CENTRAL BANK OF NIGERIA

ECONOMIC REPORT
THIRD QUARTER 2011

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

Provisional data from the National Bureau of Statistics (NBS) showed that gross domestic product (GDP) was estimated to grow by 7.9 per cent, compared with 7.7 per cent in the preceding quarter. The development was attributed, largely, to the 8.6 per cent growth estimated in the non-oil sector.

Broad money supply, (M2), grew by 3.6 per cent at end-September 2011 over its preceding quarter's level, driven largely by the rise in domestic credit (net), foreign assets (net) and other assets (net) of the banking system. Similarly, narrow money supply, (M_1), rose by 6.4 per cent, compared with the growth of 4.0 per cent at the end of the preceding quarter. Relative to the level at end-December 2010, M_2 rose by 9.5 per cent, reflecting the rise in both domestic credit (net) and other assets (net) of the banking system. M_1 grew by 7.8 per cent over the level at end-December 2010, owing to the rise in its demand deposit component. Reserve money (RM), however, declined by 7.6 per cent from the level at the end of the preceding quarter.

Available data indicated a general increase in banks' lending rates, while deposit rates showed mixed developments. The spread between the weighted average term deposit and maximum lending rates widened from 17.39 percentage points in the preceding quarter to 17.71 per cent, while that between the average savings deposit and maximum lending rates also widened from 20.70 per cent in the preceding quarter to 20.77 per cent. The weighted average interbank call rate, which stood at 10.50 per cent in the preceding quarter, declined to 8.94 per cent, reflecting the liquidity condition in the interbank funds market.

The value of money market assets outstanding increased by 8.5 per cent above the level in the preceding quarter to N5,182.0 billion, reflecting the increase in the levels of FGN Bonds, Commercial Paper (CP) and Bankers Acceptances (BAs) outstanding.

Total federally-collected revenue in the third quarter of 2011 stood at ₦3,310.06 billion, exceeding the receipts in the preceding quarter, the budget estimate, and the receipts in the corresponding quarter of 2010 by 35.5, 2.6 and 41.3 per cent, respectively. At ₦2,2.79 billion, oil receipts, which constituted 79.8 per cent of the total, exceeded the budget estimate, the levels in the preceding quarter and the corresponding quarter of 2010 by 55.1, 39.7 and 75.9 per cent, respectively. The rise in oil receipts relative to the budget estimate was attributed, largely, to the increase in receipts from Petroleum

Profit Tax (PPT) and Royalties during the review quarter. Non-oil receipts, at ₦667.3 billion (20.2per cent of the total), exceeded the budget estimate, the levels in the preceding quarter and the corresponding quarter of 2010 by 11.1, 34.3 and 27.9 per cent, respectively. The improvement in non-oil revenue relative to the preceding period reflected, largely, the increase in companies' income tax and education tax receipts.

Federal Government retained revenue for the third quarter of 2011 was ₦1,064.33 billion, while total expenditure was ₦1,180.56 billion. Thus, the fiscal operations of the Federal Government resulted in an estimated deficit of ₦116.23 billion or 1.2 per cent of estimated nominal GDP for third quarter 2011, compared with the2011 quarterly budget deficit of N284.16 billion and actual deficit of ₦340.31 billion for the preceding quarter.

Agricultural activities during the quarter under review were dominated by harvesting of various root crops and preparation of land and nurseries for tomatoes, pepper, carrots cabbage and other vegetables. In the livestock sub-sector, farmers intensified husbandry towards end-of-year sales.

Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at 2.18 million barrels per day (mbd) or 198.38 million barrels for the quarter. Crude oil export was estimated at 1.73 mbd or 157.43 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), estimated at US$115.92 per barrel, declined by 4.1 per cent from the level in the preceding quarter.

The end-period headline inflation rate (year-on-year), at the end of the third quarter of 2011, was 10.3 per cent, compared with 10.2 and 13.6 per cent recorded at the end of the preceding quarter and the corresponding quarter of 2010, respectively. Inflation rate on a twelve-month moving average basis was 11.4 per cent, compared with 12.3 and 13.8 per cent in the preceding quarter and the corresponding quarter of 2010, respectively.

Foreign exchange inflow and outflow through the Central Bank of Nigeria (CBN) amounted to US$13.67 billion and US$14.12 billion, respectively, resulting in a net outflow of US$0.45 billion during the quarter. Foreign exchange sales by the CBN to the authorized dealers amounted to US$12.13 billion in the third quarter of 2011, compared with US$9.16 billion in the second quarter of the year.

Relative to the level in the preceding quarter, the average Naira *exchange rate vis-à-vis the US dollar, appreciated by 0.7 per cent to ₦153.32 per dollar at the WDAS. Similarly, at the interbank segment, it appreciated, while at the bureaux-de-change segment of the market, the Naira, however, depreciated. Non-oil export earnings fell by 33.4 per cent, to US$518.11 million from the level in the preceding quarter. The development was attributed, largely, to the fall in the prices of all the commodities traded at the international commodities market.*

Global economic growth decelerated in the third quarter of 2011, reflecting the impact of the natural disasters in Japan on global supply chains, the dampening effect of high commodity prices on disposable incomes and the unrest in the Middle East and North Africa (MENA) region. In the major advanced economies, headline and core inflation appeared to be losing momentum. Although headline inflation was projected to recede during the quarter under review as food and energy prices moderated, underlying inflationary pressure was to rise further, mainly in emerging and developing countries.

Other major international economic developments and meetings of relevance to the domestic economy during the review month included: the mid-year Joint Statutory Meetings of the West African Monetary Agency, West African Monetary Institute and West African Institute for Financial and Economic Management, held in Conakry, Guinea from July 8-15, 2011.

Furthermore, former French Finance Minister, Christine Largarde, assumed office as IMF Managing Director on July 6, 2011 and outlined three categories of issues facing the IMF and the global economy, and two set of issues to enhance the effectiveness and operations of the Fund. The three external issues included connectivity, credibility and comprehensive. She further stated that she wanted to enhance the legitimacy and diversity of the institution.

In another development, the Central Bank of Nigeria hosted a two-day Seminar on "Enhancing Global Financial Supervisory Standards and Practices" for the D8 member countries. The Seminar was organized to facilitate the exchange of ideas among member countries on current supervisory and regulatory developments in the financial sector.

Also, the Experts meeting on Trade and Investment Promotion of the Nigeria-Niger Joint Commission for Cooperation was held in Maradi, Niger Republic from July 25-30, 2011. The Meeting discussed various issues relating to remittances of funds, establishment of warehouses, *formalization of border markets between the two countries, development of cluster industries to enhance growth of the two countries.*

In addition, the 5th Meeting for the Validation of the Statue and Annexes of the African Monetary Fund was held at Addis Ababa, Ethiopia from July 27- 28, 2011. The Meeting advocated the establishment of the African Monetary Fund (AMF) as part of the three financial institutions necessary to advance monetary integration in Africa.

Nigeria and the European Union (EU) had their trade policies and practices reviewed in July 2011 by the World Trade Organization (WTO) Trade Policy Review Mechanism (TPRM). Nigeria's trade policies and practices were last reviewed in 2005, while that of the EU was in 2009.

The 35th Ordinary meeting of the Assembly of Governors of the Association of African Central Banks (AACB) held in Lilongwe, Malawi on August 12, 2011. The meeting was preceded by meetings of the AACB Technical Committee on August 8 - 9, 2011; and the AACB symposium on August 11, 2011.

Following the drought and famine being experienced in the Horn of Africa, the African Union (AU) convened a Pledging Conference in Addis Ababa, Ethiopia, on August 25, 2011 to raise financing for drought relief in East Africa. Overall, African Leaders pledged nearly $380 million at the Conference. The African Development Bank also announced a donation of $300 million for long-term development in the Horn of Africa, to be spent by 2013.

The African caucus of the International Monetary Fund (IMF) and World Bank held a meeting in Kinshasa, Democratic Republic of Congo (DRC) from August 3 - 4, 2011. The meeting focused on issues related to increasing energy deficit in Africa; rising food and fuel prices as well as the need for a strategy for a 3rd Chair for Africa at the IMF.

In a related development, the G-24 Technical Group (TGM) met at the International Monetary Fund Headquarters in Washington DC on August 24 – 25, 2011. The objective of the meeting was to enable member countries discuss topical issues within the global context of growth and development agenda and map out adaptation strategies to individual countries.

Furthermore, the USAID West Africa Trade Hub launched two pilot Border Information Centers on August 4, 2011. The initiative, which was expected to facilitate trade between Ghana and Togo, would *enhance the implementation of the ECOWAS Trade Liberalization Scheme. The rationale behind the project was to reduce delays in process, eliminate corruption at the border posts, coordinate enforcement agencies and ease transport cost in West Africa which is believed to be amongst the highest in the world. A similar Trade Hub is Kodzoviakope Center which is funded by the World Bank and hosted by Abidjan-Lagos Corridor.*

The Africa Energy Commission (AFREC) report showed that only 27.0 per cent of the population in Sub-Sahara Africa has access to electricity. The report further showed that the supplies were most often unstable, due to recurrent load shedding and transmission and distribution problems.

The 2011 Annual Meetings of the Board of Governors of the World Bank Group and the International Monetary Fund (IMF) were held in Washington D.C. USA from September 19 – 25, 2011. The Ministers of the Inter-governmental Group of 24 (G-24), the International Monetary and Financial Committee (IMFC) and the Development Committee (DC) discussed issues relating to the Global Economy, Job Creation, Surveillance, Governance, Reform of the BWIs, Rising Food Prices, amongst others.

Furthermore, The Making Finance Work for Africa (MFW4A) held its 2011 partnership Forum in Addis Ababa, Ethiopia from September 15-16, 2011. The 2011 MFW4A Partnership Forum was hosted by the United Nations Economic Commission for Africa (UNECA) and organized with the support of the African Union (AU).

Finally, the West African Monetary Agency (WAMA) and West African Monetary Institute (WAMI) Multilateral Surveillance Mission to Nigeria was held from September 12-16, 2011. The purpose of the mission was to assess Nigeria's performance during the first half of 2011 on the macroeconomic convergence criteria and harmonization as well as institutional framework required for the establishment of economic and monetary union in the ECOOWAS region.

2.0Financial Sector Developments

2.1 Monetary and Credit Developments

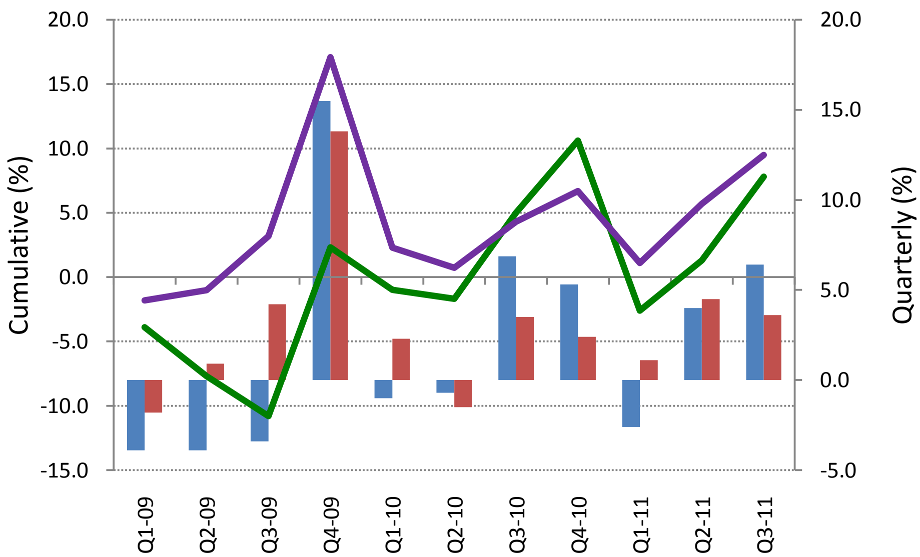
The growth in the key monetary aggregate was moderate at the end of the third quarter of 2011. Available data indicated a general increase in banks' lending rates, while deposit rates showed mixed developments. The value of money market assets increased, largely, due to the rise in FGN Bonds and NTBs. Transactions on the Nigerian Stock Exchange (NSE) indicated mixed development during the review quarter.

The key monetary aggregate moderated during Q3 2011.

Provisional data indicated that growth in the major monetary aggregate was moderate at the end of the third quarter of 2011. Broad money supply, (M_2), grew by 3.6 per cent (quarteer-by-quarter) to ₦12,620.9 billion at end-September 2011, compared with the growth of 4.5 per cent at the end of the preceding quarter. The development reflected, largely, the 12.1, 3.4 and 26.6 per cent rise in net domestic credit, foreign assets (net) and other assets (net) of the banking system, respectively. Narrow money supply, (M_1), at ₦6,005.1 billion, also rose by 6.4 per cent, compared with the growth of 4.0 per cent at the end of the preceding quarter, reflecting, wholly, the 7.9 per cent increase in its demand deposit component. Similarly, quasi money, at ₦6,615.8, rose by 1.2 and 11.1 per cent over the levels at the end of the preceding quarter and the corresponding quarter of 2010, respectively.

Relative to the level at end-December 2010, M_2 rose by 9.5 per cent, reflecting the 14.6 and 2.5 per cent increase in net domestic credit and other asset (net) of the banking system, respectively. Also, M_1 grew by 7.8 per cent over the level at end-December 2010, owing to the 11.2 per cent increase in its demand deposit component (Fig. 1, Table 1).

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



At N9,981.6 billion, aggregate banking system credit (net) to the domestic economy, rose by12.1 per cent at the end of the third quarter of 2011, compared with the increase of 8.6 per cent at the end of the preceding quarter. The development reflected, wholly, the 12.3 per cent increase in claims on the private sector. Over the level at end-December 2010, aggregate banking system credit (net) to the domestic economy rose by 14.6 per cent due, largely, to the 13.4 per cent increase in claims on the core private sector.

Banking system's credit (net) to the Federal Government, at the end of the review quarter, declined by 7.5 per cent to negative N1, 144.6 billion, in contrast to the increase of 14.1 per cent in the preceding quarter. The development was accounted for, largely, by the fall in banking system's holdings of Federal Government securities, particularly FGN Bonds. Relative to the level at end-December 2010, banking systems claims (net) on the Federal Government, also fell by

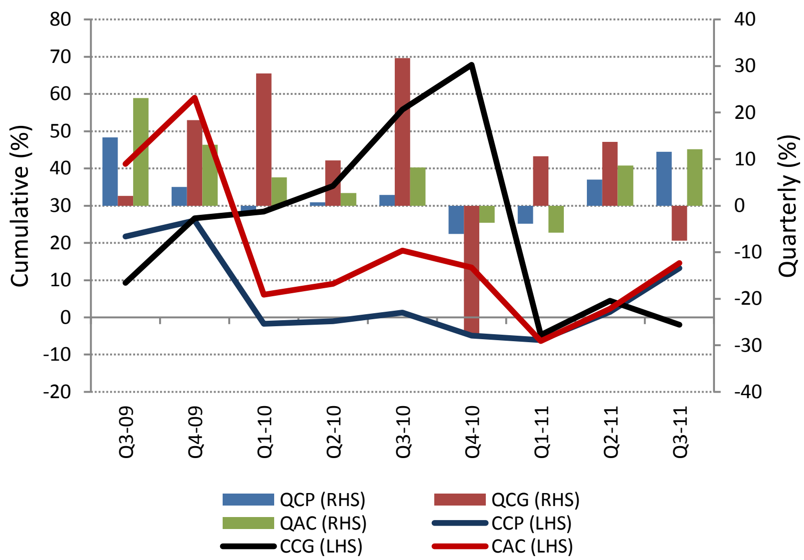
[1] QM1 and QM2 represent quarter-on-quarter changes, while CM1a and CM2 represent cumulative changes (year-to-date).

2.0 per cent. The Federal Government, however, remained a net lender to the banking system at the end of the review quarter.

Banking system credit to the private sector rose at the end of the third quarter of 2011.

At the end of third quarter 2011, banking system's credit to the private sector rose by 11.6 per cent to ₦11,126.0 billion, compared with the 5.6 per cent increase at the end of the preceding quarter. The development was attributed, largely, to the increase in both CBN and DMBs' claims on the sector. Banking system's claims on the private sector rose by 13.2 per cent over the level at end-December 2010, owing to the same reason above (Fig 2, Table 1).

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



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

At ₦6,669.8 billion, foreign assets (net) of the banking system rose by3.4 per cent at the end of the third quarter of 2011, in contrast to the decline of 7.7 per cent at the end of the preceding quarter. The development was attributed, wholly, to the increase of 7.0 per cent in CBN's holding of foreign assets. Over the level at end-December 2010, foreign assets (net) of banking system rose by 2.5 per cent.

[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).

Quasi-money rose by 1.2 per cent to ₦6,615.8 billion, compared with the growth of 4.9 per cent at the end of the second quarter of 2011. The development reflected the rise in time and savings deposits. Over the level at end-December 2010, quasi-money rose by 11.1 per cent due, largely, to the same reason above.

Other assets (net) of the banking system grew by 26.6 per cent, to negative ₦4,030.5 billion, in contrast to the decline of 10.1 per cent at end-June 2011. The increase reflected, largely, the rise in unclassified assets of both the CBN and the DMBs. Over the level at end-December 2010, other assets (net) of the banking system, however, declined by 9.2 per cent

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

Domestic Credit (Net)	17.8	2.7	8.1	-6.4	-9.8	8.5	12.1
Claims on Federal Government (Net)	-15.4	-9.7	-31.1	9.3	-40.1	13.7	-7.5
Claims on Private Sector	4.0	0.7	2.3	-4.9	-4.1	5.6	11.6
Claims on Other Private Sector	3.6	0.5	2.1	-5.4	-4.3	5.6	12.3
Foreign Assets (Net)	-5.7	-10.6	-0.5	0.8	7.4	-7.6	3.4
Other Assets (Net)	8.0	8.1	6.7	18.7	13.6	-10.1	26.6
Broad Money Supply (M2)	0.9	-1.5	3.5	2.7	1.1	4.5	3.6
Quasi-Money	6.0	-2.1	0.7	-0.3	4.6	4.9	1.2
Narrow Money Supply (M1)	-3.9	-0.7	-0.7	5.3	-2.6	4.0	6.4
Memorandum Items:							
Reserve Money (RM)	-10.7	9.5	-12.4	37.2	-7.6	21.1	-7.6

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

At ₦1,343.0 billion, currency in circulation fell by 1.5 per cent at the end of the third quarter of 2011, compared with 4.4 per cent at the end of the preceding quarter. The development reflected, largely, the 0.4 per cent decline in currency outside banks, due to seasonal factors.

Total deposits at the CBN amounted to ₦5,203.2 billion, indicating an increase of 9.8 per cent over the level at the end of the preceding quarter. The development reflected the 15.7 and 12.7 per cent increase in Federal Government and private sector deposits. Of the total deposits, the shares of the Federal Government, banks and ''others'' were 78.4 per cent, 10.9 per cent and 10.7 per cent, respectively.

The reserve money (RM), declined by 7.6 per cent to N1,908.9 billion, from N2,065.1 billion at the end of the preceding quarter.

Reserve money (RM) declined at the end of the third quarter of 2011.

2.3 Money Market Developments

Monetary policy was largely restrictive in the third quarter of 2011 to forestall inflationary pressures that may arise from the planned removal of subsidy on petroleum products, increase in electricity tariff, fiscal spending, and the injection of fresh funds through the monetisation of the Asset Management Corporation of Nigeria (AMCON) Bonds by holders. Following the upward reviews of the Monetary Policy Rate (MPR)at the July and September 2011 meetings of the Monetary Policy Committee, most money market rates trended upward.

Provisional data indicated that the value of money market asset outstanding for the third quarter of 2011 was N5,182.0 billion, indicating an increase of 3.8 per cent, compared with 8.5 per cent at the end June 2011. The development was attributed to the 4.37, 10.95 and 45.09 per cent rise in FGN Bonds, Commercial Paper (CP) and Bankers Acceptances (Bas), respectively.

2.3.1 Interest Rate Developments

Lending rates trended upwards, while deposits rates showed mixed developments in Q3 2011.

Available data indicated a general increase in banks' lending rates, while deposit rates showed mixed developments. With the exception of the 7 days, 6 months and over 12 months deposit rates, which declined by 0.08, 0.08 and 1.37 percentage points to 2.13, 4.82 and 5.81 per cent, respectively, all other rates on deposits of various maturities, including the average savings deposit rate, rose from a range of 1.41 – 5.37 per cent in the second quarter of 2011, to 1.57 – 5.37 per cent. At 4.63 per cent, the average rate on term deposit declined by 0.09 percentage point from the level in the preceding quarter. The prime and maximum lending rate, however, rose by 0.11 and 0.23 percentage points to 15.88 and 22.34 per cent, respectively, in the third quarter.

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

Consequently, the spread between the weighted average term deposit and maximum lending rates widened from 17.39 percentage points to 17.71 per cent. Similarly, the margin between the average savings deposit and the maximum lending rates widened from 20.70 per cent in the preceding quarter to 20.77 per *cent*. With headline inflation rate of 9.4 per cent at end-September 2011, *all* rates, with the exception of lending rates, were negative in real terms.

All interbank money market rates trended downwards in Q3 2011

At the interbank call segment, the weighted average inter-bank call rate, which stood at 10.50 per cent at end-June 2011, declined by 1.56 percentage points to 8.94 per cent in the third quarter of 2011, reflecting the liquidity condition in the inter-bank funds market. The weighted average rate, at the Open Buy Back (OBB) segment also fell from 9.06 per cent in the preceding quarter to 8.24 per cent at the end of review quarter. Similarly, the Nigeria Inter-bank Offered Rate (NIBOR) for the 7- and 30- day tenors declined from 11.24 and 12.22 per cent in the second quarter of 2011 to 10.06 and 10.93 per cent, respectively. (Fig. 3, Table 2).

Figure 3: Selected DMBs Interest Rates(Average)

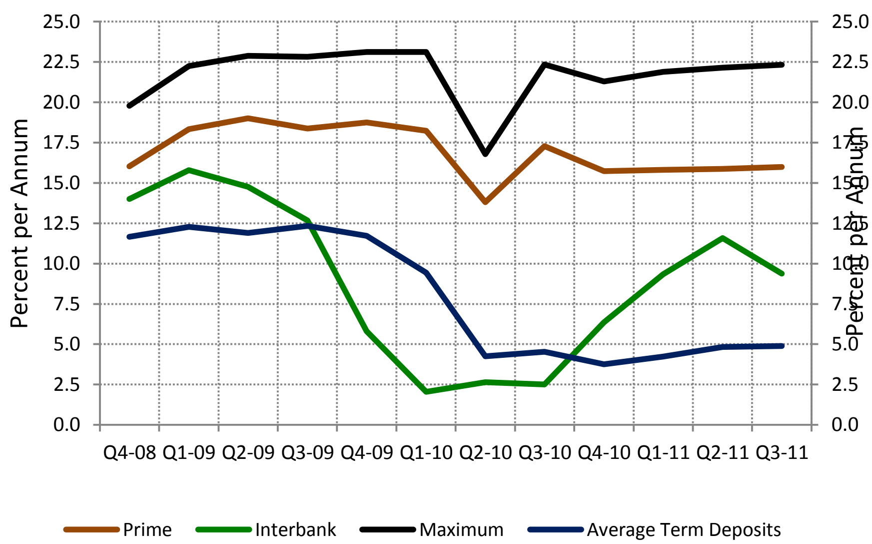


Table 2: Selected Interest Rates (Percent, Averages)

	Q4-09	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11	Q2-11	q3-11
Average Term Deposits	11.72	8.70	5.7	4.1	4.4	4.1	4.7	4.6
Prime Lending	18.6	18.86	18.5	17.0	15.7	15.8	15.8	15.9
Interbank	5.80	2.59	2.98	2.5	8.2	7.6	10.6	8.9
Maximum Lending	23.12	23.24	22.69	22.3	21.9	21.9	22.2	22.3

2.3.2 *Commercial Paper (CP)*

The value of Commercial Paper (CP) held by DMBs as a supplement to bank credit to the private sector rose by 10.95

per cent to ₦209.2 billion at the end of the third quarter of 2011, as against the decline of 6.2 per cent at the end of the preceding quarter. Thus, CP constituted 4.0 per cent of the total value of money market assets outstanding, compared with 3.8 per cent at the end of the preceding quarter.

Investment in CP by DMBs rose in the third quarter of 2011.

2.3.3 *Bankers' Acceptances (BAs)*

The value of BAs held by DMBs increased by 45.09 per cent to ₦87.0 billion at the end of the review quarter, as against the decline of 0.4 per cent at the end of the preceding quarter. The development reflected the rise in investments by deposit money banks and discount houses. Consequently, BAs accounted for 1.7 per cent of the total value of money market assets outstanding at the end of the review quarter, compared with 1.2 per cent at the end of the preceding quarter.

DMBs' holdings of BAs rose during Q3 of 2011.

2.3.4 *Open Market Operations (OMO)*

Open market operations were conducted during the review quarter with a view to managing the money market liquidity effectively. The various maturities used for the mop up exercise, ranged from 7 - 338 days. Total sales were N470.5 billion, while bid rates ranged from 6.900 – 13.095 per cent. The issue rates for the period ranged from 6.9000 – 12.000 per cent. When compared with the preceding quarter's level, allotment indicated an increase of 384.1 per cent during the review period.

2.3.5 *Primary Market*

Nigerian Treasury Bills (NTBs) of 91-, 182- and 364-day tenors, amounting to N782.16 billion, N1,396.40 billion and N709.22 billion were offered, subscribed to and allotted, respectively, in the third quarter of 2011. At the 91-day auction, total subscription and allotment were N351.57 billion and N242.41 billion, respectively, with bid rates ranging from 6.30 to 12.50 per cent, while the stop rates were from 6.80 - 10.23 per cent. For the 182-day auction, total subscription and allotment were ₦656.70 billion and ₦319.75, respectively, while the bid and stop rates ranged from 7.09 – 12.99 per cent and 7.79 – 10.85 per cent, respectively. At the 364-day segment, total subscription and allotment were ₦365.42 billion and ₦220.00 billion with bid and issue rates at 8.4 – 13.4990 per cent, while stop rates were from 9.0-100 – 11.2495 per cent. Patronage at

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

the primary market remained impressive and reflected the growing preference for risk-free government securities and the need for the DMBs to increase their portfolio holdings of tradable securities.

2.3.6 *Bonds Market*

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

FGN Bonds of 3-, 5- and 10-year tranches were re-opened during the third quarter of 2011. The total amount offered, subscribed to and allotted for the 3-year tranche were ₦210.0 billion, ₦471.54 billion, and ₦210.0 billion, respectively. The marginal rates were from 10.240 – 10.500 per cent, 10.190 – 11.250 per cent and 11.4000 – 11.4989 per cent for the 3-, 5- and 10-year tranches, respectively. In the preceding quarter, the total amount offered and allotted for the 3- and 5-year bonds were N105 billion apiece, the 10-year bond was not auctioned at the primary market. The marginal rate for each of the tranches was significantly lower when compared with the preceding quarter's levels due to increased demand.

2.3.7 *CBN Standing Facilities*

The DMBs surplus in excess of CRR were remunerated at 6.75 and 7.25 per cent, in line with the upward review of SDF rate in July and September 2011, respectively.

The total Standing Lending Facility (SLF) granted during the review period was ₦12,886.59 billion, compared with ₦11,903.19 billion in the second quarter of 2011. The development was due, mainly, to increased demand for foreign exchange and investment in Federal Government securities. Standing Deposit Facility (SDF), however, remained suspended, and in its stead, surpluses in excess of the Cash Reserve Requirement (CRR) was remunerated at 6.75 and 7.25 per cent, in line with the upward review of SDF rate in July and September 2011, respectively.

2.4 Deposit Money Banks' Activities

Available data indicated that at the end of the third quarter of 2011, the total assets and liabilities of the DMBs stood at ₦19,798.96.0 billion, representing an increase of 8.9 per cent over the level at the end of the preceding quarter. The funds, which were sourced, largely, from the increase in their unclassified liabilities and mobilization of demand deposits were used mainly to increase reserves and extension of credit to the private sector. Central Bank's credit to the DMBs, largely, loans and advances, rose by 3.1 per cent to ₦396.5 billion at the end of the review quarter.

At ₦12,340.6 billion, DMBs' credit to the domestic economy rose by 13.3 per cent over the level in the preceding quarter. The development was attributed, largely, to the 151.4 per cent increase in net claims on the Federal Government.

DMBs' credit to the private sector rose in Q3 2011.

Total specified liquid assets of the DMBs stood at ₦2,988.1 billion, representing 17.9 per cent of their total current liabilities. At that level, the liquidity ratio fell by 20.0 percentage points from the level at the end of the preceding quarter, and was 12.1 percentage points below the stipulated minimum ratio of 30.0 per cent. The loans-to-deposit ratio fell by 1.5 percentage points below the level at the end of the preceding quarter to 43.4 per cent, and was 36.6 percentage points below the prescribed minimum ratio of 80.0 per cent.

The liquidity ratio in Sept. 2011 was 17.9 and below the stipulated minimum liquidity ratio by 12.1 percentage points. Loan-to-deposit ratio fell below the prescribed minimum by 36.6 percentage points.

2.5 Discount Houses' Activities

Total assets/liabilities of the discount houses stood at N333.8 billion at the end of third quarter of 2011, indicating an increase of 20.9 over the level at the end of the preceding quarter. The rise in assets was accounted for, largely, by the 54.0 per cent increase in claims on the Federal Government, reinforced by the 5.3 per cent increase in other assets. Correspondingly, the increase in total liabilities was attributed, largely, to the increase of 51.1 and 30.6 per cent in the level of other liabilities and money-at-call, respectively, during the period.

Discount houses' investment in Federal Government securities of less than 91-day maturity rose significantly by 347.5 per cent to N55.71 billion and represented 23.6 per cent of their total deposit liabilities. At this level, discount houses' investment was also 36.4 percentage points below the prescribed minimum level of 60.0 per cent for fiscal 2011. There was no borrowing by the discount houses, while their capital and reserves stood at N49.8 billion. This resulted in a gearing ratio of 0.94:1, compared with the stipulated maximum of 50:1 for fiscal 2011.

2.6 Capital Market Developments

2.6.1 Secondary Market

Available data indicated that activities on the Nigerian Stock Exchange (NSE) in the third quarter of 2011 were mixed. The volume and value of traded securities fell by 21.5 and 15.5 per cent to 19.09 billion shares and ₦134.44 billion, respectively, in 326,515 deals, compared with 24.34 billion shares, valued at ₦159.1 billion, in 326,515 deals in the preceding quarter. The banking sub-sector remained the most active on the Exchange with a traded volume of 10.0 billion shares, valued at ₦74.3 billion, in 178,981 deals. This was followed by the conglomerates sub-sector with a traded volume of 54.7 million shares, valued at ₦2.14 billion in 13,830 deals.

Figure 4: Volume and Value of Traded Securities

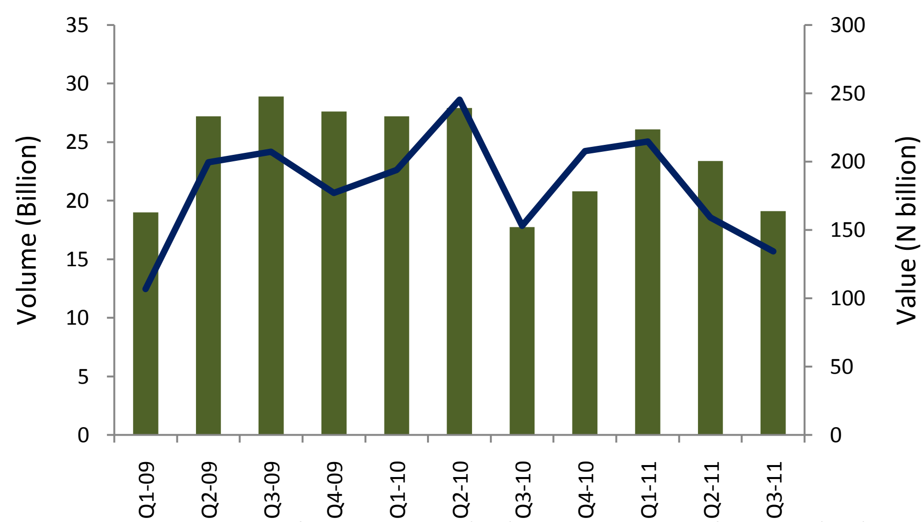


Table 3: Traded Securities on the Nigerian Stock Exchange (NSE)

	Q4-09	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11
Volume (Billion)	27.6	27.2	27.3	17.7	20.8	26.1	24.3	19.1
Value (₦ Billion)	177.0	193.8	245.2	153.0	207.6	214.6	159.1	134.4

2.6.2 Over-the-Counter (OTC) Bonds Market

Transactions on the Over-the-Counter (OTC) bonds market, indicated a turnover of 2.621 billion units worth ₦1.3 trillion in 17,944 deals, compared with 3.51 billion units, valued at ₦4.7 trillion, in 14,417 deals in the second quarter. The most active bond was the 10.00% FGN July 2030 Bond with a traded volume of 138.6 million units, valued at N21.32 billion in 1,213 deals, followed by the 4.00% FGN April 2015 Bond with a traded volume of 0.25 billion units, valued at N193.9 in 1,974 deals.

2.6.3 New Issues Market

There were seven (7) supplementary issues in the third quarter of 2011 namely; Unity Bank Plc., Smart Products Nigeria Plc, Great Nigeria Insurance Plc. and Oando Plc.

Table 4: Supplementary Listings on the Nigeria Stock Market

1	Union Ventures and Petroleum	0.07	Conclusion of Placing
2	Trans-Nationwide Exppress Plc	66.3	Bonus of one (1) for two (2)
3	Prestige Assurance Plc	0.3	Bonus issue of one (1) for six (6) shares
4	PZ Cussons Plc	0.75	Bonus issue of one (1) for four (4) shares
5	Niger Insurance Plc	0.5	Bonus issue of one (1) for ten (10) shares
6	Royal Exchange Plc	0.57	Bonus issue of one (1) for eight (8) shares
7	Guarantee Trust Bank	0.28	Conclusion of Special Placing

Market capitalization and All-Share Index trended downward during Q3 2011.

2.6.4 Market Capitalization

The aggregate market capitalization of the 191 listed securities fell by 9.1 per cent to ₦10.17 trillion from the preceding quarter's level. The equities sub-sector, accounted for 64.0 per cent (N6.5 trillion) of the total market capitalization.

2.6.5 NSE All-Share Index

The All-Share Index of listed securities, which opened at 24,980.2, at the beginning of the quarter, closed at 23,373.0, representing a decline of 6.4 per cent from the level in the preceding quarter. Of the four sectoral indices, the NSE Banking Index increased by 5.01 per cent, while the other three, namely the NSE Food/Beverage, Insurance and Oil/Gas indices fell by 6.3, 2.7 and 1.7 per cent, respectively.

Figure 5: Market Capitalization and All-Share Index

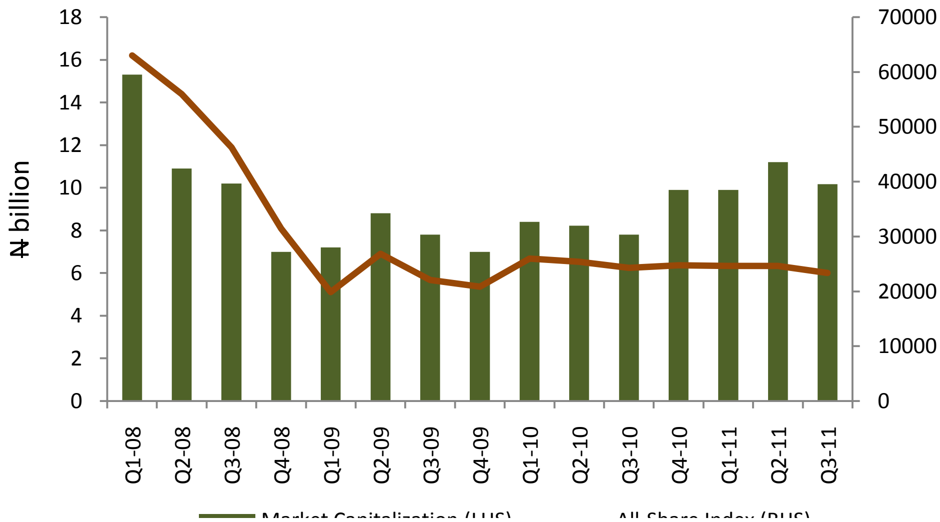


Table 5: Market Capitalization and All Share Index (NSE)

	Q1-09	Q2-09	Q2-10	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11
Market Capitalization (₦ trillion)	7.2	8.8	8.2	7.8	9.9	9.9	11.2	10.2
All-Share Index (Equities)	19851.9	26861.6	25384.1	24268.2	24770.5	24621.2	24980.2	23373.3

3.0 Fiscal Operations

3.1 Federation Account Operations

Available data showed that total federally-collected revenue during the third quarter of 2011 stood at ₦3,310.06 billion, representing an increase of 38.5, 43.6 and 63.6 per cent, over the receipts in the preceding quarter, the proportionate budget estimate and the level in the corresponding quarter of 2010, respectively (Fig. 6, Table 5).

Gross federally-collected revenue rose by 43.6 per cent over the 2011 budget estimates for Q3.

Figure 6:Components of Gross Federally Collected Revenue

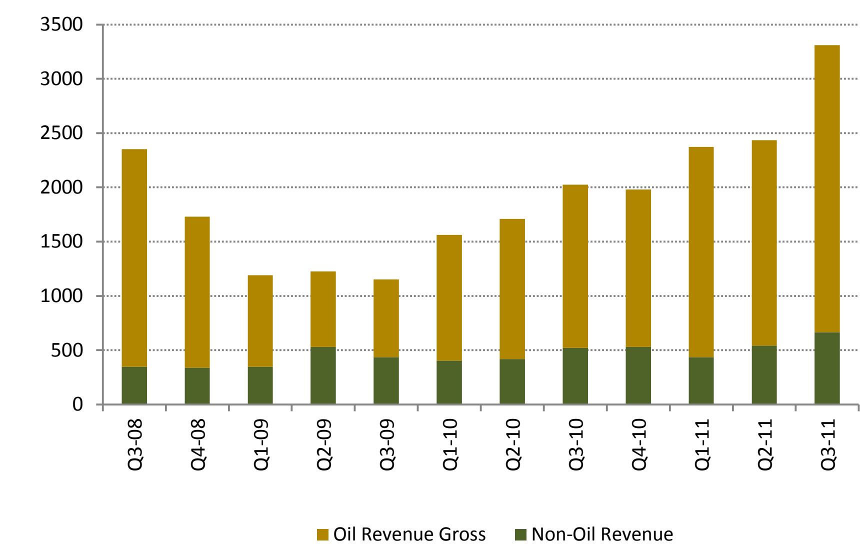


Table 6: Gross Federation Account Revenue (₦ billion)

	Q4-09	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11
Federally-collected revenue (Gross)	1371.5	1554.3	1712.0	2023.6	1994.6	2372.3	2433.2	1151.9
Oil Revenue	936.3	1156.7	1288.7	1502.0	1448.6	1935.6	1892.4	911.9
Non-Oil Revenue	435.2	397.5	423.3	521.5	546.0	436.6	540.9	240.0

At ₦2,642.79 billion, gross oil receipts, which constituted 79.8 per cent of the total, exceeded the proportionate budget estimate, the levels in the preceding quarter and the corresponding quarter of 2010 by 55.1, 39.7 and 75.9 per cent, respectively. The increase in oil receipts relative to the proportionate budget estimate was attributed, largely, to the rise in receipts from Petroleum Profit Tax (PPT) and Royalties during the period (Fig. 7, Table 6).

Figure 7: Gross Oil Revenue and Its Components

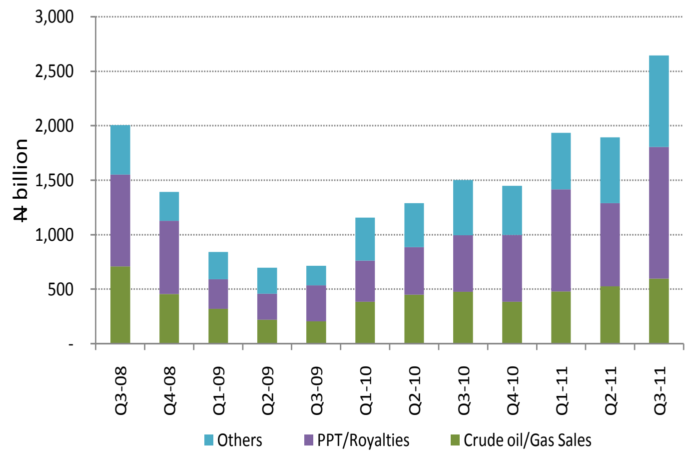


Table 7: Components of Gross Oil Revenue (₦ billion)

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

Non-oil receipts, at ₦667.3 billion (20.2 per cent of the total), was higher than the proportionate budget estimate, the levels in the preceding quarter and the corresponding quarter of 2010, by 11.1, 34.3 and 27.9 per cent, respectively. The improvement in non-oil revenue relative to the preceding period reflected, largely, the increase in companies' income and education tax receipts during the review period (Fig.8, Table 7).

Figure 8: Gross Non-Oil Revenue and Its Components

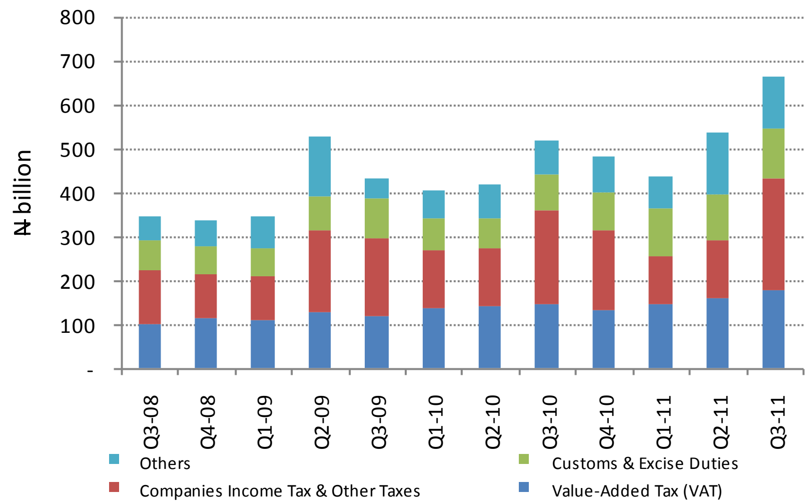


Table 8: Components of Gross Non-Oil Revenue (₦ billion)

	Q4-09	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11
Non-Oil Revenue	**435.2**	**397.5**	*423.3*	*512.5*	*546.0*	*436.6*	*497.0*	*667.3*
Value-Added Tax (VAT)	*119.1*	*139.2*	*143.1*	*147.3*	*133.1*	*147.4*	*159.7*	*177.7*
Companies Income Tax & Other Taxes	*175.8*	*132.2*	*129.3*	*213.2*	*182.6*	*109.8*	*133.5*	*257.0*
Customs & Excise Duties	*92.0*	*72.0*	*68.7*	*81.0*	*87.5*	*107.7*	*102.9*	*112.9*
Others	*48.3*	*61.4*	*82.2*	*80.1*	*80.3*	*71.8*	*100.1*	*119.8*

As a percentage of projected third quarter 2011 nominal GDP, oil and non-oil revenue were 26.2 and 6.6 per cent, respectively.

Of the gross federally-collected revenue during the review quarter, the sum of ₦1,559.71 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 ₦738.72 billion, while the states and local governments received ₦374.69 billion and ₦288.87 billion, respectively. The balance of ₦157.42 billion went to the 13.0% Derivation Fund for sharing by the oil-producing states. Also, the Federal Government received ₦25.59 billion, while the state and local governments received ₦85.29 billion and ₦59.71 billion, respectively, from the VAT Pool Account. Furthermore, the sum of ₦810.12 billion was drawn on the excess crude account to bridge the short-fall in revenue for the period and shared as follows: Federal Government (₦371.29 billion), states (₦188.32 billion) and local

Federally collected revenue (net) at N1,559.7 was distributed by the three tiers of government and the 13.0% Derivation Fund governments (₦145.19 billion). The oil producing states received the sum of ₦105.32 billion. Thus, the total allocation to the three tiers of government in the third quarter amounted to ₦2,540.42 billion.

3.2 The Fiscal Operations of the Three Tiers of Government

3.2.1 *The Federal Government*

Federal Government estimated retained revenue and the estimated aggregate expenditure were higher than their respective, quarterly budget estimates for 2011.

At ₦1,064.33 billion, the Federal Government retained revenue for the third quarter of 2011 was higher than the quarterly budget estimate, receipts in the preceding quarter and the receipts in the corresponding quarter of 2010 by 18.1, 46.4 and 46.0 per cent, respectively. Of this amount, the Federal Government share from the Federation Account was ₦738.72 billion, VAT Pool Account ₦25.59 billion, FGN Independent Revenue ₦23.67 billion, Excess Crude Account ₦371.29 billion, while "others" accounted for ₦1.00 billion, respectively (Fig. 9, Table 8).

Figure 9: Federal Government Retained Revenue

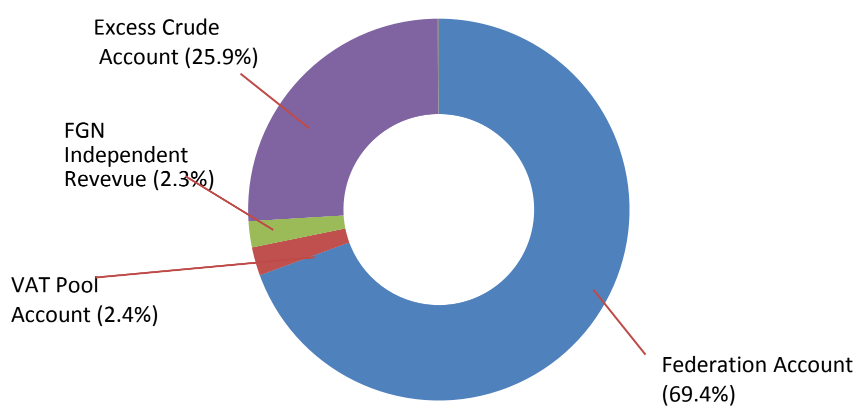
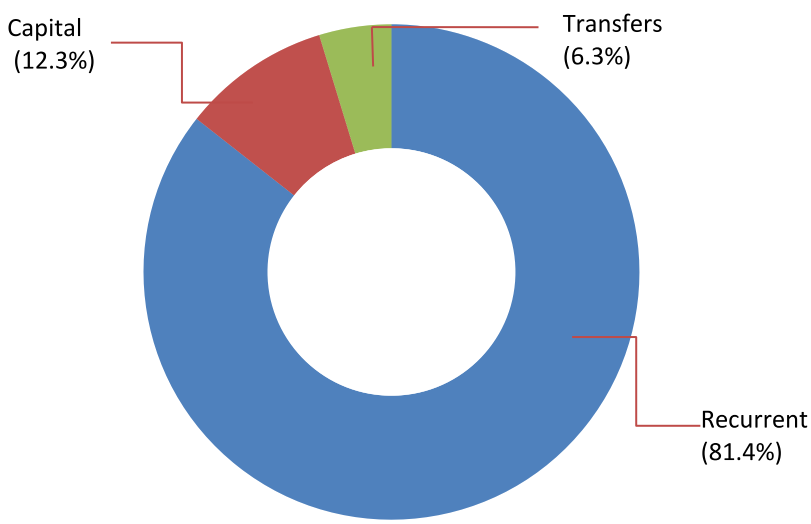


Table 9: Federal Government Fiscal Operations (₦ billion)

	Q2-09	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11
Retained Revenue	701.7	562.9	827.7	827.7	783.8	585.9	735.0	1064.3
Expenditure	669.1	840.4	977.7	1028.2	1499.6	872.5	912.5	1180.6
Overall Balance: Surplus(+)/Deficit(-)	32.6	-277.5	-150.0	-150.0	-715.8	-286.6	-177.5	-177.5

At ₦1,180.56 billion, total expenditure for the third quarter of 2011 was lower than the quarterly budget estimate by 0.4 per cent, but exceeded the levels in the preceding quarter and the corresponding quarter of 2010 by 10.6 and 14.8 per cent, respectively. The drop in total expenditure relative to the proportionate budget estimate was attributed, largely, to the delayed disbursement of capital outlay. Analysis of the total expenditure showed that the recurrent component accounted for 81.4 per cent, capital 12.3 per cent, while statutory transfers absorbed the balance of 6.3 per cent (Fig. 10).

Figure10: Federal Government Expenditure



The fiscal operations of the FG resulted in an estimated deficit of 1.2 per cent of GDP in Q3 2011.

The fiscal operations of the Federal Government in the third quarter of 2011, resulted in an estimated deficit of ₦116.23 billion or 1.2 per cent of GDP, compared with the quarterly budget deficit of ₦284.16 billion and actual deficit of ₦340.31 billion in the preceding quarter of 2010. The deficit was financed mainly from domestic sources, particularly issuance of additional FGN Bonds and Treasury Bills.

3.2.2 Statutory Allocations to State Governments

Total statutory allocations to the state governments stood at ₦617.4 billion in the third quarter of 2011. This represented an increase of 29.5 and 41.1 per cent, over the levels in the preceding quarter and the corresponding quarter of 2010, respectively.

Further breakdown showed that, at ₦85.29 billion, receipts from the VAT Pool Account increased by 11.3 per cent to N85.29 billion over the level in the preceding quarter, while receipts from the Federation Account stood at ₦532.11 billion. On a monthly basis, the sums of ₦187.76 billion, ₦214.79 billion and ₦214.84 billion were allocated to the 36 states in July, August and September 2011, 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 third quarter of 2011 stood at ₦493.77 billion. This amount exceeded the levels in the preceding quarter and the corresponding quarter of 2010 by 65.3 and 46.8 per cent, respectively. Of the total amount, allocation from the Federation Account was 87.9 per cent, while VAT Pool Account accounted for the balance of 12.1 per cent. On a monthly basis, the sums of ₦247.61 billion, ₦124.45 billion and ₦121.71 billion were allocated to the 774 local governments in July, August and September 2011, respectively.

4.0 Domestic Economic Conditions

Aggregate output growth (estimate) measured by the real gross domestic product (GDP) grew by 7.9 per cent, compared with 7.7 per cent in the preceding quarter. The development was attributed, largely, to the 8.6 per cent growth in the non-oil sector. Crude oil production was estimated at 2.18 million barrels per day (mbd) or 198.38 million barrels for the quarter. The end-period inflation rate for the third quarter of 2011, on year-on-year basis, was 10.3 per cent, compared with 10.2 and 13.6 per cent in the preceding quarter and the corresponding quarter of 2010, respectively. The inflation rate on a 12-month moving average basis was 11.4 per cent, compared with the 12.3 and 13.8 per cent in the preceding quarter and corresponding period of 2010, respectively.

4.1 Aggregate Output

Aggregate output (estimate) in the third quarter measured by gross domestic product (GDP), at 1990 basic prices, grew by 7.9 per cent, compared with 7.7 and 7.9 per cent recorded in the preceding quarter and the corresponding quarter of 2010, respectively.

Real non-oil GDP growth stood at 8.6 per cent and accounted for 85.1 per cent of total GDP in the review quarter. Real oil GDP, comprising crude petroleum and natural gas grew by 4.3 per cent when compared with the level at the preceding quarter of 2011 and accounted for 14.9 per cent of the total GDP (Fig. 11, Table 9).

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

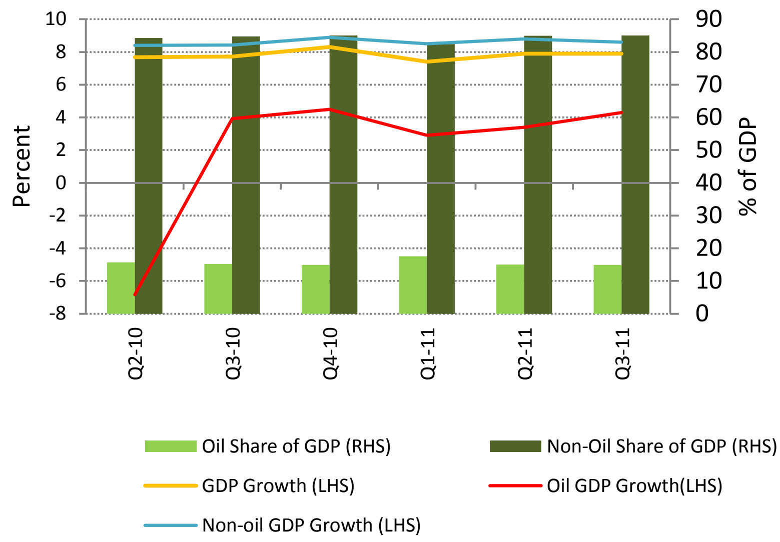


Table 10: Growth Rate of Real GDP and Sectoral Shares (Percent)

	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11
Growth Rate (%)					
Real GDP	7.7	8.3	7.4	7.7	7.9
Oil (Crude Petroleum/Natural Gas)	*3.9*	*4.5*	*2.9*	*3.4*	*4.3*
Non-oil	*8.4*	*8.9*	*8.4*	*8.8*	*8.6*
Share in Real GDP (%)					
Real GDP	*100.0*	100.0	100.0	100.0	100.0
Oil (Crude Petroleum/Natural Gas)	*14.9*	*14.9*	*17.6*	*15.0*	*14.9*
Non-Oil	*85.1*	*85.1*	*85.1*	*85.0*	*85.1*

4.2 Agricultural Sector

Agricultural activities during the review quarter were dominated by harvesting of various root crops, especially yam, Irish and sweet potatoes, maize and groundnuts. Farmers also commenced preparation of land and nurseries for tomatoes, pepper, carrots, cabbage and other vegetables. In the livestock sub-sector, farmers intensified husbandry activities towards end-of-year sales.

A total of ₦3,553.1 million was guaranteed to 20,830 farmers under the Agricultural Credit Guarantee Scheme (ACGS) in the third quarter of 2011. This represented an increase of 190.5 and 6.6 per cent over the levels in the preceding quarter and the corresponding quarter of 2010, respectively.

A sub-sectoral analysis of the loans guaranteed indicated that the food crops sub-sector received the largest share of ₦2,633.7 million (74.1 per cent) for 17,798 beneficiaries, while the livestock sub-sector got ₦528.7 million (14.9 per cent) for 683 beneficiaries. The sum of ₦187.4 million (5.3) was guaranteed to 683 beneficiaries in the mixed crop sub-sector. Also, 333 beneficiaries in the fisheries sub-sector obtained ₦96.1 million (2.7 per cent) while ₦40.3 million (1.1 per cent) was disbursed to 433 beneficiaries in the cash crop sub-sector. 'Others' sub-sector obtained ₦66.8 million (1.9 per cent) guaranteed to 434 beneficiaries. Further analysis showed that, with the exception of Bayelsa and Taraba States, all the other 35 states (including the FCT) benefited from the Scheme during the quarter. The highest and lowest sums of ₦551.8 million (15.5 per cent) and ₦3.8 million (0.11 per cent) went to Katsina and Ebonyi states, respectively.

At end-September 2011, the total amount released by the CBN under the Commercial Agriculture Credit Scheme (CACS) to the participating banks for disbursement stood at ₦136.73 billion (for one hundred and seventy-three projects). The beneficiaries included twenty six state governments (Table 10).

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	37.91	35
2	Union Bank of Nigeria Plc	15.34	18
3	Zenith Bank	15.33	10
4	First Bank of Nigeria Plc	14.77	46
5	Skye Bank Plc	8.7	6
6	Stanbic IBTC Bank	8.34	19
7	Unity Bank Plc	8.19	6
8	Access Bank Plc	7.93	9
9	Fidelity Bank Plc	6.23	7
10	Gurante trust Bank Plc	5.5	8
11	Sterling Bank	3.33	2
12	Oceanice Bank Plc	2	1
12	Mainsteam Bank Plc	2	1
14	Citi Bank Plc	1.5	**1**
15	Diamond Bank Plc	0.65	**3**
16	Wema Bank	0.12	**1**
	TOTAL	136.73	**173**

The retail prices of most staples declined in the third quarter of

The retail prices of most staples fell during Q3 2011.

2011. The retail prices of nine of the commodities monitored by the CBN, recorded price decline from their levels in the preceding quarter. The price decline ranged from 0.02 per cent for brown beans to 5.9 per cent for yam flour. The price of white beans, white maize, yellow garri, local rice and white garri, however, rose by 0.1, 0.4, 0.0, 2.8 and 2.9 per cent, respectively, over their levels in the preceding quarter. The decline in the price of most staples was attributed to increased market supply arising from good harvest.

4.3 Industrial Production

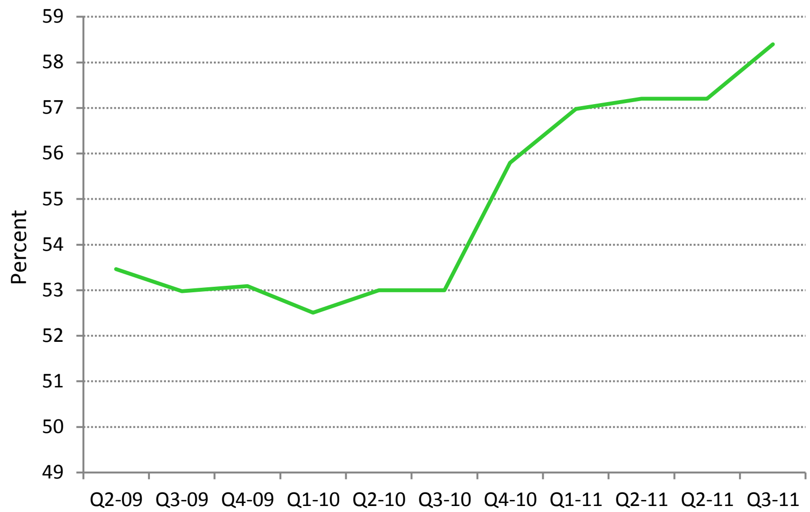
There was an improvement in industrial activities during Q3 2011 due to increased activities in all the sub-sectors.

Industrial activities during the third quarter of 2011 indicated an improvement relative to the preceding quarter. At 133.02 (1990=100), the estimated index of industrial production, rose by 2.6 and 9.6 per cent, over the levels in the preceding quarter and the corresponding quarter of 2010, respectively. The development reflected the increased activities in all the sub-sectors.

Industrial capacity utilization was estimated to have increased by 58.4 percentage points relative to the level in the corresponding period of 2010.

The estimated index of manufacturing production, at 101.82 (1990=100), increased by 2.6 and 9.2 per cent, over the levels in the preceding quarter and the corresponding period of 2010, respectively. The estimated capacity utilization also increased to 58.4 per cent during the review quarter, compared with 57.2 per cent in the corresponding period of 2010. The development was attributed to the increase in business confidence due to relative economic stability in the review period (Fig. 12, Table 11).

Figure 12: Capacity Utilization Rate



At 145.69 (1990=100), the index of mining production increased by 3.2 and 7.4 per cent over the levels in the preceding quarter and the corresponding quarter of 2010, respectively. The increase was accounted for by the improvement in crude oil and gas production as a result of sustained peace in the Niger Delta.

At 2,387,374 MW/h, estimated average electricity generation increased by 6.9 per cent, over the level in the preceding quarter. The development resulted from the increase in gas supply to the thermal stations, as well as the increase in water level at the hydro stations.

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

At 2,098,879.41 MW/h, estimated average electricity consumption, rose by 9.7 per cent over the level in the preceding quarter. The development was attributed to the increase in electricity generation and consequently increase in power supply (Fig. 13, Table 11).

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

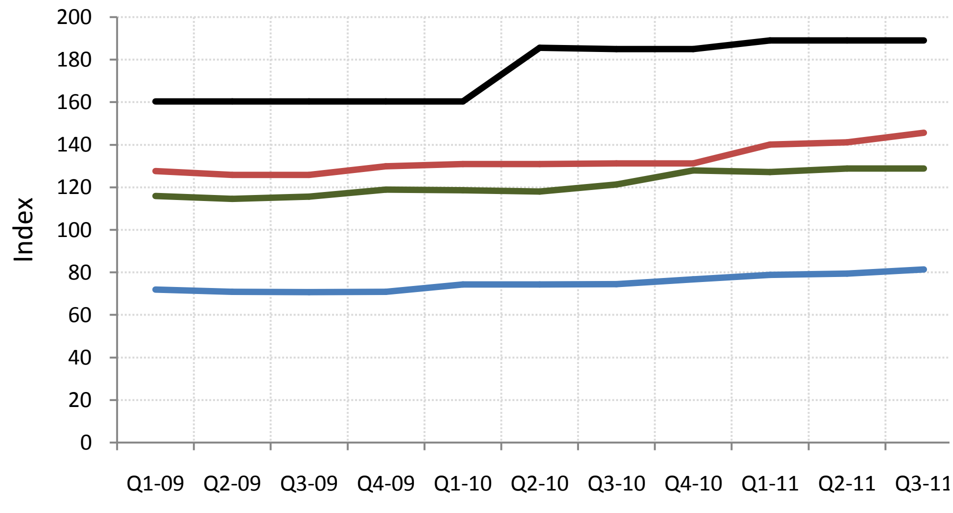


Table 12: Index of Industrial Production and Manufacturing Capacity Utilization Rate

	Q3-09	Q4-09	Q1-10	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11
All Sectors (1990=100)	115.9	114.6	117.5	121.4	127.9	127.2	128.8	133.0
Manufacturing	*89.9*	*88.6*	*88.4*	*93.2*	*95.9*	*98.5*	*99.3*	*101.8*
Mining	*127.6*	*125.9*	*125.9*	*131.2*	*131.2*	*140.1*	*141.2*	*145.7*
Electricity	*160.4*	*160.4*	*160.4*	*185.0*	*185.0*	*200.5*	*204.8*	*204.8*
Capacity Utilization (%)	54.2	53.5	53.0	53.2	55.8	57.0	57.2	58.4

4.4 Petroleum Sector

Crude oil and natural gas production fell to 2.18 mbd during Q3 2011.

Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at 2.18 million barrels per day (mbd) or 198.38 million barrels for the third quarter of 2011, compared with 2.19 mbd or (199.29 million barrels) in the preceding quarter. This represented a decline in production level by 0.10 mbd or 0.46 per cent. Consequently, crude oil export was estimated at 1.73 mbd or 157.43 million barrels in the review period, compared with 1.74 mbd in the preceding quarter. The decline was attributed to the oil pipeline leakage and sabotage in the Niger Delta region. Deliveries to the refineries for domestic consumption remained at 0.45 mbd (40.95 million barrels).

Crude oil export recorded a decline in Q3 2011.

At an estimated average of US$115.92 per barrel, the price of Nigeria's reference crude, the Bonny Light (37° API) declined by 4.1 per cent, below 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 fell, to US$88.71, US$114.21 and US$116.79 per barrel, respectively. Similarly, the average price of OPEC's basket of eleven crude streams fell by 1.7 per cent below the level in the preceding quarter to US$108.44 (Fig. 14, Table 12).

Average crude oil prices, including Nigeria's reference crude, Bonny Light (37° API), fell in the international crude oil market in Q3 2011.

Figure14: Trends in Crude Oil Prices

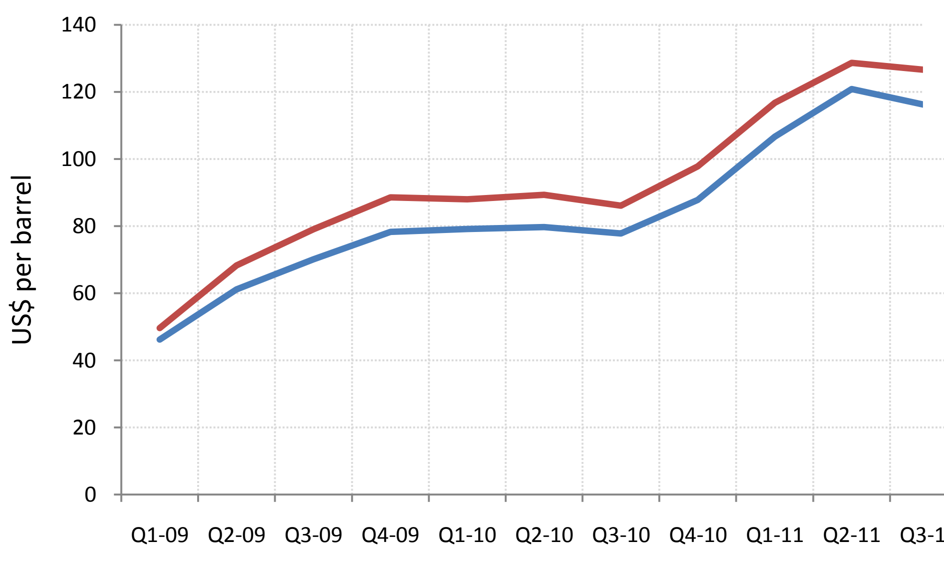


Table 13: Average Crude Oil Prices in the International Oil Market

	Q3-09	Q4-09	Q1-10	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11
Bonny Light	46.15	61.14	78.74	77.81	87.74	106.66	120.83	115.92
OPEC Basket	42.50	58.51	75.45	73.76	83.86	100.06	110.31	108.44

4.5 Consumer Prices[3]

The general price level rose in Q3 2011 relative to Q2 2011, on account of the increase in the price of imported food items and non-alcoholic beverages.

Available data showed that the all-items composite Consumer Price Index (CPI) at the end of the third quarter of 2011, was 124.0 (November 2009=100), representing an increase of 3.4 and 10.3 per cent over the levels in the preceding quarter and the corresponding quarter of 2010, respectively. The development was attributed, largely, to the

[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.

increase in the prices of imported food items and non-alcoholic beverages.

The urban all-items CPI at the end of the second quarter of 2011, was 120.0 (November 2009=100), indicating an increase of 0.9 and 8.5 per cent over the levels in the preceding quarter and the corresponding quarter of 2010, respectively. Similarly, the rural all-items CPI at the end of the quarter, at 127.4 (November 2009=100), represented an increase of 3.9 and 12.0 per cent over the levels in the preceding quarter and the corresponding quarter of 2010, respectively (Fig. 15, Table 13).

Figure15: Consumer Price Index

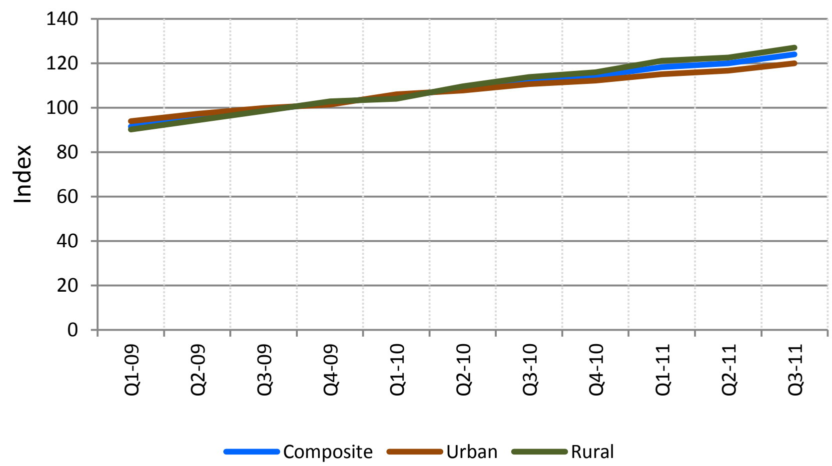


Table 14: Consumer Price Index (November 2009=100)

	Q4-09	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11
Composite	102.2	104.9	108.8	112.4	114.2	118.3	119.9	124.0
Urban	101.4	106.0	107.7	110.6	112.2	115.0	116.6	120.0
Rural	102.8	104.0	109.6	113.8	115.9	121.1	122.6	127.0

The headline inflation (y-o-y) increased by 0.1 percentage point, in Q1 2011.

The end-period inflation rate for the third quarter of 2011, on a year-on-year basis, was 10.3 per cent, compared with 10.2 and 13.6 per cent in the preceding quarter and the corresponding quarter of 2010, respectively. The inflation rate on a twelve-month moving average basis for the third quarter of 2011 was 11.4 per cent, compared with 12.3 and 13.8 per cent in the preceding quarter and the corresponding quarter of 2010, respectively (Fig. 16, Table 14).

Figure 16: Inflation Rate

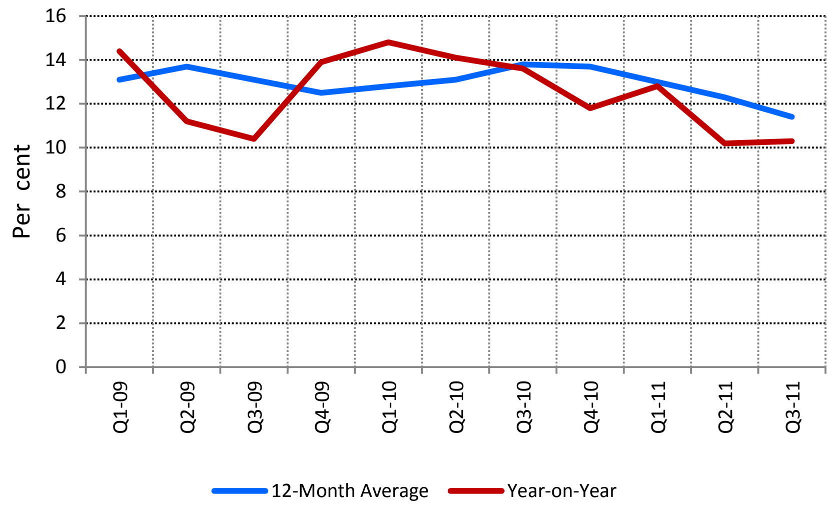


Table 15: Headline Inflation Rate (%)

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

5.0 External Sector Developments

Provisional data indicated that foreign exchange inflow through the CBN in the third quarter of 2011 rose by 54.5 and 81.1 per cent over the levels in the preceding quarter and the corresponding quarter of 2010, respectively. Outflow of foreign exchange through the CBN rose by 28.7 and 29.1 per cent over the levels in the preceding quarter and the corresponding quarter of 2010, respectively. Total non-oil export receipts by banks fell by 36.0 per cent from the level in the preceding quarter. The average Naira exchange rate vis-à-vis the US dollar, appreciated by 0.7 and 0.8 per cent to N153.32, and N154.32 per dollar at the Wholesale Dutch Auction System (WDAS) and Interbank segments of the foreign exchange market, respectively, while it depreciated by 2.50 per cent to N161.71 per dollar at the Bureau De Change (BDC) segment. The gross external reserves declined marginally by 0.5 per cent from the level in the preceding quarter.

5.1 Foreign Exchange Flows

Foreign exchange inflow and outflow through the CBN in the third quarter of 2011 amounted to US$13.67 billion and US$14.12 billion, respectively, resulting in a net outflow of US$0.45 billion. Relative to US$8.85 billion and US$10.97 billion in the preceding quarter, inflow and outflow rose by 54.5 and 28.7 cent, respectively. The rise in inflow was attributed to the 45.6 and 242.1 per cent rise in oil and non-oil receipts, while outflow rose largely due, to the 32.3 and 34.5 per cent increase in WDAS utilization and other official payments, respectively (Fig. 17, Table 15).

Foreign exchange inflow and outflow through the CBN rose by 54.5 and 28.7 per cent when compared with the levels at the preceding quarter.

Figure17: Foreign Exchange Flows Through the CBN

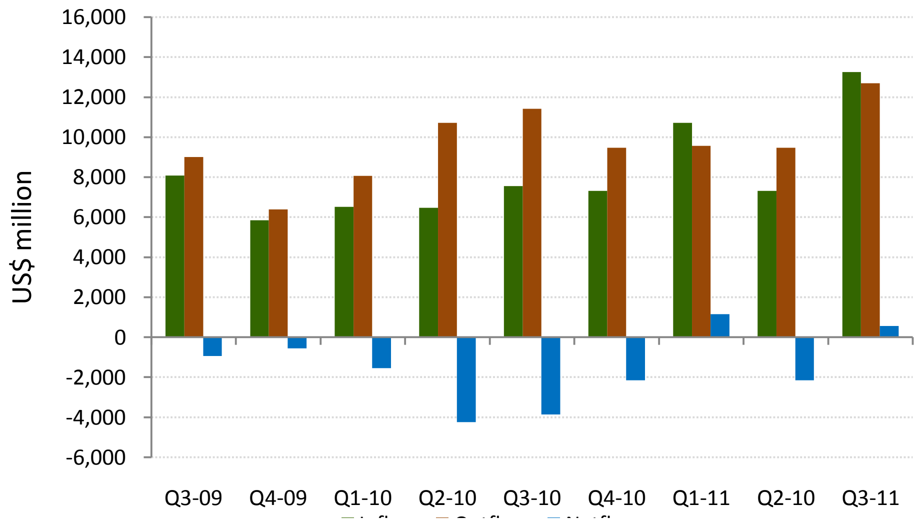


Table 16: Foreign Exchange Flows Through the CBN (US$ million)

	Q3-09	Q4-09	Q1-10	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11
Inflow	5724.6	5359.6	8083.0	7557.0	7310.0	10719.4	8854.9	13673.1
Outflow	11255.7	9135.1	9014.9	11424.1	9468.9	9560.4	10970.6	14121.6
Netflow	**-5531.1**	**-3775.5**	**-931.9**	**-3867.1**	**-2158.9**	**1158.9**	**-2115.6**	**-448.5**

Autonomous inflows into the economy rose 7.8 per cent, in Q3 2011 relative to the preceding quarter.

Available data on aggregate foreign exchange flows through the economy indicated that total inflow amounted to US$28.46 billion, representing an increase of 26.1 and 25.1 per cent above the levels in the preceding quarter and the corresponding quarter of 2010, respectively. Oil sector receipts, which accounted for 43.0 per cent of the total, stood at US$12.33 billion, compared with the respective levels of US$8.47 billion and US$6.94 billion in the preceding quarter and the corresponding quarter of 2010, respectively.

Non-oil public sector inflows, which accounted for 4.7 per cent of the total foreign exchange flows, rose significantly, over the preceding quarter's level by 252.6 per cent, while autonomous inflow, which accounted for 52. per cent, rose by 7.8 per cent over the preceding quarter's level.

At US$14.40 billion, aggregate foreign exchange outflow from the economy increased by 26.5 and 26.9 per cent over the levels in the preceding quarter and the corresponding quarter of 2010, respectively. The development, relative to the preceding quarter, was accounted for, largely, by the increase in WDAS Utilization.

5.2 Non-Oil Export Earnings by Exporters

Total non-oil export earnings by exporters declined during the third quarter of 2011 on account of a fall in the prices of most traded commodities.

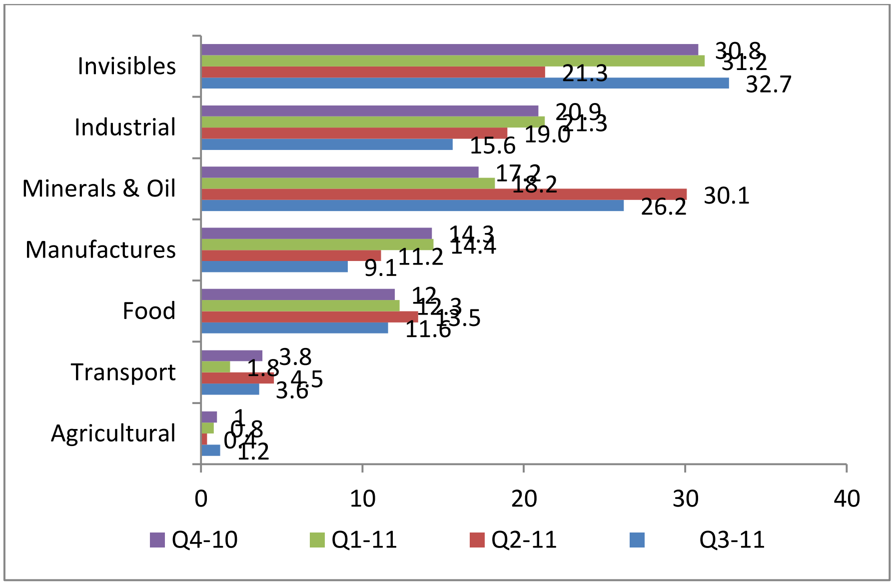
Total non-oil export earnings, at US$351.3 million, fell by 36.0 and 37.3 per cent below the levels in the preceding quarter and the corresponding quarter of 2010, respectively. The development was attributed, largely, to the fall in the prices of the commodities traded at the international market. A breakdown of the proceeds showed that industrial, manufactured products, mineral, agricultural products, food products and transport earned US$157.4 million, US$97.2 million, US$33.1 million, US$53.1 million, US$10.3 million, and US$0.2 million, respectively. The shares of industrial, manufactured products, mineral, agricultural products, food products and transport in non-oil export proceeds were 44.8, 27.7, 9.4, 15.1, 2.9 and 0.1 per cent, respectively.

5.3 Sectoral Utilisation of Foreign Exchange

The invisible sector accounted for the bulk of the total foreign exchange disbursed during Q3 2011.

The invisible sector accounted for the bulk (32.7 per cent) of total foreign exchange disbursed in the third quarter of 2011, followed by minerals and oil sector (26.2 per cent). Other beneficiary sectors, in a descending order included: industrial sector (15.6), food products (11.6 per cent), manufactured product (9.1 per cent) transport (3.6 per cent) and agricultural products (1.2 per cent) (Fig.18).

Figure18: SectoralUtilisation of Foreign Exchange



5.4 Foreign Exchange Market Developments

Demand for foreign exchange by authorized dealers rose significantly during Q3 2011, relative to the level in Q2 2011 and the corresponding period of 2010.

Foreign exchange demand by the authorized dealers stood at US$13.97 billion, indicating an increase of 31.8 and 29.5 per cent over the levels in the preceding quarter and the corresponding period of 2010, respectively. The development relative to the preceding quarter was attributed, mainly, to the importation of Premium Motor Spirit (PMS). Consequently, the sum of US$12.13 billion was sold by the CBN, indicating an increase of 32.3 per cent over the level in the preceding quarter (Fig. 19, Table 16).

Figure 19: Demand for and Supply of Foreign Exchange

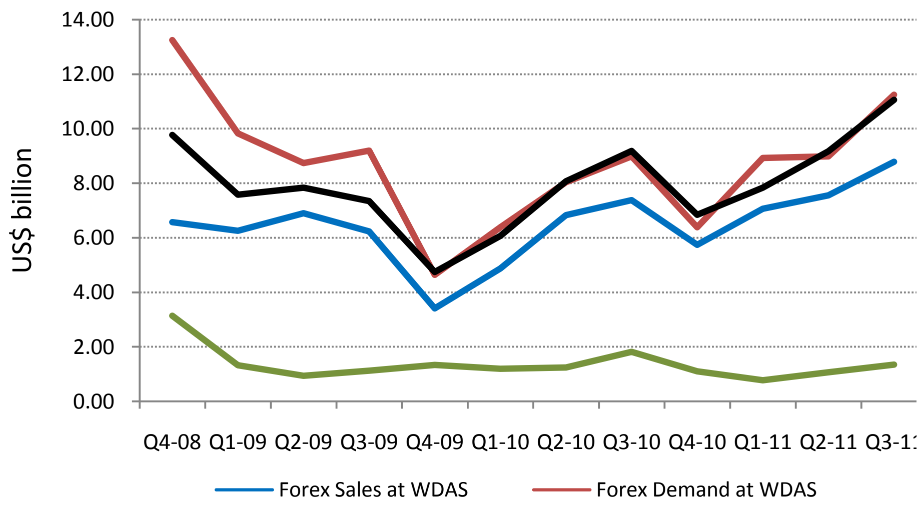


Table 17: Demand for and Supply of Foreign Exchange (US$ billion)

	Q4-09	Q1-10	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11
Forex Sales at WDAS	6.3	4.9	7.4	5.7	7.1	7.6	9.4
Forex Demand at WDAS	9.8	6.4	9.0	6.3	8.9	9.0	11.2
Supply of Forex to BDC	1.3	1.2	1.8	1.1	0.7	1.1	1.9
Total Forex Supply(BDC and WDAS)	7.6	7.8	6.1	9.2	6.8	7.8	12.1

Under the WDAS, the average exchange rate of the Naira vis-à-vis the US dollar appreciated by 0.7 per cent to ₦153.32 per US dollar relative to the level in the preceding quarter. It, however, depreciated by 1.9 per cent relative to the level in the corresponding quarter of 2010. In the bureaux-de-change segment of the market, the naira traded at an average of ₦161.71 per US dollar, compared with ₦157.77 per US dollar in the preceding quarter. In the interbank segment, the Naira exchanged for an average of ₦154.32 to the US dollar in the third quarter of 2011, compared with ₦155.48 per US dollar in second quarter of 2011 (Fig. 20, Table 17).

The Naira exchange rate vis-à-vis the US dollar appreciated at the WDAS, BDC and interbank segments of the foreign exchange market in Q3 2011.

The premium between the WDAS and the bureaux-de-change rates widened from 2.2 per cent in the preceding quarter to 5.2 per cent. Also that between the WDAS and interbank widened from 0.5 per cent in the preceding quarter to 0.6 per cent (Fig. 21, Table 16).

The premium between the WDAS rate and the rates at the interbank and BDC segments were 5.2 and 0.6 per cent, respectively.

Figure20: Average Exchange Rate Movements

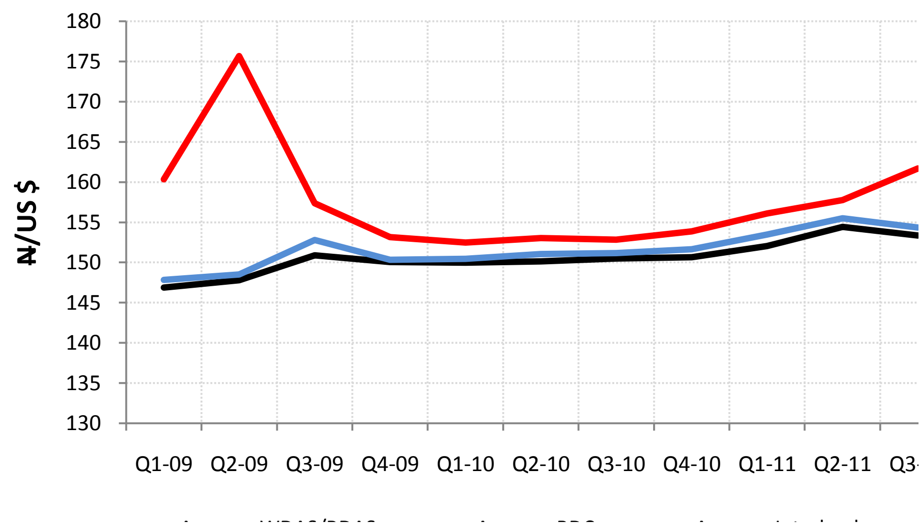
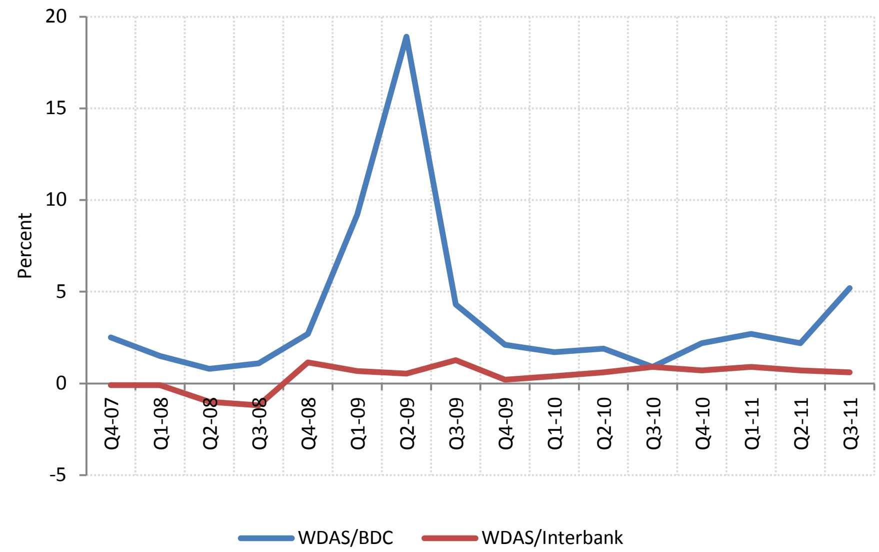


Table 18: Exchange Rate Movements and Exchange Rate Premium

	Q2-09	Q3-09	Q4-09	Q1-10	Q3-10	Q4-10	Q1-11	Q2-11
Average Exchange Rate(₦/US$)								
WDAS/RDAS	*146.9*	*147.8*	*150.9*	*149.9*	*150.5*	*150.6*	*152.0*	*154.4*
BDC	*160.4*	*175.7*	*157.4*	*152.5*	*152.8*	*153.8*	*156.1*	*157.8*
Interbank	*147.9*	*148.5*	*152.8*	*150.4*	*151.2*	*151.6*	*153.5*	*155.5*
Premium (%)								
WDAS/BDC	*9.2*	*18.9*	*4.3*	*2.1*	*0.9*	*2.2*	*2.7*	*5.2*
WDAS/Interbank	*0.7*	*0.5*	*1.3*	*0.4*	*0.9*	*0.7*	*0.9*	*0.6*

Figure 21: Exchange Rate Premium



5.5 Gross External Reserves

Gross external declined during the third quarter of 2011, due to the increased funding of the WDAS.

The gross external reserves at the end of the third quarter of 2011 stood at US$31.74 billion, indicating a decline of 0.5 per cent below the US$31.89 billion recorded at the end of the preceding quarter. The observed depletion in external reserves during the quarter under review was, largely, due to the increased funding of the WDAS, BDC and WDAS-forward contract to stabilize the exchange rate and ease demand pressure. A breakdown of the reserves showed that CBN holding stood at US$23.61 billion (74.4 per cent), Federal Government holding was US$2.73 billion (8.6 per cent) and the Federation Account portion (Excess Crude) was US$5.40 billion (17.0 per cent) (Fig. 22, Table 18).

Figure 22: Gross External Reserves

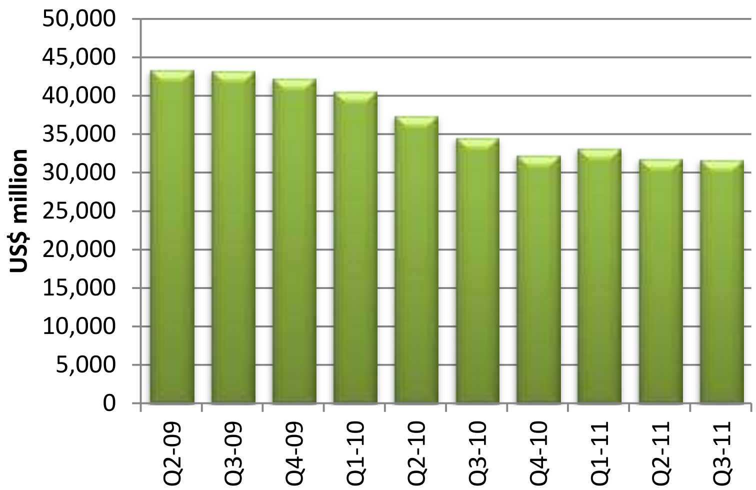


Table 19: Gross External Reserves (US$ million)

	Q4-09	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11	Q2-11	Q3-11
External Reserves	47081.9	43462.74	37468.44	34589	32347.49	33221.8	31890.48	31,740.23

6.0 Global Economic Conditions

6.1 Global Output

Global economic growth decelerated in the third quarter of 2011. This was due to transient factors, such as the impact of the natural disasters in Japan on global supply chains, the dampening effect of high commodity prices on disposable incomes and the unrest in the Middle East and North Africa (MENA) region. The rise in oil prices in the preceding quarter and the supply-chain disruption caused by the natural disaster in Japan caused reduced output in advanced economies. Emerging and developing economies performed well as per forecast, though with considerable variation across regions. Surging commodity prices also propelled Latin America to high growth rates. Activity in developing Asia, however, weakened modestly in response to global supply-chain disruptions and destocking in the face of more uncertain demand from advanced economies. Sub-Saharan Africa (SSA) continued to expand at a robust pace. By contrast, economic activity in the MENA region suffered from political and social conflict, although strong revenues boosted the economies of oil exporters. The net result of the various developments in advanced and emerging market economies was unexpectedly weak global activity during the third quarter

The global economy experienced decelerated growth in the third quarter 2011.

6.2 Global Inflation

In the major advanced economies headline and core inflation appeared to be losing momentum. Although headline inflation was projected to recede as food and energy prices moderated, underlying inflationary pressure was to rise further, mainly in emerging and developing countries. In advanced economies, headline inflation was forecasted to be about 2.5 per cent in 2011, but then to fall to about 1.5 per cent in 2012, assuming that energy and food prices evolve as the markets expected. In emerging and developing economies, headline inflation was expected to settle at about 6.0 per cent in 2012, down from over 7.5 per cent in 2011, as energy and food prices stabilized, but demand pressures raised core inflation.

6.3 Global Commodity Prices

The overall IMF commodity price index declined by 5 per cent between April and July and another 5.0 per cent in August 2011. The index remains higher from both a cyclical and a longer-term perspective. In August, it was about 9.0 per cent above the level recorded in December 2010. The IMF average petroleum spot price (APSP) was expected to remain close to US$100 per barrel for the remaining part of 2011 and through 2012. The IMFs non-fuel commodity price index was projected to moderate by 0.5 per cent in the second half of 2011, largely, as result of improved harvests for many food commodities and agricultural raw material, as well as in 2012, when base metal prices are also expected to decline modestly because of improving supply conditions.

6.4 International Financial Market

The performance of the international stock markets was generally poor in the review period with only the Russian stock market gaining. In Africa, the Nigerian NSE ASI lost the most with 18.1 per cent, closely followed by the Kenyan Nairobi NSE 20 index losing 17.2 per cent. In Europe, the FTSE 100, CAC 40, and DAX indices declined by 13.7, 25.1 and 25.4 per cent, respectively, while the MICEX gained 11.1 per cent. In Asia, Japans' Nikkei 225 and India's BSE Sensex indices declined by 11.8 and 5.7 per cent, respectively, while Chinas shanghai Stock Exchange-A declined by 14.6 per cent.

6.5 Foreign Exchange Market and Movements in Exchange Rates

The U.S. Dollar was strong performance against major world currencies during the period under review. In Africa, the Nigerian Naira, South African Rand, Kenyan Shilling, and Ghanaian Cedi depreciated by 1.85, 19.6, 12.25 and 4.99 per cent, respectively, against the U.S. Dollar. The Egyptian Pound, however, appreciated against the US dollar by 0.1 per cent. In North America, the Canadian Dollar and Mexican Peso depreciated against the U.S. Dollar by 9.41 and 18.68 per cent, respectively. The Brazilian Real, Argentine Peso and Colombian Peso in South America depreciated against the U.S. Dollar by 20.47, 2.31 and 9.1 per cent, respectively. In Europe, the British Pound, the Euro and the Russian Ruble also depreciated against the U.S. Dollar by 3.5, 8.23 and 15.48 per cent, respectively. In Asia, however, the Japanese Yen and Chinese Yuan appreciated by 4.34 and 1.2 per cent, respectively against the U.S. dollar, while the Indian Rupee depreciated against the U.S. Dollar by 9.6 per cent.

6.6 Other International Economic Developments and Meetings

Other major international economic developments and meetings of relevance to the domestic economy during the review month included: the mid-year Joint Statutory Meetings of the West African Monetary Agency, West African Monetary. Institute and West African Institute for Financial and Economic Management held in Conakry, Guinea from July 8-15, 2011 (See July 2011 Report).

Furthermore, former French Finance Minister, Christine Largarde, assumed office as IMF Managing Director on July 6, 2011 and outlined three categories of issues facing the IMF and the global economy, and two sets of issues to enhance the effectiveness and operations of the Fund. The three external issues included connectivity, credibility and comprehensiveness. She further stated that she wanted to enhance the legitimacy and diversity of the institution.

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In another development, the Central Bank of Nigeria hosted a two-day Seminar on “Enhancing Global Financial Supervisory Standards and Practices” for the D8 member countries. The Seminar was organized to facilitate the exchange of ideas among member countries on current supervisory and regulatory developments in the financial sector.

Also, the Experts meeting on Trade and Investment Promotion of the Nigeria-Niger Joint Commission for Cooperation was held in Maradi, Niger Republic from July 25-30, 2011. The Meeting discussed various issues relating to remittances of funds, establishment of warehouses, formalization of border markets between the two countries, development of cluster industries to enhance growth of the two countries.

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In addition, the 5th Meeting for the Validation of the Statue and Annexes of the African Monetary Fund was held at Addis Ababa, Ethiopia from July 27- 28, 2011. The Meeting advocated the establishment of the African Monetary Fund (AMF) as part of the three financial institutions necessary to advance monetary integration in Africa.

Nigeria and the European Union (EU) had their trade policies and practices reviewed in July 2011 by the World Trade Organization (WTO) Trade Policy Review Mechanism (TPRM). Nigeria's trade policies and practices were last reviewed in 2005, while that of the EU was in 2009.

The 35th Ordinary meeting of the Assembly of Governors of the Association of African Central Banks (AACB) held in Lilongwe, Malawi on August 12, 2011. The meeting was preceded by meetings of the AACB Technical Committee on August 8 - 9, 2011; and the AACB symposium on August 11, 2011.

Following the drought and famine being experienced in the Horn of Africa, the African Union (AU) convened a Pledging Conference in Addis Ababa, Ethiopia, on August 25, 2011 to raise financing for drought relief in East Africa. Overall, African Leaders pledged nearly $380 million at the Conference. The African Development Bank also announced a donation of $300 million for long-term development in the Horn of Africa, to be spent by 2013.

The African caucus of the International Monetary Fund (IMF) and World Bank held a meeting in Kinshasa, Democratic Republic of Congo (DRC) from August 3 - 4, 2011. The meeting focused on issues related to increasing energy deficit in Africa; rising food and fuel prices as well as the need for a strategy for a 3rd Chair for Africa at the IMF.

In a related development, the G-24 Technical Group (TGM) met at the International Monetary Fund Headquarters in

Washington DC on August 24 – 25, 2011. The objective of the meeting was to enable member countries discuss topical issues within the global context of growth and development agenda and map out adaptation strategies for individual countries.

Furthermore, the USAID West Africa Trade Hub launched two pilot Border Information Centers on August 4, 2011. The initiative, which was expected to facilitate trade between Ghana and Togo, would enhance the implementation of the ECOWAS Trade Liberalization Scheme. The rationale behind the project was to reduce delays in process, eliminate corruption at the boarder posts, coordinate enforcement agencies and ease transport cost in West Africa which is believed to be amongst the highest in the world. A similar Trade Hub is Kodzoviakope Center which is funded by the World Bank and hosted by Abidjan-Lagos Corridor.

The Africa Energy Commission (AFREC) report showed that only 27.0 per cent of the population in Sub-Sahara Africa has access to electricity. The report further showed that the supplies were most often unstable, due to recurrent load shedding and transmission and distribution problems.

.The 2011 Annual Meetings of the Board of Governors of the World Bank Group and the International Monetary Fund (IMF) were held in Washington D.C. USA from September 19 – 25, 2011. The Ministers of the Inter-governmental Group of 24 (G-24), the International Monetary and Financial Committee (IMFC) and the Development Committee (DC) discussed issues relating to the Global Economy, Job Creation, Surveillance, Governance, Reform of the BWIs, Rising Food Prices, amongst others.

Furthermore, The Making Finance Work for Africa (MFW4A) held its 2011 partnership Forum in Addis Ababa, Ethiopia from September 15-16, 2011. The 2011 MFW4A Partnership Forum was hosted by the United Nations Economic Commission for Africa (UNECA) and organized with the support of the African Union (AU).

Finally, the West African Monetary Agency (WAMA) and West African Monetary Institute (WAMI) Multilateral

Surveillance Mission to Nigeria was held from September 12-16, 2011. The purpose of the mission was to assess Nigeria's performance during the first half of 2011 on the macroeconomic convergence criteria and harmonization as well as institutional framework required for the establishment of economic and monetary union in the ECOOWAS region.

APPENDIX TABLES

TableA1: Money and Credit Aggregates

	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Jun-11	Sep-11
	₦ billion							
Domestic Credit (Net)	**4820.8**	**5677.2**	**6991.2**	**8612.9**	**9309.8**	**8708.5**	**8908.5**	**9981.6**
Claims on Federal Government (Net)	*-3405.6*	*-2879.8*	*-2820.2*	*-1489.9*	*-1026.3*	*-1121.8*	*-1070.8*	*-1144.5*
Central Bank (Net)	-4658.2	-4348.8	-3970.8	*-3272.8*	*-3037.4*	*-2884.0*	*-2730.0*	*-3244.7*
Banks	1252.6	1469.0	1150.6	*1782.9*	*2011.1*	*1762.2*	*1659.3*	*2100.2*
Claims on Private Sector	*8226.4*	*8556.9*	*9811.4*	*10102.8*	*10335.9*	*9830.3*	*9979.2*	*11126.1*
Central Bank	313.6	336.1	445.7	*396.5*	*564.5*	*632.2*	*741.7*	*885.6*
Banks	7912.8	8220.8	9365.7	*9706.3*	*9771.3*	*9198.2*	*9237.6*	*9840.2*
Claims on Other Private Sector	*8015.6*	*8305.3*	*9516.4*	*9763.7*	*9994.6*	*9460.5*	*9559.0*	*10725.9*
Central Bank	313.6	336.1	445.7	*396.5*	*564.5*	*632.2*	*741.7*	*885.6*
Banks	7702.0	7969.2	9070.7	*9367.1*	*9430.1*	*8828.4*	*8817.4*	*9840.2*
Claims on State and Local Government	*210.9*	*251.7*	*295.0*	*319.2*	*341.3*	*369.8*	*420.2*	*400.2*
Central Bank	--	--	--					
Banks	210.9	251.7	295.0	*319.2*	*341.2*	*369.8*	*420.2*	*400.2*
Claims on Non-financial Public Enterprises	--	--	--					
Central Bank	--	--	--					
Banks	--	--	--					
Foreign Assets (Net)	**8105.3**	**7643.6**	**6886.9**	**6484.8**	**6453.9**	**6506.6**	6453.7	6669.8
Central Bank	6961.2	6642.6	5858.9	*5401.0*	*5226.5*	*5372.3*	4922.6	5267.5
Banks	1144.2	1001.0	1027.9	*1083.7*	*1227.5*	*1134.3*	1531.1	1402.3
Other Assets (Net)	-3928.4	-4243.7	-4419.6	*-4252.2*	*-4539.0*	*-3689.6*	-3184.8	-4030.5
Total Monetary Assets (M2)	**8997.8**	**9077.0**	**9458.5**	**10845.5**	**11224.8**	**11525.5**	12177.4	12,620.90
Quasi-Money 1/	4331.1	4592.4	5125.0	*5927.5*	*5968.9*	*5954.3*	6534.8	6615.8
Money Supply (M1)	**4666.7**	**4484.6**	**4333.5**	**4918.0**	**5256.0**	**5571.3**	5642.6	6005.1
Currency Outside Banks	804.1	746.5	778.7	*795.4*	*881.0*	*1082.3*	1016.4	1012.4
Demand Deposits 2/	3862.6	3738.2	3554.8	*4122.6*	*4375.0*	*4489.0*	4626.1	4992.71
Total Monetary Liabilities (M2)	**8997.8**	**9077.0**	**9458.5**	**10845.5**	**11224.8**	**11525.5**	**12177.4**	**12620.9**
Memorandum Items:								
Reserve Money (RM)	1384.0	1291.5	1262.0	*1535.1*	*1344.4*	*1845.7*	2065.1	19088.5
Currency in Circulation (CIC)	1037.8	1006.6	1031.9	*1063.6*	*1125.5*	*1378.1*	1353.98	1342.97
DMBs Demand Deposit with CBN	346.2742443	284.8943461	230.1215833	471.4793	218.92969	467.6	711.1	565.9

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)

	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Jun-11	Sep-11
			Percentage Change Over Preceding Quarter				
Domestic Credit (Net)	23.1	13.1	2.7	8.1	-6.5	8.6	12.1
Claims on Federal Government (Net)	-2.1	-18.4	9.7	-31.1	9.3	-13.6	-7.5
Claims on Private Sector	14.7	4.0	0.7	2.3	-4.9	5.6	11.6
Claims on Other Private Sector	14.6	4.0	0.5	2.2	-5.4	5.4	12.3
Claims on State and Local Government	17.2	5.2	0.8	6.9	8.4	11.5	-4.8
Claims on Non-financial Public Enterprises	--	--	--	--	--	-	-
Foreign Assets (Net)	-9.9	10.3	-10.6	-0.5	0.8	-7.6	3.4
Other Assets (Net)	4.1	7.0	8.1	6.8	-18.7	-10.1	26.6
Total Monetary Assets (M2)	4.2	13.8	-1.5	3.5	2.4	4.0	3.6
Quasi-Money 1/	11.6	12.5	-2.1	0.7	-0.3	4.9	1.2
Money Supply (M1)	-3.4	15.5	-0.7	6.9	6	4.0	6.4
Currency Outside Banks	4.3	19.1	-4.6	10.8	22.9	-8.7	-0.4
Demand Deposits 2/	-4.9	14.7	0.1	6.1	2.6	7.3	7.9
Total Monetary Liabilities (M2)	4.2	13.8	-1.5	3.5	2.7	4.0	3.6
Memorandum Items:							
Reserve Money (RM)	-2.3	31.1	9.5	-12.4	37.3	21.1	-7.6
Currency in Circulation (CIC)	2.5	14.5	-8.0	5.8	22.5	-8.7	-0.8
DMBs Demand Deposit with CBN	-19.2	105.2	53.4	-53.6	113.6	145.6	-20.4
			Percentage Change Over Preceding December				
Domestic Credit (Net)	14.6	-11.5	9.0	17.8	10.2	2.3	14.62
Claims on Federal Government (Net)	-7.3	22.5	35.3	55.4	51.3	4.55	-2.02
Claims on Private Sector	26.6	-1.7	-1.0	1.3	-3.7	1.51	13.18
Claims on Other Private Sector	25.1	-1.8	-1.1	1.0	-4.4	1.04	13.37
Claims on State and Local Governments	107.2	3.7	2.9	10	19.2	13.64	8.21
Claims on Non-financial Public Enterprises	--	--					
Foeign Asset (Net)	-11.2	-4.5	-14.6	-15.0	-14.3	-0.81	2.51
Other Asset (Net)	9.1	-2.2	10.1	4.0	21.9	13.68	-9.24
Total Monetary Assets (M2)	-1.0	-12.2	0.7	4.3	7	5.66	9.5
Quasi-Money 1/	6.6	-11.1	2.8	3.6	3.3	9.75	11.11
Money Supply (M1)	-7.7	-13.4	-1.7	5.0	11.3	1.28	7.79
Currency Outside Banks	-16.4	-16.0	-14.2	-5.0	16.7	-6.08	-6.46
Demand Deposits 2/	-5.7	-12.8	1.1	7.3	10.1	3.1	11.2
Total Monetary Liabilities (M2)	-1.0	-12.2	0.7	4.3	7.0	5.66	9.5
Memorandum Items:							
Reserve Money (RM)	-16.6	-23.7	-7.2	-18.7	11.6		3.42
Currency in Circulation (CIC)	-12.9	-12.7	-10.0	-4.8	16.6		-2.55
DMBs Demand Deposit with CBN	-27.6	-51.3	35.0	-53.7	-1.0		21.02

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
Retained Revenue	**562.9**	**827.7**	**728.9**	**783.8**	**585.9**	**735.0**	**1064.3**
Federation Account	*356.0*	*440.0*	*516.2*	*518.7*	*504.3*	*501.1*	*738.7*
VAT Pool Account	*20.1*	*20.6*	*21.2*	*25.2*	*21.4*	*23.0*	*25.6*
FGN Independent Revenue	*15.9*	*36.9*	*27.6*	*72.7*	*35.9*	*103.4*	*23.7*
Excess Crude	*136.4*	*152.9*	*113.2*	*62.5*	*15.2*	*94.5*	*275.4*
Others	*34.5*	*177.4*	*50.7*	*104.6*	*9.0*	*13.0*	*1.0*
Expenditure	**840.5**	**977.7**	**1028.2**	**1499.7**	**872.5**	**912.5**	**1180.6**
Recurrent	*546.5*	*750.6*	*795.0*	*1138.6*	*682.5*	*751.0*	*961.3*
Capital	*241.0*	*204.1*	*143.8*	*309.0*	*165.6*	*85.0*	*145.2*
Transfers	*28.8*	*23.0*	*89.4*	*41.3*	*40.5*	*76.5*	*82.7*
Overall Balance: Surplus(+)/Deficit(-)	**-277.5**	**150.0**	**-299.3**	**-715.9**	**-286.6**	**-286.6**	**-286.6**

Table A4: Gross Domestic Product at 1990 Basic Prices

	Q4-2009	Q1-2010	Q2-2010	Q3-2010	Q1-2011[1]	Q3-2011[1]
	₦ billion					
Real GDP	**210.60**	**160.18**	**174.56**	**212.58**	**172.09**	**229.46**
Oil GDP	*31.38*	*29.41*	*27.41*	*32.70*	*30.26*	*34.11*
Crude Petroleum & Natural Gas	31.38	29.41	27.41	32.70	30.26	34.11
Non-oil GDP	*179.22*	*130.60*	*147.52*	*179.88*	*141.83*	*192.35*
Agriculture	86.71	57.16	73.88	94.17	60.24	99.36
Industry (excluding crude petroleum/natural Gas)	15.72	2.29	7.46	8.24	2.45	43.05
Building & Construction	3.90	3.00	3.51	3.33	4.85	3.69
Wholesale & Retail Trade	39.10	35.17	28.26	37.33	39.11	41.75
Services	33.79	31.35	34.05	36.81	35.18	41.61
	Relative Share (%)					
Real GDP	**100**	**100**	**100**	**100**	100.00	100.00
Oil GDP	*14.9*	*18.4*	*15.7*	*15.4*	17.59	14.90
Crude Petroleum & Natural Gas	14.9	18.4	15.70	15.40	17.59	14.90
Non-oil GDP	*85.1*	*81.6*	*84.3*	*84.6*	82.41	85.10
Agriculture	41.2	35.9	42.60	44.30	35.00	43.30
Industry (excluding crude petroleum/natural Gas)	7.5	1.4	4.30	3.88	1.42	18.76
Building & Construction	1.9	2.7	2.00	1.57	2.82	1.61
Wholesale & Retail Trade	18.6	222.0	16.20	17.56	22.73	18.19
Services	16.0	19.7	19.60	17.32	20.44	18.14
	Growth Rate (%)					
Real GDP	**7.67**	**7.36**	**7.69**	**7.86**	7.43	7.90
Oil GDP	*5.33*	*4.08*	*3.96*	*5.08*	*2.9*	*4.3*
Crude Petroleum & Natural Gas	*4.18*	*4.08*	*3.96*	*5.08*	2.90	4.30
Non-oil GDP	*8.67*	*8.13*	*8.41*	*8.43*	8.46	8.60
Agriculture	5.32	5.43	5.84	5.68	5.39	5.52
Industry (excluding crude petroleum/natural Gas)	8.32	7.44	7.67	8.55	6.91	5.16
Building & Construction	12.87	13.15	12.00	10.75	13.30	10.76
Wholesale & Retail Trade	10.87	9.54	11.40	11.82	9.56	11.83
Services	7.98	11.07	11.60	11.96	12.22	13.88

Source: National Bureau of Statistics.
[1]*Provisional.*