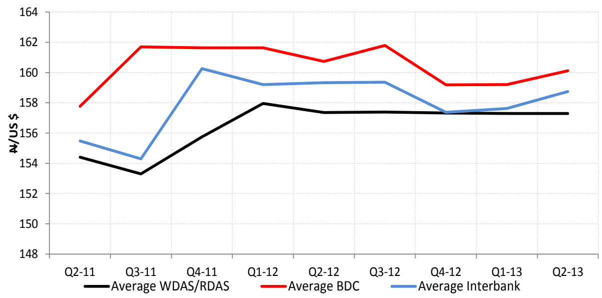
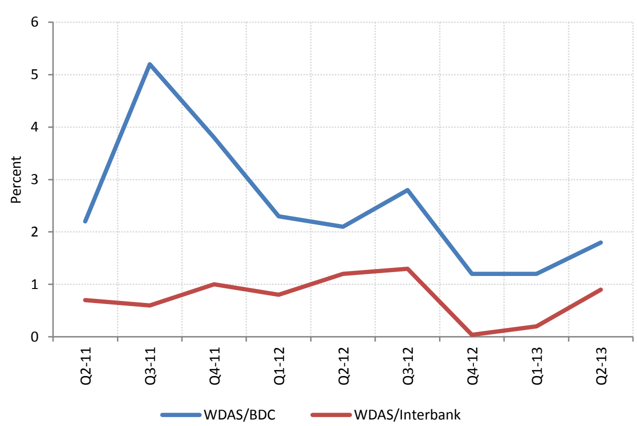


Table 18: Exchange Rate Movements and Exchange Rate Premium

	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13
Average Exchange Rate (₦/US$)									
WDAS/RDAS	*154.4*	*153.3*	*155.9*	*158.0*	*157.4*	*157.3*	*157.3*	*157.3*	*157.3*
BDC	*157.8*	*161.7*	*161.6*	*161.6*	*160.7*	*159.0*	*159.2*	*159.2*	*160.1*
Interbank	*155.5*	*154.3*	*160.3*	*159.2*	*159.3*	*157.2*	*157.4*	*157.6*	*158.8*
Premium (%)									
WDAS/BDC	*2.2*	*5.2*	*3.7*	*2.3*	*2.1*	*2.8*	*1.2*	*1.2*	*1.8*
WDAS/Interbank	*0.7*	*0.6*	*2.8*	*0.8*	*1.2*	*1.3*	*0.04*	*0.2*	*0.9*

Figure 21: Exchange Rate Premium



5.5 Gross External Reserves

Gross external reserves at the end of the second quarter of 2013 stood at US$44.96 billion, indicating a decrease of 6.1 per cent below the US$47.88 billion recorded at the end of the preceding quarter. A breakdown of the reserves showed that CBN reserves stood at US$36.68 billion (81.6) per cent), Federation reserves was US$6.98 billion (15.5 per cent) and the Federal Government reserves was US$1.30 billion (2.9 per cent) (Fig. 22, Table 18).

Gross external reserves declined during the second quarter of 2013.

Figure 22: Gross External Reserves

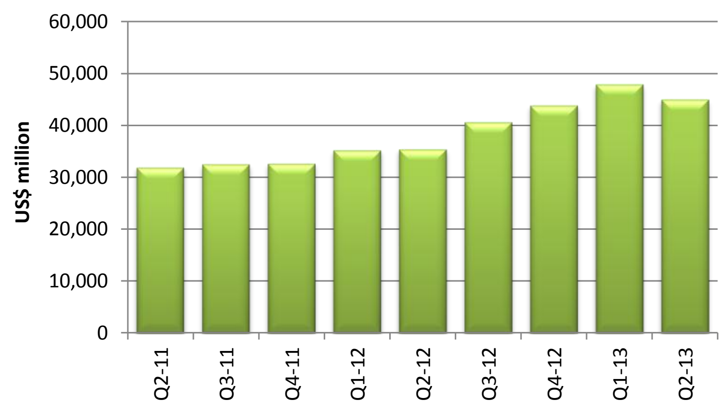


Table 19: Gross External Reserves (US$ million)

	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13
External Reserves	33,221.8	31,890.5	31,740.2	35,190.8	35,412.5	40,636.8	43,830.4	47,884.1	44,957.0

6.0 Global Economic Conditions

6.1 Global Output

The World Bank revised its 2013 global growth forecast downwards due to a slowdown in the emerging markets economies, budget cuts and contraction in the Eurozone following the waninig investor confidence. The world economy was forecast to expand by 2.2 per cent, less than the initial forecast of 2.4 per cent. It estimated that the euro region's gross domestic product would contract by 0.6 per cent in 2013. In contrast, forecasts were raised for the U.S. and Japan, which were boosted by fiscal and monetary stimulus. It lowered its projection for developing countries. China's growth outlook was cut to 7.7 per cent from 8.4 per cent, while India's forecast was revised downwards from 6.1 per cent to 5.7 per cent. Also, the International Monetary Fund (IMF) cut its forecast for world economic growth for the year due to slowing emerging markets and a prolonged recession in the Eurozone. In an update to World Economic Outlook (WEO), the IMF reported that it now expects world output to expand by 3.1 per cent in 2013, down from 3.3 per cent forecast in April and 3.8 per cent in 2014. Since the last global report in April, the IMF has cut its 2013 growth forecasts for the U.S. and China to 1.7 per cent and 7.8 per cent, respectively. It expects the Eurozone economy, stalled in its longest recession to contract by 0.6 per cent this year, double the rate of contraction forecast in April. It was reported that US economy grew by an annualized rate of 1.8 per cent in the first quarter of the year, less than the 2.4 per cent previously estimated. The European Central Bank (ECB) revised downwards the growth forecast for the Eurozone. The economy was expected to contract by 0.6 per cent in 2013, compared with an initial forecast of 0.5 per cent.

6.2 Global Inflation

Inflation continued to accelerate in advanced economies, while it moderated in emerging markets. In the United States, the consumer price index rose to 1.8 per cent in June 2013, compared with 1.4 per cent in May 2013. Similarly, inflation in the Eurozone rose to 1.6 per cent in June, from 1.4 per cent in

May, which was below the European Central Bank's target of 2.0 per cent. The UK rate of consumer price index (CPI) inflation increased to 2.9 per cent in June, up from 2.7 per cent in May, mainly due to increase in transport costs, particularly airfares. China's CPI moderated to 2.7 per cent in June from 2.1 per cent in May, while the wholesale price index in India moderated to 4.9 per cent in June from 4.7 per cent recorded in May 2013. In Brazil, the CPI rose to 6.7 per cent in June from 6.5 per cent in May.

6.3 Global Commodity Demand and Prices

World Crude Oil demand was estimated at 90.04 mbd in the second quarter of 2013, representing a marginal increase of 0.2 per cent above the level recorded in the preceeding quarter. Similarly, world crude oil output was estimated at 89.98 mbd, representing a decline of 0.3 per cent below the level recorded in the preceeding quarter. The decline was attributed to a global fall in the demand for crude oil as the severity of winter ease off.

The OPEC Reference Basket price of eleven selected crude streams decreased by 7.8 per cent from their levels in the previous quarter to close at US$100.90/b in the second quarter of 2013. The prices of the UK Brent and Forcados also exhibited similar trend to close at US$103.14 and US$106.46 per barrel, respectively.

6.4 Other International Economic Developments and Meetings

Other major international economic developments and meetings of importance to the domestic economy during the review quarter included: the 2013 Association of African Central Bank (AACB) Continental Seminar held in Maseru, Lesotho, from May 6 - 8, 2013. The theme of the Seminar was "The Role of Central Banks in Promoting Sustainable Economic Growth in Africa". The primary objective of the Seminar was to ensure that African central banks do not only pursue their traditional mandate of price stability, but to also adopt measures aimed at promoting sustainable economic growth in their respective economies.

Also, the Annual Meetings of the Board of Governors of the African Development Bank Group (AfDB) was held in Marrakech, Kingdom of Morocco from May 27 - June 1, 2013. The theme of the meeting was "Africa's Structural Transformation." The meeting noted that despite the slowdown in the global economy, Africa recorded 6.6 per cent growth in 2012, while sub Saharan African growth stood at 5.7 per cent.

Furthermore, the Africa Group 1 Constituency held a meeting on May 28, 2013 on the margins of the AfDB Annual Meeting and considered several issues, including the establishment and endorsement of a Rules Review Committee (RRC), comprising Panel Deputies. The meeting agreed that the status quo for the process of selection, which entails merit and political endorsement by countries, should be retained. The next meeting was scheduled for August 23, 2013 in Khartoum, Sudan.

In another development, the Executive Board of the International Monetary Fund (IMF) considered the Fund's bi-annual work programme. The Fund's work programme charts a range of actions needed to invigorate a sustainable recovery and to make the global economy more resilient. The Fund would focus on assisting all members in identifying emerging risks, potential financing needs, as well as designing calibrated policies to encourage stronger and sustainable growth.

The West African Monetary Agency (WAMA), in collaboration with the Central Bank of West African States (BCEAO), organized a Regional Workshop on Harmonization of Regulations Governing Current and Capital Account Transactions in ECOWAS from May 13 – 15, 2013. The main objective of the workshop was to discuss modalities for harmonization of regulations governing current and capital account transactions in ECOWAS with the ultimate goal of developing a common regional framework that would facilitate liberalization of current and capital account transactions in the region.

The 2013 Spring Meetings of the Board of Governors of the World Bank Group and the International Monetary Fund (IMF) was held in Washington D.C., USA from April 15 – 22, 2013. The Ministers of the Inter-governmental Group of 24, the International Monetary and Finance Committee (IMFC) and the Development Committee also held their respective meetings. The G-24 Ministers noted that though policy actions in advanced economies (AEs) and emerging markets and developing countries (EMDCs) had reduced short-term risks, there remained concerned about the fragility and pace of the global recovery because of the protracted difficulties and uncertainties in many AEs, including the euro-area and the United States.

Moreover, the African Development Bank (AfDB) Executive Directors in April 2013, approved its new Ten-Year Strategy (2013 - 2022). The Strategy was designed to place the Bank at the centre of Africa's transformation and to improve the quality of Africa's growth. The strategy would focus on two objectives to improve the quality of Africa's growth: inclusive growth and the transition to green growth. The Strategy identified five main channels through which the Bank would deliver its work as follows: infrastructure development; regional economic integration; private sector development; governance and accountability; and skills and technology.

Meanwhile, representatives of the AfDB, the African Union Commission (AUC), the Economic Commission for Africa, and the NEPAD Secretariat gathered in Tunis on June 25-26, 2013 to discuss the African Union's 'Agenda 2063'. It sets out to establish a credible platform on which Africa can build its future development. The Development Agenda 2063 would include consultations with stakeholders, namely governments, the private sector, women, youth, various think tanks, and civil society groups, throughout Africa. It would then be presented, discussed and adopted at the AU Heads of State and Governments Summit in June 2014.

In related development, the African Development Bank (AfDB), in partnership with the Economic Community of West African States (ECOWAS) Commission, organized a brainstorming workshop for migration experts and stakeholders from ECOWAS member states in Dakar, Senegal, on June 20-21, 2013. Critical issues addressed included skills shortages, harnessing region-wide talent, improving remittance transfer mechanisms, and addressing the issue of dual citizenships while improving the protection of migrant populations around the region in line with international conventions.

In addition, the Committee of Ten (C10) Finance Ministers and Central Bank Governors met on April 18, 2013 in Washington, D.C., USA. The objective was to review matters arising from the G20 work plan with a view to agreeing on the way forward. However, they noted that Africa faced significant risks ahead given falling terms of trade, foreign aid, external demand, and portfolio inflows.

Finally, the Economic Community for West African States (ECOWAS), West African Monetary Agency (WAMA), and the West African Monetary Institute (WAMI) Joint Multilateral Surveillance Mission to Nigeria was conducted from April 2 – 9, 2013. The purpose of the Mission was to assess performance of the country in 2012, on the macroeconomic convergence criteria, and policy harmonisation as well as institutional framework required for the establishment of economic and monetary union in the ECOWAS region.

APPENDIX TABLES

Table A1: Money and Credit Aggregates

	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13
			₦ billion			
Domestic Credit (Net)	**13688.9**	**13567.4**	**13371.3**	**12698.2**	**12741.0**	**13294.5**
Claims on Federal Government (Net)	*-474.5*	*-1133.6*	*-1564.0*	*-2453.6*	*-2521.0*	*-2397.5*
Central Bank (Net)	*-3236.4*	*-3723.0*	*-3598.6*	*3574.4*	*3375.9*	*3374.8*
DMBs and Non Interest Banks	*2761.8*	*2589.4*	*2034.7*	*1120.8*	*854.9*	*977.3*
Claims on Private Sector	*14163.4*	*14701.1*	*14935.3*	*15151.8*	*15261.9*	*15692.0*
Central Bank	*4642.9*	*4652.7*	*4659.5*	*4708.3*	*4754.8*	*4703.3*
DMBs and Non Interest Banks	*9520.6*	*10048.4*	*10275.8*	*9777.6*	*9845.2*	*10988.7*
Claims on Other Private Sector	*13625.3*	*14114.8*	*14336.2*	*14485.9*	*14599.9*	*15031.0*
Central Bank	*4642.9*	*4652.7*	*4659.5*	*4708.3*	*4754.8*	*4703.3*
DMBs and Non Interest Banks	*8982.4*	*9462.1*	*9670.0*	*97775.6*	*9845.2*	*10327.7*
Claims on State and Local Government	*538.1*	*586.3*	*599.0*	*665.9*	*662.0*	*661.0*
Central Bank						
DMBs and Non Interest Banks	*538.1*	*586.3*	*599.0*	*665.9*	**662.0**	**661.0**
Claims on Non-financial Public Enterprises	--	--	--	--	--	
Central Bank	--	--	--	--	--	
DMBs and Non Interest Banks	--	--	--	--	--	
Foreign Assets (Net)	*7301.6*	*7522.2*	*8267.4*	*9043.7*	*9685.9*	*9016.9*
Central Bank	*5750.6*	*6025.3*	*6388.6*	*7393.6*	*7991.8*	*7413.7*
DMBs and Non Interest Banks	*1550.9*	*1496.9*	*1878.8*	*1650.1*	*1694.1*	*1603.2*
Other Assets (Net)	*-7725.5*	*-7606.6*	*-7574.4*	*-6258.0*	**-6757.7**	**-6718.2**
Total Monetary Assets (M2)	**13265.0**	**13483.1**	**14064.2**	**15483.8**	**15669.2**	**15593.3**
Quasi-Money 1/	*6748.0*	*6883.7*	*7672.8*	*8062.9*	*8730.6*	*8653.6*
Money Supply (M1)	*6516.9*	*6599.4*	*6391.4*	*7421.0*	*6938.5*	*6939.6*
Currency Outside Banks	*1141.4*	*1088.3*	*1070.2*	*1301.2*	**1242.6**	**1127.8**
Demand Deposits 2/	*5375.6*	*5511.1*	*5321.2*	*6119.8*	*5695.9*	*5811.8*
Total Monetary Liabilities (M2)	**13265.0**	**13483.1**	**14064.2**	**15483.8**	**15669.2**	**15593.3**
Memorandum Items:						
Reserve Money (RM)	*2527.6*	*2511.9*	*3117.1*	*3704.5*	*3911.5*	*3236.0*
Currency in Circulation (CIC)	*1432.8*	*1363.7*	*1348.8*	*1631.7*	*1508.5*	*1425.4*
DMBs Demand Deposit with CBN	*1094.8*	*1148.2*	*1768.3*	*2072.8*	*2403.0*	*1810.6*

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)

	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13
	Percentage Change Over Preceding Quarter					
Domestic Credit (Net)	0.2	-0.8	0.4	-5.1	0.3	4.3
Claims on Federal Government (Net)	9.9	-157.2	-13.3	-78.1	-2.8	4.9
Claims on Private Sector	-0.1	4.1	1.6	2.7	0.7	2.8
Claims on Other Private Sector	-0.3	3.9	1.6	2.3	0.8	3.0
Claims on State and Local Government	4.9	9.0	2.2	11.2	-0.6	-0.2
Claims on Non-financial Public Enterprises	--	-	-	-	-	
Foreign Assets (Net)	2.3	3.0	9.9	161.9	-55.5	-6.9
Other Assets (Net)	-3.3	1.4	-3	-149	64.4	0.6
Total Monetary Assets (M2)	**-0.2**	**1.6**	**4.3**	**10.1**	**1.2**	**-0.5**
Quasi-Money 1/	3.3	2.0	11.5	5.1	8.3	-0.9
Money Supply (M1)	-3.7	1.2	-3.2	16.1	-6.5	0.0
Currency Outside Banks	-8.3	-4.6	-1.7	21.6	-4.5	-9.2
Demand Deposits 2/	-2.6	2.4	-3.4	15	-6.9	2.0
Total Monetary Liabilities (M2)	**-0.2**	**1.6**	**4.3**	**10.1**	**1.2**	**-0.5**
Memorandum Items:						
Reserve Money (RM)	-9.2	-0.6	24.1	18.8	5.6	-17.3
Currency in Circulation (CIC)	-8.5	-4.8	-1.1	21	-7.55	-5.5
DMBs Demand Deposit with CBN	-10.1	4.9	53.9	17.8	15.9	-24.7
	Percentage Change Over Preceding December					
Domestic Credit (Net)	0.2	-0.9	-2.3	-7.2	0.3	4.7
Claims on Federal Government (Net)	9.9	128.2	-214.8	-393.8	-2.8	2.3
Claims on Private Sector	-0.1	3.7	5.3	6.8	0.73	3.57
Claims on Other Private Sector	-0.3	3.3	4.9	6.0	0.8	3.8
Claims on State and Local Governments	4.9	14.23	16.7	29.8	-0.6	-0.7
Claims on Non-financial Public Enterprises						
Foeign Asset (Net)	2.3	5.4	16.3	26.7	7.1	-0.3
Other Asset (Net)	-3.3	-1.1	-1.2	16.8	-8.0	-7.4
Total Monetary Assets (M2)	**-0.2**	**1.4**	**5.7**	**16.4**	**1.2**	**0.7**
Quasi-Money 1/	3.3	5.4	17.5	23.4	8.3	7.3
Money Supply (M1)	-3.7	-2.5	-5.6	9.6	-6.5	-6.5
Currency Outside Banks	-8.3	-12.6	-14.1	4.5	-4.5	-13.3
Demand Deposits 2/	-2.6	-0.3	-3.7	10.7	-6.9	-5.0
Total Monetary Liabilities (M2)	**-0.2**	**1.4**	**5.7**	**16.4**	**1.2**	**0.7**
Memorandum Items:						
Reserve Money (RM)	-9.2	-9.77	11.96	33.06	5.59	-12.64
Currency in Circulation (CIC)	-8.5	-12.92	-13.87	4.2	-7.55	-12.64
DMBs Demand Deposit with CBN	-10.1	-5.73	45.18	70.18	15.93	-12.65

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)

	Q2-11	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q1-13
Retained Revenue	**1184.2**	**587.7**	**825.5**	**967.2**	**852.0**	**762.6**	**923.0**	**908.1**	**938.3**
Federation Account	738.7	423.2	576.2	576.2	659.8	642.8	620.8	643.8	715.0
VAT Pool Account	25.6	15.6	24.6	24.6	26.2	25.0	26.5	26.7	27.9
FGN Independent Revenue	45.1	39.5	15.9	125.4	101.3	7.8	83.5	35.8	18.2
Excess Crude	371.3	0.0	0.0	34.4	0.0	40.9	79.0	0.0	0.0
Others	3.6	109.4	208.9	206.6	64.8	46.2	113.2	201.9	177.2
Expenditure	**1345.3**	**952.8**	**902.5**	**954.7**	**1063.8**	**1221.7**	**1130.3**	**1192.9**	**1280.4**
Recurrent	939.3	727.9	642.5	714.3	775.0	930.2	710.8	781.9	822.8
Capital	346.4	136.2	203.5	155.4	245.5	263.0	347.7	321.7	351.7
Transfers	59.7	88.7	56.5	85.0	43.3	28.3	71.7	89.3	105.9
Overall Balance: Surplus(+)/Deficit(-)	**-161.1**	**-365.1**	**-77.0**	**12.6**	**-211.8**	**-459.1**	**-207.3**	**-284.8**	**-342.1**

Table A4: Gross Domestic Product at 1990 Basic Prices

	Q1-2012	Q2-2012	Q3-2012	Q4-2012	Q1-2013	Q2-2013
		₦ billion				
Real GDP	**182.12**	**199.83**	**243.26**	**263.68**	**194.06**	**213.25**
Oil GDP	*28.78*	*27.70*	*32.65*	*33.19*	*28.62*	*27.51*
Crude Petroleum & Natural Gas	28.78	27.70	32.65	33.19	28.62	27.51
Non-oil GDP	*153.34*	*172.13*	*210.61*	*230.49*	*164.44*	*185.74*
Agriculture	62.78	81.32	103.68	100.72	65.38	84.76
Industry (excluding crude petroleum/natural Gas)	2.61	8.66	9.65	19.74	2.86	9.43
Building & Construction	5.49	4.42	4.09	5.51	6.35	5.10
Wholesale & Retail Trade	42.60	34.21	45.76	54.48	46.10	37.16
Services	39.87	43.52	47.44	50.04	44.76	49.31
		Relative Share (%)				
Real GDP	*100.00*	*100.00*	*100.00*	*100.00*	*100.00*	*100.00*
Oil GDP	15.80	13.86	13.42	12.59	14.75	12.90
Crude Petroleum & Natural Gas	15.80	13.86	13.42	12.59	14.75	12.90
Non-oil GDP	84.20	86.10	86.75	87.41	85.25	87.10
Agriculture	34.47	40.69	42.62	38.20	33.69	39.74
Industry (excluding crude petroleum/natural Gas)	1.44	5.04	3.98	7.50	1.47	4.42
Building & Construction	3.01	2.21	1.68	2.09	3.27	2.39
Wholesale & Retail Trade	23.39	17.12	18.81	20.66	23.75	17.42
Services	21.89	21.78	19.50	18.98	23.07	23.12
		Growth Rate (%)				
Real GDP	6.34	6.39	6.48	6.99	6.56	6.72
Oil GDP	*-2.3*	*-0.2*	*-0.83*	*-0.17*	*-0.54*	*-0.68*
Crude Petroleum & Natural Gas	-2.30	-0.73	0.08	-0.79	-0.54	-0.68
Non-oil GDP	7.93	7.80	8.40	8.23	7.20	7.90
Agriculture	4.37	4.21	3.89	3.62	4.14	4.23
Industry (excluding crude petroleum/natural Gas)	0.51	8.20	12.35	7.95	9.50	8.80
Building & Construction	13.28	12.73	11.52	12.55	15.66	15.35
Wholesale & Retail Trade	8.42	8.65	9.62	11.19	8.22	8.60
Services	13.67	13.14	13.73	14.74	12.28	13.30

Q1-2013 are provisional figures and Q2-2013 are forecasts by NBS

Source: National Bureau of Statistics.