CENTRAL BANK OF NIGERIA

ECONOMIC REPORT FIRST 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 estimated gross domestic product (GDP) grew by 7.4 per cent, compared with 8.3 per cent in the preceding quarter. The development was attributed, largely, to the decline in the contribution of the non-oil sector.

Broad money supply, (M_2), grew by 1.1 per cent at end-March 2011. The development was accounted for, largely, by the rise in other assets (net) and foreign assets (net) of the banking system, which more than offset the effect of the per cent decline in net domestic credit. Narrow money supply, (M_1), however, fell by 2.6 per cent, compared with the decline of 1.0 per cent at the end of the corresponding quarter of 2010. Also, Reserve money (RM) fell by 7.6 per cent from the level at the end of the preceding quarter, and was below the indicative benchmark for end-Q1 2011 by 3.9 per cent.

Available data indicated mixed developments in banks' interest rates. The spread between the weighted average term deposit and maximum lending rates widened from 16.94 per cent in the preceding quarter to 17.87 per cent. The margin between the average savings deposit and maximum lending rates also widened from 19.56 per cent in the preceding quarter to 20.39 per cent. The weighted average interbank call rate, which stood at 8.20 per cent in the preceding quarter, fell to 7.6 per cent, reflecting the liquidity condition in the interbank funds market.

The value of money market assets outstanding increased by 3.2 per cent above the level in the preceding quarter to ₦4,757.4 billion. The development was attributed to the increase in the volume of Commercial Paper and FGN Bonds. Activities on the Nigerian Stock Exchange (NSE) were bullish during the quarter under review.

Total federally-collected revenue in the first quarter of 2011 stood at ₦2,372.27 billion, exceeding the proportionate budget estimate, the receipts in the preceding quarter of 2010 and the receipts in the corresponding quarter by 32.1,18.9 and 52.6 per cent, respectively. At ₦1,935.68 billion, oil receipts, which constituted 81.6 per cent of the total, exceeded the proportionate budget estimate, the receipts in the preceding quarter and the receipts in the corresponding quarter of 2010, by 55.4, 33.6 and 67.3 per cent, respectively. The rise in oil receipts relative to the proportionate budget estimate was attributed, largely, to the increase in domestic crude oil and gas sales and in the international oil market. Non-oil receipts, at ₦436.62 billion (18.4 per cent of the total), was lower than the proportionate *budget estimate and the levels in the preceding quarter by 20.6 and 20.0 per cent, respectively, but surpassed the level in the corresponding quarter of 2010 by 9.8 per cent. The shortfall relative to the proportionate budget estimate, reflected largely the decline in the education tax and independent revenue of the Federal Government.*

Federal Government retained revenue for the first quarter of 2011 was ₦585.90 billion, while total expenditure was ₦872.50 billion. Thus, the fiscal operations of the Federal Government resulted in an estimated deficit of ₦286.61 billion or 3.9 per cent of estimated nominal GDP for first quarter 2011, compared with the deficit of ₦715.88 billion and ₦277.54 billion for the preceding quarter and the corresponding quarter of 2010, respectively.

Agricultural activities during the quarter under review centered on harvesting of tree crops, clearing of land for the 2011 cropping season and preparation of irrigated land for cultivation. In the livestock sub-sector, farmers engaged in re-stocking of broilers and layers to replenish sales during the festive season.

Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at 2.09 million barrels per day (mbd) or 188.1 million barrels for the quarter. Crude oil export was estimated at 1.64 mbd or 147.6 million barrels for the quarter, while deliveries to the refineries for domestic consumption remained at 0.45 mbd or 40.5 million barrels. The average price of Nigeria's reference crude, the Bonny Light (37^0 API), estimated at US$106.66 per barrel, rose by 21.6 per cent over the level in the preceding quarter.

The end-period headline inflation rate (year-on-year), for the first quarter of 2011, was 12.8 per cent, compared with 11.8 and 14.8 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 13.0 per cent, compared with 13.7 and 12.8 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$10.72 billion and US$9.5 billion, respectively, resulting in a net inflow of US$1.16 billion during the quarter. Foreign exchange sales by the CBN to the authorized dealers amounted to US$7.8 billion in the first quarter of 2011, compared with US$6.8 billion in the fourth quarter of 2010.

The average Naira exchange rate vis-à-vis the US dollar, depreciated by 0.9 per cent to ₦152.04 per dollar at the WDAS. At *the bureaux-de-change segment of the market, the Naira also depreciated from ₦153.89 per dollar to ₦156.11; while at the interbank segment, it depreciated from ₦151.65 per US dollar in Q4 2010 to ₦153.48.*

Non-oil export earnings by Nigerian exporters rose by 16.8 per cent, to US$778.3 million over the level in the preceding quarter. The development was attributed largely to the rise in the prices of all the commodities traded at the international commodities market.

The World Bank projections indicated that the global economic recovery was slow, with the developing countries contributing more than half of the global growth, during the first quarter of 2011. Global GDP was expected to grow by 3.3 per cent in 2011 before picking up to 3.6 per cent in 2012.

World crude oil output and demand in the first quarter of 2011 were estimated at 87.20 mbd and 87.03 mbd, compared with the respective 87.10 mbd and 86.61 mbd supplied and demanded in the preceding quarter. International economic developments and meetings of relevance to the domestic economy during the review quarter included: the World Economic Forum Annual Meeting held at Davos-Klosters, Switzerland from January 26 – 30, 2011. The theme of the meeting was "Shared Norms for the New Reality", which underscored the world was becoming increasingly complex and interconnected, with continued erosion of common values and principles.

Other major international economic developments and meetings of relevance to the domestic economy during the quarter included: the First Regional Experts' Meeting of the OECD/AfDB and the official launch of the Joint Initiative to support Business Integrity and Anti-Bribery Efforts in Africa, which took place between January 13-14, 2011 in Lilongwe, Malawi.

Furthermore, the 16th African Union (AU) Heads of State and Government Summit was held in Addis Ababa, Ethiopia from January 30-31, 2011, with the theme, "Towards Greater Unity and Integration through Shared Values. The Summit was preceded by the 21st Ordinary Session of the Permanent Representatives' Committee from January 24 – 25, 2011 and the 18th Ordinary Session of the Executive Council from January 27 – 28, 2011.

In a related development, the end-of-year 2010 statutory meetings of the West African Monetary Zone (WAMZ) and West African Institute for Financial and Economic Management (WAIFEM) organised by the Central Bank of Nigeria in collaboration with the

Federal Ministry of Finance was held in Abuja from February 6 – 11, 2011. The meetings deliberated on the technical and administrative reports, including the budgets and the work programmes of the institutes for 2011.

In another development, the Meeting of the 35th Bureau of the Association of African Central Banks (AACB) organized by the AACB General Secretary was held on February 23, 2011 at the Headquarters of the Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO) Dakar, Senegal to consider the decisions of the 34th meeting of the Association.

The Intergovernmental Group of Twenty-Four (G24) on International Monetary Affairs and Development held their Technical Group meeting at the Conference Centre, South African Reserve Bank, Pretoria, March 17 – 18, 2011. The purpose of the meeting was to articulate member countries position on various issues of interests for the consideration and guidance of their Ministers at the 85th meeting of the Ministers of the G24 and the 97th meeting of the Deputies, during the April 2011 Spring meeting in Washington, DC, USA.

Finally, the 4th Joint Annual Meetings of the African Union (AU) Conference of Ministers of Economy and Finance and Economic Community of Africa (ECA) Conference of African Ministers of Finance, Planning and Economic Development was held at Addis Ababa, Ethiopia from March 28 – 29, 2011. The meetings, which were preceded by a technical meeting of experts from March 24 to 27, 2011, deliberated on the theme "Governing Development in Africa".

2.0 Financial Sector Developments

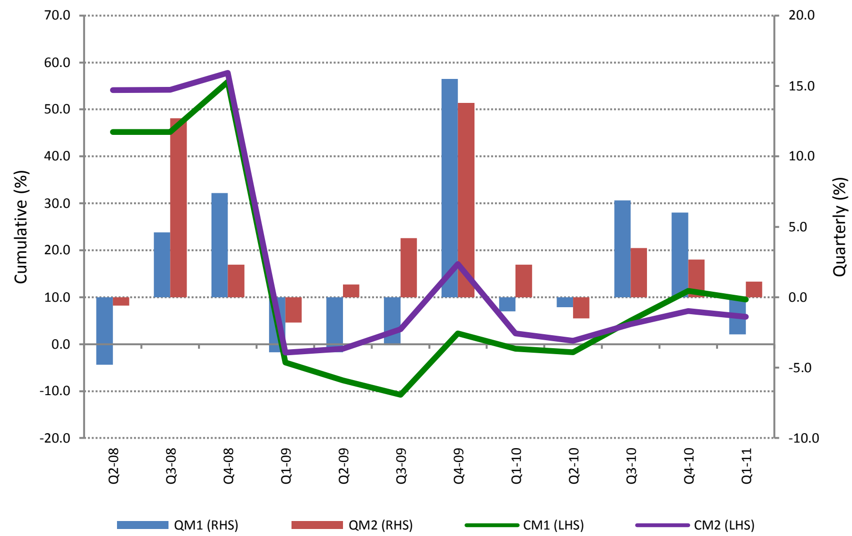
2.1 Monetary and Credit Developments

The growth in the key monetary aggregate was moderate at the end of the first quarter of 2011. Banks' deposit rates generally declined, while lending rates indicated mixed developments during the quarter under review. The value of money market assets increased, largely, due to the rise in the volume of commercial paper and FGN bonds. Transactions on the Nigerian Stock Exchange (NSE) were bullish during the review quarter.

The key monetary aggregate moderated during Q1 2011.

Provisional data indicated that growth in the major monetary aggregate was moderate at the end of the first quarter of 2011. Broad money supply, (M_2), grew by 1.1 per cent to ₦11,653.6 billion at end-March 2011, compared with the growth of 2.3 per cent in the corresponding quarter of 2010. The development was accounted for, largely, by the 13.6 and 7.4 per cent rise in other assets (net) and foreign assets (net) of the banking system, respectively, which more than offset the effect of the 9.8 per cent decline in net domestic credit. Narrow money supply, (M_1), at ₦5,424.5 billion, however, fell by 2.6 per cent, compared with the decline of 1.0 per cent at the end of the corresponding quarter of 2010. The development reflected wholly the 3.9 per cent fall in demand deposit. Quasi money rose by 4.6 per cent over the level at the end of the corresponding quarter (Fig. 1, Table 1).

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



At ₦7,854.7 billion, aggregate banking system credit (net) to the domestic economy, fell by 9.8 per cent at the end of the first quarter of 2011, in contrast to the increase of 6.1 per cent in the corresponding quarter of 2010. The development reflected, largely, the decline in claims on both the Federal Government and the private sector during the quarter under review.

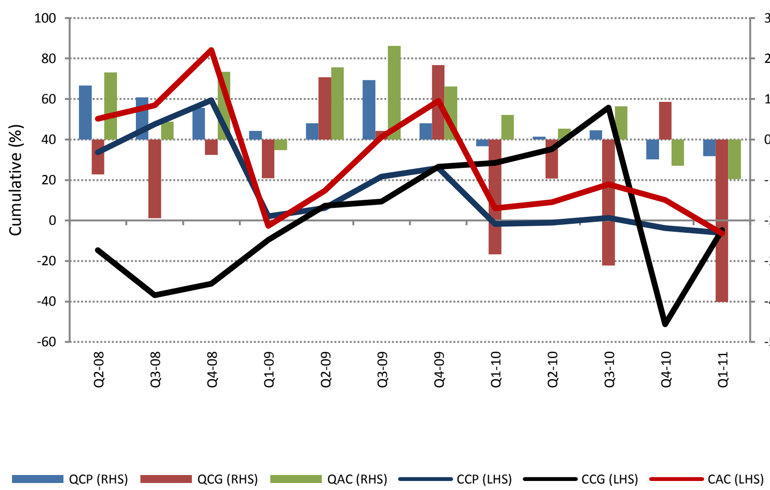
Banking system's credit (net) to the Federal Government, at end of the review quarter, fell by 40.1 per cent to negative ₦1,571.8 billion, in contrast to an increase of 28.4 per cent in the corresponding quarter of 2010. The development was accounted for, largely, by the decline in banking system's holdings of Federal Government securities, particularly FGN Bonds. 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 fell at the end of the first quarter of 2011.

At the end of first quarter 2011, banking system's credit to the private sector fell by 4.1 per cent to ₦9,426.5 billion, compared with 1.7 per cent decline at the end of the corresponding quarter of 2010. The development reflected, largely, the 4.3 per cent decline in claims on the core private sector (Fig. 2, Table 1).

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

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



At ₦6,988.1 billion, foreign assets (net) of the banking system increased by 7.4 per cent at the end of the first quarter of 2011, in contrast to the decline of 4.5 per cent at the end of the corresponding quarter of 2010. The development was attributed to the increase in both CBN and DMBs' holdings. Quasi-money rose by 4.6 per cent to ₦6,229.1 billion, compared with the growth of 5.1 per cent at the end of the preceding fourth quarter of 2010. The development reflected the rise in two of its components namely, time and savings deposits of the DMBs.

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

Other assets (net) of the banking system grew by 13.6 per cent, to negative ₦3,189.2 billion, compared with the increase of 2.2 per cent at end-March 2010. The increase reflected, largely, the rise in unclassified assets of both the CBN and the DMBs.

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

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

	Jun-09	Mar.09	Jun-10	Sep-10	Dec-10	Mar-11
Domestic Credit (Net)	13.1	17.8	2.7	8.1	-6.4	-9.8
Claims on Federal Government (Net)	-18.4	-15.4	9.7	-31.1	9.3	-40.1
Claims on Private Sector	4.0	4.0	0.7	2.3	-4.9	-4.1
Claims on Other Private Sector	4.0	3.6	0.5	2.1	-5.4	-4.3
Foreign Assets (Net)	10.3	-5.7	-10.6	-0.5	0.8	7.4
Other Assets (Net)	7.0	8.0	8.1	6.7	18.7	13.6
Broad Money Supply (M2)	13.8	0.9	-1.5	3.5	2.7	1.1
Quasi-Money	12.5	6.0	-2.1	0.7	-0.3	4.6
Narrow Money Supply (M1)	15.5	-3.9	-0.7	-0.7	5.3	-2.6
Memorandum Items:						
Reserve Money (RM)	-2.3	-10.7	9.5	-12.4	37.2	-7.6

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

At ₦1,416.4 billion, currency in circulation rose by 2.8 per cent at the end of the first quarter of 2011, in contrast to the decline of 8.1 per cent at the end of the corresponding quarter of 2010. The development was attributed, largely, to the 2.8 per cent increase in currency outside the banking system due to seasonal factors.

Total deposits at the CBN amounted to ₦4,685.7 billion, indicating a marginal increase of 0.2 per cent, compared with 0.4 per cent at the end of the corresponding quarter of 2010. The development reflected the 14.1 per cent increase in Federal Government deposits, which more than offset the 38.1 and 47.0 per cent decline in both DMBs and private sector deposits, respectively. Of the total deposits, the shares of the Federal Government, banks and ''others'' were ₦4,048.44 billion (86.4 per cent), ₦289.54 billion (6.2 per cent) and ₦347.75 billion (7.4 per cent), respectively.

Reserve money (RM) declined and was below the benchmark for the end of the first quarter 2011 by 3.9 per cent.

Consistent with the trends in DMBs' deposits with the CBN, the CBN operating target, the reserve money (RM), decreased from ₦1,845.7 billion at the end of the preceding quarter to ₦1,705.9 billion. This was, however, below the benchmark of N1,775.2 billion for the end of the first quarter 2011.

2.3 Money Market Developments

Monetary tightening persisted in the review period as reflected by key financial market indicators. The discount window remained open during the review period. However, the Standing Deposit Facility (SDF) was suspended on March 9, 2011, following the introduction of reserve averaging, which allows for payment of remuneration on DMBs' surpluses in excess of the cash reserve requirement. The Bank also approved repurchase transactions of various tenors for DMBs. The primary auctions of NTBs and the Federal Government of Nigeria (FGN) Bonds were highly patronized as subscription exceeded the amount on offer by 102.0 per cent, leading to a lower yield relative to the preceding quarter's level. The Bank intervened at the foreign exchange market in order to reduce pressure on the Naira, due to increased foreign exchange exposures and seasonal factors. It is believed that the newly introduced forward foreign exchange transaction, which commenced on March 23, 2011 would help to curb speculative demand and could help hedge against foreign exchange risks, hence, reduce pressure on the Naira.

Provisional data indicated that, at ₦4,757.4 billion, the value of money market assets outstanding at the end of the first quarter of 2011 increased by 3.2 per cent over the level at the end of the preceding quarter. The development was attributed to the 6.3 and 5.3 per cent increase in Commercial Paper and Federal Government of Nigeria Bonds (FGN) Bonds, respectively.

2.3.1 Interest Rate Developments

Available data indicated mixed developments in banks' interest rates in the first quarter of 2011. All rates on deposits of various maturities, including the average savings deposit rate, declined from a range of 1.73 – 5.74 per cent in the fourth quarter of 2010, to 1.49 – 5.39 per cent. Similarly, at 4.01 per cent, the average rate on term deposit declined by 0.34 percentage point below the level in the preceding quarter. The prime lending rate also declined by 0.5 percentage point to 15.75 per cent, while the average maximum lending rate rose by 0.59 percentage point to 21.88 per cent in the first quarter of 2011. Consequently, the spread between the weighted average term deposit and maximum lending rates widened by 0.93 percentage point to 17.87 per cent from 16.94, while the margin between the average savings deposit and the maximum lending rates widened from 19.56 per cent

All deposits of various maturities trended downwards in Q1: 2011.

The spread between the weighted average term deposit and maximum lending rates widened, while in real terms, all deposit rates turned significantly negative.

in the preceding quarter to 20.39 per cent. With headline inflation rate of 12.8 per cent at end-March 2011, all deposit rates, with the exception of lending rates, were negative in real terms.

All interbank money market rates, with the exception of the Nigeria Inter-bank offered rate trended upwards in Q1 2011

At the interbank call segment, the weighted average inter-bank call rate, which stood at 8.20 per cent at end-December 2010, declined by 0.22 percentage point to 7.6 per cent in the first quarter of 2011, reflecting the liquidity condition in the inter-bank funds market. The weighted average rate, at the Open Buy Back (OBB) segment increased from 5.37 per cent in the preceding quarter to 7.20 per cent at the end of first quarter, 2011. However, the Nigeria Inter-bank Offered Rate (NIBOR) for the 7- and 30- day tenors declined from 9.16 and 11.40 per cent in the fourth quarter of 2010 to 9.12 and 10.97 per cent, respectively, in the review quarter (Fig. 3, Table 2).

Figure 3: Selected DMBs Interest Rates (Average)

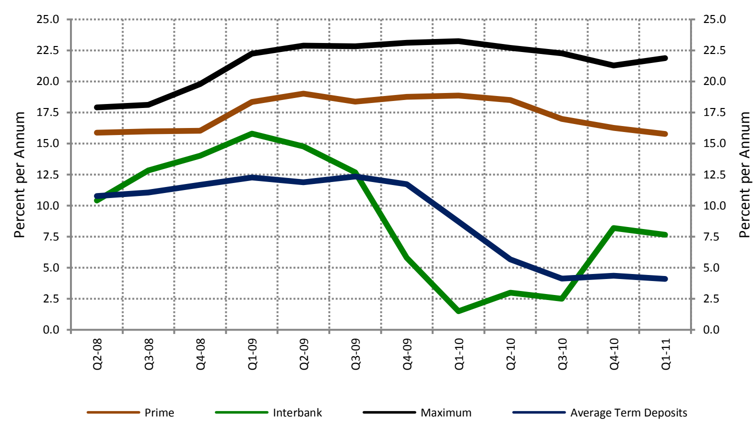


Table 2: Selected Interest Rates (Percent, Averages)

	Q3-09	Q4-09	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11
Average Term Deposits	12.33	11.72	8.70	5.7	4.1	4.4	4.1
Prime Lending	18.38	18.6	18.86	18.5	17.0	15.7	15.8
Interbank	12.68	5.80	2.59	2.98	2.5	8.2	7.6
Maximum Lending	22.82	23.12	23.24	22.69	22.3	21.9	21.9

2.3.2 *Commercial Paper (CP)*

The value of Commercial Paper (CP) held by DMBs increased by 6.3 per cent to ₦201.1 billion at the end of first quarter 2011, as against the decline of 10.1 per cent at the end of the preceding quarter. Thus, CP constituted 4.2 per cent of the total value of money market assets outstanding, compared with 4.1 per cent as at the end of the preceding quarter.

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

2.3.3 *Bankers' Acceptances (BAs)*

The value of BAs held by DMBs fell by 23.9 per cent to ₦60.2 billion at the end of the review quarter, as against the increase of 29.6 per cent at the end of the preceding quarter. The development reflected the decline in investments in BAs by deposit money banks and discount houses. Consequently, BAs accounted for 1.3 per cent of the total value of money market assets outstanding at the end of the review quarter, compared with 1.7 per cent at the end of the preceding quarter.

DMBs' holdings of BAs fell during Q1 of 2011.

2.3.4 *Open Market Operations*

Nigerian Treasury Bills (NTBs) offered, subscribed to and allotted at the direct OMO auction in the first quarter of 2011 amounted to ₦320.00 billion, ₦422.90 billion and ₦235.34 billion, respectively. The bid rates ranged from 6.00 to 10.20 per cent, while issue rates ranged from 6.0 to 9.4 per cent. In the fourth quarter of 2010, NTBs offered, subscribed and allotted amounted to ₦120.0 billion, ₦185.70 billion and ₦130.70 billion, respectively. At the two-way quote trading platform, there were no trading activities on NTBs.

2.3.5 *Primary Market*

At the primary market segment, NTBs of 91-, 182- and 364-day tenors, amounting to ₦630.01, ₦1,603.33 and ₦630.01 billion, respectively, were offered, subscribed to and allotted in the first quarter of 2011, compared with the respective sums of ₦698.20 billion, ₦1,051.46 billion and ₦588.95 billion in the fourth quarter of 2010. Total public subscription exceeded the amount offered and allotted by 154.5 per cent each. The bid

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

rates ranged from 5.5000 to 11.0000 per cent for the 91- day tenor, 7.5000 to 12.1000 per cent for the 182-day tenor and 8.0000 to 12.0000 per cent for the 364-day tenor, compared with the range of 4.9500 to 10.9990 per cent for the same tenors in the preceding quarter. Patronage at the primary market remained impressive and reflected market players' preference for risk-free government 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.

A new series of 5-year FGN Bond was added to the FGN Bonds portfolio, while the 3- and 5-year tranches were re-opened and auctioned (in line with the debt management programme) in the first quarter of 2011. The total amount offered, subscribed to and allotted for the 3-year tranche were ₦96.50 billion, ₦219.95 billion and ₦96.50 billion, respectively, while ₦90.00 billion, ₦156.78 billion and ₦90 billion were offered, subscribed to and allotted for the 5-year tranche, respectively. Issue rates ranged between 9.25 and 10.50 per cent and 11.00 and 12.00 per cent for the 3-year and 5-year tenors, respectively. Total subscription exceeded the amount offered and allotted by 102.0 per cent. Compared with the fourth quarter of 2010, the amount offered, subscribed to and allotted were ₦65.00 billion, ₦116.63 billion and ₦73.70 billion for the 3-year tenor; ₦20.00 billion, ₦55.80 billion and ₦20.00 billion for the 5-year tenor; ₦88.12 billion, ₦85.00 billion and ₦62.81 billion for the 7-year tenor; and 90.00 billion, 174.10 billion and 125.66 billion for the 20-year tenor, respectively.

2.3.7 *CBN Standing Facilities*

The MPR and SLF rates were 7.5 and, 9.25 per cent, while the remuneration of DMBs surplus in excess of CRR was 5.5 per cent

The total Standing Lending Facility (SLF) granted during the review period was ₦5,167.95 billion, compared with ₦3,146.82 billion in fourth quarter 2010. The increase of ₦2,021.13 billion in the SLF demanded and granted was due mainly to the tight liquidity condition in the money market.

Compared with ₦14,287.20 billion in the preceding quarter, the total sum of ₦2,767.1 billion was deposited by DMBs in the review quarter prior to the suspension of the Standing Deposit Facility (SDF) on March 9, 2011 following the introduction of the reserve averaging.

2.4 Deposit Money Banks' Activities

DMBs' credit to the private sector rose in Q1 2011.

Available data indicated that at the end of the first quarter of 2011, the total assets and liabilities of the DMBs stood at ₦17,698.7 billion, representing an increase of 2.2 per cent over the level at the end of the preceding quarter. The development was attributed, largely, to the 50.2 per cent increase in DMB's reserves. The funds, which were sourced, largely from the increase in their unclassified liabilities and draw-down on reserves, were used mainly in extension of credit to the private sector, and increase in foreign assets holdings. Central Bank's credit to the DMBs, largely loans and advances, rose by 0.4 per cent to ₦420.5 billion at the end of the review quarter.

The liquidity ratio in March 2011 was 23.3 and below the stipulated minimum liquidity ratio by 6.7 percentage points. Loan-to-deposit ratio fell below the prescribed minimum by 31.7 percentage points.

At ₦10,818.7 billion, DMBs' credit to the domestic economy declined by 1.3 per cent from the level in the preceding quarter. The development was attributed, largely, to the 3.8 per cent increase in net claims on the Federal Government.

Total specified liquid assets of the DMBs stood at ₦3,126.5 billion, representing 23.3 per cent of their total current liabilities. At that level, the liquidity ratio fell by 8.4 percentage points from the level at the end of the preceding quarter, but was 6.7 percentage points below the stipulated minimum ratio of 30.0 per cent. The loans-to-deposit ratio fell by 11.7 percentage points below the level at the end of the preceding quarter to 48.3 per cent, and was 31.7 percentage points below the prescribed minimum ratio of 80.0 per cent.

2.5 Discount Houses' Activities

Total assets/liabilities of the discount houses stood at ₦269.9 billion at the end of first quarter of 2011, indicating a decline of 25.5 and 24.8 per cent, from the levels at the end of the preceding quarter and the corresponding quarter of 2010, respectively. The fall in assets was accounted for, largely, by the 65.7 per cent decline in cash and balances, reinforced by the 15.4 per cent decline in claims on federal government. Correspondingly, the fall in total liabilities was attributed, largely, to the decline of 12.1 per cent in the level of money-at-call during the period.

Discount houses' investment in Federal Government securities of less than 91-day maturity fell significantly by 60.8 per cent to ₦23.9 billion and represented 13.1 per cent of their total deposit liabilities. At this level, discount houses' investment was also 46.9 percentage points below the prescribed minimum level of 60.0 per cent for fiscal 2011. Total borrowing by the discount houses was ₦45.1 billion, while their capital and reserves stood at ₦52.8 billion. This resulted in a gearing ratio of 0.9:1, 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 first quarter of 2011 were bullish. The volume and value of traded securities rose by 25.0 and 3.4 per cent to 26.1 billion shares and ₦214.6 billion, respectively, in 407,248 deals, compared with 20.8 billion shares, valued at ₦207.6 billion, in 349,848 deals in the preceding quarter. The banking sub-sector remained the most active on the Exchange with a traded volume of 16.3 billion shares, valued at ₦143 billion, in 229,546 deals. This was followed by the Insurance sub-sector with a traded volume of 1.9 billion shares, valued at ₦2.1 billion, in 17,270 deals. The Food/Beverages & Tobacco sub-sector was third with a traded volume of 0.74 billion shares, valued at ₦17.2 billion, in 31,049 deals.

Figure 4: Volume and Value of Traded Securities

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

	Q3-09	Q4-09	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11
Volume (Billion)	28.9	27.6	27.2	27.3	17.7	20.8	26.1
Value (₦ Billion)	207.1	177.0	193.8	245.2	153.0	207.6	214.6

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

Transactions on the Over-the-Counter (OTC) bonds market, indicated a turnover of 2.6 billion units worth ₦6.9 trillion in 16,336 deals in the review quarter, compared with 2.3 billion units, valued at ₦1.18 trillion, in 15,921 deals in the fourth quarter of 2010.

2.6.3 *New Issues Market*

There were two (2) supplementary issues in the first quarter of 2011 namely,; C&I Leasing Plc and Wema Bank Plc. Also, the price of Fidson Healthcare was adjusted for dividend of ₦0.10, while the 14.5% FGN February 2011 (3rd FGN Bond 2011 Series 3) was delisted. A total of 508,184,698 ordinary shares were added to the outstanding shares of Royal Exchange Plc, following a bonus issue of 1to 8.

2.6.4 *Market Capitalization*

Market capitalization and All-Share Index trended downward during Q1 2011.

The market capitalization of the 262 listed securities remained at the preceding quarter's level of ₦9.9 trillion. The equities sub-sector, accounted for 79.8 per cent of the total market capitalization (₦7.9 trillion), while the debt component represented the balance of 20.2 per cent (₦2.0 trillion).

2.6.5 *NSE All-Share Index*

The All-Share Index of listed securities which opened at 24,770.52 at the beginning of the quarter, closed at 24,863.38, representing an increase of 0.4 per cent over the level in the preceding quarter. The NSE Food/Beverage and NSE Insurance rose by 4.1 and 1.7 per cent, respectively, while the NSE Banking, NSE 30 and NSE Oil/Gas indices fell by 0.9, 0.6 and 3.0 per cent, respectively.

Figure 5: Market Capitalization and All-Share Index

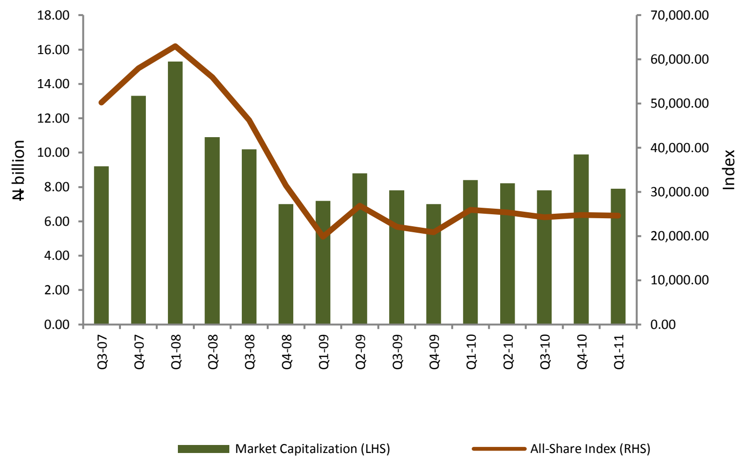


Table 4: Market Capitalization and All Share Index (NSE)

	Q1-09	Q2-09	Q3-09	Q2-10	Q3-10	Q4-10	Q1-11
Market Capitalization (₦ trillion)	7.2	8.8	7.8	8.2	7.8	9.9	9.9
All-Share Index (Equities)	19851.9	26861.6	22065.0	25384.1	24268.2	24770.5	24863.4

3.0 Fiscal Operations

3.1 Federation Account Operations

Available data showed that total federally-collected revenue during the first quarter of 2011 stood at ₦2,372.27 billion, representing an increase of 32.1, 18.9 and 52.6 per cent, over the proportionate budget provisions, the receipts in the preceding quarter and the level in the corresponding quarter of 2010, respectively (Fig. 6, Table 5).

Gross federally collected revenue rose by 32.1 per cent over the 2011 proportionate budget estimates

Figure 6: Components of Gross Federally Collected Revenue

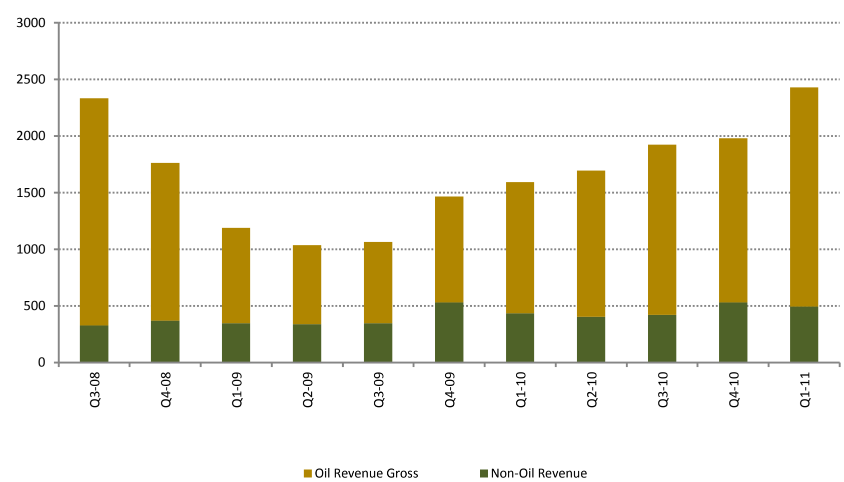


Table 5: Gross Federation Account Revenue (₦ billion)

	Q3-09	Q4-09	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11
Federally-collected revenue (Gross)	1246.9	1371.5	1554.3	1712.0	2023.6	1994.6	2372.3
Oil Revenue	716.8	936.3	1156.7	1288.7	1502.0	1448.6	1935.6
Non-Oil Revenue	530.1	435.2	397.5	423.3	521.5	546.0	436.6

At ₦1,935.68 billion, gross oil receipts, which constituted 81.6 per cent of the total, exceeded the proportionate budget estimate, the receipts in the preceding quarter and the level in the corresponding quarter of 2010, by 55.4, 33.6 and 67.3 per cent, respectively. The increase in oil receipts relative to the proportionate budget estimate was attributed, largely, to the rise in crude oil price at the international oil market (Fig. 7, Table 6).

Figure 7: Gross Oil Revenue and Its Components

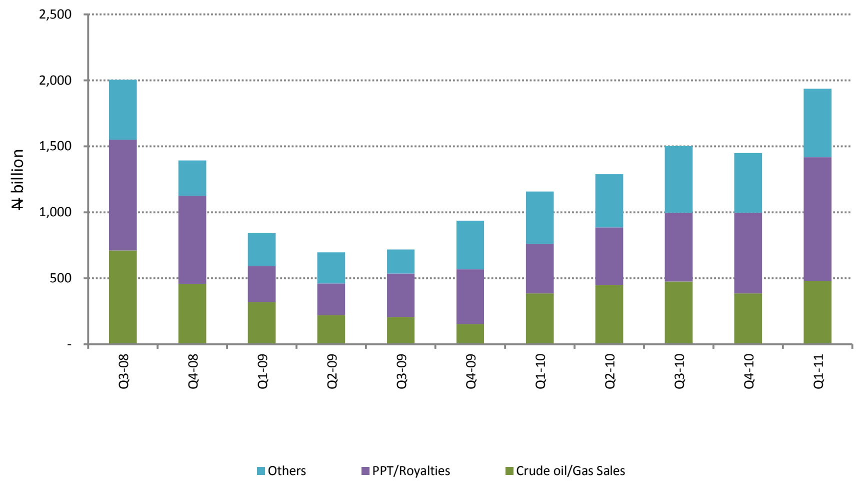


Table 6: Components of Gross Oil Revenue (₦ billion)

	Q3-09	Q4-09	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11
Oil Revenue	716.8	936.3	1156.7	1288.7	1502.0	1448.6	1935.7
Crude oil/Gas Sales	*205.9*	*151.9*	384.8	449.5	476.1	385.8	481.1
PPT/Royalties	*329.4*	*414.9*	376.5	436.7	520.1	611.4	935.9
Others	*181.4*	*369.4*	394.1	402.4	505.8	450.5	517.8

Non-oil receipts, at ₦436.62 billion (18.4 per cent of the total), was lower than the proportionate budget estimate and the level in the preceding quarter by 20.6 and 20.0 per cent, respectively, but surpassed the level in the corresponding quarter of 2010 by 9.8 per cent. The shortfall relative to the proportionate budget estimate reflected, largely, the decline in education tax and the independent revenue of the Federal Government (Fig. 8, Table 7).

Figure 8: Gross Non-Oil Revenue and Its Components

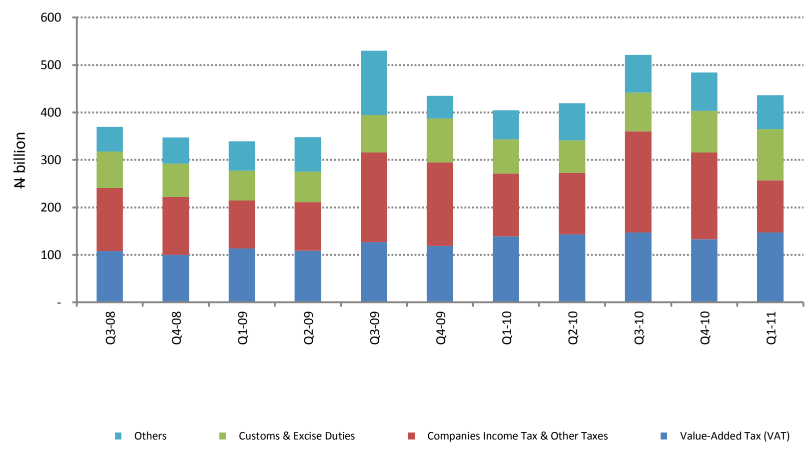


Table 7: Components of Gross Non-Oil Revenue (₦ billion)

	Q3-09	Q4-09	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11
Non-Oil Revenue	**530.1**	**435.2**	**397.5**	*423.3*	*512.5*	*546.0*	*436.6*
Value-Added Tax (VAT)	*127.1*	*119.1*	*139.2*	*143.1*	*147.3*	*133.1*	*147.4*
Companies Income Tax & Other Taxes	*188.6*	*175.8*	*132.2*	*129.3*	*213.2*	*182.6*	*109.8*
Customs & Excise Duties	*78.6*	*92.0*	*72.0*	*68.7*	*81.0*	*87.5*	*107.7*
Others	*135.7*	*48.3*	*61.4*	*82.2*	*80.1*	*80.3*	*71.8*

As a percentage of projected first quarter 2011 nominal GDP, oil and non-oil revenue were 26.3 and 5.9 per cent, respectively.

Of the gross federally-collected revenue during the review quarter, the sum of ₦1,061.46 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 ₦500.59billion, while the States and Local Governments received ₦253.91 billion and ₦195.75 billion, respectively. The balance of ₦111.21 billion went to the 13.0% Derivation Fund for distribution by the oil-producing states. Also, the Federal Government received ₦21.23 billion, while the State and Local Governments received ₦70.76 billion and ₦49.53 billion, respectively, from the VAT Pool Account. During the period under review, a sum of ₦35.36 billion was drawn from the excess crude account to bridge the short-fall in revenue for the period. Thus, the total allocation to the three tiers of government in the first quarter amounted to ₦1,238.34 billion, representing, a shortfall of 11.7 per cent from the quarterly proportionate budget estimate.

The sum of ₦1,061.46 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.

3.2 The Fiscal Operations of the Three Tiers of Government

3.2.1 The Federal Government

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

At ₦585.90 billion, the Federal Government retained revenue for the first quarter of 2011 was lower than the proportionate budget estimate and the receipts in the preceding quarter by 30.0 and 25.2 per cent, respectively, but exceeded the receipts in the corresponding quarter of 2010 by 4.1 per cent. Of this amount, the Federal Government share from the Federation Account was ₦504.26 billion, the VAT Pool Account was ₦21.42 billion, FGN Independent Revenue ₦35.97 billion, Excess Crude Account ₦15.21 billion, while "Others" accounted for ₦9.04 billion, respectively (Fig. 9, Table 8).

Figure 9: Federal Government Retained Revenue

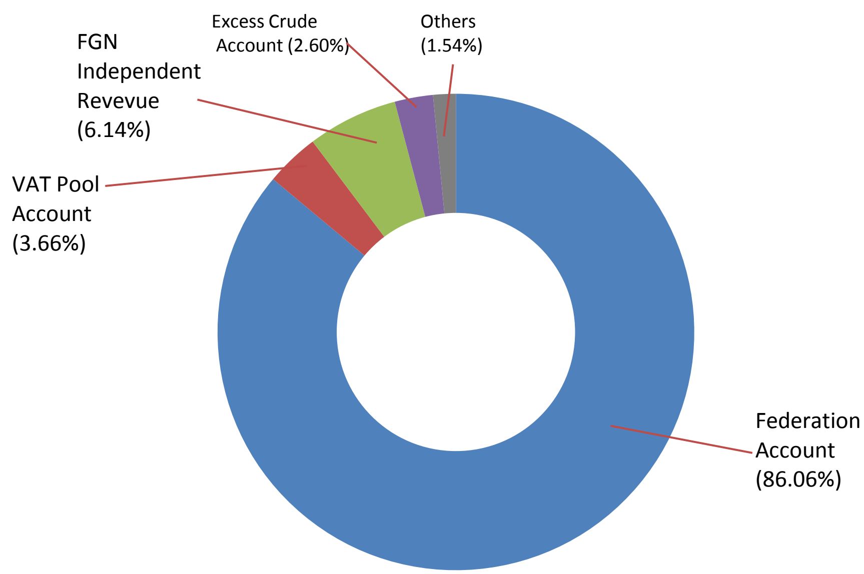
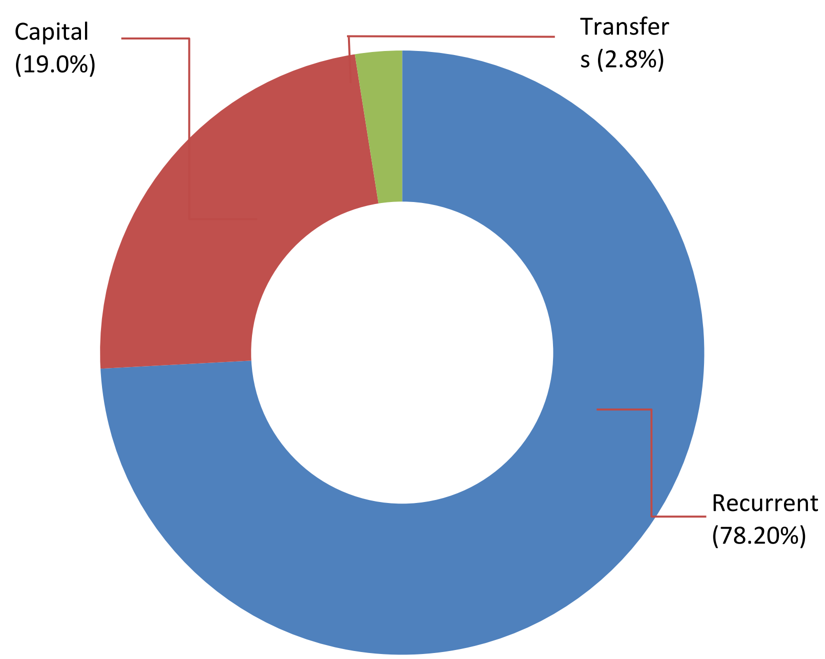


Table 8: Federal Government Fiscal Operations (₦ billion)

	Q1-09	Q2-09	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11
Retained Revenue	701.7	519.4	562.9	827.7	827.7	783.8	585.9
Expenditure	669.1	894.7	840.4	977.7	1028.2	1499.6	872.5
Overall Balance: Surplus(+)/Deficit(-)	32.6	-375.3	-277.5	-150.0	-150.0	-715.8	-286.6

At ₦872.50 billion, total expenditure for the first quarter 2011 was lower than the proportionate budget estimate and the level in the preceding quarter by 41.8 and 34.5 per cent, respectively. It was, however, higher than the level in the corresponding quarter of 2010 by 3.8 per cent. The fall in total expenditure relative to the proportionate budget estimate was attributed, largely, to the decline in capital outlay. A breakdown of total expenditure showed that the recurrent component accounted for 78.2 per cent, capital component 19.0 per cent, while statutory transfers accounted for the balance of 2.8 per cent (Fig. 10). As a percentage of projected first quarter 2011 nominal GDP, recurrent expenditure was 9.3 per cent, while capital expenditure and transfers stood at 2.3 and 0.3 per cent, respectively.

Figure10: Federal Government Expenditure



The fiscal operations of the Federal Government in the first quarter of 2011, resulted in a notional deficit of ₦286.61 billion, compared with the budgeted deficit of ₦494.95 billion and a deficit of ₦1,062.44 billion in the preceding quarter of 2010.

The fiscal operations of the FG resulted in an estimated deficit of 3.9 per cent of GDP in Q1 2011, financed through other funds.

The fiscal deficit was 3.9 per cent of the estimated nominal GDP in the review quarter, compared with 6.2 per cent in the preceding quarter. The fiscal deficit was largely financed from domestic sources (through Non-Bank Public).

3.2.2 Statutory Allocations to State Governments

Total receipts, including the 13.0 per cent Derivation Fund and share of VAT of the state governments from the Federation

Account stood at ₦435.88 billion during the review quarter. This represented a decline of 0.3 and 8.4 per cent, from the levels in the preceding quarter and the corresponding quarter of 2010, respectively.

Further breakdown showed that, at ₦70.76 billion, receipts from the VAT Pool Account increased by 10.7 per cent over the level in the preceding quarter, while receipts from the Federation Account stood at ₦365.12 billion. On a monthly basis, the sum of ₦142.04 billion, ₦146.15 billion and ₦147.69 billion was allocated as statutory allocations and VAT receipts to the 36 state governments in January, February and March 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 first quarter of 2011, stood at ₦251.62 billion. This fell short of the levels in the preceding quarter and the corresponding quarter of 2010 by 7.4 and 27.6 per cent, respectively. Of the total amount, allocation from the Federation Account was 80.3 per cent, while VAT Pool Account accounted for the balance of 19.7 per cent. On a monthly basis, the sum of ₦83.45 billion, ₦84.44 billion and ₦83.73 billion was allocated as statutory allocations and VAT receipts to the 774 local governments in January, February and March 2011, respectively.

4.0 Domestic Economic Conditions

Aggregate output growth (estimate) measured by the real gross domestic product (GDP) grew by 7.4 per cent, compared with 8.3 per cent in the preceding quarter. The development was attributed to the 8.5 per cent decline in the contribution of the non-oil sector, reinforced by 2.9 per cent fall in oil GDP. Crude oil production was estimated at 2.09 million barrels per day (mbd) or 186.01 million barrels for the quarter. The end-period inflation rate for the first quarter of 2011, on year-on-year basis, was 12.8 per cent, compared with 11.8 and 14.8 per cent in the preceding quarter and the corresponding quarter of 2010, respectively. The inflation rate on a 12-month moving average basis was 13.0 per cent, compared with the 13.7 and 12.8 per cent in the preceding quarter and corresponding period of 2010.

4.1 Aggregate Output

Aggregate output (estimate) in the first quarter measured by gross domestic product (GDP) at 1990 basic prices grew by 7.4 per cent, compared with 8.3 per cent recorded in the preceding quarter. The lower growth in the review quarter was attributed, largely, to 8.5 per cent decline in the contribution of the non-oil sector, reinforced by 2.9 per cent fall in oil GDP. Relative to the corresponding quarter of 2010, the real GDP growth remained constant at approximately 7.4 per cent.

Real output fell in Q1 2011 due largely to the decline in non-oil sector and oil GDP.

Real non-oil GDP stood at 8.4 per cent and accounted for 82.4 per cent of total GDP in the review quarter. Real oil GDP, comprising crude petroleum and natural gas, grew by 2.9 per cent when compared with the level at the corresponding quarter of 2010 and accounted for 17.6 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

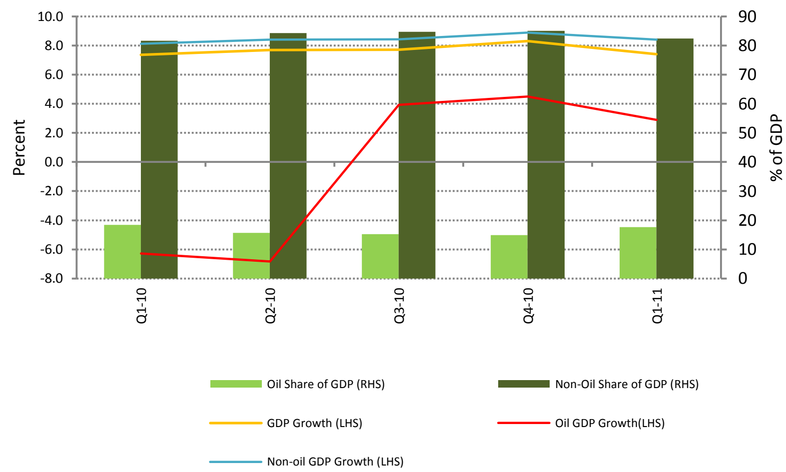


Table 9: Growth Rate of Real GDP and Sectoral Shares (Percent)

	Q4-09	Q1-10	Q3-10	Q4-10	Q1-11
Growth Rate (%)					
Real GDP	**7.7**	**7.4**	**7.7**	**8.3**	**7.4**
Oil (Crude Petroleum/Natural Gas)	*0.9*	*-6.3*	*3.9*	*4.5*	*2.9*
Non-oil	*8.7*	*8.1*	*8.4*	*8.6*	*8.4*
Share in Real GDP (%)					
Real GDP	***100.0***	***100.0***	**100.0**	**100.0**	**100.0**
Oil (Crude Petroleum/Natural Gas)	*14.9*	*18.4*	*15.2*	*14.9*	*17.6*
Non-Oil	*85.1*	*81.6*	*84.8*	*85.1*	*82.4*

4.2 Agricultural Sector

Agricultural activities during the review quarter were dominated by harvesting of tree crops, clearing of land for the 2011 cropping season and preparation of irrigated land for cultivation. In the livestock sub-sector, farmers were engaged with re-stocking of broilers and layers to replenish sales during the preceding Christmas festive season.

A total of ₦969.4 million was guaranteed to 3,433 farmers under the Agricultural Credit Guarantee Scheme (ACGS) in the first quarter of 2011. This represented a decline of 67.6 per cent from the level in the preceding quarter, but an increase of 16.9 per cent over the level in the corresponding quarter of 2010.

A sub-sectoral analysis of the loans guaranteed indicated that the food crops sub-sector received the largest share of ₦460.8 million (47.5 per cent) for 2,068 beneficiaries, while the livestock sub-sector got ₦264.9 million (27.3 per cent) for 623 beneficiaries. Also, 304 beneficiaries in the fisheries sub-sector obtained ₦71.8 million (7.4 per cent); 120 beneficiaries in the mixed crop sub-sector received ₦31.5 million (3.3 per cent), while ₦6.6 million (0.7 per cent) was disbursed to 18 beneficiaries in the cash crop sub-sector. 'Others' sub-sector obtained ₦133.8 million (13.8 per cent) guaranteed to 428 beneficiaries. Further analysis showed that, with the exception of Jigawa, Kebbi, Nassarawa and Yobe States, all the other 33 states (including the FCT) benefited from the scheme during the quarter. The highest and lowest sums of ₦116.9 million (12.1 per cent) and ₦0.28 million (0.03 per cent) went to Rivers and Gombe states, respectively.

At end-March 2011, the total amount released by the CBN under the Commercial Agriculture Credit Scheme (CACS) to the participating banks for disbursement stood at ₦116.10 billion for 121 (one hundred and twenty one) projects. The beneficiaries included eighteen state governments (Table 10).

Table 10: 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	36.45	34
2	Union Bank of Nigeria Plc	16.15	16
3	Zenith Bank	13.84	10
4	First Bank of Nigeria Plc	10.7	26
5	Skye Bank Plc	10.67	7
6	Unity Bank Plc	6.03	4
7	GT Bank Plc	5.25	7
8	Access Bank Plc	5.18	5
9	Fidelity Bank Plc	4.5	4
10	Stanbic IBTC Bank	3.83	6
11	Oceanic Bank Plc	2	1
12	Citibank	1.5	1
	TOTAL	**116.1**	**121**

The retail prices of most staples recorded increase in the first quarter of 2011. The retail prices of eleven of the fourteen commodities monitored by the CBN, recorded increase over their levels in the preceding quarter. These ranged from 0.2 per cent for garri (yellow) to 14.8 per cent for yam flour. Local rice, beans (brown) and garri (white), however, recorded price decline of 0.4, 0.8 and 1.8 per cent, respectively. The rise

The retail prices of most staples rose during Q1 2011.

in the price of most staples was attributed to higher cost of transportation of the staples.

4.3 Industrial Production

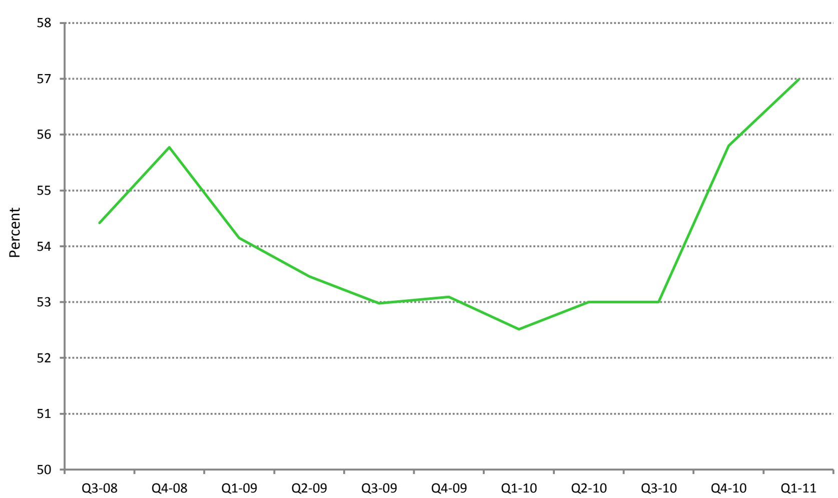
There was a slight improvement in industrial activities during Q1 2011 on account of increased activities in the manufacturing and minerals mining sub-sectors.

Industrial activities during the first quarter of 2011 indicated a slight improvement relative to the preceding quarter. At 127.2 (1990=100), the estimated index of industrial production rose by 1.6 and 7.3 per cent, over the levels attained in the preceding quarter and the corresponding quarter of 2010, respectively. The development reflected the increased activities in the manufacturing and minerals mining sub-sectors.

Industrial capacity utilization was estimated to have increased by 1.7 percentage points relative to the level in Q4 2010.

The estimated index of manufacturing production, at 98.5 (1990=100), increased by 2.7 and 2.8 per cent, over the levels in the preceding quarter and the corresponding period of 2010, respectively. The estimated capacity utilization also increased by 1.7 percentage points to 57.0 per cent during the review quarter (Fig. 12, Table 11). The development was attributed to the increased activities in the cement and oil refining sub-sectors.

Figure 12: Capacity Utilization Rate



At 140.1 (1990=100), the index of mining production increased by 5.1 and 2.1 per cent over the levels attained in the preceding quarter and the corresponding quarter of 2010, respectively.

At 3,189.8 MW/h, estimated average electricity generation increased by 3.4 per cent, over the level attained in the preceding quarter. The development resulted from the increase in gas supply to the thermal stations.

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

At 2,910.8 MW/h, estimated average electricity consumption, rose by 33.8 per cent over the level in the preceding quarter. The development was attributed to the increase in power supply, occasioned by the improvements in electricity generation and transmission (Fig. 13, Table 11).

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

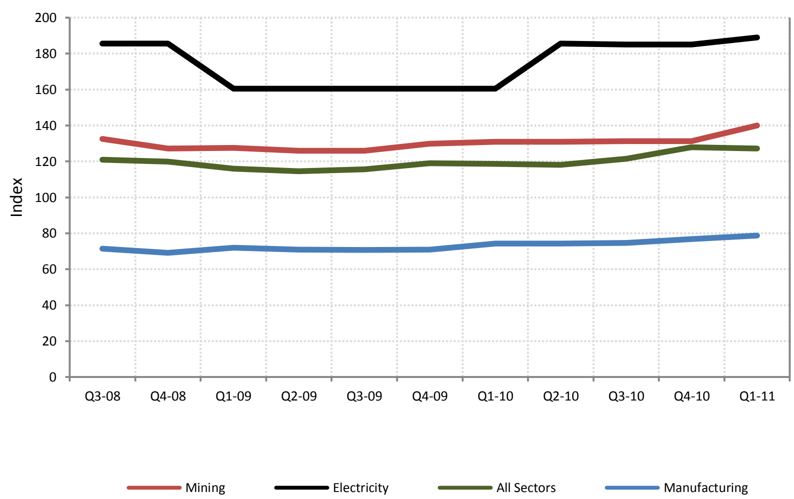


Table 11: Index of Industrial Production and Manufacturing Capacity Utilization Rate

	Q2-09	Q3-09	Q4-09	Q1-10	Q3-10	Q4-10	Q1-11
All Sectors (1990=100)	115.9	114.6	115.6	117.5	121.4	127.9	127.2
Manufacturing	*89.9*	*88.6*	*88.4*	*88.6*	*93.2*	*95.9*	*98.5*
Mining	*127.6*	*125.9*	*125.9*	*129.9*	*131.2*	*131.2*	*140.1*
Electricity	*160.4*	*160.4*	*160.4*	*160.4*	*185.0*	*185.0*	*189.8*
Capacity Utilization (%)	*54.2*	*53.5*	*53.0*	53.1	53.2	55.8	57.0

4.4 Petroleum Sector

Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at 2.09 million barrels per day (mbd) or 188.1 million barrels during the first quarter of 2011, compared with 2.17 mbd or (199.64 million barrels) in the preceding quarter. This represented a decline in production level by 0.08 per cent, owing to the renewed attacks on oil facilities by militants in the Niger Delta region.

Crude oil and natural gas production declined by 0.08 per cent,to 2.09 mbd during Q1 2011.

The renewed militant attacks on oil installations in the Niger Delta region and the closure of Shell's Bonga Oil and Gas field

Crude oil export also recorded a marginal decrease.

further impacted on the level of crude oil export. Consequently, crude oil export was estimated at 1.64 mbd or (147.6 million barrels) in the review period, compared with 1.72 mbd or (158.24 million barrels) in the preceding quarter. Deliveries to the refineries for domestic consumption remained at 0.45 mbd (40.5 million barrels).

Average crude oil prices, including Nigeria's reference crude, Bonny Light (37o API), rose in the international crude oil market in Q1 2011.

At an estimated average of US$106.66 per barrel, the price of Nigeria's reference crude, the Bonny Light (37° API) rose by 21.6 per cent, over the level in the preceding quarter. The average prices of other competing crudes namely, the West Texas Intermediate, the U.K Brent and the Forcados also rose, by 10.1, 20.7 and 22.4 per cent to US$92.87, US$104.55 and US$107.07 per barrel, respectively. Similarly, the average price of OPEC's basket of eleven crude streams also rose by 19.3 per cent to US$100.06 over the level in the preceding quarter. The increase in price was attributed to the increased demand for heating oil in some parts of Europe and the concerns that the recent political unrest in some parts of North Africa and the Middle East could adversely affect OPEC output (Fig. 14, Table 12).

Figure14: Trends in Crude Oil Prices

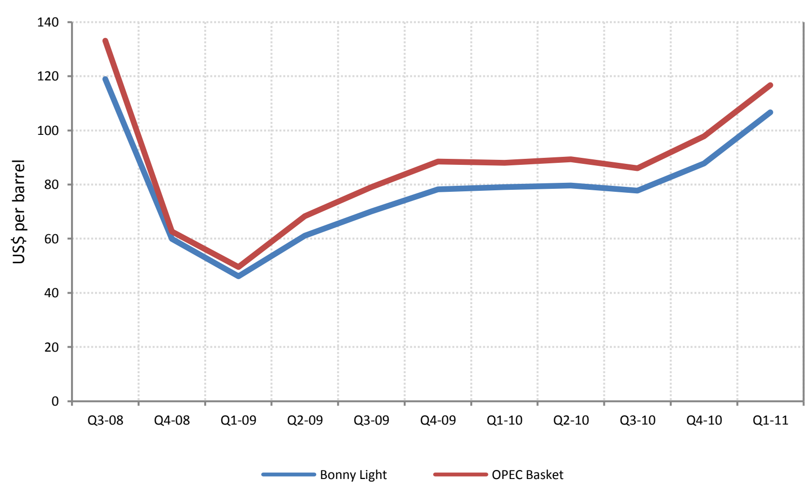


Table 12: Average Crude Oil Prices in the International Oil Market

	Q2-09	Q3-09	Q4-09	Q1-10	Q3-10	Q4-10	Q1-11
Bonny Light	46.15	61.14	70.05	78.74	77.81	87.74	106.66
OPEC Basket	42.50	58.51	67.78	75.45	73.76	83.86	100.06

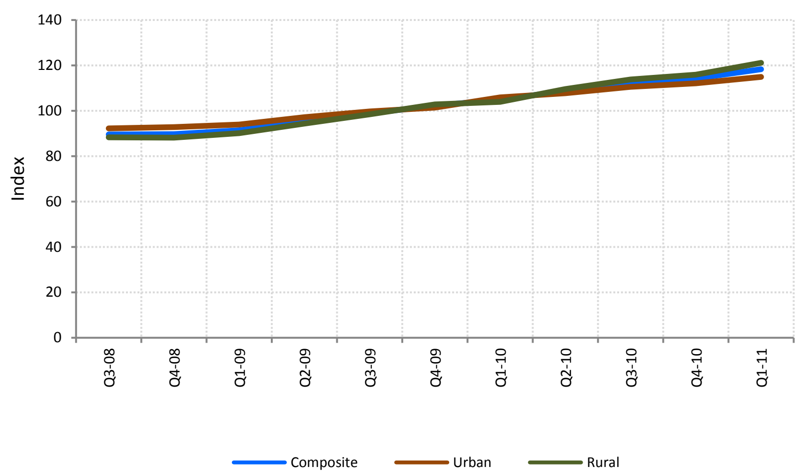
4.5 Consumer Prices[3]

Available data showed that the all-items composite Consumer Price Index (CPI) at the end of the first quarter of 2011, was 118.3 (November 2009=100), representing an increase of 3.6 and 12.8 per cent over the levels in the preceding quarter and the corresponding quarter of 2010, respectively. The development was attributed largely to the increase in the prices of imported food items and non-alcoholic beverages.

The general price level rose in Q1 2011 relative to Q4 2010, on account of the increase in the price of imported food items and non-alcoholic beverages.

The urban all-items CPI at the end of the first quarter of 2011, was 115.0 (November 2009=100), indicating an increase of 2.5 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 121.1 (November 2009=100), represented an increase of 4.5 and 16.4 per cent over the levels in the preceding quarter and the corresponding quarter of 2010, respectively (Fig. 15, Table 13).

Figure15: Consumer Price Index



[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.

Table 13: Consumer Price Index (November 2009=100)

	Q3-09	Q4-09	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11
Composite	98.9	102.2	104.9	108.8	112.4	114.2	118.3
Urban	99.8	101.4	106.0	107.7	110.6	112.2	115.0
Rural	98.5	102.8	104.0	109.6	113.8	115.9	121.1

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

The end-period inflation rate for the first quarter of 2011, on a year-on-year basis, was 12.8 per cent, compared with 11.8 and 14.8 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 first quarter, was 13.0 per cent, compared with 13.7 and 12.8 per cent in the preceding quarter and the corresponding quarter of 2010, respectively (Fig. 16, Table 14).

Figure 16: Inflation Rate

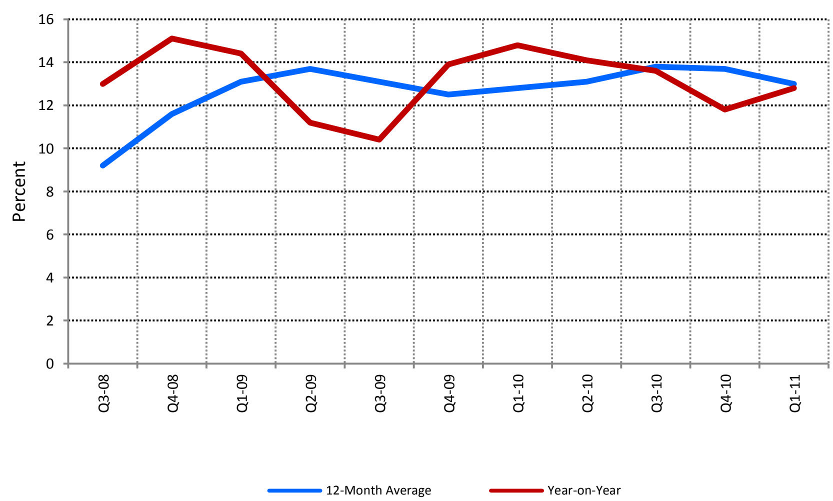


Table 14: Headline Inflation Rate (%)

	Q3-09	Q4-09	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11
12-Month Moving Average	13.1	12.5	12.8	13.1	13.8	13.7	13.0
Year-on-Year	10.4	13.9	14.8	14.1	13.6	11.8	12.8

5.0 External Sector Developments

Provisional data indicated that foreign exchange inflow through the CBN in the first quarter of 2011 rose by 46.6 and 64.4 per cent over the levels in the preceding quarter and the corresponding quarter of 2010, respectively. Outflow rose by 1.1 and 26.3 per cent over the levels in the preceding quarter and the corresponding quarter of 2010, respectively. Total non-oil export receipts by banks rose by 16.8 per cent from the level in the preceding quarter. The average Naira exchange rate vis-à-vis the US dollar, depreciated by 0.9, 1.4 and 1.2 per cent to N152.04, N156.11 and N153.48 per dollar at the Wholesale Dutch Auction System (WDAS), Bureau De Change (BDC) and Interbank segments of the market, respectively. The gross external reserves rose by 2.7 per cent from the preceding quarter's level.

5.1 Foreign Exchange Flows

Foreign exchange inflow and outflow through the CBN rose by 46.6 and 1.1 per cent respectively, above the preceding quarter's levels, to post a net inflow of US$1.16 billion

Foreign exchange inflow and outflow through the CBN in the first quarter of 2011 amounted to US$10.72 billion and US$9.56 billion, respectively, resulting in a net inflow of US$1.16 billion. Relative to the levels of US$7.31 billion and US$9.47 billion in the preceding quarter, inflow and outflow rose by 46.6 and 1.1 per cent, respectively. The rise in inflow was attributed to the 321.5 and 36.9 per cent increase in non-oil receipts and crude oil sales, while outflow rose due, largely, to the 14.6 per cent increase in WDAS utilization (Fig. 17, Table 15).

Figure17: Foreign Exchange Flows Through the CBN

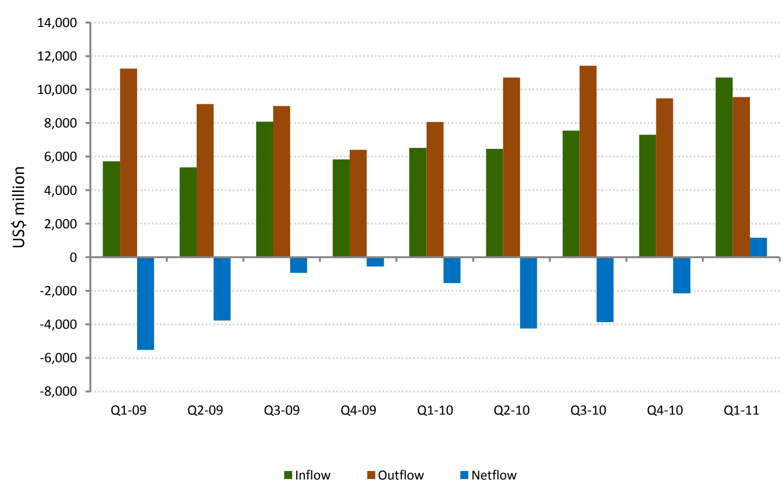


Table 15: Foreign Exchange Flows Through the CBN (US$ million)

	Q2-09	Q3-09	Q4-09	Q1-10	Q3-10	Q4-10	Q1-11
Inflow	5724.6	5359.6	8083.0	5840.7	7557.0	7310.0	10719.4
Outflow	11255.7	9135.1	9014.9	6396.3	11424.1	9468.9	9560.4
Netflow	**-5531.1**	**-3775.5**	**-931.9**	**-555.6**	**-3867.1**	**-2158.9**	**1158.9**

Autonomous inflows into the economy declined by 9.9 per cent, in Q1 2011 relative to the preceding quarter.

Available data on aggregate foreign exchange flows through the economy indicated that total inflow amounted to US$27.96 billion, representing an increase of 5.7 and 27.7 per cent, respectively, over the levels in the preceding quarter and corresponding quarter of 2010. Oil sector receipts, which accounted for 34.6 per cent of the total, stood at US$9.67 billion, compared with the respective levels of US$7.06 billion and US$6.00 billion in the preceding quarter and corresponding quarter of 2010.

Non-oil public sector inflows, which accounted for 3.7 per cent of the total foreign exchange flows, rose significantly, from the preceding quarter's level by 321.5 per cent, while autonomous inflow, which accounted for 61.7 per cent, declined by 9.9 per cent from the preceding quarter's level.

At US$9.91 billion, aggregate foreign exchange outflow from the economy increased by 1.7 and 27.7 per cent over the levels in the preceding quarter and the corresponding quarter of 2010, respectively. The outcome, 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 rose during the first quarter of 2011 on account of increase in the prices of most traded commodities.

Total non-oil export earnings by Nigerian exporters, at US$778.3 million, rose by 16.8 per cent over the level in the preceding quarter. The development was attributed largely to the rise in the prices of the commodities traded at the international market. A breakdown of the proceeds in the review quarter showed that, industrial, manufactured products, mineral, agricultural products, food products and transport earned US$466.0 million, US$132.7 million, US$110.8 million, US$51.6 million, US$16.4 million, and US$0.8 million, respectively.

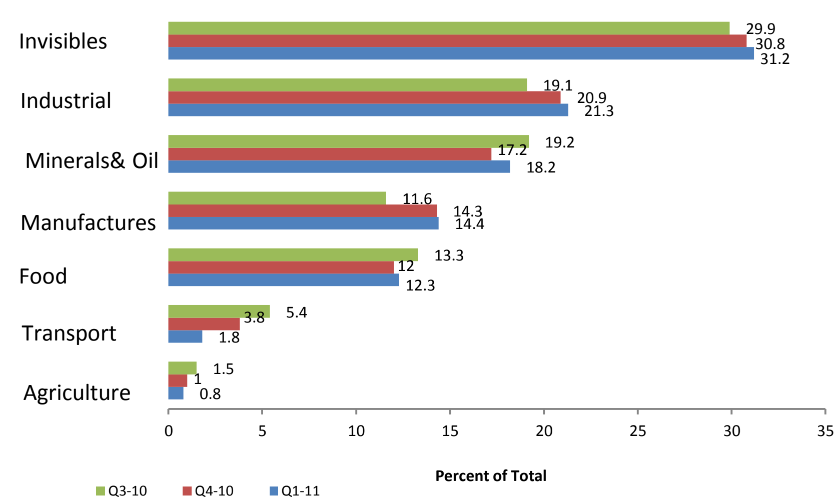
The shares of industrial, manufactured products, mineral, agricultural products, food products and transport in non-oil export proceeds were 59.9, 17.0, 14.2, 6.6, 2.1 and 0.1 per cent, respectively.

5.3 Sectoral Utilisation of Foreign Exchange

The invisibles sector accounted for the bulk (31.2 per cent) of total foreign exchange disbursed in the first quarter of 2011, followed by industrial sector (21.3 per cent). Other beneficiary sectors, in a descending order included: minerals & oil (18.2 per cent), manufactured products (14.4 per cent), food (12.3 per cent), transport sector (1.8 per cent) and agricultural products (0.8 per cent) (Fig.18).

As in the preceding quarter, the invisibles sector accounted for the bulk of the total foreign exchange disbursed during Q1 2011.

Figure18: Sectoral Utilisation of Foreign Exchange



5.4 Foreign Exchange Market Developments

Foreign exchange demand by the authorized dealers stood at US$8.9 billion, indicating an increase of 29.3 and 27.8 per cent over the levels in the preceding quarter and the corresponding period of 2010, respectively. The sum of US$7.8 billion, excluding inter-bank sales and swaps, was sold by the CBN during the review period, indicating an increase of 14.6 per cent over the level in the preceding quarter (Fig. 19, Table 16).

Demand for foreign exchange by authorized dealers rose significantly during Q1 2011, relative to the level in Q4 2010 and the corresponding period of Q4 2010.

Figure 19: Demand for and Supply of Foreign Exchange

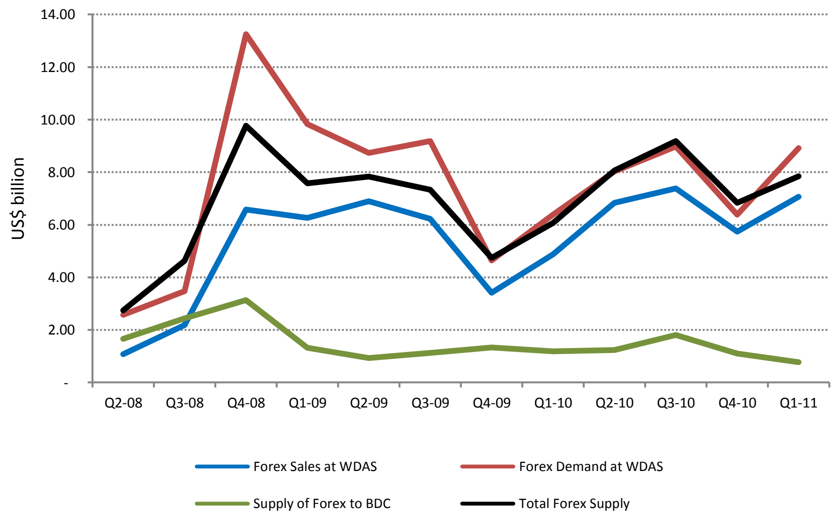


Table 16: Demand for and Supply of Foreign Exchange (US$ billion)

	Q2-09	Q3-09	Q4-09	Q1-10	Q3-10	Q4-10	Q1-11
Forex Sales at WDAS	6.3	6.9	6.2	4.9	7.4	5.7	7.1
Forex Demand at WDAS	9.8	8.7	9.2	6.4	9.0	6.3	8.9
Supply of Forex to BDC	1.3	0.9	1.1	1.2	1.8	1.1	0.7
Total Forex Supply(BDC and WDAS)	7.6	7.8	7.3	6.1	9.2	6.8	7.8

The Naira exchange rate vis-à-vis the US dollar depreciated slightly at the WDAS, BDC and interbank segments of the foreign exchange market in Q1 2011.

Under the WDAS, the average exchange rate of the Naira vis-à-vis the US dollar depreciated by 0.9 per cent to ₦152.04 per US dollar from ₦150.65 in the preceding quarter. It also depreciated by 1.4 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 ₦156.11 per US dollar, compared with ₦153.89 and ₦152.49 per US dollar in the preceding quarter and the corresponding quarter of 2010, respectively. In the interbank segment, the Naira exchanged for an average of ₦153.48 to the US dollar in the first quarter of 2011, compared with ₦151.65 and ₦150.46 per US dollar in fourth quarter of 2010 and the corresponding quarter of1 2010, respectively (Fig. 20, Table 17).

The premium between the WDAS rate and the rates in the other two segments were 0.9 per cent for the interbank and 2.7 per cent for the BDC segment.

The premium between the WDAS and the bureaux-de-change rates widened from 2.2 per cent in the preceding quarter to 2.7 per cent, while that between the WDAS and interbank also widened from 0.7 per cent in the preceding quarter to 0.9 per cent (Fig. 21, Table 16).

Figure 20: Average Exchange Rate Movements

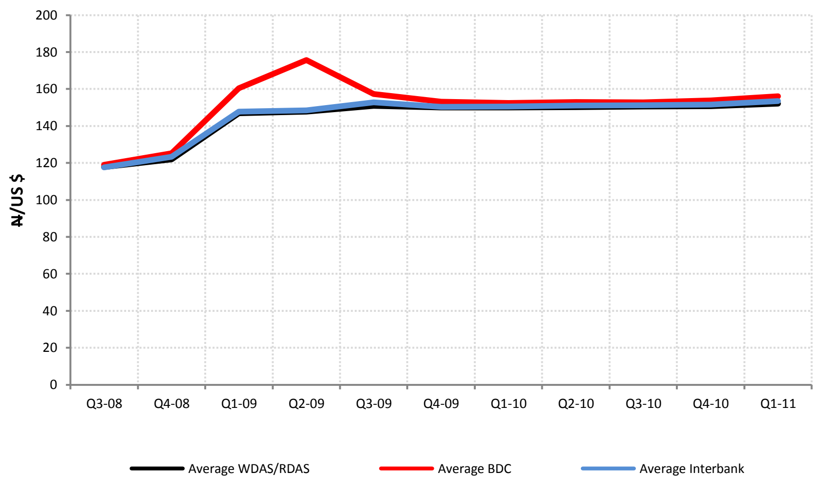
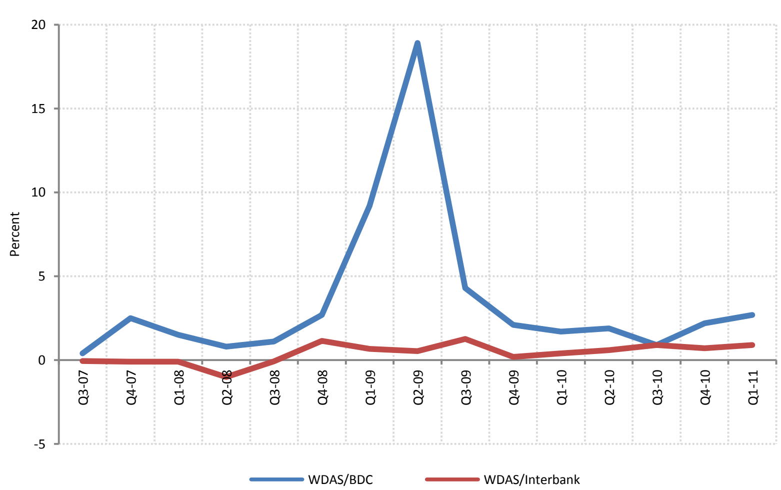


Table 17: Exchange Rate Movements and Exchange Rate Premium

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

Figure 21: Exchange Rate Premium



5.5 Gross External Reserves

Gross external reserves rose during the first quarter of 2011, as accretion to reserves remained minimal.

The gross external reserves at the end of the first quarter of 2011 stood at US$33.22 billion, indicating an increase of 2.7 per cent over the US$32.34 billion recorded at the end of the preceding quarter. A breakdown of the reserves showed that CBN holding stood at US$23.80 billion (71.6 per cent), Federal Government holding was US$2.78 billion (8.4 per cent) and the Federation Account portion (Excess Crude) was US$6.64 billion (20.0 per cent) (Fig. 22, Table 18).

Figure 22: Gross External Reserves

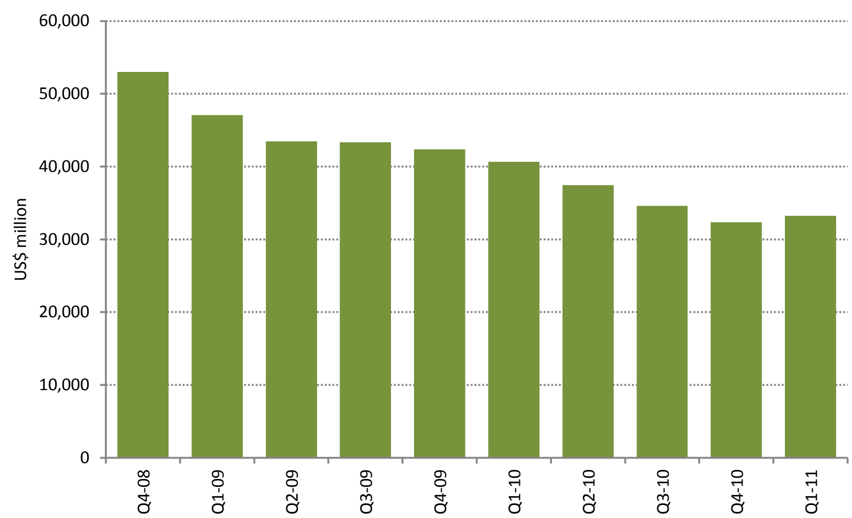


Table 18: Gross External Reserves (US$ million)

	Q3-09	Q4-09	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11
External Reserves	47081.9	43462.74	43343.33	37468.44	34589	32347.49	33221.8

6.0 Global Economic Conditions

6.1 Global Output

The World Bank projections indicated that the global economic recovery was slow, with the developing countries contributing more than half of the global growth, during the first quarter of 2011. Global GDP was expected to grow by 3.3 per cent in 2011 before picking up to 3.6 per cent in 2012.

The global economy was experiencing slow, but steady recovery, though at varying speeds across and within regions.

Growth in developing countries was projected at 6 .0 per cent in 2011 and 6.1 per cent in 2012. Growth in many high-income economies and developing Europe and Central Asian countries continued to be dragged by the restructuring and right-sizing activities in the banking and construction sectors, as well as the fiscal and household consolidation policies being implemented in these economies.

The major threats to sustained recovery in the global economy in the short to medium-term included: concerns by the market over debt sustainability in Europe; continued low interest rates in high-income countries which might prompt large and volatile inflows to developing countries with destabilizing effects in exchange rates, commodity prices and asset prices; persistent rising food prices in developing countries which might constrain affordability of food and exacerbate poverty conditions; and rising crude oil prices due to prolonged socio-political crises in many oil producing Arab countries , which might stall the recovery process in advanced economies.

6.2 Global Inflation

Inflation pressure remained high but was forecast to lessen in the months ahead, for many emerging and developing economies. During the period under review, global headline inflation rose to 4.0 per cent in February. In advanced economies, it exceeded 2.0 per cent and 6.0 per cent in emerging and developing economies. This reflected mainly the behavior of food and energy prices and the fact that these components had a higher weight in the consumer price index (CPI) in lower-income countries. Thus, core inflation was below headline inflation, although it had been rising faster in emerging and developing economies, as it rose from 2.25 percent in March 2010 to 3.75 percent in February 2011.

In terms of outlook, core inflation was projected to rise further as excess capacity slowly, while headline inflation would moderate, if commodity prices stabilize as expected. In advanced economies, headline inflation was projected to return below 2.0 per cent by end-2011, with a further decline to about 1.5 per cent, during the course of 2012. The projections were based on the witnessed hike in food and energy prices as well as the gradual acceleration in wages amid weak labor markets. In the emerging and developing economies, inflationary pressure was broadening and headline inflation was forecast to close at 7.0 per cent in 2011 and below 5.0 per cent in 2012.

6.3 Global Commodity Demand and Prices

World crude oil output in first quarter of 2011 was estimated at 87.20 million barrels per day (mbd), while demand was estimated at 87.03 mbd, compared with 87.10 and 86.61 mbd supplied and demanded, respectively, in the preceding quarter. According to the IMF economic outlook April 2011, commodity prices returned to high levels, due to structural, cyclical and special factors, as well as the fact that market pressures remained high. The socio-political unrest in the Middle East and North Africa since January 2011 had generally affected the price of crude oil such that the persistence of the unrest would affect the level of economic activities and weather-related supply shocks could affect food prices. The price of cocoa rose from US$3,047.06 per metric tonne in December 2010 to US$3,392.97 per metric tonne in March 2011 due to the political unrest in Côte d' Ivoire, while the price of gold and silver also rose from US$1,421.10 and US$30.90 an ounce in December 2010 to US$1,438.90 and US$37.87 an ounce in March 2011, respectively. The rise in the prices of gold and silver were boosted by the fall in the US currency, as a weaker dollar makes commodities cheaper for investors holding other currencies.

6.4 International Financial Markets

In the first quarter of 2011, the performance of international stocks was mixed, due largely, to the crisis in the Middle East, North Africa and the earthquake and tsunami in Japan.

In Africa, the Ghanaian GSE All-Share index increased by 7.2 per cent, while the Nigerian NSE ASI, South African JSE All-Share, Kenyan Nairobi NSE 20 and Egyptian EGX CASE 30 indices declined by 0.6, 0.3, 13.5 and 22.8 per cent, respectively. Similarly, the Egyptian stock index declined as a result of the political crisis in that country, which started in the first quarter of 2011.

In North America, the S&P 500 and S&P/TSX composite indices increased by 4.2 and 5.0 per cent, respectively, while the Mexican Bolsa index declined by 3.0 per cent. In South America, the Brazilian Bovespa, Argentine Merval and Columbian IGBC General indices declined by 2.0, 6.6 and 5.8 per cent, respectively.

In Europe, the FTSE 100, CAC 40, DAX and MICEX indices increased by 0.1, 2.3, 0.7 and 7.5 per cent, respectively. In Asia, Japan's Nikkei 225 and India's BSE Sensex indices declined by 6.6 and 5.7 per cent, respectively, while China's Shanghai Stock Exchange. A index increased by 4.0 per cent. Japan Nikkei 225 decline as a result of the earthquake and tsunami that hit the country on Friday, March 11, 2011.

The U.S. Dollar recorded mixed performance against major world currencies during the period under review. In Africa, the Nigerian Naira, South African Rand, Kenyan Shilling, Egyptian Pound and Ghanaian Cedi depreciated against the U.S. Dollar by 1.6, 2.1, 2.8, 2.4 and 1.6 per cent, respectively. In North America, the Canadian Dollar and Mexican Peso appreciated against the U.S. Dollar by 2.8 and 3.7 per cent, respectively.

In South America, the Brazilian Real and Colombian Peso appreciated against the U.S. Dollar by 1.8 and 1.9 per cent, respectively, while the Argentine Peso depreciated against the U.S. Dollar by 1.8 per cent. In Europe, the British Pound, Euro and Russian Ruble appreciated against the U.S. Dollar by

2.7, 5.8 and 7.5 per cent, respectively. In Asia, the Japanese Yen depreciated against the U.S. Dollar by 2.4 per cent, while the Chinese Yuan and Indian Rupee appreciated against the U.S. Dollar by 0.9 and 0.3 per cent, respectively.

6.5 Other International Economic Developments and Meetings

Other major international economic developments and meetings of relevance to the domestic economy during the quarter included: the First Regional Experts' Meeting of the OECD/AfDB and the official launch of the Joint Initiative to support Business Integrity and Anti-Bribery Efforts in Africa, which took place between January 13-14, 2011 in Lilongwe, Malawi (see January 2011 Report).

Also, the World Economic Forum Annual Meeting was held at Davos-Klosters, Switzerland from January 26 – 30, 2011 on the theme "Shared Norms for the New Reality", reflecting the fact that we live in a world that is becoming increasingly complex and interconnected but also experiencing an erosion of common values and principles (see January 2011 Report).

Furthermore, the 16th African Union (AU) Heads of State and Government Summit was held in Addis Ababa, Ethiopia from January 30-31, 2011, with the theme, "Towards Greater Unity and Integration through Shared Values." The Summit was preceded by the 21st Ordinary Session of the Permanent Representatives' Committee from January 24 – 25, 2011 and the 18th Ordinary Session of the Executive Council from January 27 – 28, 2011(see January 2011 Report).

In a related development, the end-of-year 2010 statutory meetings of the West African Monetary Zone (WAMZ) and West African Institute for Financial and Economic Management (WAIFEM) organised by the Central Bank of Nigeria in collaboration with the Federal Ministry of Finance was held in Abuja from February 6 – 11, 2011. The meetings deliberated on the technical and administrative reports, including the budgets and the work programmes of the institutes for 2011 (see February 2011 Report).

In another development, the Meeting of the 35th Bureau of the Association of African Central Banks (AACB) organized by the AACB General Secretary was held on February 23, 2011 at the Headquarters of the Banque Centrale des Etats de l'Afrique de l'Ouest (BCEAO) Dakar, Senegal to consider the decisions of the 34th meeting of the Association (see February 2011 Report).

The Intergovernmental Group of Twenty-Four (G24) on International Monetary Affairs and Development held their Technical Group meeting at the Conference Centre, South African Reserve Bank, Pretoria, March 17 – 18, 2011. The purpose of the meeting was to articulate member countries' position on various issues of interests for the consideration and guidance of their Ministers at the 85th meeting of the Ministers of the G24 and the 97th meeting of the Deputies, during the April 2011 Spring meeting in Washington, DC, USA.

The meeting had several presentations and panel discussions, after which they:

- Agreed on the need to massively invest in infrastructure to enable developing country governments effectively address the challenges to growth and development;
- Suggested the establishment of regional and bilateral infrastructure facilities;
- Recommended that official finance (multilateral and bilateral) would continue to remain important for low income countries and suggested the development of Sovereign Wealth Fund Investment; South-South financing and investment; and carbon finance;
- Agreed that the G-20 reform of regulatory frameworks is crucial for financial system stability;
- Agreed that macro policy and capital control measures could be used to check short-term capital inflows but the consensus was that the macro policy space should be exhausted before imposing capital controls or measures that act like capital controls; and
- Agreed that prudential measures should be the main intervention instrument when the flows are intermediated through the banking sector, while capital control should be

the main instrument, if the flows by-pass the banking sector.

The meeting also discussed the Intergovernmental Group of 24 outline of Work Program for 2011, which included, G-24 regular meetings schedule for the WB/IMF Spring & Annual Meetings. These are the Committee of the Whole (April 11, 2011), Deputies Meeting (April 13, 2011), Ministers Meeting (April 14, 2011) and Development Committee & IMFC (April 16, 2011). The next meeting of the G24 Technical Group was tentatively scheduled for August/September 2011.

Finally, the 4th Joint Annual Meetings of the African Union (AU) Conference of Ministers of Economy and Finance and Economic Community of Africa (ECA) Conference of African Ministers of Finance, Planning and Economic Development was held at Addis Ababa, Ethiopia from March 28 – 29, 2011. The meetings, which were preceded by a technical meeting of experts from March 24 - 27, 2011, deliberated on the theme "Governing Development in Africa". The choice of the theme was to build on one of the outcomes of the 2010 Conference, which underscored the role of the state in creating the required institutions and making the requisite investment based on a disciplined planning process for the transformation of African economies.

Discussions at the conference was led by high-level panel of eminent personalities, senior government leaders, private sector practitioners and experts from regional and international organizations such as the United Nations and the World Bank. After exhaustive discussions on the reports and panel discussions, the meeting expressed concern over Africa's lack of economic transformation to reduce dependence on commodity production and exports, all of which made Africa's growth susceptible to external shocks. They thereafter stressed the need for:

- Significant and meaningful economic diversification and transformation;
- Policies to address the structural constraints of infrastructure deficit, rigid regulatory framework and weak regional integration, and

- Effective policies to promote shared growth and employment creation in order to improve living standards and mainstream gender and youth concerns into development plans and national budget.

The meeting also identified challenges impeding progress to regional integration in Africa to include: inadequate mainstreaming of regional agreements in national development policies, strategies and budgetary allocations; non-implementation of protocols on free movement of peoples and right of establishment; and inadequate financing of integration programs and projects. It noted the progress made towards achieving the goals of the Millennium Development Goals in the areas of education, women's empowerment, debt sustainability and access to treatment of HIV/AIDS. It also noted the less than satisfactory performances in poverty reduction, health related MDGs and environmental sustainability. It was of the view that overall, most African countries were not likely to meet MDGs targets by 2015.

APPENDIX TABLES

Table A1: Money and Credit Aggregates

	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11
	₦ billion						
Domestic Credit (Net)	**4820.8**	**5677.2**	**6991.2**	**8612.9**	**9309.8**	**8708.5**	**7854.7**
Claims on Federal Government (Net)	*-3405.6*	*-2879.8*	*-2820.2*	*-1489.9*	*-1026.3*	*-1121.8*	*-1571.8*
Central Bank (Net)	-4658.2	-4348.8	-3970.8	-3272.8	-3037.4	-2884.0	-3401.4
Banks	1252.6	1469.0	1150.6	1782.9	2011.1	1762.2	1829.6
Claims on Private Sector	8226.4	8556.9	9811.4	10102.8	10335.9	9830.3	9426.5
Central Bank	313.6	336.1	445.7	396.5	564.5	632.2	437.5
Banks	7912.8	8220.8	9365.7	9706.3	9771.3	9198.2	8989.0
Claims on Other Private Sector	8015.6	8305.3	9516.4	9763.7	9994.6	9460.5	9049.8
Central Bank	313.6	336.1	445.7	396.5	564.5	632.2	437.5
Banks	7702.0	7969.2	9070.7	9367.1	9430.1	8828.4	8612.3
Claims on State and Local Government	210.9	251.7	295.0	319.2	341.3	369.8	376.7
Central Bank	--	--	--				
Banks	210.9	251.7	295.0	319.2	341.2	369.8	376.7
Claims on Non-financial Public Enterprises	--	--	--				
Central Bank	--	--	--				
Banks	--	--	--				
Foreign Assets (Net)	**8105.3**	**7643.6**	**6886.9**	**6484.8**	**6453.9**	**6506.6**	6988.1
Central Bank	6961.2	6642.6	5858.9	5401.0	5226.5	5372.3	5722.8
Banks	1144.2	1001.0	1027.9	1083.7	1227.5	1134.3	1265.3
Other Assets (Net)	-3928.4	-4243.7	-4419.6	-4252.2	-4539.0	-3689.6	-3189.2
Total Monetary Assets (M2)	**8997.8**	**9077.0**	**9458.5**	**10845.5**	**11224.8**	**11525.5**	11653.6
Quasi-Money 1/	4331.1	4592.4	5125.0	5927.5	5968.9	5954.3	6229.1
Money Supply (M1)	**4666.7**	**4484.6**	**4333.5**	**4918.0**	**5256.0**	**5571.3**	5424.5
Currency Outside Banks	804.1	746.5	778.7	795.4	881.0	1082.3	1112.7
Demand Deposits 2/	3862.6	3738.2	3554.8	4122.6	4375.0	4489.0	4311.8
Total Monetary Liabilities (M2)	**8997.8**	**9077.0**	**9458.5**	**10845.5**	**11224.8**	**11525.5**	11653.6
Memorandum Items:							
Reserve Money (RM)	1384.0	1291.5	1262.0	1535.1	1344.4	1845.7	1706
Currency in Circulation (CIC)	1037.8	1006.6	1031.9	1063.6	1125.5	1378.1	1416.4
DMBs Demand Deposit with CBN	346.2742443	284.8943461	230.1215833	471.4793	218.92969	467.6	289.5

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	Mar-11
	Percentage Change Over Preceding Quarter					
Domestic Credit (Net)	23.1	13.1	2.7	8.1	-6.5	-9.8
Claims on Federal Government (Net)	-2.1	-18.4	9.7	-31.1	9.3	-40.1
Claims on Private Sector	14.7	4.0	0.7	2.3	-4.9	-4.1
Claims on Other Private Sector	14.6	4.0	0.5	2.2	-5.4	-4.3
Claims on State and Local Government	17.2	5.2	0.8	6.9	8.4	1.9
Claims on Non-financial Public Enterprises	--	--	--	--	--	-
Foreign Assets (Net)	-9.9	10.3	-10.6	-0.5	0.8	7.4
Other Assets (Net)	4.1	7.0	8.1	6.8	-18.7	13.6
Total Monetary Assets (M2)	4.2	13.8	-1.5	3.5	2.4	1.1
Quasi-Money 1/	11.6	12.5	-2.1	0.7	-0.3	4.6
Money Supply (M1)	-3.4	15.5	-0.7	6.9	6	-2.6
Currency Outside Banks	4.3	19.1	-4.6	10.8	22.9	2.8
Demand Deposits 2/	-4.9	14.7	0.1	6.1	2.6	-4.0
Total Monetary Liabilities (M2)	4.2	13.8	-1.5	3.5	2.7	1.1
Memorandum Items:						
Reserve Money (RM)	-2.3	31.1	9.5	-12.4	37.3	-7.6
Currency in Circulation (CIC)	2.5	14.5	-8.0	5.8	22.5	2.8
DMBs Demand Deposit with CBN	-19.2	105.2	53.4	-53.6	113.6	-38.1
	Percentage Change Over Preceding December					
Domestic Credit (Net)	14.6	-11.5	9.0	17.8	10.2	-9.8
Claims on Federal Government (Net)	-7.3	22.5	35.3	55.4	51.3	-40.12
Claims on Private Sector	26.6	-1.7	-1.0	1.3	-3.7	-4.1
Claims on Other Private Sector	25.1	-1.8	-1.1	1.0	-4.4	-4.3
Claims on State and Local Governments	107.2	3.7	2.9	10	19.2	1.9
Claims on Non-financial Public Enterprises	--	--				
Foeign Asset (Net)	-11.2	-4.5	-14.6	-15.0	-14.3	7.4
Other Asset (Net)	9.1	-2.2	10.1	4.0	21.9	13.6
Total Monetary Assets (M2)	-1.0	-12.2	0.7	4.3	7	1.1
Quasi-Money 1/	6.6	-11.1	2.8	3.6	3.3	4.6
Money Supply (M1)	-7.7	-13.4	-1.7	5.0	11.3	-2.6
Currency Outside Banks	-16.4	-16.0	-14.2	-5.0	16.7	2.8
Demand Deposits 2/	-5.7	-12.8	1.1	7.3	10.1	-4.0
Total Monetary Liabilities (M2)	-1.0	-12.2	0.7	4.3	7.0	1.1
Memorandum Items:						
Reserve Money (RM)	-16.6	-23.7	-7.2	-18.7	11.6	-7.6
Currency in Circulation (CIC)	-12.9	-12.7	-10.0	-4.8	16.6	2.8
DMBs Demand Deposit with CBN	-27.6	-51.3	35.0	-53.7	-1.0	-38.1

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

Table A3: Federal Government Fiscal Operations (₦ billion)

	Q2-09	Q1-10	Q2-10	Q3-10	Q4-10	Q1-11
Retained Revenue	**701.7**	**562.9**	**827.7**	**728.9**	**783.8**	**585.9**
Federation Account	*363.8*	*356.0*	*440.0*	*516.2*	*518.7*	*504.3*
VAT Pool Account	*16.3*	*20.1*	*20.6*	*21.2*	*25.2*	*21.4*
FGN Independent Revenue	*29.2*	*15.9*	*36.9*	*27.6*	*72.7*	*35.9*
Excess Crude	*100.7*	*136.4*	*152.9*	*113.2*	*62.5*	*15.2*
Others	*191.8*	*34.5*	*177.4*	*50.7*	*104.6*	*9.0*
Expenditure	**669.1**	**840.5**	**977.7**	**1028.2**	**1499.7**	**872.5**
Recurrent	*428.5*	*546.5*	*750.6*	*795.0*	*1138.6*	*682.5*
Capital	*192.7*	*241.0*	*204.1*	*143.8*	*309.0*	*165.6*
Transfers	*47.9*	*28.8*	*23.0*	*89.4*	*41.3*	*40.5*
Overall Balance: Surplus(+)/Deficit(-)	**32.6**	**-277.5**	**150.0**	**-299.3**	**-715.9**	**-286.6**

Table A4: Gross Domestic Product at 1990 Basic Prices

	Q4-2009	Q1-2010	Q2-2010	Q3-2010	Q4-2010	Q1-2011[1]
	₦ billion					
Real GDP	**210.60**	**160.18**	**174.56**	**212.58**	**228.21**	**172.09**
Oil GDP	*31.38*	*29.41*	*27.41*	*32.70*	*33.44*	*30.26*
Crude Petroleum & Natural Gas	31.38	29.41	27.41	32.70	33.44	30.26
Non-oil GDP	*179.22*	*130.60*	*147.52*	*179.88*	*194.77*	*141.83*
Agriculture	86.71	57.16	73.88	94.17	91.53	60.24
Industry (excluding crude petroleum/natural Gas)	15.72	2.29	7.46	8.24	16.96	2.45
Building & Construction	3.90	3.00	3.51	3.33	4.37	4.85
Wholesale & Retail Trade	39.10	35.17	28.26	37.33	43.75	39.11
Services	33.79	31.35	34.05	36.81	38.16	35.18
	Relative Share (%)					
Real GDP	**100**	**100**	**100**	**100**	**100**	100.00
Oil GDP	*14.9*	*18.4*	*15.7*	*15.4*	*14.7*	17.59
Crude Petroleum & Natural Gas	14.9	18.4	15.70	15.40	14.70	17.59
Non-oil GDP	*85.1*	*81.6*	*84.3*	*84.6*	*85.3*	82.41
Agriculture	41.2	35.9	42.60	44.30	40.11	35.00
Industry (excluding crude petroleum/natural Gas)	7.5	1.4	4.30	3.88	7.43	1.42
Building & Construction	1.9	2.7	2.00	1.57	1.91	2.82
Wholesale & Retail Trade	18.6	222.0	16.20	17.56	19.17	22.73
Services	16.0	19.7	19.60	17.32	16.72	20.44
	Growth Rate (%)					
Real GDP	**7.67**	**7.36**	**7.69**	**7.86**	**8.36**	7.43
Oil GDP	*5.33*	*4.08*	*3.96*	*5.08*	*6.56*	*2.9*
Crude Petroleum & Natural Gas	*4.18*	*4.08*	*3.96*	*5.08*	*6.56*	2.90
Non-oil GDP	*8.67*	*8.13*	*8.41*	*8.43*	*8.68*	8.46
Agriculture	5.32	5.43	5.84	5.68	5.56	5.39
Industry (excluding crude petroleum/natural Gas)	8.32	7.44	7.67	8.55	7.88	6.91
Building & Construction	12.87	13.15	12.00	10.75	12.12	13.30
Wholesale & Retail Trade	10.87	9.54	11.40	11.82	11.89	9.56
Services	7.98	11.07	11.60	11.96	12.91	12.22

Source: National Bureau of Statistics.

[1] *Provisional.*