Business Expectations Survey

1st Quarter 2012



A Quarterly Publication of the Central Bank of Nigeria

EXECUTIVE SUMMARY

The First Quarter 2012 Business Expectations Survey (BES) was carried out between February 6 -10, 2012, with a sampled size of 1850 business enterprises nationwide and a response rate of 94.4 per cent. The sectors covered during the exercise includes Industrial, Construction, Wholesale/Retail Trade and Services.

The highlights of the BES report are as follows:

- 1. Business outlook of respondents is less optimistic in Q1 and Q2 2012.
- 2. The expected drivers for the less optimism on the macro economy in the current quarter, could be attributed to the moderation in the industrial, wholesale/retail and services sectors indices which dropped to 11.6, 2.5 and 18.3 index points, respectively, in the current quarter.
- 3. The worsening access to credit by firms reduced their financial conditions in Q1 2012.
- 4. Insufficient power supply, high interest rate, financial problems, economic climate and competition among others—were cited by the respondent firms as major constraints limiting business activities in country.
- 5. The respondent firms expected a stronger naira in the current quarter, and a quarter ahead. However, the inflation and borrowing rates are expected to rise in the current and next quarter.

Business Expectations Survey First Quarter, 2012

The Q1, 2012 Business Expectations Survey (BES) 1 was conducted during the period February 6 - 10, 2012. A total number of 1,850 firms were surveyed nationwide, drawn from the updated survey frames of both the Central Bank of Nigeria (CBN) and the National Bureau of Statistics (NBS). The survey produced 94.4 per cent response rate compared with 95.1 per cent in the preceding quarter.

The Map and Table A below show the sampled states, the sample size and the percentage response rate of the survey.

MAP 1

About the Survey



TABLE A

The response rate from the 1,850 firms surveyed was 94.4 per cent

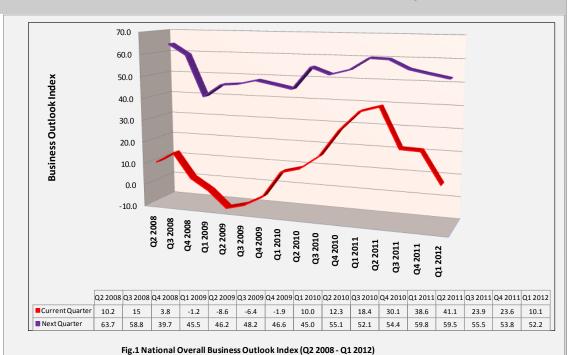
		Q1 2012 SAMPLE	Q1 2012	Q1 2012 RESPONSE
ZONE	SAMPLE STATE	SIZE	RESPONSES	RATE (%)
20112	Niger, Kwara, Kogi,	SILL	RESI GIVSES	10 (12 (70)
	Nassarawa, Benue and			
North Central	Plateau	300	298	99.3
	Bauchi, Adamawa, Gombe,			
North East	Taraba and Borno	250	241	96.4
	Kaduna, Katsina, Kano,			
	Zamfara, Jigawa, Sokoto and			
North West	Kebbi	350	329	94.0
	Anambra, Enugu, Ebonyi,			
South East	Imo and Abia	250	246	98.4
	Edo, Delta, Bayelsa, Cross -			
South South	River, Rivers and Akwa-Ibom	300	283	94.3
	Lagos, Oyo, Ekiti, Osun,			
South West	Ogun and Ondo	400	349	87.3
TOTAL		1850	1746	94.4

¹The Business Expectations Survey (BES) is a quarterly survey of leading firms drawn from Business Establishment updated frames of Central Bank of Nigeria and the National Bureau of Statistics. The BES result provides advance indication of change in the overall business activity in the economy and in the various measures of activity of the companies' own operations as well as selected economic indicators.

Respondents were drawn from the Industrial, Construction, Wholesale/Retail Trade, and Services made up of: Financial Intermediation, Hotels and Restaurants, Renting and Business Activities and Community and Social Services.

The overall response rate for the quarter, at 94.4 per cent was 0.7 point lower than the level attained in the previous quarter but 0.4 point higher than the level in the corresponding period of 2011. A breakdown of the responses received by type of business showed that about 21.7 per cent of the respondents were importers, 3.1 per cent exporters, while 8.2 per cent were those with dual roles (importers and exporters). "Neither importer nor exporter" category of the respondents accounted for 67.0 per cent (Table B sections 16&8).

Overall Business Outlook on the Macro economy

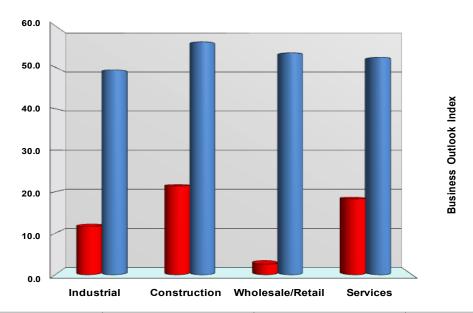


Business outlook continue to be less optimistic in both Q1 and Q2 2012

Respondent firms were slightly less optimistic on the macro economy in the quarter under review as overall confidence index (Cl)² dropped to 10.1 index points, down by 13.5 points below the level achieved in the previous quarter. Similarly, respondents were less optimistic about the macro economy in the next quarter, as the overall confidence index dropped slightly to 52.2 points, down by 1.6 points below the current quarter expectations (Fig. 1).

The expected drivers for less optimism on the macro economy in the current quarter, may likely be the slight moderation in the industrial, wholesale/retail and services indices which dropped to 11.6, 2.5 and 18.3 index points, respectively. The less optimism on the macro economy in the next quarter is expected to be moderated by the likely upswing in the construction sector which may inch up by 17.2 per cent to 21.4 index points in the quarter (Fig. 2).

²The CI is computed as the percentage of firms that answered in the affirmative less the percentage of firms that answered in the negative in a given indicator. A positive CI indicates a favourable view, except for the average inflation rate and the average naira borrowing rate, where a positive CI indicates the opposite.



	Industrial	Construction	Wholesale/Retail	Services	ĺ
■Q1 2012	11.6	21.4	2.5	18.3	
■ Next Quarter	49.3	56.1	53.5	52.4	

Fig.2: Overall Business Outlook Index on the Macroeconomy by Sectors: Next Quarter

Macro economy outlook by type and size of business

Optimism on the macro economy in the quarter is heightened by the upswing in the "Exporter" type businesses.

The drivers by type of business for the less optimism on the macro economy in the current quarter, are the moderation in the "importer" and "neither importer nor exporter" type indices which dropped to 4.5 and 9.5 index points, respectively. The optimism on the macro economy in the quarter is heightened by the upswing in the "Exporter" type indices which inched up to 29.6 index points in the quarter (Table B section 12).

The percentage distribution of respondent firms by type of business shows that "neither importer nor exporter" constitutes the highest percentage of respondents (67 per cent), followed by "importer" (21.7 per cent), "both importer and exporter" (8.2 per cent) and "exporter" (3.1 per cent) (Table B section 16).

Less Optimism on the macro economy in the quarter is heightened by the downswing in the small medium and large size businesses The drivers by size of business for the less optimism on the macro economy in the current quarter, is the moderation in small, medium and large firm size index which dropped to 8.9, 12.3 and 15.9 index points respectively from 20.3, 28.8 and 39.7 points achieved in the preceding quarter (Table B section 14).

The percentage distribution of respondent firms by size of business shows that small size firms constitutes the highest percentage of respondents (76.9 per cent), followed by medium size firms (14.4 per cent), and large size firms (8.6 per cent) (Table B section 17).

Business Outlook Index on the Macro Economy by Sector

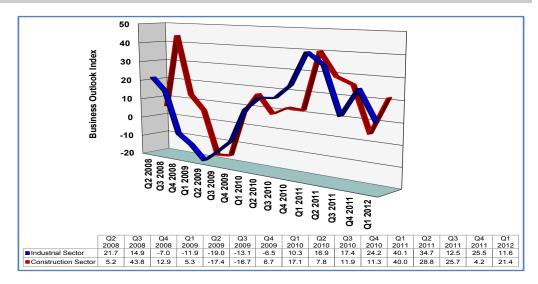


Fig.3a: Current Quarter Business Outlook Index by Sector Q2 2008 - Q1 2012

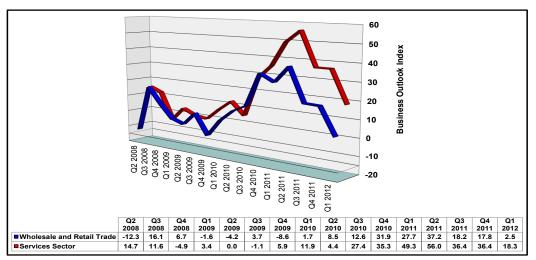


Fig. 3b: Current Quarter Business Outlook Index by Sector Q2 2008 - Q1 2012

Business sentiment was significantly upbeat in the construction sector in the current quarter. At 21.4 points, it rose by 17.2 index points above the level in the preceding quarter. The industrial, wholesale /retail and services sectors were however downbeat, their indices fell to 11.6, 2.5, and 18.3 points below their levels in the preceding quarter (Figs. 3a and 3b).

The distribution of respondent firms by sector of business shows that services sector constitutes the highest number of respondents (794), followed by wholesale/retail (475), industrial (379) and construction (98) (Table B section 18).

The outlook of respondent firms across all the sectors for the next quarter (Q2, 2012), remained positive, though at varying degrees. The construction sector had the highest index point (56.1), while the industrial sector had the lowest index point (49.3) (Table B section 3).

The business sentiment was significantly upbeat in the construction sector, while other sectors were downbeat in Q1 2012

Business Confidence on Own Operations by Sector

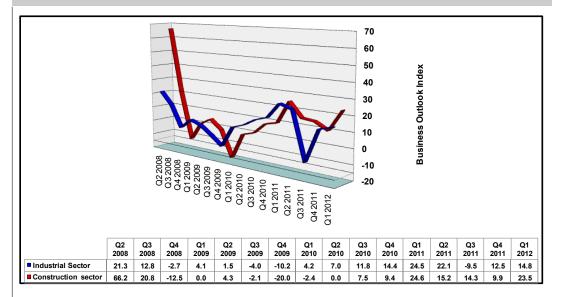


Fig. 3c: Current Quarter Business Outlook Index on Own Operations by Sector Q2 2008 - Q1 2012

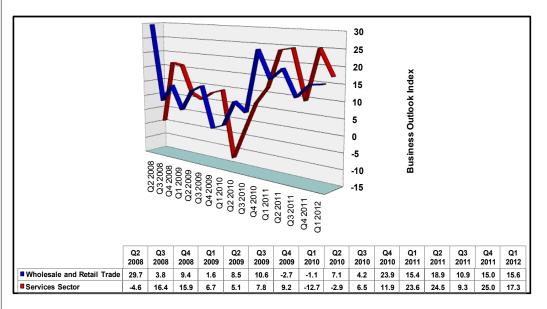


Fig. 3d: Current Quarter Business Outlook Index on Own Operations by Sector Q2 2008 - Q1 2012

Most respondent firms anticipated increase in their own operations in Q1 2012

Respondent firms in the construction sector were more optimistic on own operations in the quarter under review as the business confidence index inched up to 23.5 index points, up by 13.6 points above the level achieved in the previous quarter. Similarly , respondents in the industrial and wholesales/retail sectors were also optimistic on own operations as the business confidence index increased to 14.8 and 15.6 index points, respectively above the levels achieved in the preceding quarter. However , the respondent firms in the services sector were less optimistic on own operations in the quarter under review as the business confidence index dipped to 17.3 index points, down from 25.0 points below the level achieved in the previous quarter (Figs. 3c & 3d).

Average
Capacity
Utilization
decreased in
the current
quarter.

The average capacity utilization index (CUI) at 19.7 points in Q1, 2012, declined by 4.7 and 15.5 points compared with the 24.4 and 35.2 points achieved a quarter ago and the corresponding period of 2011 (Fig. 4).

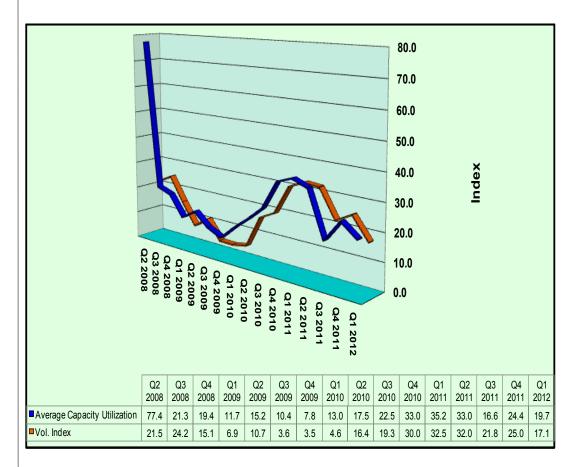


Fig. 4 Volume and Average Capacity Utilization Index (Q2 2008 - Q1 2012)

Access to Credit and Financial Condition

Access to credit of respondents firms declined in Q1 2012, as the credit access index dropped to 1.7 points from 6.3 index points recorded in the preceding quarter. This resulted in a downswing in volume of business activity, volume of total order book and financial condition indices which plunged to 17.1, 14.5 and 14.8 index points, respectively (Table B section 5).

Similarly, the financial condition index declined to 14.8 index points in the current quarter, down by 2.3 index points from the 17.1 index points recorded in the preceding quarter. The downswing in the index was largely driven by services sectors with which indices dropped to 17.3 points from the 25.0 points achieved in the previous quarter, indicating declines in their internal liquidity positions. However, the financial condition of the industrial, construction and wholesale/retail sectors at 14.8, 23.5 and 15.6 index points, showed an upswing when compared with the preceding quarter index (Fig. 5).

Reduction in access to credit by firms worsened their financial conditions in Q1,2012.

The Volume of Business Activities plunged down in Q1 2012, but optimistic in the next quarter.

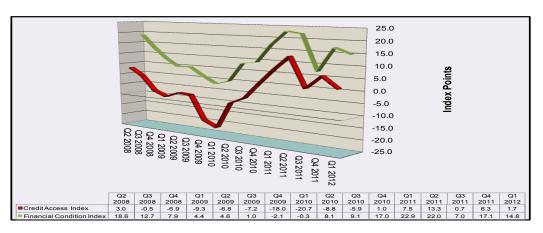


Fig. 5: Business Outlook Index on own operations: Access to Credit versus Financial Condition

The outlook of the firms on the volume of business activity and total order book index plunged down in Q1, 2012. At 17.1 and 14.5 points, the volume of business activity index and volume of total order book index declined by 7.9 and 3.1 points, respectively compared with their levels in Q4, 2011 (Table B section 5). However, the outlook for the volume of business activity for the next quarter is expected to be optimistic with a diffusion index of 68.1 points, which was more than 62.8 points attained in the preceding quarter (Fig. 6a).

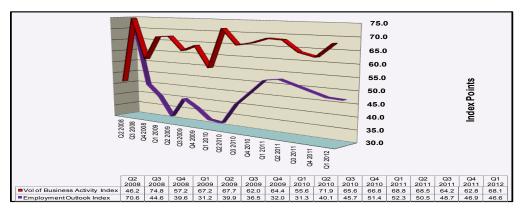


Fig. 6a: Employment Outlook and Volume of Business Activity Indices
Next Quarter

Employment and Expansion Plans

In the quarter under review, the employment index dipped slightly by 0.3 per cent to 46.6 points, below the level recorded in Q4, 2011. Favourable employment prospects were expected in all the sectors . The construction sector with 54.1 index points was the most optimistic, followed by the service sector, with 50.1 points. The industrial and wholesale/retail trade sector followed closely with 46.2 and 45.7 points, respectively (Table B sections 6&7).

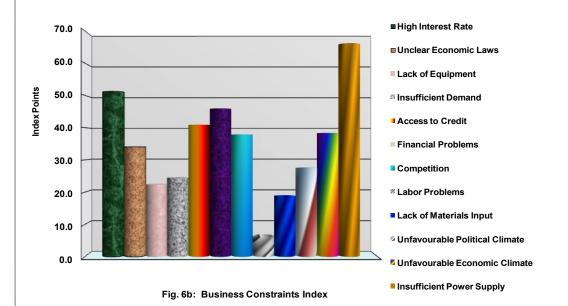
On the analysis of businesses with expansion plans, 51.0 per cent of the respondent firms in the construction sector indicated that they have expansion plans in the next quarter. Similarly, of the total respondent firms in wholesale/retail trade, industrial and services sectors 36.8, 29.8 and 27.7 per cent, respectively indicated interest in expanding their business in the next quarter (Table B section 8).

Business
enlargement
plans in all
sectors
maintain
optimistic
stance for the
next quarter

Business Constraints

Insufficient power supply, high interest rate, financial problems, unfavourable economic climate and unclear economic laws among others remain major threats to business in

Nigeria.



The respondent firms emphasized, insufficient power supply (64.6) index points), high interest rate (53.4 index points), financial problems (48.4 index points), unfavourable economic climate (44.8 index points), competition (39.5) and unclear economic laws (38.6 index points) as the major factors among others, restraining the business activity in the current quarter (Fig. 6b).

Expectations on Exchange Rate

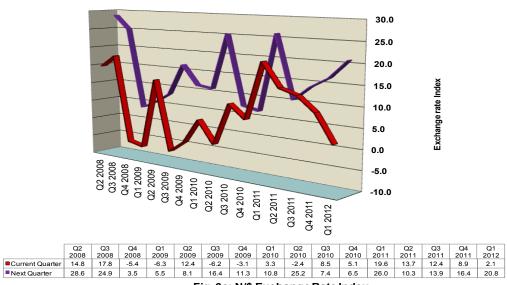


Fig. 6c: N/\$ Exchange Rate Index Q2 2008 - Q1 2012

Respondent firms expected the naira to remain strong in the current and next quarters, as the confidence indices remained positive at 2.1 and 20.8 points in Q1 and Q2 2012, respectively (Fig. 6c).

The respondent firms expected the Naira to remain strong in Q1 and Q2 2012.

Expectations on Inflation and Borrowing Rates

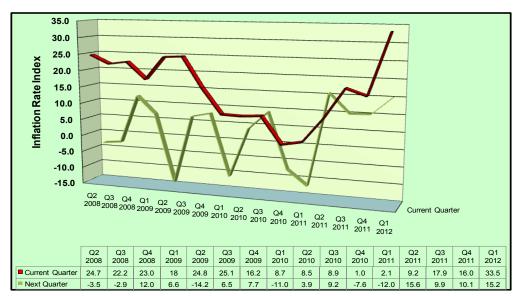
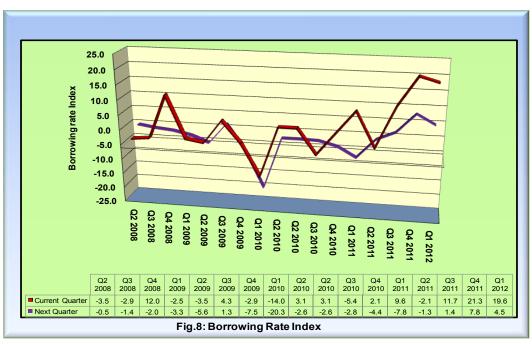


Fig.7 Inflation Rate Index (Q2 2008 - Q1 2012)

The inflation rate index stood at 33.5 and 15.2 per cent in the current and next quarters, respectively, compared with 16.0 and 10.1 per cent recorded in the preceding quarters of 2011, respectively. The positive confidence index for inflation rate indicated that inflation would be expected to rise in both the current and the next quarters (Fig 7).



In both the current and the next quarters, the respondent firms anticipated that the rate of borrowing would rise. The confidence indices fell to 19.6 and 4.5 points but remain positive in the current and next quarters from 21.3 and 7.8 points in the fourth quarter of 2011. This implies unfavourable borrowing rate for both Q1 and Q2, 2012 indicating rising borrowing rates for the two periods (Fig. 8).

Inflation rate is expected to rise in both the current and next quarters.

In both the current and the next quarters, the respondent firms expected borrowing rate to rise

TABLE B

BUSINESS EXPECTATIONS SURVEY

National

Year		2008			200	19				2010			2	011		2012
Quarter	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Overall Business Outlook on the Ma		_	٧.	Α-	Ψ-	40	٧.	٧-	Ψ-	40	٠,	<u> </u>	Ψ-	40	<u> </u>	4-
Confidence Index: All Sectors		'														
Current Quarter																
National	10.2	15.0	3.8	-1.2	-8.6	-6.4	-1.9	10.0	12.3	18.4	30.1	38.6	41.1	23.9	23.6	10.1
North Central	25.3	30.2	60.3	30.4	0.9	-8.6	4.9	29.4	9.5	27.6	30.2	31.2	62.9	50.5	31.8	6.4
North East	0.0	8.7	12.0	3.3	4.6	34.4	2.4	-15.0	15.5	36.0	56.2	55.7	58.3	37.7	30.7	39.0
North West	25.0	38.6	-10.9	-8.8	-2.2	-14.3	-6.3	17.2	24.1	36.5	34.9	37.0	35.2	27.9	31.7	2.4
South East	-21.8	-8.7	-10.3	-6.3	-25.8	-17.6	-15.9	8.4	37.1	-12.2	34.0	35.1	7.9	9.4	-1.6	-0.4
South South	34.1	10.4	14.5	6.1	17.0	5.7	-6.4	20.7	-3.5	1.2	21.7	44.4	40.0	7.0	14.1	-3.6
South West	8.5	9.0	-25.4	-19.7	-2.5	-14.0	8.6	-4.7	-4.6	14.3	8.1	31.3	40.6	11.5	28.4	18.6
Next Quarter																
National	63.7	58.8	39.7	45.5	46.2	48.2	46.6	45.0	55.1	52.1	54.4	59.8	59.5	55.5	53.8	52.2
North Central	67.4	66.9	79.4	73.8	52.8	52.9	53.0	64.2	52.4	45.3	47.7	50.7	52.3	45.0	49.2	56.1
North East	60.0	52.2	36.9	39.1	43.1	81.7	50.0	75.0	66.6	37.0	35.6	50.0	54.3	37.7	38.2	44.4
North West	76.2	62.7	18.9	32.5	42.9	43.6	52.8	61.7	62.0	70.7	67.7	68.3	62.9	54.7	60.4	34.4
South East	77.5	53.6	19.8	25.4	59.7	40.7	25.0	50.7	70.4	32.0	61.9	61.6	42.6	51.6	29.8	54.1
South South	85.4	61.2	45.2	40.3	-2.9	41.1	47.9	50.6	48.3	64.6	69.8	63.5	68.4	73.7	65.4	58.3
South West	46.4	55.1	31.5	30.1	42.2	44.7	53.5	9.5	40.5	57.7	48.9	61.6	70.3	67.1	69.6	65.0
2. Business Outlook Index on the Mac	roeconomy	by Sector: (Current Q	uarter												
Industrial Sector	21.7	14.9	-7.0	-11.9	-19.0	-13.1	-6.5	10.3	16.9	17.4	24.2	40.1	34.7	12.5	25.5	11.6
Construction Sector	5.2	43.8	12.9	5.3	-17.4	-16.7	6.7	17.1	7.8	11.9	11.3	40.0	28.8	25.7	4.2	21.4
Wholesale and Retail Trade	-12.3	16.1	6.7	-1.6	-4.2	3.7	-8.6	1.7	8.5	12.6	31.9	27.7	37.2	18.2	17.8	2.5
Services Sector of which:	14.7	11.6	-4.9	3.4	0.0	-1.1	5.9	11.9	4.4	27.9	35.3	49.3	56.0	36.4	36.4	18.3
Financial Intermediation	44.4	36.4	-21.1	-15.8	-16.7	-30.8	-11.1	42.3	40.0	35.9	48.5	55.8	55.6	30.2	-2.3	-26.3
Hotels and Restaurants	8.5	16.3	12.3	0.0	-1.4	-6.3	17.0	11.4	10.9	13.0	30.1	25.6	27.2	23.8	28.1	5.1
Renting and Business Activities	34.0	-16.1	34.4	18.2	-25.0	-3.1	-4.5	8.0	25.0	32.0	28.6	18.2	30.6	41.7	5.6	-1.9
Community and Social Services	78.6	-24.1	25.4	11.1	4.2	-9.1	-12.9	4.3	17.4	12.0	25.0	15.8	12.5	3.8	-7.1	27.3
3. Business Outlook Index on the Mac	roeconomy	by Sector: N	lext Quar	ter												
Industrial Sector	68.1	58.8	37.6	42.4	45.1	45.1	50.4	48.5	57.6	53.8	54.6	53.3	62.1	55.1	54.7	49.3
Construction Sector	63.6	79.5	65.6	65.8	56.5	31.3	53.3	39.0	45.1	73.1	41.5	67.7	69.7	62.9	46.5	56.1
Wholesale and Retail Trade	77.2	57.8	40.6	48.9	50.7	46.3	34.9	34.5	56.0	47.1	61.6	64.8	54.8	60.4	51.2	53.5
Services Sector of which:	54.7	50.0	31.7	33.9	37.2	55.6	39.9	35.8	47.1	44.9	44.4	58.4	51.7	44.4	54.8	52.4
Financial Intermediation	55.6	72.7	36.8	26.3	50.0	23.1	27.8	73.1	53.3	71.8	66.7	62.8	91.7	79.1	54.5	52.6
Hotels and Restaurants	72.0	62.6	47.4	58.3	57.5	63.5	68.2	59.5	61.8	57.0	66.2	69.0	69.6	59.0	62.8	56.2
Renting and Business Activities	88.7	51.6	59.4	39.4	25.0	50.0	50.0	56.0	57.1	61.2	53.6	60.6	72.2	77.8	61.1	41.5
Community and Social Services	93.3	55.2	29.3	51.4	37.5	45.5	58.1	56.5	60.9	52.0	68.8	52.6	81.3	57.7	28.6	50.0
4. Business Confidence Index on Own	Operations b	y Sector: C	urrent Qu	ıarter												
Industrial Sector	21.3	12.8	-2.7	4.1	1.5	-4.0	-10.2	4.2	7.0	11.8	14.4	24.5	22.1	-9.5	12.5	14.8
Construction Sector	66.2	20.8	-12.5	0.0	4.3	-2.1	-20.0	-2.4	0.0	7.5	9.4	24.6	15.2	14.3	9.9	23.5
Wholesale and Retail Trade	29.7	3.8	9.4	1.6	8.5	10.6	-2.7	-1.1	7.1	4.2	23.9	15.4	18.9	10.9	15.0	15.6
Services Sector	-4.6	16.4	15.9	6.7	5.1	7.8	9.2	-12.7	-2.9	6.5	11.9	23.6	24.5	9.3	25.0	17.3

TABLE B

BUSINESS EXPECTATIONS SURVEY

National

Year		2008			200	9				2010			2	011		2012
Quarter	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
5. Business Outlook Index on Own Ope	rations : C	Current Quart	er													
Volume of Business Activity Index	21.5	24.2	15.1	6.9	10.7	3.6	3.5	4.6	16.4	19.3	30.0	32.5	32.0	21.8	25.0	17.1
Volume of Total Order Book Index	-2.3	22.7	12.3	9.5	6.3	2.2	2.7	1.2	11.8	14.0	24.8	25.5	22.8	11.1	17.6	14.5
Credit Access Index	3.0	-0.5	-6.9	-9.3	-6.8	-7.2	-18.0	-20.7	-8.8	-5.8	1.0	7.5	13.3	0.7	6.3	1.7
Financial Condition Index	18.6	12.7	7.9	4.4	4.6	1.0	-2.1	-0.3	8.1	9.1	17.0	22.9	22.0	7.0	17.1	14.8
Average Capacity Utilization	77.4	21.3	19.4	11.7	15.2	10.4	7.8	13.0	17.5	22.5	33.0	35.2	33.0	16.6	24.4	19.7
6. Business Outlook Index on Own Ope	erations : N	lext Quarter														
Volume of Business Activity Index	46.2	74.8	57.2	67.2	67.7	62.0	64.4	55.6	71.9	65.6	66.8	68.8	68.5	64.2	62.8	68.1
Employment Outlook Index	70.6	44.6	39.6	31.2	39.9	36.5	32.0	31.3	40.1	45.7	51.4	52.3	50.5	48.7	46.9	46.6
7. Employment Outlook Index on Own	Operatio	ns by Sector:	Next Qua	rter												
Industrial Sector	51.7	40.1	37.4	18.2	34.6	29.7	31.2	34.7	29.6	40.0	45.7	41.4	46.4	40.0	41.6	46.2
Construction Sector	39.8	56.2	59.4	47.4	21.7	25.0	53.3	43.9	58.8	46.3	47.2	55.4	48.5	47.1	47.9	54.1
Wholesale and Retail Trade	29.6	47.8	80.6	24.7	45.5	40.1	28.0	19.2	44.7	41.0	47.8	53.2	46.0	50.2	47.5	45.7
Services Sector	52.6	45.3	73.1	41.3	43.0	46.9	35.5	33.6	44.1	56.5	64.4	64.5	58.1	55.1	56.9	50.1
8. Business with Expansion Plans (in pe	er cent): N	ext Quarter														
Industrial Sector	75.6	70.0	61.5	61.1	57.1	55.9	52.9	63.0	35.8	27.6	29.4	13.5	25.5	14.1	19.8	29.8
Construction Sector	69.7	68.5	59.4	68.4	39.1	62.5	70.0	58.5	52.9	52.2	24.5	32.3	0.0	20.0	46.5	51.0
Wholesale and Retail Trade	43.9	67.2	60.6	61.9	64.3	63.1	59.1	67.2	50.4	38.1	30.4	31.8	20.5	30.7	38.0	36.8
Services Sector of which:	75.4	72.1	67.5	66.4	71.1	68.9	63.2	58.2	52.9	28.9	35.0	34.0	18.1	34.6	23.9	27.7
Financial Intermediation	77.8	63.6	73.7	78.9	58.3	69.2	61.1	61.5	73.3	28.2	45.5	30.2	66.7	34.9	50.0	36.8
Hotels and Restaurants	82.9	69.7	63.2	66.7	54.1	66.7	62.5	67.1	41.8	18.0	14.7	25.6	8.8	1.6	20.7	23.6
Renting and Business Activities	64.2	71.0	71.9	87.9	100.0	84.4	77.3	52.0	57.1	79.6	42.9	51.5	72.2	66.7	77.8	62.3
Community and Social Services	86.7	51.7	72.9	56.9	50.0	70.5	51.6	52.2	21.7	20.0	50.0	5.3	0.0	38.5	14.3	36.4
9. Business Constraints: Current Quarte	er															
High Interest Rate	58.1	57.2	55.4	56.4	63.8	54.8	59.1	64.2	62.8	58.6	56.2	53.1	56.0	48.8	51.2	53.4
Unclear Economic Laws	36.1	35.2	35.4	35.2	41.7	34.9	37.1	45.6	45.8	42.5	37.0	33.7	35.9	32.5	34.0	38.6
Lack of Equipment	16.3	5.0	13.6	17.1	18.2	18.1	18.1	31.2	25.2	26.9	24.8	17.2	25.3	22.4	22.4	22.3
Insufficient Demand	9.9	2.6	13.9	19.8	22.6	19.0	23.0	23.3	30.4	30.1	26.0	18.2	23.6	22.8	24.4	30.6
Access to Credit	26.5	18.7	23.0	23.2	31.4	34.0	39.8	39.2	36.7	47.9	44.9	35.6	40.3	36.8	40.9	34.4
Financial Problems	42.1	41.6	41.2	45.4	48.8	46.7	51.1	60.0	51.9	49.4	49.7	46.9	47.9	48.2	46.0	48.4
Competition	34.2	32.7	38.1	34.4	39.8	31.1	32.3	29.1	41.9	34.9	31.2	28.2	35.8	38.3	37.9	39.5
Labor Problems	-14.3	-16.6	-8.5	-8.1	0.8	-0.2	-1.3	5.8	6.2	6.8	2.7	4.8	6.8	10.6	6.2	8.5
Lack of Materials Input	5.4	-2.9	10.2	11.2	11.6	8.7	9.3	20.6	18.7	15.6	13.7	8.3	15.9	15.6	18.7	20.6
Unfavourable Political Climate	17.6	13.9	23.7	28.7	29.3	-11.3	32.0	36.6	33.2	36.6	30.3	21.9	27.1	30.9	27.5	35.1
Unfavourable Economic Climate	43.4	37.5	42.0	45.5	49.1	42.6	48.5	48.1	47.5	52.1	42.2	37.3	38.9	41.0	38.4	44.8
Insufficient Power Supply	68.5	68.5	60.8	58.0	71.0	66.2	70.5	77.2	72.7	75.7	72.8	63.6	74.1	72.8	66.2	64.6
10. Business Expectation Index on Sele	cted Econ	omic Indicato	rs: Curre	nt Quarter												
N/\$ Exchange Rate	14.8	17.8	-5.4	-6.3	12.4	-6.2	-3.1	3.3	-2.4	8.5	5.1	19.6	13.7	12.4	8.9	2.1
Inflation Rate	24.7	22.2	23.0	18	24.8	25.1	16.2	8.7	8.5	8.9	1.0	2.1	9.2	17.9	16.0	33.5
Borrowing Rate	-3.5	-2.9	12.0	-2.5	-3.5	4.3	-2.9	-14.0	3.1	-5.4	2.1	9.6	-2.1	11.7	21.3	19.6
11. Business Expectation Index on Sele	cted Econ	omic Indicato	rs: Next (Quarter												•
N/\$ Exchange Rate	28.6	24.9	3.5	5.5	8.1	16.4	11.3	10.8	25.2	7.4	6.5	26.0	10.3	13.9	16.4	20.8
Inflation Rate	-3.5	-2.9	12.0	6.6	-14.2	6.5	7.7	-11.0	3.9	9.2	-7.6	-12.0	15.6	9.9	10.1	15.2
Borrowing Rate	-0.5	-1.4	-2.0	-3.3	-5.6	1.3	-7.5	-20.3	-2.6	-2.8	-4.4	-7.8	-1.3	1.4	7.8	4.5

TABLE B

BUSINESS EXPECTATIONS SURVEY

National

Year		2008			200	19				2010			2	011		2012
Quarter	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
12. Business Outlook index on the Ma	croeconomy	by Type of	Business	s: Current C	uarter		•		•	•			!		!	,
Importer	3.9	14.9	7.7	11.1	-22.0	11.5	-2.8	6.5	11.5	20.5	36.6	45.1	51.6	28.8	34.6	4.5
Exporter	42.9	43.8	-14.3	10.3	25.0	-15.2	-4.0	20.6	12.1	37.8	61.4	48.7	41.7	77.6	23.1	29.6
Both Importer and Exporter	6.8	16.1	15.1	4.5	-1.5	-22.3	-12.0	-3.9	-5.9	23.7	20.2	33.3	35.6	32.4	21.4	21.5
Neither Importer nor exporter	11.1	7.7	-2.3	-10.2	-8.6	-8.3	0.4	13.4	16.3	15.6	27.5	36.8	37.6	16.1	20.1	9.5
13. Business Outlook index on the Ma	croeconomy	y by Type of	Business	s: Next Qua	rter											•
Importer	64.1	63.2	35.4	44.7	28.9	44.2	29.2	25.4	62.3	31.5	35.5	47.4	32.6	46.7	42.1	43.8
Exporter	85.2	61.3	35.0	57.1	78.3	51.1	72.0	47.1	60.6	37.8	47.7	61.5	52.8	13.2	57.7	42.6
Both Importer and Exporter	56.2	60.1	39.7	43.9	45.6	42.0	51.8	26.5	42.6	58.3	57.3	50.8	75.2	54.9	55.0	59.0
Neither Importer nor exporter	65.1	57.7	40.8	45.2	48.6	51.7	52.1	56.1	55.6	59.0	60.7	65.1	68.2	62.6	57.7	54.6
14. Business Outlook index on the Ma	croeconomy	y by Size of	Business	: Current Q	uarter											
Small (<50)	5.4	13.6	6.7	1.7	-8.9	-4.9	63.6	13.8	13.2	17.4	30.7	37.7	42.2	20.6	20.3	8.9
Medium (50 and <200)	17.9	19.1	-9.6	-9.7	-11.6	-2.5	58.4	-7.1	10.2	25.6	35.9	46.2	38.2	28.3	28.8	12.3
Large (200 and Up)	23.5	19.2	6.8	-8.1	0.0	-26.0	55.8	20.0	10.8	11.5	15.7	32.1	35.8	37.7	39.7	15.9
15. Business Outlook index on the Ma	croeconomy	y by Size of	Business	: Next Qua	rter											
Small (<50)	65.7	59.1	40.9	47.8	48.1	50.3	47.8	46.9	55.5	53.9	56.7	64.7	59.5	58.8	53.8	54.9
Medium (50 and <200)	64.6	59.1	40.0	42.4	40.8	46.3	50.4	38.8	53.9	50.0	59.2	41.6	63.7	53.0	56.7	51.6
Large (200 and Up)	52.4	60.3	29.3	36.1	45.8	36.5	34.7	45.6	54.1	42.5	30.7	51.8	51.9	39.0	49.6	29.8
16. Percentage Distribution of Respon	ndent Firms I	by Type of B	usiness													
Importer	17.7	18.3	28.3	29.6	15.0	23.2	26.4	22.0	16.3	22.3	21.7	21.8	24.8	22.2	23.2	21.7
Exporter	3.2	3.5	3.0	4.0	4.0	4.7	3.1	4.4	4.4	3.0	3.6	2.9	2.6	5.9	2.0	3.1
Both Importer and Exporter	17.6	16.2	10.6	9.0	11.2	14.2	10.3	13.3	13.5	12.7	10.1	9.4	7.4	8.0	9.8	8.2
Neither Importer nor exporter	61.5	62.0	58.0	57.4	69.8	57.9	60.2	60.2	65.7	61.9	64.5	65.8	65.1	63.9	65.0	67.0
17. Percentage Distribution of Respon	ndent Firms l	by Employm	ent Size													
Small (<50)	69.1	71.9	73.3	71.5	70.3	73.5	71.3	66.1	72.8	71.6	72.7	75.2	76.4	70.6	73.8	76.9
Medium (50 and <200)	18.7	19.3	18.1	19.9	20.0	16.6	16.5	22.2	17.1	19.1	16.9	16.5	15.6	18.0	15.6	14.4
Large (200 and Up)	11.9	8.7	8.6	8.5	9.7	9.8	12.2	11.7	9.9	9.2	10.4	8.4	8.0	11.4	10.6	8.6
No Response	0.3	0.1	0	0.1	0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
18. Distribution of Respondent Firms	by Sector															
Sample Size (N)	1075	1075	1050	1024	850	1100	1100	1100	1100	1350	1350	1400	1400	1400	1400	1850
Response Rate(%)	80.6	83.3	81.5	71.2	71.3	89.1	73.1	69.7	67.9	90.7	90.5	94.8	92.6	91.5	95.1	94.4
All Sectors	866	896	856	729	606	980	804	767	747	1224	1222	1327	1297	1281	1331	1746
Industrial Sector	240	338	187	194	205	350	276	262	243	340	326	365	349	305	329	379
Construction Sector	77	73	32	38	23	48	30	41	51	67	53	65	66	70	71	98
Wholesale and Retail Trade	180	186	180	182	143	217	186	177	141	310	276	267	312	303	326	475
Services Sector of which:	<u>369</u>	<u>299</u>	<u>290</u>	<u>119</u>	<u>235</u>	<u>365</u>	<u>312</u>	<u>287</u>	<u>312</u>	<u>505</u>	<u>567</u>	<u>578</u>	<u>633</u>	<u>603</u>	<u>605</u>	<u>794</u>
Financial Intermediation	18	11	19	19	12	13	18	26	15	52	47	43	36	43	32	38
Hotels and Restaurants	82	99	57	72	74	96	88	79	110	87	122	129	125	122	133	178
Renting and Business Activities	53	31	32	33	4	32	22	25	28	49	28	33	36	36	36	53
Community and Social Services	15	29	59	72	24	44	31	23	23	25	16	19	16	26	28	44

Business Expectations Survey

First Quarter, 2012 North Central Zone

Business Outlook

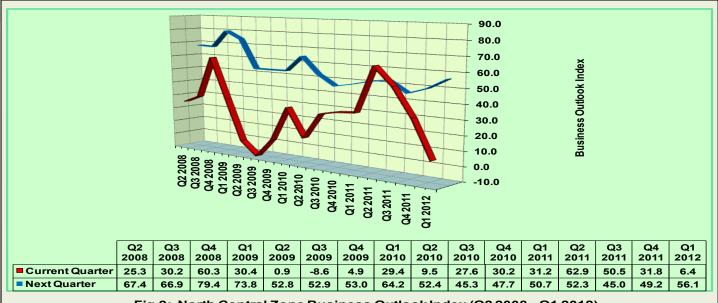


Fig.9: North Central Zone Business Outlook Index (Q2 2008 - Q1 2012)

Respondent firms in the North Central zone were less index fell to -13.4 points. This resulted in moderation review as overall confidence index moderated to 6.4 18.7 index points (Table C section 5). index points, down by 25.4 points below the level achieved the previous quarter. in However. respondents were more optimistic about business activities in the next quarter, at 56.1 points, the index rose by 6.9 points above the level achieved in the previous quarter (Fig.9).

The indices of the construction, industrial and services sectors rose to 37.5, 16.7 and 10.0 index respectively, while the index of the points. wholesale/retail sector dropped to -4.7 index points in the quarter under review (Table C section 2).

The financial condition index stood at 11.7 per cent in the current quarter, and was mainly driven by services sector. The services sector at 31.3 index points moderated in its internal liquidity position, while financial condition of the industrial, construction and wholesale/retail trade sectors stood at 19.2, 6.3 and 14.4 index points, respectively (Tables C sections 4&5).

Access to credit of respondents in the North Central zone, worsened in Q1 2012, as the credit access

optimistic on business activities in the quarter under in volume of business activity index which dropped to

Respondents in the zone cited financial problems, interest rate, insufficient power supply. competition, unclear economic laws among others as limiting factors to the growth of business activities (Table C section 8).

Respondent firms expect naira to appreciate and inflation and borrowing rates in the increase in current and the next quarters, but expect borrowing rates to be lower in the next quarter (Tables C sections 9&10).

The respondent firms by type of business shows that "neither importer nor exporter" category constituted the majority with 70.1 per cent, followed by "importer" 18.1 per cent, "both importer and exporter" 8.4 per cent and "exporter" 3.4 per cent (Table C section 11).

TABLE C

BUSINESS EXPECTATIONS SURVEY

North Central Zone

Year		2008				200	9			20:	10				2011		2012
Quarter	Q2		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
1. Overall Business Outlook on the Macroe	economy							·									
Confidence Index: All Sectors																	
Current Quarter																	
North Central	2	5.3	30.2	60.3	30.4	0.9	-8.6	4.9	29.4	9.5	27.6	30.2	31.2	62.9	50.5	31.8	6.4
Next Quarter																	
North Central	6	7.4	66.9	79.4	73.8	52.8	52.9	53.0	64.2	52.4	45.3	47.7	50.7	52.3	45.0	49.2	56.1
2. Business Outlook Index on the Macroed	conomy by Sector:	Curre	nt Quart	er													
Industrial Sector	4	8.3	26.7	22.9	-2.5	-2.6	-25.0	-2.6	20.9	4.5	-2.8	9.1	27.0	47.6	27.0	-2.7	16.7
Construction Sector		3.1	27.3	100	50.0	-40.0	-55.6	-14.3	63.6	0.0	27.3	-12.5	-30.0	25.0	28.6	0.0	37.5
Wholesale and Retail Trade	2	5.0	35.6	70.6	42.2	8.8	8.5	5.6	15.4	83.3	42.2	39.3	12.5	64.3	7.4	34.4	-4.7
Services Sector of which:		0.0	40.0	66.7	56.3	-12.5	7.1	25.0	53.3	10.0	38.7	42.2	61.4	86.5	80.7	51.9	10.0
Financial Intermediation	4	0.0	0.0	100	66.7	0.0	0.0	0.0	20.0	0.0	0.0	0.0	15.8	-6.7	-36.4	-25.0	16.7
Hotels and Restaurants	2	5.0	38.5	58.3	4.5	0.0	14.3	12.5	28.6	-9.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Renting and Business Activities	2	0.0	-12.5	92.9	72.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Community and Social Services	1	4.3	0.0	80.0	40.0	66.7	0.0	0.0	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3. Business Outlook Index on the Macroed	conomy by Sector:	Next	Quarter														
Industrial Sector	8	0.7	71.6	68.6	69.2	43.6	49.3	51.9	55.8	36.4	41.7	36.4	43.2	41.5	45.9	16.2	55.6
Construction Sector	5	6.3	63.6	100	80.0	20.0	0.0	0.0	81.8	57.1	90.9	0.0	60.0	81.3	57.1	62.5	62.5
Wholesale and Retail Trade	5	8.3	64.4	94.1	80.0	58.8	52.2	52.8	61.5	66.7	46.7	53.6	43.8	50.0	66.7	59.4	53.1
Services Sector of which:	6	8.2	53.3	91.7	81.3	25.0	64.3	53.6	73.3	60.0	38.7	49.5	53.5	49.0	36.7	54.7	62.0
Financial Intermediation	8	0.0	100.0	0.0	0.0	0.0	0.0	0.0	80.0	0.0	50	70.6	57.9	80.0	54.5	66.7	38.9
Hotels and Restaurants	10	0.0	61.5	66.7	77.3	76.5	78.6	81.3	57.1	63.6	0.0	0.0	0.0	52.6	0.0	0.0	0.0
Renting and Business Activities	5	0.0	62.5	64.3	81.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Community and Social Services	5	7.1	80.0	92.9	70.0	100.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Business Confidence Index on Own Ope	rations by Sector:	Currer	nt Quarte	er													
Industrial Sector	3	9.7	22.7	-2.9	-5.1	2.6	-5.3	-36.3	18.6	4.5	-22.2	-24.2	-2.7	7.1	-16.2	-16.2	19.2
Construction Sector	-1	5.6	18.2	66.7	20.0	-40.0	-22.2	-0.5	18.2	14.3	-18.2	-25.0	-50.0	31.3	7.1	0.0	6.3
Wholesale and Retail Trade		2.8	15.6	58.8	44.4	20.6	12.8	5.5	3.8	33.3	2.2	7.1	-18.8	3.6	-29.6	0.0	14.4
Services Sector	3	0.8	26.2	61.1	42.3	-7.1	0.0	21.3	40.0	-10.0	8.0	-1.8	10.9	8.3	14.7	10.4	31.3
5. Business Outlook Index on Own Operati	ons : Current Qua	ter															
Volume of Business Activity Index	3	3.7	40.7	47.6	32.7	9.4	0.6	11.6	16.5	-7.9	19.3	24.1	15.1	38.6	42.5	30.8	18.7
Volume of Total Order Book Index	4	3.8	38.9	55.6	35.1	8.5	-1.7	15.2	11.0	-3.2	11.6	20.0	6.0	29.0	10.6	8.2	13.1
Credit Access Index	1	4.0	0.6	32.6	21.4	-17.9	-20.7	-19.5	-33.1	-3.2	9.4	4.1	-1.5	15.2	-1.5	0.5	-13.4
Financial Condition Index	1	9.7	19.2	42.8	29.8	3.8	2.3	4.9	12.8	4.7	3.3	4.1	-2.0	8.7	2.0	2.5	11.7
Average Capacity Utilization	3	2.6	33.1	56.4	28.6	12.3	5.2	13.4	22.9	9.5	16.6	20.6	15.6	21.3	9.6	6.7	10.1
6. Business Outlook Index on Own Operati	ons : Next Quarte	,															
Volume of Business Activity Index	8	0.3	82.6	94.4	82.7	66.0	71.3	65.9	66.1	55.6	56.9	60.0	69.4	65.5	50.5	50.7	69.4
Employment Outlook Index	5	0.0	46.5	66.6	57.1	34.0	30.5	37.2	47.7	11.2	56.9	65.7	70.4	67.5	73.2	53.9	52.7

TABLE C

BUSINESS EXPECTATIONS SURVEY

North Central Zone

Year	2008	3			200	9			20:	10				2011		2012
Quarter	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
7. Business with Expansion Plans (in per ce	,		-									-			,	
Industrial Sector	74.1	76.0	25.0	71.8	59.0	40.8	46.8	44.2	-27.3	41.7	21.2	-45.9	0.0	-54.1	-2.7	27.8
Construction Sector	75.0	63.6	3.0	80.0	0.0	33.3	71.4	72.7	42.9	81.8	25.0	40.0	-12.5	-60.0	25.0	25.0
Wholesale and Retail Trade	80.6	71.1	32.0	77.8	64.7	63.8	52.8	73.1	66.7	68.9	71.4	65.6	-32.1	-37.5	-6.3	46.9
Services Sector of which:	77.3	86.7	12.0	93.8	87.5	71.4	66.7	80.0	20.0	64.0	37.6	37.6	15.8	-27.7	30.2	42.0
Financial Intermediation	60.0	0.0	1.0	100.0	0.0	0.0	0.0	20.0	0.0	64.3	0.0	36.8	-6.7	-42.1	16.7	22.2
Hotels and Restaurants	100.0	69.2	8.0	68.2	64.7	64.3	62.5	71.4	9.1	0.0	5.9	5.9	0.0	0.0	0.0	0.0
Renting and Business Activities	75.0	62.5	10.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Community and Social Services	85.7	40.0	15.0	75.0	33.3	0.0	0.0	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8. Business Constraints: Current Quarter																
High Interest Rate	64.0	58.1	59.5	58.2	38.7	56.0	53.0	77.0	50.8	78.7	63.9	59.6	65.0	69.7	56.7	54.2
Unclear Economic Laws	34.0	30.3	35.7	32.5	50.5	38.2	39.0	44.0	36.6	47.3	50.6	36.8	37.7	39.0	37.7	47.1
Lack of Equipment	25.8	6.7	17.5	26.7	25.0	21.8	11.0	24.5	30.2	43.1	56.7	43.5	47.8	41.0	35.3	27.0
Insufficient Demand	12.6	3.8	21.4	25.0	35.8	21.8	20.1	8.5	22.3	36.5	52.1	40.0	26.8	20.2	24.3	39.3
Access to Credit	42.7	10.5	24.6	29.6	41.0	21.0	22.9	17.5	27.8	41.7	44.2	46.0	40.1	27.1	24.9	33.6
Financial Problems	56.5	42.5	33.7	45.8	41.0	42.5	41.2	72.0	27.0	50.0	52.6	48.1	45.5	51.3	30.6	56.2
Competition	34.0	42.5	42.1	35.8	49.1	35.3	22.0	32.5	29.4	38.2	49.0	43.1	53.4	31.3	42.8	48.2
Labor Problems	0.3	-20.9	-20.6	-10.5	16.5	-1.1	0.9	-27.5	29.3	27.9	28.5	24.1	46.5	44.9	29.2	7.5
Lack of Materials Input	12.4	4.1	12.3	15.9	15.6	13.8	-7.0	-8.5	7.2	23.2	25.1	9.2	9.1	2.3	11.0	17.0
Unfavourable Political Climate	13.5	7.3	13.5	31.9	33.0	29.3	18.9	47.0	38.1	36.5	47.2	38.7	22.9	29.4	22.1	43.0
Unfavourable Economic Climate	48.3	41.3	35	48.8	51.4	47.1	39.9	62.0	90.6	49.7	36.9	35.7	51.6	38.7	32.5	45.4
Insufficient Power Supply	66.3	77.3	80.6	73.3	21.2	71.0	77.1	94.5	73.0	62.7	65.4	60.6	70.3	52.4	59.3	48.5
9. Business Expectation Index on Selected		urrent Qu	arter													
N/\$ Exchange Rate	5.6	25.6	33.3	17.9	-2.8	9.8	6.7	19.3	-1.6	38.7	40.0	58.7	59.4	43.4	22.0	16.5
Inflation Rate	29.2	16.3	40.5	25.0	2.8	19.5	7.3	-6.4	9.5	0.5	-23.6	-16.1	-17.3	5.5	24.1	39.6
Borrowing Rate	-6.2	3.5	4.8	-0.6	-33.0	-9.2	-12.8	-50.5	-4.8	10.5	-8.7	-23.6	-3.1	6.5	17.5	7.7
10. Business Expectation Index on Selected	Economic Indicators:	Next Quar	ter													
N/\$ Exchange Rate	23.0	39.6	11.9	16.1	17.0	5.7	9.1	13.7	9.5	16.1	20.6	28.2	-1.5	35.4	26.2	28.6
Inflation Rate	4.5	1.2	4.8	4.8	-14.2	-8.0	0.0	-21.1	4.8	12.7	-24.6	41.2	25.4	31.8	27.2	25.5
Borrowing Rate	0.6	0.0	15.9	0.0	-33.0	-12.6	-12.8	-46.8	-6.4	-9.9	-14.4	-25.6	-6.1	12.1	5.7	-11.1
11. Percentage Distribution of Responden	t Firms by Type of Bus	iness														
Importer	9.0	14.0	34.1	40.5	20.8	16.7	12.8	10.1	6.3	13.8	13.3	9.0	28.9	16.2	9.7	18.1
Exporter	1.7	3.5	0.8	1.2	4.7	5.2	3.7	6.4	3.2	1.1	2.1	2.0	2.0	24.2	3.1	3.4
Both Importer and Exporter	12.9	12.2	7.9	7.7	11.3	12.1	8.5	7.3	17.5	11.6	9.2	7.5	4.6	9.6	7.2	8.4
Neither Importer nor exporter	75.8	70.3	48.4	47.6	63.2	66.1	75.0	76.1	73.0	73.5	75.4	81.4	64.5	50.0	80.0	70.1
12. Percentage Distribution of Respondent	Firms by Employment	Size														
Small (<50)	88.8	79.7	90.5	79.0	66.0	72.4	74.4	73.4	65.1	68.5	81.5	74.4	78.7	54.0	77.4	86.6
Medium (50 and <200)	7.3	15.7	7.1	13.8	26.4	19.5	14.6	21.1	27.0	24.9	14.4	21.1	17.3	25.8	10.8	9.1
Large (200 and Up)	3.9	4.7	2.4	6.6	7.5	8.0	11.0	5.5	7.9	6.6	4.1	4.5	4.1	20.2	11.8	4.4
No Response	0.0	0.0	0.0	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13. Distribution of Respondent Firms by Se	ctor															
All Sectors	178	173	126	167	106	174	164	109	63	181	195	199	197	198	195	298
Industrial Sector	58	75	35	40	39	76	77	43	22	36	33	37	42	37	37	36
Construction Sector	32	11	3	10	5	9	7	11	14	11	8	10	16	14	8	16
Wholesale and Retail Trade	36	45	34	45	34	47	36	26	6	45	28	32	28	27	32	128
Services Sector of which:	<u>52</u>	<u>42</u>	<u>54</u>	<u>72</u>	<u>28</u>	<u>42</u>	<u>44</u>	<u>29</u>	<u>21</u>	<u>89</u>	<u>126</u>	<u>120</u>	<u>111</u>	<u>120</u>	<u>118</u>	<u>118</u>
Financial Intermediation	5	1	1	3	0	0	0	5	0	14	0	0	0	0	0	0
Hotels and Restaurants	8	13	12	22	17	28	16	7	11	0	17	19	15	11	12	18
Renting and Business Activities	10	8	14	11	0	0	0	0	0	0	0	0	0	0	0	0
Community and Social Services	7	5	15	20	3	0	0	2	0	0_	0	0	0	0	0	0

Business Expectations Survey

First Quarter, 2012 North East Zone

Business Outlook

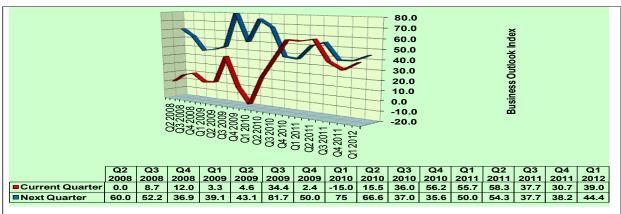


Fig.10: North East Zone Business Outlook Index (Q2 2008 - Q1 2012)

the previous quarter. Similarly, respondents remained the current quarter (Table D section 5). optimistic about business activities in the next quarter, at 44.4 points, the index rose by 6.2 points above the level achieved in the previous quarter (Fig. 10).

The indices of the industrial, construction and wholesale/retail sectors rose to 41.5, 40.9 and 29.7 index points, respectively, compared with their levels in the previous quarter, while the index of service sector moderated to 46.1 index points in the quarter under review, from the 48.1 points recorded in 04,2011 (Table D section 2).

The financial condition index stood at 26.6 per cent in the current quarter, which was driven largely by the number of the more optimistic respondent firms. The wholesale/retail sector at 54.1 index points recorded an upswing in its internal liquidity position, while financial condition of the service sector at 21.6 points showed a downward trend, when compared with the level in the previous guarter (Tables D sections 4&5).

Respondent firms in the North East zone were Access to credit of respondents in the North East optimistic on business activities in the quarter under zone, deteriorated slightly in Q1 2012, as the index review as overall confidence index rose to 39.0 index dropped to 14.1 points. This resulted in a downswing points, up by 8.3 points above the level achieved in in volume of business activity index to 21.6 points in

> Respondents in the zone cited unfavourable economic climate high interest rate, insufficient power supply, unfavourable political climate, financial problems and access to credit as limiting factors to the growth of business activities in the zone (Table D section 8).

> Respondent firms expect naira to appreciate and inflation and borrowing rates in the increase in current quarter, but borrowing rates to decline in the next quarter (Tables D sections 9&10).

> The respondent firms by type of business shows that "neither importer nor exporter" category constituted the majority with 47.7 per cent, followed by "importer" 39.8 per cent, "exporter" 5.4 per cent and "both importer and exporter" 7.1 per cent (Table D section 11).

TABLE D

BUSINESS EXPECTATIONS SURVEY

North East Zone

Year		2008				200	9			201	0				2011		2012
Quarter	Q2		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
1. Overall Business Outlook on the Mac	roeconomy																
Confidence Index: All Sectors																	
Current Quarter																	
North East		0.0	8.7	12.0	3.3	4.6	34.4	2.4	-15.0	15.5	36.0	56.2	55.7	58.3	37.7	30.7	39.0
Next Quarter																	
North East		60.0	52.2	36.9	39.1	43.1	81.7	50.0	75.0	66.6	37.0	35.6	50.0	54.3	37.7	38.2	44.4
2. Business Outlook Index on the Macro	oeconomy by S	ector: C	urrent Qu	arter													
Industrial Sector		25.9	-12.5	17.2	3.4	6.3	21.9	18.2	-15.0	37.8	44.0	61.5	59.1	40.5	41.0	20.0	41.5
Construction Sector		50.0	33.3	0.0	-50.0	0.0	40.0	-100.0	0.0	37.5	-15.8	14.3	50.0	25.0	26.7	-20.0	40.9
Wholesale and Retail Trade		0.0	50.0	-6.3	-14.3	-15.4	55.6	-28.6	28.6	-13.3	36.6	57.1	50.0	50.0	37.8	6.1	29.7
Services Sector of which:		-52.6	-16.7	26.3	4.8	-7.7	47.6	-66.7	-100.0	-11.8	43.0	62.2	61.4	72.1	42.1	48.1	46.1
Financial Intermediation		0.0	0.0	-50.0	-50.0	0.0	0.0	0.0	0.0	0.0	-7.7	43.8	25.0	43.8	18.8	35.3	18.5
Hotels and Restaurants		0.0	9.1	20.0	18.2	33.3	-16.7	75.0	-20.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Renting and Business Activities		16.7	40.0	20.0	0.0	0.0	66.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Community and Social Services		0.0	-20.0	16.7	66.7	16.7	25.0	-25.0	-33.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3. Business Outlook Index on the Macro	oeconomy by S	ector: N	ext Quart	er													
Industrial Sector		70.4	29.2	31.0	32.1	31.3	78.1	59.1	70.0	78.4	40.0	53.8	47.0	75.7	46.2	33.3	43.4
Construction Sector		50.0	100.0	66.7	100.0	100.0	80.0	0.0	100.0	62.5	47.4	14.3	50.0	37.5	33.3	20.0	50.0
Wholesale and Retail Trade		71.4	75.0	31.3	28.6	53.8	100.0	14.3	85.7	33.3	31.7	57.1	61.5	62.5	45.9	12.1	62.2
Services Sector of which:		15.8	33.3	42.1	47.6	15.4	76.2	33.3	33.3	70.6	33.8	18.9	47.7	45.1	28.9	46.2	32.4
Financial Intermediation		100.0	50.0	25.0	0.0	100.0	0.0	0.0	0.0	71.4	46.2	56.3	56.3	75.0	43.8	64.7	63.0
Hotels and Restaurants		0.0	63.6	60.0	54.5	63.6	50.0	75.0	80.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Renting and Business Activities		100.0	60.0	60.0	20.0	66.7	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Community and Social Services		0.0	60.0	0.0	66.7	50.0	87.5	75.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. Business Confidence Index on Own O	perations by Se	ector: Cu	irrent Qua	rter													
Industrial Sector		55.6	12.5	17.2	24.1	18.8	15.6	0.0	25.0	5.4	14.0	41.0	42.4	40.5	10.3	-6.7	17.0
Construction Sector		50.0	0.0	-33.3	-100.0	0.0	60.0	-100.0	0.0	-37.5	-21.1	7.1	44.4	6.3	0.0	-20.0	40.9
Wholesale and Retail Trade		0.0	41.7	-6.3	7.1	8.3	44.4	42.9	14.3	6.7	7.3	40.0	30.8	40.6	8.1	-24.2	54.1
Services Sector		-15.4	18.3	18.2	19.1	20.0	57.1	-33.3	0.0	-35.3	-12.6	31.1	44.3	45.9	13.2	34.6	21.6
5. Business Outlook Index on Own Oper	rations : Curren	t Quarte	er														
Volume of Business Activity Index		21.2	27.5	21.8	14.1	18.5	44.1	40.5	10.0	20.3	16.0	33.0	35.0	33.2	5.4	23.6	21.6
Volume of Total Order Book Index		27.1	23.2	22.8	15.2	16.9	44.1	28.6	7.5	10.7	9.5	12.4	7.4	16.1	4.4	0.5	8.7
Credit Access Index		2.4	5.8	3.3	1.1	10.8	32.3	0.0	-22.5	-10.7	-1.5	-4.1	26.6	33.2	-3.2	24.1	14.1
Financial Condition Index		15.3	20.3	12.0	16.3	16.9	32.3	2.4	22.5	-8.4	8.0	33.0	41.2	41.7	2.7	12.5	26.6
Average Capacity Utilization		24.7	15.9	28.3	23.9	27.7	36.6	23.8	10.0	17.8	46.5	69.5	61.7	60.5	22.4	37.2	46.9
6. Business Outlook Index on Own Oper	rations : Next O	uarter							_						_		
Volume of Business Activity Index		69.4	63.8	60.9	65.2	58.5	69.9	85.7	92.5	88.1	52.5	64.4	54.6	60.5	50.8	61.4	63.9
Employment Outlook Index		36.5	31.9	34.8	34.8	30.8	61.2	52.4	20.5	45.3	59.5	64.5	57.0	45.8	41.0	50.8	66.4

TABLE D

BUSINESS EXPECTATIONS SURVEY

North East Zone

Contribution Cont	North East Zone																
7. Business with Expansion Plans (in per cent): Next Quarter industrial Sector Construction Sector 75,0 66,7 1000 1000 1000 1000 1000 1000 1000 36,8 57,1 33,3 500 46,7 60,0 72,7 Wholesale and Retail Trade 60,7 73,0 75,0 85,7 73,7 81,0 92,3 1000 1000 1000 38,8 57,1 33,3 500 46,7 60,0 72,7 Wholesale and Retail Trade 60,7 73,7 81,0 92,3 1000 1000 1000 66,7 76,5 3,9 200 54,5 0.8 132 -1.9 18,8 Financial Immerdialition 1000 500 75,0 1000 1000 1000 66,7 76,5 3,9 200 54,5 0.8 132 -1.9 18,8 Financial Immerdialition 1000 500 75,0 1000 1000 1000 66,7 76,5 3,9 200 54,5 0.8 132 -1.9 18,8 Financial Immerdialition 1000 500 75,0 1000 1000 1000 1000 80,0 0.0 0,0 0,0 0,0 0,0 0,0 0,0 0,0 0,0	Year	2008	3			200)9			201	.0				2011		2012
Industrial Sector	Quarter	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Construction Sector 75.0 66.7 100.0 100.0 100.0 100.0 100.0 100.0 100.0 100.0 100.0 100.0 100.0 33.3 46.3 85.5 31.3 30.0 46.7 60.0 72.7	7. Business with Expansion Plans (in	per cent): Next Quar	ter														
Wholesale and Retail Trade	Industrial Sector	81.5	69.6	69.0	69.0	87.5	90.6	86.4	95.0	45.9	36.0	79.5	12.1	10.8	48.7	13.3	57.7
Services Sector of which: 68.4 66.7 73.7 81.0 92.3 100.0 100.0 66.7 76.5 3.9 20.0 54.5 0.8 13.2 -1.9 18.8	Construction Sector	75.0	66.7	100.0	100.0	100.0	100.0	100.0	100.0	100.0	36.8	57.1	33.3	50.0	46.7	60.0	72.7
Financial Intermediation	Wholesale and Retail Trade	60.7	75.0	75.0	85.7	76.9	94.4	85.7	100.0	33.3	46.3	8.6	38.5	31.3	40.5	45.5	40.5
Note Sand Restaurants	Services Sector of which:	68.4	66.7	73.7	81.0	92.3	100.0	100.0	66.7	76.5	3.9	20.0	54.5	0.8	13.2	-1.9	18.8
Renting and Business Activities 83.3 80.0 80.0 80.0 80.0 100.0 100.0 100.0 100.0 100.0 100.0 0.0	Financial Intermediation	100.0	50.0	75.0	100.0	100.0	0.0	0.0	0.0	71.4	38.5	87.5	62.5	37.5	50.0	52.9	70.4
Residence Community and Social Services Community and So	Hotels and Restaurants	0.0	72.7	90.0	81.8	75.0	100.0	100.0	80.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
8. Business Constraints: Current Quarter High Interest Rate Londear Economic Laws 1-50.0 40.7 39.1 46.7 63.8 53.2 60.7 72.5 50.1 50.0 40.7 39.1 46.7 63.8 53.2 60.7 72.5 50.1 50.0 40.7 39.1 46.7 63.8 53.2 40.7 72.5 50.1 40.7 50.0 40.7 39.1 40.7 10 sufficient Demand 21.8 15.2 2.7 10 sufficient Demand 21.8 15.2 2.7 3.9 46.9 46.1 25.9 7.3 24.5 21.8 33.8 45.7 52.4 46.3 34.6 46.2 46.3 34.6 46.4 41.4 41.8 41.1 41.1 41.1 41.1 41.1 41	Renting and Business Activities	83.3	80.0	80.0	80.0	100.0	100.0	75.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
High Interest Rate 56.5 47.9 28.8 37.9 74.1 66.1 61.9 91.3 57.2 28.5 46.9 46.0 33.7 38.0 36.0 52.1 Unclear Economic Laws -50.0 40.7 39.1 46.7 63.8 53.2 60.7 72.5 50.1 28.3 22.5 12.4 37.4 32.3 33.3 27.7 Lack of Equipment 33.5 13.0 9.2 14.3 52.3 46.2 40.5 57.5 45.9 15.0 18.8 16.2 16.2 15.1 7.3 13.7 Insufficient Demand 21.8 15.2 2.7 -3.9 46.9 44.1 20.2 65.0 34.6 15.5 14.9 0.5 8.4 23.8 33. 19.3 Access to Credit 25.9 7.3 24.5 21.8 53.8 45.7 52.4 16.3 49.4 42.8 46.4 41.4 41.8 41.1 45.1 32.0 Financial Problems -37.6 44.3 38.6 39.4 66.2 74.7 81.0 91.3 69.6 27.5 41.8 40. 44.2 45.2 44.0 36.0 Competition -50.0 27.5 40.8 27.8 42.3 42.5 36.9 11.3 39.3 57.5 -7.7 28.5 7.7 29.5 7.3 12.9 26.9 22.5 Labor Problems 1.2 -8.8 -6.0 -7.2 31.5 36.2 28.0 29.8 46.3 32.8 93.0 17.3 7.0 14.2 24.7 37.3 32.0 Unfavourable Political Climate 20.6 16.0 19.6 28.3 43.1 16.7 36.9 50.0 18.4 16.3 11.7 1 4.2 10.3 34.8 35.9 36.0 Unfavourable Political Climate 49.4 33.4 29.3 33.9 99.2 57.5 67.9 56.3 50.1 88.5 53.1 38.9 44.1 60.1 61.6 58.9 Insufficient Power Supply 85.9 79.8 54.9 75.0 75.4 75.2 97.6 95.0 80.4 75.3 15.5 14.9 40.2 34.8 35.9 36.0 Unfavourable Political Climate 49.4 33.4 29.3 33.9 99.2 57.5 67.9 56.3 50.1 88.5 53.1 38.9 44.1 60.1 61.6 58.9 Insufficient Power Supply 85.9 79.8 54.9 75.0 75.4 75.2 97.6 95.0 80.4 75.3 15.5 14.9 40.2 34.8 35.9 35.5 50.2 9.8 Business Expectation Index on Selected Economic Indicators: Indicat	Community and Social Services	0.0	80.0	83.3	83.3	100.0	100.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Undear Economic Laws -50.0 40.7 39.1 46.7 63.8 53.2 60.7 72.5 50.1 28.3 22.5 12.4 37.4 32.3 33.3 27.7 Lack of Equipment 335 130 92 14.3 52.3 46.2 40.5 57.5 45.9 15.0 16.8 16. 20.0 15.1 7.3 13.7 Insufficient Demand 21.8 15.2 2.7 -3.9 46.9 44.1 20.2 65.0 34.6 15.5 14.9 0.5 8.4 23.8 3.3 19.3 Access to Credit 25.9 7.3 24.5 21.8 53.8 45.7 52.4 16.3 49.4 42.8 46.4 41.4 41.8 41.1 45.1 32.0 Financial Problems -37.6 44.3 38.6 39.4 66.2 74.7 81.0 91.3 69.6 27.5 41.8 44.0 44.2 45.2 44.0 36.0 Competition -50.0 27.5 40.8 27.8 42.3 42.5 36.9 -11.3 39.3 557.7 -29.5 7.3 12.9 26.9 23.5 Labor Problems 1.2 -8.8 -6.0 -7.2 31.5 32.7 25.0 -25.0 8.3 -15. 51.1 -23.9 -9.1 0.6 -2.0 7.2 Lakof Materials Input Unfavourable Political Climate 20.6 16.0 19.6 28.3 43.1 16.7 36.9 50. 18.4 16.3 11.7 1.4 21.0 34.8 35.9 36.0 Unfavourable Economic Climate 49.4 33.4 29.3 33.9 59.2 57.5 67.9 56.3 50.1 58.5 53.1 38.9 44.1 60.1 61.6 58.9 Insufficient Power Supply 85.9 79.8 54.9 75.0 75.4 75.0 75.4 75.0 75.4 75.0 75.0 75.0 75.0 75.0 75.0 75.0 75.0	8. Business Constraints: Current Qua	rter															
Lack of Equipment 33.5 13.0 9.2 14.3 52.3 46.2 40.5 57.5 45.9 15.0 16.8 16. 20.0 15.1 7.3 13.7 Insufficient Demand 21.8 15.2 2.7 3.9 46.9 44.1 20.2 65.0 34.6 15.5 14.9 0.5 8.4 23.8 3.3 19.3 Access to Credit 25.9 7.3 24.5 21.8 53.8 45.7 52.4 16.3 49.4 42.8 46.4 41.4 41.8 41.1 45.1 32.0 Emandal Problems 37.6 44.3 38.6 39.4 66.2 74.7 81.0 91.3 69.6 27.5 41.8 44.0 41.2 45.2 44.0 36.0 Competition .50.0 27.5 40.8 27.8 42.3 42.3 45.3 69.9 -11.3 93.3 55 -7.7 -29.5 7.3 12.9 56.9 23.5 Labor Problems 1.2 8.8 -6.0 -7.2 31.5 23.7 25.0 25.0 8.3 -1511.1 23.9 -9.1 0.6 -2.0 7.2 Lack of Materials Input 30.0 11.7 1.6 5.1 36.2 28.0 28.8 46.3 32.8 93.0 17.3 7.0 14.2 24.7 37.3 32.0 Unfavourable Political Climate 20.6 16.0 19.6 28.3 43.1 16.7 36.9 5.0 18.4 16.3 11.7 1.4 21.0 34.8 35.9 36.0 Unfavourable Economic Climate 49.4 33.4 29.3 33.9 99.2 57.5 67.9 95.6 35.0 15.85.5 31.1 38.9 44.1 60.1 61.6 58.9 Insufficient Power Supply 85.9 79.8 54.9 75.0 75.4 75.2 97.6 95.0 80.4 75.3 53.5 46.6 55.7 72.8 53.5 50.2 98.8 Borrowing Rate 1.2 -11.6 -50 -48.9 9.2 12.9 14.3 -67.5 16.7 13.0 11.9 43.9 46.2 30.0 5.5 19.1 10.1 41.0 41.0 41.0 41.0 41.0 41.0 41	High Interest Rate	56.5	47.9	28.8	37.9	74.1	66.1	61.9	91.3	57.2	28.5	46.9	46.0	33.7	38.0	36.0	52.1
Insufficient Demand 21.8 15.2 2.7 -3.9 46.9 44.1 20.2 65.0 34.6 15.5 14.9 0.5 8.4 23.8 3.3 19.3 Access to Credit 25.9 7.3 24.5 21.8 53.8 45.7 52.4 16.3 49.4 42.8 46.4 41.4 41.8 41.1 45.1 32.0 Financial Problems -3.6 44.3 38.6 39.4 66.2 74.7 81.0 91.3 69.6 27.5 41.8 44.0 44.2 45.2 44.0 36.0 Competition -50.0 27.5 40.8 27.8 42.3 42.5 36.9 -11.3 39.3 55. -7.7 -29.5 7.3 12.9 26.9 23.5 Labor Problems 1.2 -8.8 -6.0 -7.2 31.5 23.7 25.0 -25.0 8.3 -1.5 11.1 -23.9 -9.1 0.6 -2.0 7.2 Lakó Materials Input 30.0 11.7 1.6 5.1 36.2 28.0 28.8 46.3 32.8 30.0 17.3 7.0 14.2 24.7 37.3 32.0 Unfavourable Political Climate 49.4 33.4 29.3 33.9 59.2 57.5 67.9 56.3 50.1 58.5 53.1 38.9 44.1 60.1 61.6 58.9 Insufficient Dewer Supply 85.9 79.8 54.9 75.0 75.4 75.2 97.6 95.0 80.4 75.3 53.5 46.6 55.7 72.8 53.5 50.2 9. Business Expectation Index on Selected Economic Indicators: Current Quarter N/5 Exchange Rate 1.2 11.6 -50 -48.9 9.2 12.9 14.3 -67.5 16.7 13.0 11.9 43.9 46.2 30.0 5.5 19.1 Inflation Rate 50.6 30.5 43.3 10.9 33.4 37.7 49.4 -7.1 62.5 5.1 57.5	Unclear Economic Laws	-50.0	40.7	39.1	46.7	63.8	53.2	60.7	72.5	50.1	28.3	22.5	12.4	37.4	32.3	33.3	27.7
Access to Credit	Lack of Equipment	33.5	13.0	9.2	14.3	52.3	46.2	40.5	57.5	45.9	15.0	16.8	1.6	20.0	15.1	7.3	13.7
Financial Problems	Insufficient Demand	21.8	15.2	2.7	-3.9	46.9	44.1	20.2	65.0	34.6	15.5	14.9	0.5	8.4	23.8	3.3	19.3
Competition -50.0 27.5 40.8 27.8 42.3 42.5 36.9 -11.3 39.3 5.5 -7.7 -29.5 7.3 12.9 26.9 23.5	Access to Credit	25.9	7.3	24.5	21.8	53.8	45.7	52.4	16.3	49.4	42.8	46.4	41.4	41.8	41.1	45.1	32.0
Labor Problems 1.2 -8.8 -6.0 -7.2 31.5 23.7 25.0 -25.0 8.3 -1.5 -11.1 -23.9 -9.1 0.6 -2.0 7.2 Lack of Materials Input 30.0 11.7 1.6 5.1. 36.2 28.0 29.8 46.3 32.8 93.0 17.3 7.0 14.2 24.7 37.3 32.0 Unfavourable Political Climate 20.6 16.0 19.6 28.3 43.1 16.7 36.9 5.0 18.4 16.3 11.7 1.4 21.0 34.8 35.9 36.0 Unfavourable Economic Climate 49.4 33.4 29.3 33.9 59.2 57.5 67.9 56.3 50.1 58.5 31.1 38.9 44.1 60.1 61.6 58.9 Insufficient Power Supply 85.9 79.8 54.9 75.0 75.4 75.2 97.6 95.0 80.4 75.5 35.5 46.6 55.7 72.8 53.5 50.2 9.8 Unsures Expectation Index on Selected Economic Indicators: Current Quarter VyStexchange Rate 1.2 11.6 -50 -48.9 9.2 11.9 14.3 -67.5 16.7 13.0 11.9 43.9 46.2 30.0 5.5 19.1 Inflation Rate 50.6 30.5 4.3 13.0 21.5 28.0 23.8 -7.5 0.0 43.5 -2.6 8.9 3.5 35.5 30.7 23.3 Borrowing Rate 31.8 31.9 4.3 10.9 35.4 30.1 48. 22.5 1.2 17.0 16.0 -7.5 6.7 27.3 24.2 7.9 10.0 Unitation Rate 31.8 33.4 32.6 37.0 27.7 72.1 73.8 40.0 23.8 42.8 51. 93.0 74. 24.1 49.7 8.3 Borrowing Rate 31.8 33.4 32.6 37.0 27.7 72.1 73.8 40.0 23.8 42.8 51. 93.0 27.4 24.1 49.7 8.3 Borrowing Rate 31.8 33.4 32.6 37.0 27.7 72.1 73.8 40.0 23.4 48. 80.1 19.6 25.2 13.0 43.5 63.4 63.6 30.5 5.8 66.0 30.5 5.4 60.5 50.5 66.2 50.0 40.5 10.9 12.5 12.9 12.5 12.5 12.5 12.5 12.5 12.5 12.5 12.5	Financial Problems	-37.6	44.3	38.6	39.4	66.2	74.7	81.0	91.3	69.6	27.5	41.8	44.0	44.2	45.2	44.0	36.0
Lack of Materials Input 30.0 11.7 1.6 5.1. 36.2 28.0 29.8 46.3 32.8 93.0 17.3 7.0 14.2 24.7 37.3 32.0 Unfavourable Political Climate 20.6 16.0 19.6 28.3 43.1 16.7 36.9 5.0 18.4 16.3 11.7 1.4 21.0 34.8 35.9 36.0 Unfavourable Economic Climate 49.4 33.4 29.3 33.9 59.2 57.5 67.9 56.3 50.1 58.5 53.1 38.9 44.1 60.1 61.6 58.9 Insufficient Power Supply 85.9 79.8 54.9 75.0 75.4 75.2 97.6 95.0 80.4 75.3 53.5 46.6 55.7 72.8 53.5 50.2 9. Business Expectation Index on Selected Economic Indicators: Current Quarter N/\$Exchange Rate 1.2 -11.6 -50 -48.9 9.2 12.9 14.3 -67.5 16.7 13.0 11.9 43.9 46.2 30.0 5.5 19.1 Inflation Rate 50.6 30.5 4.3 13.0 21.5 28.0 23.8 -7.5 0.0 43.5 -26.6 -8.9 3.5 35.5 30.7 23.3 Borrowing Rate 31.8 31.9 4.3 10.9 35.4 30.1 4822.5 1217.0 -16.0 -7.5 6.7 27.3 24.2 7.9 10. Business Expectation Index on Selected Economic Indicators: Next Quarter N/\$Exchange Rate 18.8 23.2 10.9 3.3 47.7 49.4 -7.1 62.5 9.5 -13.0 7.7 25.7 -1.3 19.7 -9.5 23.6 Inflation Rate 31.8 31.4 32.6 37.0 27.7 72.1 73.8 40.0 23.8 42.8 5.1 9.3 27.4 24.1 49.7 8.3 Borrowing Rate 31.8 31.4 32.6 37.0 27.7 72.1 73.8 40.0 23.8 42.8 5.1 9.3 27.4 24.1 49.7 8.3 Borrowing Rate 31.8 34.4 25.0 17.4 13.0 41.5 63.4 26.2 45.0 48.9 13.0 19.6 25.2 -13.0 -4.3 6.0 -5.8 Inflation Rate 31.8 34.4 25.0 17.4 12.3 19.8 16.7 5.0 11.9 44.5 49.0 51.4 49.3 42.1 46.7 39.8 Exporter 3.5 2.9 10.9 10.9 4.6 9.7 0.0 0.0 2.4 10.5 10.8 7.5 5.8 6.6 3.0 5.4 Both Importer and Exporter 10.6 13.0 8.7 15.2 16.9 12.5 2.4 2.5 11.9 6.5 1.0 3.3 2.7 2.7 1.0 7.1 Neither Importer rexporter 74.1 69.6 68.5 56.5 66.2 58.0 81.0 92.5 73.8 38.5 39.2 37.9 42.2 48.6 49.2 47.7 12. Percentage Distribution of Respondent Firms by Employment Size Small (S0) 62.4 65.2 68.5 72.8 70.8 90.0 88.1 90.0 89.3 63.0 68.0 68.2 63.2 65.0 63.8 66.4 Holdium (S0 and <200) 30.6 27.5 2.5 25.0 20.7 24.6 7.5 9.5 10.0 9.5 24.5 17.0 23.4 25.1 21.9 20.6 15.8 Large (200 and Up) 7.1 7.2 6.5 6.5 6.5 4.6 2.5 2.4 0.0 1.2 12.5 14.9 8.4 11.7 13.1 15.6 17.8 No Response	Competition	-50.0	27.5	40.8	27.8	42.3	42.5	36.9	-11.3	39.3	5.5	-7.7	-29.5	7.3	12.9	26.9	
Unfavourable Political Climate	· ·	1.2	-8.8	-6.0	-7.2	31.5	23.7	25.0	-25.0	8.3	-1.5	-11.1	-23.9	-9.1	0.6	-2.0	
Unfavourable Political Climate	Lack of Materials Input	30.0	11.7	1.6	5.1.	36.2	28.0	29.8	46.3	32.8	93.0	17.3	7.0	14.2	24.7	37.3	32.0
Unfavourable Economic Climate	· ·	20.6	16.0	19.6	28.3	43.1	16.7	36.9	5.0	18.4	16.3	11.7	1.4	21.0	34.8	35.9	36.0
Insufficient Power Supply	Unfavourable Economic Climate	49.4	33.4	29.3	33.9		57.5	67.9	56.3	50.1	58.5	53.1	38.9	44.1	60.1	61.6	
9. Business Expectation Index on Selected Economic Indicators: Current Quarter N/\$ Exchange Rate 1.2 -11.6 -50 -48.9 9.2 12.9 14.3 -67.5 16.7 13.0 11.9 43.9 46.2 30.0 5.5 19.1 Inflation Rate 50.6 30.5 4.3 13.0 21.5 28.0 23.8 -7.5 0.0 43.5 -2.6 -8.9 3.5 35.5 30.7 23.3 Borrowing Rate 31.8 31.9 4.3 10.9 35.4 30.1 4.8 -22.5 1.2 -17.0 -16.0 -7.5 6.7 27.3 24.2 7.9 10. Business Expectation Index on Selected Economic Indicators: Next Quarter N/\$ Exchange Rate 18.8 23.2 10.9 3.3 47.7 49.4 -7.1 62.5 9.5 -13.0 7.7 25.7 -1.3 19.7 -9.5 23.6 Inflation Rate 31.8 33.4 32.6 37.0 27.7 72.1 73.8 40.0 23.8 42.8 5.1 9.3 27.4 24.1 49.7 8.3 Borrowing Rate 30.6 18.9 17.4 13.0 41.5 63.4 26.2 45.0 4.8 13.0 19.6 25.2 -13.0 -4.3 6.0 -5.8 11. Percentage Distribution of Respondent Firms by Type of Business Type of	Insufficient Power Supply	85.9	79.8	54.9	75.0		75.2	97.6	95.0	80.4		53.5		55.7	72.8		
N/\$ Exchange Rate 1.2 -11.6 -50 -48.9 9.2 12.9 14.3 -67.5 16.7 13.0 11.9 43.9 46.2 30.0 5.5 19.1 Inflation Rate 50.6 30.5 4.3 13.0 21.5 28.0 23.8 -7.5 0.0 43.5 -2.6 -8.9 3.5 35.5 30.7 23.3 Borrowing Rate 31.8 31.9 4.3 10.9 35.4 30.1 4.8 -22.5 12 -17.0 -16.0 -7.5 6.7 27.3 24.2 7.9 10. Business Expectation Index on Selected Economic Indicators: Next Quarter N/\$ Exchange Rate 18.8 23.2 10.9 3.3 47.7 49.4 -7.1 62.5 9.5 -13.0 7.7 25.7 -1.3 19.7 -9.5 23.6 Inflation Rate 31.8 33.4 32.6 37.0 27.7 72.1 73.8 40.0 23.8 42.8 5.1 9.3 27.4 24.1 49.7 8.3 Borrowing Rate 30.6 18.9 17.4 13.0 41.5 63.4 26.2 45.0 4.8 13.0 19.6 25.2 -13.0 -4.3 6.0 -5.8 11. Percentage Distribution of Respondent Firms by Type of Business Importer 11.8 14.5 12.0 17.4 12.3 19.8 16.7 5.0 11.9 44.5 49.0 51.4 49.3 42.1 46.7 39.8 Exporter 3.5 2.9 10.9 10.9 4.6 9.7 0.0 0.0 2.4 10.5 10.8 7.5 5.8 6.6 3.0 5.4 Both Importer and Exporter 10.6 13.0 8.7 15.2 16.9 12.5 2.4 2.5 11.9 6.5 1.0 3.3 2.7 2.7 1.0 7.1 Neither Importer nor exporter 74.1 69.6 68.5 56.5 66.2 58.0 81.0 92.5 73.8 38.5 39.2 37.9 42.2 48.6 49.2 47.7 12. Percentage Distribution of Respondent Firms by Employment Size Small (<50) 62.4 65.2 68.5 72.8 70.8 90.0 88.1 90.0 88.1 90.0 89.3 63.0 68.0 68.2 63.2 65.0 63.8 66.4 Medium (50 and <200) 30.6 27.5 25.0 20.7 24.6 7.5 9.5 10.0 9.5 24.5 17.0 23.4 25.1 21.9 20.6 15.8 Large (200 and Up) 7.1 7.2 6.5 6.5 6.5 6.5 6.5 4.6 2.5 2.4 0.0 1.2 12.5 14.9 8.4 11.7 13.1 15.6 17.8 No Response 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.		ected Economic Indic		rrent Qu	arter												
Inflation Rate 50.6 30.5 4.3 13.0 21.5 28.0 23.8 -7.5 0.0 43.5 -2.6 -8.9 3.5 35.5 30.7 23.3 Borrowing Rate 31.8 31.9 4.3 10.9 35.4 30.1 4.8 -22.5 1.2 -17.0 -16.0 -7.5 6.7 27.3 24.2 7.9 10. Business Expectation Index on Selected Economic Indicators: Next Quarter N/\$ Exchange Rate 18.8 23.2 10.9 3.3 47.7 49.4 -7.1 62.5 9.5 -13.0 7.7 25.7 -1.3 19.7 -9.5 23.6 Inflation Rate 31.8 33.4 32.6 37.0 27.7 72.1 73.8 40.0 23.8 42.8 5.1 9.3 27.4 24.1 49.7 8.3 Borrowing Rate 30.6 18.9 17.4 13.0 41.5 63.4 26.2 45.0 4.8 13.0 19.6 25.2 -13.0 -4.3 6.0 -5.8 11. Percentage Distribution of Respondent Firms by Type of Business Importer 11.8 14.5 12.0 17.4 12.3 19.8 16.7 5.0 11.9 44.5 49.0 51.4 49.3 42.1 46.7 39.8 Exporter 3.5 2.9 10.9 10.9 4.6 9.7 0.0 0.0 0.0 2.4 10.5 10.8 7.5 5.8 6.6 3.0 5.4 Both Importer and Exporter 10.6 13.0 8.7 15.2 16.9 12.5 2.4 2.5 11.9 6.5 1.0 3.3 2.7 2.7 1.0 7.1 Neither Importer or exporter 74.1 69.6 68.5 56.5 66.2 58.0 81.0 92.5 73.8 38.5 39.2 37.9 42.2 48.6 49.2 47.7 12. Percentage Distribution of Respondent Firms by Employment Size Small (<so) (200="" (50="" 0.0="" 0.<="" 1.2="" 10.0="" 11.7="" 12.5="" 13.1="" 14.9="" 15.6="" 15.8="" 17.0="" 17.8="" 2.4="" 2.5="" 20.6="" 20.7="" 21.9="" 23.4="" 24.5="" 24.6="" 25.0="" 25.1="" 27.5="" 30.6="" 4.6="" 6.5="" 62.4="" 63.0="" 63.2="" 63.8="" 65.0="" 65.2="" 66.4="" 68.0="" 68.2="" 68.5="" 7.1="" 7.2="" 7.5="" 70.8="" 72.8="" 8.4="" 88.1="" 88.3="" 9.5="" 90.0="" <200)="" and="" large="" medium="" no="" response="" td="" up)=""><td>1</td><td></td><td></td><td></td><td></td><td>9.2</td><td>12.9</td><td>14.3</td><td>-67.5</td><td>16.7</td><td>13.0</td><td>11.9</td><td>43.9</td><td>46.2</td><td>30.0</td><td>5.5</td><td>19.1</td></so)>	1					9.2	12.9	14.3	-67.5	16.7	13.0	11.9	43.9	46.2	30.0	5.5	19.1
Borrowing Rate 31.8 31.9 4.3 10.9 35.4 30.1 4.8 -22.5 1.2 -17.0 -16.0 -7.5 6.7 27.3 24.2 7.9 10. Business Expectation Index on Selected Economic Indicators: Next Quarter N/\$ Exchange Rate 18.8 23.2 10.9 3.3 47.7 49.4 -7.1 62.5 9.5 -13.0 7.7 25.7 -1.3 19.7 -9.5 23.6 Inflation Rate 31.8 33.4 32.6 37.0 27.7 72.1 73.8 40.0 23.8 42.8 5.1 9.3 27.4 24.1 49.7 8.3 Borrowing Rate 30.6 18.9 17.4 13.0 41.5 63.4 26.2 45.0 4.8 13.0 19.6 25.2 -13.0 -4.3 6.0 -5.8 11. Percentage Distribution of Respondent Firms by Type of Business Importer 11.8 14.5 12.0 17.4 12.3 19.8 16.7 5.0 11.9 44.5 49.0 51.4 49.3 42.1 46.7 39.8 Exporter 3.5 2.9 10.9 10.9 4.6 9.7 0.0 0.0 2.4 10.5 10.8 7.5 5.8 6.6 3.0 5.4 Both Importer and Exporter 10.6 13.0 8.7 15.2 16.9 12.5 2.4 2.5 11.9 6.5 1.0 3.3 2.7 2.7 1.0 7.1 Neither Importer or exporter 74.1 69.6 68.5 56.5 66.2 58.0 81.0 92.5 73.8 38.5 39.2 37.9 42.2 48.6 49.2 47.7 12. Percentage Distribution of Respondent Firms by Employment Size Small (<50) 62.4 65.2 68.5 72.8 70.8 90.0 88.1 90.0 89.3 63.0 68.0 68.2 63.2 65.0 63.8 66.4 Medium (50 and <200) 30.6 27.5 25.0 20.7 24.6 7.5 9.5 10.0 9.5 24.5 17.0 23.4 25.1 21.9 20.6 15.8 Large (200 and Up) 7.1 7.2 6.5 6.5 6.5 4.6 2.5 2.4 0.0 1.2 12.5 14.9 8.4 11.7 13.1 15.6 17.8 No Response 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.		50.6	30.5	4.3	13.0	21.5	28.0	23.8	-7.5	0.0	43.5	-2.6	-8.9	3.5	35.5	30.7	23.3
N/\$ Exchange Rate	Borrowing Rate	31.8	31.9	4.3	10.9	35.4	30.1	4.8	-22.5	1.2	-17.0	-16.0	-7.5	6.7	27.3	24.2	7.9
Inflation Rate 31.8 33.4 32.6 37.0 27.7 72.1 73.8 40.0 23.8 42.8 5.1 9.3 27.4 24.1 49.7 8.3 Borrowing Rate 30.6 18.9 17.4 13.0 41.5 63.4 26.2 45.0 4.8 13.0 19.6 25.2 -13.0 -4.3 6.0 -5.8 11. Percentage Distribution of Respondent Firms by Type of Business Importer 11.8 14.5 12.0 17.4 12.3 19.8 16.7 5.0 11.9 44.5 49.0 51.4 49.3 42.1 46.7 39.8	10. Business Expectation Index on Se	lected Economic Indi	icators: N	lext Quar	ter												
Borrowing Rate 30.6 18.9 17.4 13.0 41.5 63.4 26.2 45.0 4.8 13.0 19.6 25.2 -13.0 -4.3 6.0 -5.8 11. Percentage Distribution of Respondent Firms by Type of Business Importer 11.8 14.5 12.0 17.4 12.3 19.8 16.7 5.0 11.9 44.5 49.0 51.4 49.3 42.1 46.7 39.8 Exporter 3.5 2.9 10.9 10.9 4.6 9.7 0.0 0.0 2.4 10.5 10.8 7.5 5.8 6.6 3.0 5.4 Both Importer and Exporter 10.6 13.0 8.7 15.2 16.9 12.5 2.4 2.5 11.9 6.5 1.0 3.3 2.7 2.7 1.0 7.1 Neither Importer nor exporter 74.1 69.6 68.5 56.5 66.2 58.0 81.0 92.5 73.8 38.5 39.2 37.9 42.2 48.6 49.2 47.7 12. Percentage Distribution of Respondent Firms by Employment Size Small (<50) 62.4 65.2 68.5 72.8 70.8 90.0 88.1 90.0 89.3 63.0 68.0 68.2 63.2 65.0 63.8 66.4 Medium (50 and <200) 30.6 27.5 25.0 20.7 24.6 7.5 9.5 10.0 9.5 24.5 17.0 23.4 25.1 21.9 20.6 15.8 Large (200 and Up) 7.1 7.2 6.5 6.5 4.6 2.5 2.4 0.0 1.2 12.5 14.9 8.4 11.7 13.1 15.6 17.8 No Response 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.	N/\$ Exchange Rate	18.8	23.2	10.9	3.3	47.7	49.4	-7.1	62.5	9.5	-13.0	7.7	25.7	-1.3	19.7	-9.5	23.6
11. Percentage Distribution of Respondent Firms by Type of Business Importer	Inflation Rate	31.8	33.4	32.6	37.0	27.7	72.1	73.8	40.0	23.8	42.8	5.1	9.3	27.4	24.1	49.7	8.3
Importer 11.8 14.5 12.0 17.4 12.3 19.8 16.7 5.0 11.9 44.5 49.0 51.4 49.3 42.1 46.7 39.8	Borrowing Rate	30.6	18.9	17.4	13.0	41.5	63.4	26.2	45.0	4.8	13.0	19.6	25.2	-13.0	-4.3	6.0	-5.8
Exporter 3.5 2.9 10.9 10.9 4.6 9.7 0.0 0.0 2.4 10.5 10.8 7.5 5.8 6.6 3.0 5.4 Both Importer and Exporter 10.6 13.0 8.7 15.2 16.9 12.5 2.4 2.5 11.9 6.5 1.0 3.3 2.7 2.7 1.0 7.1 Neither Importer nor exporter 74.1 69.6 68.5 56.5 66.2 58.0 81.0 92.5 73.8 38.5 39.2 37.9 42.2 48.6 49.2 47.7 12. Percentage Distribution of Respondent Firms by Employment Size Small (<50) 62.4 65.2 68.5 72.8 70.8 90.0 88.1 90.0 89.3 63.0 68.0 68.2 63.2 65.0 63.8 66.4 Medium (50 and <200) 30.6 27.5 25.0 20.7 24.6 7.5 9.5 10.0 9.5 24.5 17.0 23.4 25.1 21.9 20.6 15.8 Large (200 and Up) 7.1 7.2 6.5 6.5 4.6 2.5 2.4 0.0 1.2 12.5 14.9 8.4 11.7 13.1 15.6 17.8 No Response 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.	11. Percentage Distribution of Respo	ondent Firms by Type	of Busin	ness													
Both Importer and Exporter 10.6 13.0 8.7 15.2 16.9 12.5 2.4 2.5 11.9 6.5 1.0 3.3 2.7 2.7 1.0 7.1 Neither Importer nor exporter 74.1 69.6 68.5 56.5 66.2 58.0 81.0 92.5 73.8 38.5 39.2 37.9 42.2 48.6 49.2 47.7 12. Percentage Distribution of Respondent Firms by Employment Size Small (<50) 62.4 65.2 68.5 72.8 70.8 90.0 88.1 90.0 89.3 63.0 68.0 68.2 63.2 65.0 63.8 66.4 Medium (50 and <200) 30.6 27.5 25.0 20.7 24.6 7.5 9.5 10.0 9.5 24.5 17.0 23.4 25.1 21.9 20.6 15.8 Large (200 and Up) 7.1 7.2 6.5 6.5 4.6 2.5 2.4 0.0 1.2 12.5 14.9 8.4 11.7 13.1 15.6 17.8 No Response 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.	Importer	11.8	14.5	12.0	17.4	12.3	19.8	16.7	5.0	11.9	44.5	49.0	51.4	49.3	42.1	46.7	39.8
Neither Importer nor exporter 74.1 69.6 68.5 56.5 66.2 58.0 81.0 92.5 73.8 38.5 39.2 37.9 42.2 48.6 49.2 47.7 12. Percentage Distribution of Respondent Firms by Employment Size Small (<50) 62.4 65.2 68.5 72.8 70.8 90.0 88.1 90.0 89.3 63.0 68.0 68.2 63.2 65.0 63.8 66.4	Exporter	3.5	2.9	10.9	10.9	4.6	9.7	0.0	0.0	2.4	10.5	10.8	7.5	5.8	6.6	3.0	5.4
12. Percentage Distribution of Respondent Firms by Employment Size Small (<50)	Both Importer and Exporter	10.6	13.0	8.7	15.2	16.9	12.5	2.4	2.5	11.9	6.5	1.0	3.3	2.7	2.7	1.0	7.1
Small (<50) 62.4 65.2 68.5 72.8 70.8 90.0 88.1 90.0 89.3 63.0 68.0 68.2 63.2 65.0 63.8 66.4 Medium (50 and <200)	Neither Importer nor exporter	74.1	69.6	68.5	56.5	66.2	58.0	81.0	92.5	73.8	38.5	39.2	37.9	42.2	48.6	49.2	47.7
Medium (50 and <200) 30.6 27.5 25.0 20.7 24.6 7.5 9.5 10.0 9.5 24.5 17.0 23.4 25.1 21.9 20.6 15.8 Large (200 and Up) 7.1 7.2 6.5 6.5 4.6 2.5 2.4 0.0 1.2 12.5 14.9 8.4 11.7 13.1 15.6 17.8 No Response 0.0 <td< td=""><td>12. Percentage Distribution of Respo</td><td>ndent Firms by Empl</td><td>oyment S</td><td>Size</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<>	12. Percentage Distribution of Respo	ndent Firms by Empl	oyment S	Size													
Large (200 and Up) 7.1 7.2 6.5 6.5 4.6 2.5 2.4 0.0 1.2 12.5 14.9 8.4 11.7 13.1 15.6 17.8 No Response 0.0	Small (<50)	62.4	65.2	68.5	72.8	70.8	90.0	88.1	90.0	89.3	63.0	68.0	68.2	63.2	65.0	63.8	66.4
No Response 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.	Medium (50 and <200)	30.6	27.5	25.0	20.7	24.6	7.5	9.5	10.0	9.5	24.5	17.0	23.4	25.1	21.9	20.6	15.8
	Large (200 and Up)	7.1	7.2	6.5	6.5	4.6	2.5	2.4	0.0	1.2	12.5	14.9	8.4	11.7	13.1	15.6	17.8
13. Distribution of Respondent Firms by Sector	No Response	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
par promound of neaponacht filling by action	13. Distribution of Respondent Firms	by Sector															
All Sectors 85 71 92 92 65 93 42 40 84 200 194 200 160 183 199 241	All Sectors	85	71	92	92	65	93	42	40	84	200	194	200	160	183	199	241
Industrial Sector 27 24 29 29 16 32 22 20 37 50 39 52 37 39 30 53	Industrial Sector	27	24	29	29			22	20	37	50	39		37	39	30	53
Construction Sector 4 6 3 2 1 5 1 2 8 19 14 18 16 15 15 22	Construction Sector	4	6	3	2	1	5	1	2	8	19	14	18	16	15	15	
Wholesale and Retail Trade 28 12 16 14 13 18 7 7 15 41 35 26 32 37 33 37		28										35					
					47			12									
Services Sector of which: 19 29 44 47 35 38 12 11 24 90 106 104 75 92 121 129 Financial Intermediation 1.0 2 4 4 1 0 0 0 13 14 0 0 0 0					4		0		0		13						
Hotels and Restaurants 0.0 11 10 11 12 6 4 5 7 0 2 16 16 16 17 27		0.0	11	10	11	12		4	5	7	0	2	16	16	16	17	27
Renting and Business Activities 6.0 5 5 5 3 3 1 0 0 0 0 0 0 0 0		6.0	5	5	5	3		1	0	0	0	0	0	0	0	0	
Community and Social Services 0 5 6 6 6 8 4 3 0 0 0 0 0 0 0		0	5	6	6	6	8	4	3	0	0	0	0	0	0	0	0

Business Expectations Survey

First Quarter, 2012 North West Zone

Business Outlook



Respondent firms in the North West zone were less activity, average capacity utilization and volume of achieved in the previous quarter. respondents were less optimistic about business section 5). activities in the next quarter, at 34.4 points, the index fell by 26.0 points below the level achieved in the previous quarter (Fig 11).

The indices of the industrial, wholesale/retail trade and service sectors moderated to 0.9, 8.5 and 7.3 index points, respectively, while the index of construction sector inched up to 28.6 index points in the quarter under review (Table E section 2). The down swing could be attributed to current unrest in the zone especially Kano and Kaduna states, in the quarter under review.

The financial condition index stood at 19.8 per cent in the current quarter, which was driven by the larger number of less optimistic respondent firms.

The unrest in the zone affected the access to credit which in turn moderated the volume in business activity, financial condition and average capacity utilization. Access to credit, volume of business ·

optimistic on business activities in the quarter under total order book of respondents in the North West review as overall confidence index plummeted to 2.4 zone slightly dipped in O1 2012, to 7.6.14.3.15.5 index points. It fell by 29.3 points below the level and 14.6 points respectively, from 8.3, 28.4, 25.9 Similarly, and 29.8 index points recorded in Q4,2011 (Table E

> Respondents in the zone cited insufficient power supply, unfavourable economic climate, high interest rate, among others as limiting factors to the growth of business activities (Table E section 8).

> Respondent firms expect naira to depreciate in the current guarter but appreciate in the next guarter. However, a rise in both inflation and borrowing rates in the current and next quarters are expected (Table E sections 9&10).

> The respondent firms by type of business shows that "neither importer nor exporter" category constituted the majority with 68.1 per cent, followed by "importer" 19.5 per cent, "both importer and exporter" 7.6 per cent and "exporter" 4.9 per cent (Table E section 11).

TABLE E

BUSINESS EXPECTATIONS SURVEY

North West Zone

Control Control Control Miscross Cutolock on the Miscross Cutoriock Control	Year	20	08			200	9			20	10			20	11		2012
Contribute Con	Quarter	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
North Merit Part Current Quarter North Merit Part Par	1. Overall Business Outlook on the Ma	croeconomy			·		•	•									,
North West Mark M	Confidence Index: All Sectors																
North West Part P	Current Quarter																
Note Nickes Received Section Received Section	North West	25.0	38.6	-10.9	-8.8	-2.2	-14.3	-6.3	17.2	24.1	36.5	34.9	37.0	35.2	27.9	31.7	2.4
Pacifies Outlook Index on the Macroecomy by Sector Surerial Sector Substitution Sector Substitution Sector Substitution Subst	Next Quarter																
Industrial Sector 333 365 43 11.1 -16.7 -13.0 -7.3 12.0 21.1 34.1 23.1 33.1 33.5 35.6 7.1 28.0 28.6	North West	76.2	62.7	18.9	32.5	42.9	43.6	52.8	61.7	62.0	70.7	67.7	68.3	62.9	54.7	60.4	34.4
Construction Sector G.67 412 910 500	2. Business Outlook Index on the Macr	oeconomy by Secto	r: Current	Quarter													
Montesale and fletaliTracle 200 261 194 306 238 161 257 208 27 425 475 338 379 447 319 87	Industrial Sector	33.3	36.5	4.3	11.1	-16.7	-13.0	-7.3	12.0	21.1	34.1	23.3	33.9	35.6	7.1	28.0	0.9
Services Sector of which:	Construction Sector	-66.7	41.2	50.0	50.0	60.0	0.0	40.0	0.0	42.9	71.4	62.5	76.9	58.3	55.6	20.0	28.6
Financial Intermediation 0.0 0.0 0.0	Wholesale and Retail Trade	20.0	26.1	-19.4	-30.6	-23.8	-16.1	-25.7	20.8	22.7	42.5	47.5	33.8	37.9	44.7	31.9	8.5
Matheta and Restaurants 333 522 00 033 308 150 400 429 318 531 436 417 286 341 47.1 47.0 47.	Services Sector of which:	29.4	38.5	-39.1	0.0	22.2	16.7	-18.8	-20.0	15.8	33.3	72.2	27.0	34.2	27.8	56.7	7.3
Renting and Business Activities 250 00 00 00 00 00 00 0	Financial Intermediation	0.0	0.0	-100.0	-100.0	0.0	0.0	0.0	100.0	0.0	80.0	16.7	60.0	50.0	55.6	-66.7	-27.3
Seminess Outlook Index on the Macroeconomy by Sector: Vest Vest Vest Vest Vest Vest Vest Vest	Hotels and Restaurants	33.3	52.2	0.0	33.3	30.8	-15.0	40.0	42.9	31.8	53.1	43.6	41.7	28.6	34.1	47.1	-30.6
Subsiness Outlook Index on the Macroeconomy by Sector: Next Quarter Industrial Sector 77.8 65.4 21.7 22.2 38.9 45.3 50.9 57.3 57.9 64.8 64.7 59.6 58.9 47.1 73.0 33.0 Construction Sector 100.0 82.4 100.0 100.0 60.0 60.0 60.0 33.0 31.4 100.0 87.5 92.3 91.7 77.8 33.3 57.1 Wholesale and Retail Trade 70.0 60.9 13.9 36.1 38.1 48.4 40.0 54.2 65.9 82.5 74.6 67.6 59.1 60.5 58.3 42.3 Services Sector of which: 70.6 61.5 -8.7 18.8 66.7 50.0 56.3 40.0 47.4 77.8 61.1 78.4 63.2 47.2 53.3 14.6 Financial Intermediation 75.0 -100.0 100.0 100.0 00.0 00.0 00.0 100.0 100.0 100.0 33.3 40.0 87.5 88.9 00.0 36.4 Hotels and Restaurants 91.7 52.2 100.0 100.0 61.5 60.0 70.0 100.0 86.4 75.0 74.4 83.3 71.4 51.2 61.8 36.1 Renting and Business Activities 62.5 00.0 00.0 00.0 00.0 30.0 37.5 100.0 57.0 50.0 44.4 60.0 75.0 33.3 47.1 61.3 Augustrial Sector 33.3 30.0 00.0 00.0 60.0 00.0 40.0 50.0 100.0 57.1 50.0 44.4 60.0 75.0 33.3 47.1 61.4 Augustrial Sector 33.3 30.0 00.0 00.0 60.0 00.0 40.0 33.3 41.3 42.9 25.0 44.2 60.0 75.0 33.3 47.1 47.6 Augustrial Sector 33.3 30.0 00.0 00.0 60.0 00.0 60.0 00.0 30.0 30.3 31.3 42.9 42.0 42.0 42.0 42.0 42.0 42.0 Augustrial Sector 33.3 30.0 30.0 31.4	Renting and Business Activities	25.0	0.0	0.0	0.0	0.0	-20.0	-37.5	0.0	26.3	3.6	25.0	45.5	27.3	46.7	17.6	0.0
Industrial Sector	Community and Social Services	100.0	66.7	33.3	25.0	0.0	-40.0	0.0	66.7	42.9	30.0	0.0	40.0	-25.0	-33.3	0.0	25.0
Construction Sector 100.0 82.4 100.0 100.0 60.0 100.0 60.0 100.0 100.0 33.3 71.4 100.0 87.5 92.3 91.7 77.8 33.3 57.1	3. Business Outlook Index on the Maci	oeconomy by Secto	r: Next Qı	ıarter													
Molesale and Retail Trade 70,0 60,9 13,9 36,1 38,1 48,4 40,0 54,2 65,9 82,5 74,6 67,6 59,1 60,5 58,3 42,3	Industrial Sector	77.8	65.4	21.7	22.2	38.9	45.3	50.9	57.3	57.9	64.8	64.7	59.6	58.9	47.1	73.0	33.0
Services Sector of which: 70.6 61.5 -8.7 18.8 66.7 50.0 56.3 40.0 47.4 77.8 61.1 78.4 63.2 47.2 53.3 14.6	Construction Sector	100.0	82.4	100.0	100.0	60.0	0.0	100.0	-33.3	71.4	100.0	87.5	92.3	91.7	77.8	33.3	57.1
Financial Intermediation 75.0 -100.0 100.0 100.0 0.0 0.0 100.0 100.0 100.0 100.0 100.0 33.3 40.0 87.5 88.9 0.0 36.4 Hotels and Restaurants 91.7 52.2 100.0 100.0 61.5 60.0 70.0 100.0 86.4 75.0 74.4 83.3 71.4 51.2 61.8 36.1 Renting and Business Activities 62.5 0.0 0.0 0.0 0.0 0.0 0.0 30.0 37.5 100.0 57.9 60.7 70.0 63.6 36.4 73.3 47.1 6.3 Community and Social Services 100.0 66.7 41.7 25.0 0.0 40.0 50.0 100.0 57.1 50.0 44.4 60.0 75.0 33.3 42.9 45.8 Abusiness Confidence Index on Own Operations by Sector: Current Quarter Industrial Sector 5.6 3.8 4.3 33.3 27.8 0.0 0.0 0.0 40.0 33.3 14.3 42.9 25.0 46.2 33.3 55.6 26.7 47.6 Wholesale and Retail Trade 30.0 17.4 -5.6 -25.0 14.3 19.4 18.6 20.8 9.1 37.5 33.9 22.5 19.7 28.9 45.8 32.4 Services Sector 16.3 28.8 0.0 -8.3 4.5 0.0 6.9 0.0 5.3 33.3 61.1 27.0 28.9 11.1 33.3 14.6 Susiness Outlook Index on Own Operations: Current Quarter Volume of Total Order Book Index 33.3 31.7 9.9 16.3 15.4 -5.0 2.8 19.5 22.6 33.8 37.8 34.5 30.6 25.0 29.8 14.6 Credit Access Index -15.5 4.2 -12.9 -13.8 13.2 -2.8 -5.6 5.2 31.1 51.9 37.9 27.7 25.5 27.3 18.5 31.7 19.8 Average Capacity Utilization 35.7 31.0 13.9 13.8 22.0 4.3 35.5 26.0 27.0 28.5 27.5 27.3 18.5 31.7 19.8 Abusiness Outlook Index on Own Operations: Next Quarter Volume of Business Activity Index 75.0 77.3 47.5 56.3 56.0 62.9 74.6 68.5 71.3 82.9 80.4 71.5 68.6 68.2 63.6 6	Wholesale and Retail Trade	70.0	60.9	13.9	36.1	38.1	48.4	40.0	54.2	65.9	82.5	74.6	67.6	59.1	60.5	58.3	42.3
Hotels and Restaurants Renting and Business Activities 62.5 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0	Services Sector of which:	70.6	61.5	-8.7	18.8	66.7	50.0	56.3	40.0	47.4	77.8	61.1	78.4	63.2	47.2	53.3	14.6
Renting and Business Activities 62.5 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0	Financial Intermediation	75.0	-100.0	100.0	0.0	0.0	0.0	100.0	100.0	0.0	100.0	33.3	40.0	87.5	88.9	0.0	36.4
Community and Social Services 100.0 66.7 41.7 25.0 0.0 40.0 50.0 100.0 57.1 50.0 44.4 60.0 75.0 33.3 42.9 45.8 4. Business Confidence Index on Own Operations by Sector: Current Quarter Industrial Sector 5.6 3.8 4.3 33.3 27.8 0.0 9.1 10.7 15.8 35.2 22.4 21.1 36.7 3.5 27.0 14.7 Construction Sector 33.3 0.0 0.0 0.0 0.0 60.0 0.0 40.0 33.3 14.3 42.9 25.0 46.2 33.3 55.6 26.7 47.6 Wholesale and Retail Trade 30.0 17.4 5.6 -25.0 14.3 19.4 18.6 20.8 9.1 37.5 33.9 22.5 19.7 28.9 45.8 32.4 Services Sector 16.3 28.8 0.0 8.3 4.5 0.0 6.9 0.0 5.3 33.3 61.1 27.0 28.9 11.1 33.3 14.6 5. Business Outlook Index on Own Operations: Current Quarter Volume of Business Activity Index 76.2 31.0 13.9 3.8 13.2 -9.3 -4.2 19.4 28.2 38.8 38.9 35.9 32.2 35.0 28.4 14.3 Volume of Total Order Book Index 33.3 31.7 9.9 16.3 15.4 -5.0 2.8 19.5 22.6 33.8 37.8 34.5 30.6 25.0 29.8 14.6 Credit Access Index 17.9 11.8 -3.0 -6.3 18.7 -2.1 -12.0 14.3 15.9 37.9 27.7 25.5 27.3 18.5 31.7 19.8 Average Capacity Utilization 35.7 31.0 13.9 13.8 22.0 4.3 3.5 26.9 21.0 33.7 32.8 35.2 35.6 26.8 25.9 15.5 6. Business Outlook Index on Own Operations: Next Quarter Volume of Business Activity Index 75.0 77.3 47.5 56.3 56.0 62.9 74.6 68.5 71.3 82.9 80.4 71.5 68.6 68.2 63.6 68.2 63.6 60.2	Hotels and Restaurants	91.7	52.2	100.0	100.0	61.5	60.0	70.0	100.0	86.4	75.0	74.4	83.3	71.4	51.2	61.8	36.1
4. Business Confidence Index on Own Operations by Sector: Current Quarter Industrial Sector 5.6 -3.8 -4.3 33.3 27.8 0.0 -9.1 10.7 15.8 35.2 22.4 21.1 36.7 3.5 27.0 14.7 Construction Sector 33.3 0.0 0.0 0.0 60.0 0.0 40.0 33.3 14.3 42.9 25.0 46.2 33.3 55.6 26.7 47.6 Wholesale and Retail Trade 30.0 17.4 -5.6 -25.0 14.3 19.4 18.6 20.8 9.1 37.5 33.9 22.5 19.7 28.9 45.8 32.4 Services Sector 16.3 28.8 0.0 -8.3 4.5 0.0 6.9 0.0 5.3 33.3 61.1 27.0 28.9 11.1 33.3 14.6 Susiness Outlook Index on Own Operations: Current Quarter Volume of Total Order Book Index 76.2 31.0 13.9 3.8 13.2 -9.3 -4.2	Renting and Business Activities	62.5	0.0	0.0	0.0	0.0	30.0	37.5	100.0	57.9	60.7	70.0	63.6	36.4	73.3	47.1	6.3
Industrial Sector S.6 -3.8 -4.3 33.3 27.8 0.0 -9.1 10.7 15.8 35.2 22.4 21.1 36.7 3.5 27.0 14.7	Community and Social Services	100.0	66.7	41.7	25.0	0.0	40.0	50.0	100.0	57.1	50.0	44.4	60.0	75.0	33.3	42.9	45.8
Construction Sector 33.3 0.0 0.0 0.0 60.0 0.0 40.0 33.3 14.3 42.9 25.0 46.2 33.3 55.6 26.7 47.6 Wholesale and Retail Trade 30.0 17.4 -5.6 -25.0 14.3 19.4 18.6 20.8 9.1 37.5 33.9 22.5 19.7 28.9 45.8 32.4 Services Sector 16.3 28.8 0.0 8.3 4.5 0.0 6.9 0.0 5.3 33.3 61.1 27.0 28.9 11.1 33.3 14.6 5.8 Business Outlook Index on Own Operations : Current Quarter Volume of Business Activity Index 76.2 31.0 13.9 3.8 13.2 -9.3 -4.2 19.4 28.2 38.8 38.9 35.9 32.2 35.0 28.4 14.3 Volume of Total Order Book Index 33.3 31.7 9.9 16.3 15.4 -5.0 2.8 19.5 22.6 33.8 37.8 34.5 30.6 25.0 29.8 14.6 Credit Access Index 17.9 11.8 -3.0 -6.3 18.7 -2.1 -12.0 14.3 15.9 37.9 27.7 25.5 27.3 18.5 31.7 19.8 Average Capacity Utilization 35.7 31.0 13.9 13.8 22.0 4.3 3.5 26.9 21.0 33.7 32.8 35.2 35.6 26.8 25.9 15.5 6.8 Business Outlook Index on Own Operations : Next Quarter Volume of Business Activity Index 75.0 77.3 47.5 56.3 56.0 62.9 74.6 68.5 71.3 82.9 80.4 71.5 68.6 68.2 63.6 60.2	4. Business Confidence Index on Own C	Operations by Sector	: Current	Quarter													
Wholesale and Retail Trade 30.0 17.4 -5.6 -25.0 14.3 19.4 18.6 20.8 9.1 37.5 33.9 22.5 19.7 28.9 45.8 32.4 Services Sector 16.3 28.8 0.0 -8.3 4.5 0.0 6.9 0.0 5.3 33.3 61.1 27.0 28.9 11.1 33.3 14.6 5. Business Outlook Index on Own Operations: Current Quarter Volume of Business Activity Index 76.2 31.0 13.9 3.8 13.2 -9.3 -4.2 19.4 28.2 38.8 38.9 35.9 32.2 35.0 28.4 14.3 Volume of Total Order Book Index 33.3 31.7 9.9 16.3 15.4 -5.0 2.8 19.5 22.6 33.8 37.8 34.5 30.6 25.0 29.8 14.6 Credit Access Index -15.5 4.2 -12.9 -13.8 13.2 -2.8 -5.6 5.2 3.1 6.3 2.9 </td <td>Industrial Sector</td> <td>5.6</td> <td>-3.8</td> <td>-4.3</td> <td>33.3</td> <td>27.8</td> <td>0.0</td> <td>-9.1</td> <td>10.7</td> <td>15.8</td> <td>35.2</td> <td>22.4</td> <td>21.1</td> <td>36.7</td> <td>3.5</td> <td>27.0</td> <td>14.7</td>	Industrial Sector	5.6	-3.8	-4.3	33.3	27.8	0.0	-9.1	10.7	15.8	35.2	22.4	21.1	36.7	3.5	27.0	14.7
Services Sector 16.3 28.8 0.0 -8.3 4.5 0.0 6.9 0.0 5.3 33.3 61.1 27.0 28.9 11.1 33.3 14.6 5. Business Outlook Index on Own Operations: Current Quarter Volume of Business Activity Index 76.2 31.0 13.9 3.8 13.2 -9.3 -4.2 19.4 28.2 38.8 38.9 35.9 32.2 35.0 28.4 14.3 Volume of Total Order Book Index 33.3 31.7 9.9 16.3 15.4 -5.0 2.8 19.5 22.6 33.8 37.8 34.5 30.6 25.0 29.8 14.6 Credit Access Index -15.5 4.2 -12.9 -13.8 13.2 -2.8 -5.6 5.2 3.1 6.3 2.9 2.4 7.2 5.0 8.3 7.6 Financial Condition Index 17.9 11.8 -3.0 -6.3 18.7 -2.1 -12.0 14.3 15.9 37.9 27.7	Construction Sector	33.3	0.0	0.0	0.0	60.0	0.0	40.0	33.3	14.3	42.9	25.0	46.2	33.3	55.6	26.7	47.6
5. Business Outlook Index on Own Operations : Current Quarter Volume of Business Activity Index 76.2 31.0 13.9 3.8 13.2 -9.3 -4.2 19.4 28.2 38.8 38.9 35.9 32.2 35.0 28.4 14.3 Volume of Total Order Book Index 33.3 31.7 9.9 16.3 15.4 -5.0 2.8 19.5 22.6 33.8 37.8 34.5 30.6 25.0 29.8 14.6 Credit Access Index -15.5 4.2 -12.9 -13.8 13.2 -2.8 -5.6 5.2 3.1 6.3 2.9 2.4 7.2 5.0 8.3 7.6 Financial Condition Index 17.9 11.8 -3.0 -6.3 18.7 -2.1 -12.0 14.3 15.9 37.9 27.7 25.5 27.3 18.5 31.7 19.8 Average Capacity Utilization 35.7 31.0 13.9 13.8 22.0 4.3 3.5 26.9 21.0 33.7	Wholesale and Retail Trade	30.0	17.4	-5.6	-25.0	14.3	19.4	18.6	20.8	9.1	37.5	33.9	22.5	19.7	28.9	45.8	32.4
Volume of Business Activity Index 76.2 31.0 13.9 3.8 13.2 -9.3 -4.2 19.4 28.2 38.8 38.9 35.9 32.2 35.0 28.4 14.3 Volume of Total Order Book Index 33.3 31.7 9.9 16.3 15.4 -5.0 2.8 19.5 22.6 33.8 37.8 34.5 30.6 25.0 29.8 14.6 Credit Access Index -15.5 4.2 -12.9 -13.8 13.2 -2.8 -5.6 5.2 3.1 6.3 2.9 2.4 7.2 5.0 8.3 7.6 Financial Condition Index 17.9 11.8 -3.0 -6.3 18.7 -2.1 -12.0 14.3 15.9 37.9 27.7 25.5 27.3 18.5 31.7 19.8 Average Capacity Utilization 35.7 31.0 13.9 13.8 22.0 4.3 3.5 26.9 21.0 33.7 32.8 35.2 35.6 26.8 25.9	Services Sector	16.3	28.8	0.0	-8.3	4.5	0.0	6.9	0.0	5.3	33.3	61.1	27.0	28.9	11.1	33.3	14.6
Volume of Total Order Book Index 33.3 31.7 9.9 16.3 15.4 -5.0 2.8 19.5 22.6 33.8 37.8 34.5 30.6 25.0 29.8 14.6 Credit Access Index -15.5 4.2 -12.9 -13.8 13.2 -2.8 -5.6 5.2 3.1 6.3 2.9 2.4 7.2 5.0 8.3 7.6 Financial Condition Index 17.9 11.8 -3.0 -6.3 18.7 -2.1 -12.0 14.3 15.9 37.9 27.7 25.5 27.3 18.5 31.7 19.8 Average Capacity Utilization 35.7 31.0 13.9 13.8 22.0 4.3 3.5 26.9 21.0 33.7 32.8 35.2 35.6 26.8 25.9 15.5 6. Business Outlook Index on Own Operations : Next Quarter 75.0 77.3 47.5 56.3 56.0 62.9 74.6 68.5 71.3 82.9 80.4 71.5 68.6 68.2	5. Business Outlook Index on Own Ope	rations : Current Qu	arter														
Credit Access Index -15.5 4.2 -12.9 -13.8 13.2 -2.8 -5.6 5.2 3.1 6.3 2.9 2.4 7.2 5.0 8.3 7.6 Financial Condition Index 17.9 11.8 -3.0 -6.3 18.7 -2.1 -12.0 14.3 15.9 37.9 27.7 25.5 27.3 18.5 31.7 19.8 Average Capacity Utilization 35.7 31.0 13.9 13.8 22.0 4.3 3.5 26.9 21.0 33.7 32.8 35.2 35.6 26.8 25.9 15.5 6. Business Outlook Index on Own Operations : Next Quarter Volume of Business Activity Index 75.0 77.3 47.5 56.3 56.0 62.9 74.6 68.5 71.3 82.9 80.4 71.5 68.6 68.2 63.6 60.2	Volume of Business Activity Index	76.2	31.0	13.9	3.8	13.2	-9.3	-4.2	19.4	28.2	38.8	38.9	35.9	32.2	35.0	28.4	14.3
Financial Condition Index 17.9 11.8 -3.0 -6.3 18.7 -2.1 -12.0 14.3 15.9 37.9 27.7 25.5 27.3 18.5 31.7 19.8 Average Capacity Utilization 35.7 31.0 13.9 13.8 22.0 4.3 3.5 26.9 21.0 33.7 32.8 35.2 35.6 26.8 25.9 15.5 6. Business Outlook Index on Own Operations : Next Quarter Volume of Business Activity Index 75.0 77.3 47.5 56.3 56.0 62.9 74.6 68.5 71.3 82.9 80.4 71.5 68.6 68.2 63.6 60.2	Volume of Total Order Book Index	33.3	31.7	9.9	16.3	15.4	-5.0	2.8	19.5	22.6	33.8	37.8	34.5	30.6	25.0	29.8	14.6
Average Capacity Utilization 35.7 31.0 13.9 13.8 22.0 4.3 3.5 26.9 21.0 33.7 32.8 35.2 35.6 26.8 25.9 15.5 6. Business Outlook Index on Own Operations : Next Quarter Volume of Business Activity Index 75.0 77.3 47.5 56.3 56.0 62.9 74.6 68.5 71.3 82.9 80.4 71.5 68.6 68.2 63.6 60.2	Credit Access Index	-15.5	4.2	-12.9	-13.8	13.2	-2.8	-5.6	5.2	3.1	6.3	2.9	2.4	7.2	5.0	8.3	7.6
6. Business Outlook Index on Own Operations : Next Quarter Volume of Business Activity Index 75.0 77.3 47.5 56.3 56.0 62.9 74.6 68.5 71.3 82.9 80.4 71.5 68.6 68.2 63.6 60.2	Financial Condition Index	17.9	11.8	-3.0	-6.3	18.7	-2.1	-12.0	14.3	15.9	37.9	27.7	25.5	27.3	18.5	31.7	19.8
Volume of Business Activity Index 75.0 77.3 47.5 56.3 56.0 62.9 74.6 68.5 71.3 82.9 80.4 71.5 68.6 68.2 63.6 60.2	Average Capacity Utilization	35.7	31.0	13.9	13.8	22.0	4.3	3.5	26.9	21.0	33.7	32.8	35.2	35.6	26.8	25.9	15.5
·	6. Business Outlook Index on Own Ope	rations : Next Quart	er														
Employment Outlook Index 39.3 49.7 32.7 23.8 34.1 34.3 44.4 42.9 33.8 56.8 56.0 49.8 50.8 43.3 51.4 38.3	Volume of Business Activity Index	75.0	77.3	47.5	56.3	56.0	62.9	74.6	68.5	71.3	82.9	80.4	71.5	68.6	68.2	63.6	60.2
	Employment Outlook Index	39.3	49.7	32.7	23.8	34.1	34.3	44.4	42.9	33.8	56.8	56.0	49.8	50.8	43.3	51.4	38.3

TABLE E

BUSINESS EXPECTATIONS SURVEY

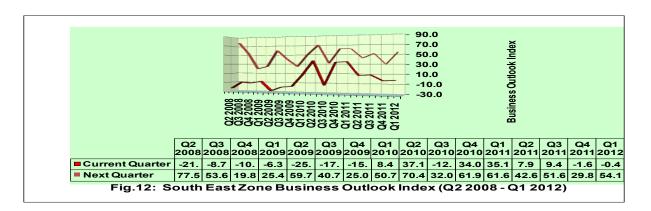
North West Zone

Second Present Present Presentation Presentat	Year	2	008			200	9			20:	10			20	011		2012
Table Tabl	_			Q4	Q1			Q4	Q1			Q4	01			Q4	_
Indicational Contribution Section 54,7 78,9	•			-	7-	-\-	-10	4.	ν-	ν-		7.	~-	7-			~-
Construction Sector				47.8	44.4	77.8	66.7	76.4	74.7	23.7	45.1	50.0	48.6	66.7	29.4	46.0	35.8
Montesiale and Fierall Trace Sub 73,9 47,2 41,4 71,4 81,5 81,0 81,0 81,5 81,5 81,6 81,6 81,5 81,6 81,5																	
Series Sector of which	Wholesale and Retail Trade	60.0	73.9		44.4	71.4	83.9		89.6	38.6	85.0	66.1	54.9	54.5	42.1	86.1	46.5
Financial Intermediation	Services Sector of which:	70.6	73.1	69.6	62.5	66.7	66.7			47.4	100.0	100.0	78.4	68.4	72.2		
Profess and Restaurants	Financial Intermediation	75.0	0.0	0.0	0.0	100.0	50.0	100.0	100.0	0.0	60.0	66.7	60.0	100.0	33.3		63.6
Renting and Business Activities	Hotels and Restaurants	75.0	60.9		66.7	61.5	65.0	80.0	71.4	36.4	56.3	28.2	55.6	42.9	22.0		
Community and Social Services Quality Qu	Renting and Business Activities		66.7	0.0								60.0	81.8	81.8	46.7	88.2	
Regimes Constraints: Current Quarter High Interest Rarte	•	0.0	0.0	83.3	100.0	0.0	70.0	50.0	66.7	28.6	80.0	100.0	60.0	50.0	77.8		58.3
Unclear Economic Laws																	
Unclear Economic Laws	High Interest Rate	43.5	50.1	53.5	57.8	48.8	58.6	58.8	63.2	60.0	61.7	55.6	57.6	52.7	38.6	44.1	49.7
Lock of Equipment 256	•		29.8										38.1				
Mathematic Mat																	
Access to Credit 292 194 94 94 181 288 421 370 393 449 395 411 334 324 290 379 426 516																	
Francial Problems																	
Competition																	
Lake Of Materials Input																	
Lack of Materials Input																	
Unfavourable Political Climate 149 130 213 256 359 511 349 346 256 402 363 324 366 336 259 474 327 529 1810																	
Unfavourable Economic Climate 38.1 38.5 41.1 45.6 48.2 52.5 49.8 44.6 50.6 47.7 44.4 43.8 29.6 47.4 69.8 64.0																	
Note																	
Susiness Expectation Indicators: Current Quarter																	
N/S Exchange Rate 22.6 2.00 6.9 4.50 4.4 4.93 4.14 5.1 4.18 4.4 4.82 4.7 4.6 3.6 3.6 16.9 4.7 1.7						7=	01.1	70.5	7011	00.5	00.1	01.2	03.3	77.5	02.1		0 110
Inflation Nate 41.7 24.2 25.7 11.3 7.7 30.7 33.8 27.4 29.2 29.7 14.1 17.8 7.9 28.5 22.7 24.0	•					-4 4	-193	-14 1	-5 1	-11 8	-14 4	-18 2	-87	-4 6	3.6	16 9	-13 7
Borrowing Rate 15.5 0.7 2.0 2.50 2.62 2.57 2.83 2.1 2.0 1.3 1.46 1.97 1.40 2.59 3.59 10. Business Expectation Index on Selected Economic Indicators: New Variation Rate 28.6 31.7 12.0 11.3 3.3 3.8	• • •																
10. Business Expectation Index on Selected Economic Indicators: Next Quarter N/S Exchange Rate 28.6 31.7 12.0 11.3 3.3 18.6 33.1 20.6 29.2 20.7 5.1 24.8 19.3 6.1 33.9 14.6 Inflation Rate 8.3 13.8 48.0 11.3 8.8 7.1 8.5 -27.4 5.6 -10.8 8.7 4.9 17.4 23.2 13.3 29.8 Borrowing Rate 7.1 1.4 3.0 6.3 31.7 -22.1 -12.7 -30.8 -11.2 -6.3 0.8 0.7 5.3 14.6 20.5 24.0 11. Percentage Distribution of Respondent Firms by Type of Business Importer 14.3 15.9 36.0 37.5 12.9 14.3 12.7 18.3 17.9 20.3 20.0 19.9 15.2 13.2 26.3 19.5 Exporter 14.3 15.9 36.0 37.5 12.9 14.3 12.7 18.3 17.9 20.3 20.0 19.9 15.2 13.2 26.3 19.5 Exporter 20.0 2.1 3.0 6.3 12. 4.3 4.2 5.1 7.2 2.7 5.5 3.5 2.7 1.1 1.8 4.9 Both Importer and Exporter 20.2 12.4 18.0 15.0 8.2 19.3 14.1 24.0 14.9 20.3 12.0 9.4 9.1 10.4 10.4 7.6 Neither Importer nor exporter 65.5 69.7 43.0 41.3 77.6 62.1 69.0 52.6 60.0 56.8 62.5 67.2 73.1 75.4 61.5 68.1 12. Percentage Distribution of Respondent Firms by Employment Size Small (S0) 61.9 64.8 72 72.5 67.1 67.1 68.3 60.0 72.3 66.2 66.9 76.3 78.8 72.5 77.7 75.1 Medium (50 and <200) 25.0 26.2 19 20 25.9 20.0 19.0 21.7 14.9 22.5 20.7 14.6 15.2 17.9 13.7 17.0 Large (200 and Up) 11.9 9.0 9 7.5 7.1 12.9 12.7 18.3 12.3 11.3 12.4 9.1 6.1 9.6 8.6 7.9 No Response 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 3. Distribution of Respondent Firms by Sector 18 52 23 18 36 54 55 75 76 91 116 109 90 85.0 100 109 Construction Sector 18 52 23 36 36 21 31 35 48 44 40 59 71 66 76 72 71 Services Sector of which: 43 53 39																	
N/S Exchange Rate 28.6 31.7 12.0 11.3 3.3 18.6 33.1 20.6 29.2 20.7 5.1 24.8 19.3 6.1 33.9 14.6 18.6 18.6 18.6 18.5							· · ·	20.0		· · ·			20		20		00.5
Mighatean Migh	•					3.3	18.6	33.1	20.6	29.2	20.7	5.1	24.8	19.3	6.1	33.9	14.6
Borrowing Rate 7.1 1.4 3.0 -6.3 -3.17 -2.21 -1.27 -3.0.8 -1.12 -6.3 0.8 0.7 5.3 14.6 20.5 24.0	=																
The Percentage Distribution of Respondent Firms by Type of Business Type of																	
Importer 14.3 15.9 36.0 37.5 12.9 14.3 12.7 18.3 17.9 20.3 20.0 19.9 15.2 13.2 26.3 19.5 Exporter 0.0 2.1 3.0 6.3 1.2 4.3 4.2 5.1 7.2 2.7 5.5 3.5 2.7 1.1 1.8 4.9 Both Importer and Exporter 20.2 12.4 18.0 15.0 8.2 19.3 14.1 24.0 14.9 20.3 12.0 9.4 9.1 10.4 10.4 7.6 Neither Importer nor exporter 65.5 69.7 43.0 41.3 77.6 62.1 69.0 52.6 60.0 56.8 62.5 67.2 73.1 75.4 61.5 68.1 12. Percentage Distribution of Respondent Firms by Employment Size Small (\$\infty\$) 61.9 64.8 72 72.5 67.1 67.1 68.3 60.0 72.3 66.2 66.9 76.3 78.8 72.5 77.7 75.1 Medium (\$\infty\$) and \$\infty\$0 and \$\infty\$0 0 25.0 26.2 19 20 25.9 20.0 19.0 21.7 14.9 22.5 20.7 14.6 15.2 17.9 13.7 17.0 Large (\$200\$ and \$Up) 11.9 9.0 9 7.5 7.1 12.9 12.7 18.3 12.3 11.3 12.4 9.1 6.1 96.6 8.6 7.9 No Response 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 13. Distribution of Respondent Firms by Sector All Sectors 84 145 100 80 85 140 142 175 195 222 275 287 264 280 278 329 Industrial Sector 18 52 23 18 36 54 55 75 76 91 116 109 90 85.0 100 109 Construction Sector 3 17 2 2 2 5 7 5 3 7 7 8 13 12 9 15 21 Wholesale and Retail Trade 20 23 36 36 21 31 35 48 44 40 59 71 66 76 72 71 Services Sector of which: 43 53 39 24 21 48 47 49 68 84 92 94 96 110 91 128 128 Services Sector of which: 43 53 39 24 21 48 47 49 68 84 92 94 96 110 91 128 128 Services Sector of which: 43 53 39 24 21 48 47 49 68 84 92 94 96 110 97 110 128 Services Sector of which: 43 53 39 24 21 48 47 49 68 84 92 94 96 110 97													•				
Exporter					37.5	12.9	14.3	12.7	18.3	17.9	20.3	20.0	19.9	15.2	13.2	26.3	19.5
Both Importer and Exporter 20.2 12.4 18.0 15.0 8.2 19.3 14.1 24.0 14.9 20.3 12.0 9.4 9.1 10.4 10.4 7.6 Neither Importer nor exporter 65.5 69.7 43.0 41.3 77.6 62.1 69.0 52.6 60.0 56.8 62.5 67.2 73.1 75.4 61.5 68.1 12. Percentage Distribution of Respondent Firms by Employment Size																	
Neither Importer nor exporter 65.5 69.7 43.0 41.3 77.6 62.1 69.0 52.6 60.0 56.8 62.5 67.2 73.1 75.4 61.5 68.1	'																
12. Percentage Distribution of Respondent Firms by Employment Size Small (<50) 61.9 64.8 72 72.5 67.1 67.1 68.3 60.0 72.3 66.2 66.9 76.3 78.8 72.5 77.7 75.1 Medium (50 and <200) 25.0 26.2 19 20 25.9 20.0 19.0 21.7 14.9 22.5 20.7 14.6 15.2 17.9 13.7 17.0 Large (200 and Up) 11.9 9.0 9 7.5 7.1 12.9 12.7 18.3 12.3 11.3 12.4 9.1 6.1 9.6 8.6 7.9 No Response 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.0 0.	· ·																
Small (<50) 61.9 64.8 72 72.5 67.1 67.1 68.3 60.0 72.3 66.2 66.9 76.3 78.8 72.5 77.7 75.1 Medium (50 and <200)							-										
Medium (50 and <200) 25.0 26.2 19 20 25.9 20.0 19.0 21.7 14.9 22.5 20.7 14.6 15.2 17.9 13.7 17.0 Large (200 and Up) 11.9 9.0 9 7.5 7.1 12.9 12.7 18.3 12.3 11.3 12.4 9.1 6.1 9.6 8.6 7.9 No Response 0.0 0.0 0 0.0 <t< td=""><td>-</td><td></td><td>-</td><td></td><td>72.5</td><td>67.1</td><td>67.1</td><td>68.3</td><td>60.0</td><td>72.3</td><td>66.2</td><td>66.9</td><td>76.3</td><td>78.8</td><td>72.5</td><td>77.7</td><td>75.1</td></t<>	-		-		72.5	67.1	67.1	68.3	60.0	72.3	66.2	66.9	76.3	78.8	72.5	77.7	75.1
Large (200 and Up) 11.9 9.0 9 7.5 7.1 12.9 12.7 18.3 12.3 11.3 12.4 9.1 6.1 9.6 8.6 7.9 No Response 0.0 0.																	
No Response 0.0 0.0 0 0 0.0	·																
13. Distribution of Respondent Firms by Sector All Sectors 84 145 100 80 85 140 142 175 195 222 275 287 264 280 278 329 Industrial Sector 18 52 23 18 36 54 55 75 76 91 116 109 90 85.0 100 109 Construction Sector 3 17 2 2 5 7 5 3 7 7 8 13 12 9 15 21 Wholesale and Retail Trade 20 23 36 36 21 31 35 48 44 40 59 71 66 76 72 71 Services Sector of which: 43 53 39 24 21 48 47 49 68 84 92 94 96 110 91 128	= : ::																
All Sectors 84 145 100 80 85 140 142 175 195 222 275 287 264 280 278 329 Industrial Sector 18 52 23 18 36 54 55 75 76 91 116 109 90 85.0 100 109 Construction Sector 3 17 2 2 5 7 5 3 7 7 8 13 12 9 15 21 Wholesale and Retail Trade 20 23 36 36 21 31 35 48 44 40 59 71 66 76 72 71 Services Sector of which: 43 53 39 24 21 48 47 49 68 84 92 94 96 110 91 128			0.0			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Industrial Sector 18 52 23 18 36 54 55 75 76 91 116 109 90 85.0 100 109 Construction Sector 3 17 2 2 5 7 5 3 7 7 8 13 12 9 15 21 Wholesale and Retail Trade 20 23 36 36 21 31 35 48 44 40 59 71 66 76 72 71 Services Sector of which: 43 53 39 24 21 48 47 49 68 84 92 94 96 110 91 128	· · · · · ·		145	100	80	85	140	142	175	195	222	275	287	264	280	278	329
Construction Sector 3 17 2 2 5 7 5 3 7 7 8 13 12 9 15 21 Wholesale and Retail Trade 20 23 36 36 21 31 35 48 44 40 59 71 66 76 72 71 Services Sector of which: 43 53 39 24 21 48 47 49 68 84 92 94 96 110 91 128																	
Wholesale and Retail Trade 20 23 36 36 21 31 35 48 44 40 59 71 66 76 72 71 Services Sector of which: 43 53 39 24 21 48 47 49 68 84 92 94 96 110 91 128																	
Services Sector of which: <u>43</u> <u>53</u> <u>39</u> <u>24</u> <u>21</u> <u>48</u> <u>47</u> <u>49</u> <u>68</u> <u>84</u> <u>92</u> <u>94</u> <u>96</u> <u>110</u> <u>91</u> <u>128</u>																	
Hotels and Restaurants 12 1 3 3 13 20 20 21 22 32 39 36 35 41 34 36				_			_					•					
Renting and Business Activities 8 23 0 0 0 10 8 6 19 28 20 11 11 15 17 16																	
Community and Social Services 2 3 12 4 0 10 2 6 7 10 9 5 4 9 7 24																	

Business Expectations Survey

First Quarter, 2012 South East Zone

Business Outlook



points. However, respondents were more optimistic respectively (Table F section 5). about business activities in the next quarter, at 54.1 points, the index rose significantly by 24.3 points above the level achieved in the previous quarter (Fig. 12).

The index of the construction sector was upswing at business activities (Table F section 8). 6.3 in the current quarter, while the indices of industrial and service sectors, moderated to 3.2 and 10.5 points, respectively, but wholesale and retail trade plummeted to -11.1 in the quarter under review (Table F section 2).

The financial condition index stood at 0.4 per cent in the current quarter, which was driven by the larger number of optimistic respondent firms. The industrial. construction and wholesale/retail sectors at 4.8, 12.5 and -4.4 index points recorded increases in its internal liquidity position, respectively, while the service sector at 8.8 index points, showed a moderation (Table F section 4).

Access to credit of respondents in the South East zone, improved significantly in Q1 2012, as the credit access index rose by 24.3 per cent to -6.5 points.

Respondent firms in the South East zone remain less Similarly, volume of business activity, volume of total optimistic on business activities in the quarter under book order and average capacity utilization indices review as overall confidence index stood at -0.4 index inched up to 2.1, 8.9 and 7.7 index points,

> Respondents in the zone cited insufficient power supply, high interest rate, financial problems, competition, unclear economic laws, access to credit among others as limiting factors to the growth of

> Respondent firms expect naira to appreciate, while inflation and borrowing rates would be expected to rise in the current and next quarters (Table F section 9&10).

> The respondent firms by type of business shows that "neither importer nor exporter" category constituted the majority with 72.4 per cent, followed by "importer" 19.9 per cent, "both importer and exporter" 7.3 per cent and "exporter" 0.4 per cent. (Table F section 11).

TABLE F

BUSINESS EXPECTATIONS SURVEY

South East Zone

Year	2008				200	19			20	10			2	011		2012
Quarter	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q4
1. Overall Business Outlook on the Macro	oeconomy															
Confidence Index: All Sectors																
Current Quarter																
South East	-21.8	-8.7	-10.3	-6.3	-25.8	-17.6	-15.9	8.4	37.1	-12.2	34.0	35.1	7.9	9.4	-1.6	-0.4
Next Quarter																
South East	77.5	53.6	19.8	25.4	59.7	40.7	25.0	50.7	70.4	32.0	61.9	61.6	42.6	51.6	29.8	54.1
2. Business Outlook Index on the Macros	economy by Sector: (Current (Quarter													
Industrial Sector	-77.8	5.1	0.0	0.0	-43.2	-18.9	-17.8	22.7	46.2	-18.4	18.4	30.2	-12.5	-14.3	17.6	3.2
Construction Sector	-100.0	20.0	-20.0	-20.0	-50.0	-25.0	0.0	-28.6	-80.0	16.7	14.3	55.6	-11.1	-12.5	-27.3	6.3
Wholesale and Retail Trade	-43.8	0.0	-14.8	-7.7	-8.3	-19.5	-10.8	-23.1	53.8	-16.7	31.4	41.7	4.3	7.0	-27.0	-11.1
Services Sector of which:	5.3	19.0	0.0	0.0	14.3	-5.0	-9.7	13.8	35.7	-7.1	20.7	22.2	13.9	25.8	11.5	10.5
Financial Intermediation	0.0	80.0	-20.0	-10.0	-20.0	-37.5	-27.3	72.7	87.5	60.0	100.0	61.1	57.1	33.3	33.3	0.0
Hotels and Restaurants	10.7	33.3	-5.3	-10.5	-35.3	-23.8	-10.0	0.0	24.0	-31.6	50.0	22.2	14.3	17.9	0.0	-4.7
Renting and Business Activities	33.3	-75.0	-100.0	-100.0	-100.0	-50.0	0.0	-25.0	60.0	16.7	66.7	100.0	75.0	75.0	-28.6	-66.7
Community and Social Services	27.3	0.0	-15.4	-33.3	-18.2	0.0	-60.0	-20.0	33.3	-9.1	57.1	22.2	36.4	30.0	-21.4	9.1
3. Business Outlook Index on the Macros	economy by Sector: I	Vext Qua	arter													
Industrial Sector	86.1	60.0	47.6	50.0	70.5	35.1	40.0	59.1	69.2	42.9	49.0	66.0	47.9	46.9	31.4	56.5
Construction Sector	83.3	100.0	30.0	40.0	75.0	50.0	40.0	57.1	0.0	66.7	85.7	88.9	77.8	100.0	45.5	56.3
Wholesale and Retail Trade	37.5	43.8	0.0	11.5	66.7	19.5	-8.1	3.8	84.6	12.5	57.1	47.2	12.8	25.6	-2.7	62.2
Services Sector of which:	84.2	47.6	20.8	12.0	42.9	57.5	29.0	51.7	71.4	21.4	41.4	48.1	30.6	38.7	38.5	57.9
Financial Intermediation	100.0	100.0	40.0	40.0	50.0	37.5	37.8	90.9	87.5	100.0	100.0	66.7	100.0	100.0	66.7	83.3
Hotels and Restaurants	71.4	100.0	15.8	26.3	76.5	57.1	40.0	50.0	60.0	36.8	78.6	63.0	46.4	60.7	54.5	51.2
Renting and Business Activities	83.3	100.0	0.0	0.0	-100.0	50.0	60.0	100.0	100.0	16.7	100.0	100.0	100.0	100.0	42.9	-33.3
Community and Social Services	90.9	100.0	0.0	-16.7	27.3	62.5	30.0	80.0	88.9	45.5	100.0	77.8	90.9	100.0	-7.1	27.3
4. Business Confidence Index on Own Op	erations by Sector: C	urrent C	(uarter													
Industrial Sector	-16.7	10	-4.8	0.0	-2.3	-21.6	-28.9	-18.2	7.7	-28.6	-10.2	17.0	-22.9	-30.6	-7.8	4.8
Construction Sector	-75.0	20	-20.0	0.0	-12.5	-12.5	-20.0	-42.9	0.0	16.7	14.3	44.4	-11.1	12.5	-9.1	12.5
Wholesale and Retail Trade	-37.5	-15.6	-18.5	-7.7	0.0	-26.8	-40.5	-34.6	23.1	-39.6	11.4	19.4	-10.6	-14.0	-29.7	-4.4
Services Sector	0.0	2.4	11.8	10.3	6.7	-22.5	-12.9	-34.5	21.4	-28.6	-3.4	-3.7	-33.3	-45.2	11.5	8.8
5. Business Outlook Index on Own Opera	tions : Current Quar	ter														
Volume of Business Activity Index	-12.7	-4.7	-1.6	-5.6	9.7	-14.2	-20.1	-9.1	33.3	-13.9	21.5	34.7	-9.0	-11.0	-3.7	2.1
Volume of Total Order Book Index	-5.6	-4.7	-11.9	-9.5	-8.1	-19.6	-22.0	-12.5	29.5	-19.2	18.5	19.8	-28.4	-15.4	-1.1	8.9
Credit Access Index	-21.1	-22.1	-28.6	-20.6	-8.9	-20.6	-38.4	-48.6	-12.4	-34.3	-6.0	-3.8	-29.0	-16.5	-30.8	-6.5
Financial Condition Index	-9.9	-2.7	0.0	4.0	1.6	-18.6	-21.3	-23.6	26.7	-25.0	8.3	20.4	-14.7	-15.9	-9.6	0.4
Average Capacity Utilization	0.0	0.0	-0.8	3.2	8.9	-1.5	-17.1	-5.5	34.3	-10.5	16.0	30.8	-3.6	-8.3	2.7	7.7
6. Business Outlook Index on Own Opera	tions : Next Quarter															
Valuma of Ducinass Activity Inday																
Volume of Business Activity Index	85.9	76.5	50.8	61.9	85.5	56.4	42.7	50.7	83.8	44.8	57.7	61.6	49.5	53.8	43.6	64.7

TABLE F

BUSINESS EXPECTATIONS SURVEY

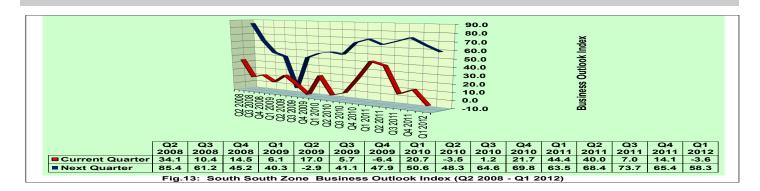
South East Zone

Year Year	2008			2009					20:	10			2012			
Quarter	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q4
7. Business with Expansion Plans (in pe		4-	٦.	~-	~-	4-	٦.	~-	~	Α-	<u> </u>	Α-		-	٦.	
Industrial Sector	55.6	67.5	66.7	65.0	20.5	46.6	20.0	40.9	38.5	34.7	34.7	-69.8	-54.2	-55.1	-29.4	-6.5
Construction Sector	83.3	80.0	40.0	50.0	12.5	50.0	20.0	42.9	-60.0	100.0	-71.4	-55.6	11.1	-25.0	-27.3	25.0
Wholesale and Retail Trade	37.5	46.9	14.8	15.4	41.7	24.4	10.8	19.2	-23.1	-29.2	-42.9	-77.8	-66.0	-58.1	-45.9	-2.2
Services Sector of which:	36.8	85.7	37.5	44.0	57.1	47.5	38.7	37.9	57.1	28.6	10.3	-63.0	-61.1	-67.7	-46.2	-5.3
Financial Intermediation	0.0	80.0	70.0	70.0	50.0	62.5	54.5	63.6	75.0	20.0	40.0	44.4	42.9	55.6	33.3	33.3
Hotels and Restaurants	25.0	58.3	42.1	47.4	29.4	52.4	35.0	50.0	28.0	-47.4	-28.6	-48.1	-28.6	-42.9	-15.2	7.0
Renting and Business Activities	16.7	75.0	50.0	50.0	100.0	25.0	100.0	0.0	60.0	33.3	33.3	100.0	50.0	50.0	71.4	33.3
Community and Social Services	0.0	0.0	23.1	16.7	9.1	25.0	30.0	0.0	-33.3	-45.5	-14.3	-55.6	-9.1	-20.0	-42.9	-27.3
8. Business Constraints: Current Quarte		0.0	23.1	10.7	3.1	25.0	30.0	0.0	33.3	73.3	14.5	33.0	J.1	20.0	72.3	27.5
High Interest Rate	 54.9	66.9	61.5	63.5	74.6	62.5	62.2	67.4	69.5	58.1	48.5	54.7	61.8	40.5	55.8	54.1
Unclear Economic Laws	55.3	49.3	21.8	38.1	50.8	42.2	25.9	41.7	56.6	56.1	39.9	40.2	50.6	31.3	34.3	42.7
Lack of Equipment	31.7	-17.2	-13.1	10.3	19.0	12.5	11.6	19.8	20.0	12.0	-1.3	3.8	25.8	20.1	5.0	6.9
Insufficient Demand	45.8	7.7	-23.0	7.5	-64.1	19.9	11.6	17.1	27.2	29.4	-92.6	4.2	22.6	18.2	2.2	12.2
Access to Credit	37.3	24.8	18.3	-65.1	-46.8	40.2	54.0	36.1	28.1	54.6	47.6	34.7	42.1	39.7	42.3	38.0
Financial Problems	56.0	43.9	23.8	40.9	53.6	50.0	55.2	55.3	45.8	56.1	51.2	42.7	54.0	51.7	46.8	51.2
Competition	51.8	9.8	10.7	26.6	45.2	29.2	30.8	34.4	48.5	40.5	34.0	24.3	30.2	30.8	29.8	44.5
Labor Problems	-13.4	-38.6	-34.1	-7.5	4.0	-7.4	-15.5	-4.5	-0.5	-0.6	-11.0	-9.6	-10.6	-12.1	-13.3	-7.45
Lack of Materials Input	25.0	-26.2	-20.2	1.6	18.1	9.6	6.1	14.2	18.6	20.9	-10.6	-2.2	13.5	17.4	3.4	-0.25
Unfavourable Political Climate	39.4	6.7	19.4	-64.3	28.2	42.2	32.3	32.4	40.0	50.7	13.1	5.6	34.0	26.7	3.4 19.5	21.8
Unfavourable Economic Climate	59.4 54.6	36.5	38.5	-04.5 49.6	-36.7	53.9	38.1	41.3	54.3	57.5	36.3	63.5	54.0 51.6	39.6	38.7	38.4
	82.7	73.8	63.9	69.8			82.0					18.5	87.4	77.3	74.7	79.9
Insufficient Power Supply O Business Expectation Index on Select					-7.7	74.8	02.0	85.1	40.1	84.6	61.0	10.3	07.4	//.5	74.7	79.9
9. Business Expectation Index on Select			19.0		F40	-18.1	9.8	18.8	27.7	12.2	20.8	24 5	7.9	16.5	2.7	12.4
N/\$ Exchange Rate	39.4	36.9		15.1	54.0							21.5			3.7	13.4
Inflation Rate	-14.1	-5.3	15.1	11.9	51.6	17.6	5.5	12.5	5.7	-24.4	6.0	1.6	-0.5	3.3	-1.6	50.4
Borrowing Rate 10. Business Expectation Index on Selection	-33.1	-18.8	-34.1	-34.9	-8.9	-12.7	-33.5	-27.1	6.6	-36.6	-35.2	2.2	-18.9	-13.2	-0.5	13.0
•			-29.4	-27.0	-25.8	13.2	15.2	0.7	56.2	-20.9	-23.8	11.5	-24.8	-18.7	-0.6	14.2
N/\$ Exchange Rate Inflation Rate	50.0	13.4														
	-52.1	-52.4	-21.4	-29.4	-79.8	-24.0	-20.7	-36.1	-18.1	23.8	3.6	-22.6	-18.4	-2.8	-14.3	14.2
Borrowing Rate 11. Percentage Distribution of Respond	-51.4	-26.2	-32.5	-34.9	-17.7	-24.5	-47.6	-29.9	6.7	-30.3	-1.2	-6.1	-5.8	-3.9	-18.6	5.7
•				20.4	0.1	20.4	21.1	20.0	7.0	17 /	10 F	10 1	27.4	20.0	22.2	10.0
Importer	33.1	20.8	31.7 0.0	29.4 0.0	8.1	28.4	31.1	20.8	7.6	17.4	18.5	18.1	27.4	20.9	22.3	19.9 0.4
Exporter	2.1				1.6	2.9	0.0		1.0	1.7	7.1	7.1	6.8	2.2	1.1	
Both Importer and Exporter	3.5	11.4	4.8	5.6	4.0	10.3	5.5	0.0	6.7	5.2	0.0	0.0	0.0	5.5	11.2	7.3
Neither Importer nor exporter	61.3	67.1	63.5	65.1	86.3	57.8	63.4	72.2	84.8	75.6	74.4	74.7	65.8	71.4	65.4	7 2.4
12. Percentage Distribution of Respond				76.2	70.0	76.0	02.2	71 E	76.2	76.2	72.6	76.0	01 <i>C</i>	70.7	60.1	60.1
Small (<50) Medium (50 and <200)	71.1	74.5 17.4	71.4 17.5	76.2 12.7	79.0 11.3	76.0 14.2	82.3	71.5 19.4	76.2 12.4	76.2 16.3	72.6 17.3	76.9 12.1	81.6 12.6	79.7	69.1 21.8	69.1 24.4
	20.4						14.0							16.5		
Large (200 and Up)	7.7	8.1	11.1	9.5	9.7	9.8	3.7	9.0	11.4	7.6	10.1	11.0	5.8	3.8	9.0	6.5
No Response	0.0	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13. Distribution of Respondent Firms by		422	426	426	424	204	464	444	405	470	460	400	400	400	400	246
All Sectors	142	122	126	126	124	204	164	144	105	172	168	182	190	182	188	246
Industrial Sector	36	40	21	20	44	74	45	44	26	49	49	53	48	49	51	62
Construction Sector	6	5	10	10	8	8	5	7	5	6	7	9	9	8	11	16
Wholesale and Retail Trade	16	32	27	26	12	41	37	26	13	48	35	36	47	43	37	45
Services Sector of which:	<u>84</u>	<u>45</u>	<u>68</u>	68	<u>60</u>	<u>81</u>	<u>77</u>	<u>67</u>	<u>61</u>	<u>69</u>	<u>77</u>	<u>84</u>	<u>86</u>	<u>82</u>	<u>89</u>	<u>123</u>
Financial Intermediation	1	5	10	10	10	8	11	11	8	5	10	18	7	9	9	6
Hotels and Restaurants	28	12	19	19	17	21	20	18	25	19	28	27	28	28	33	43
Renting and Business Activities	6	4	2	2	1	4	5	4	5	6	3	3	4	4	7	6
Community and Social Services	11	3	13	12	11	8	10	5	9	11	7	9	11	10	14	11

Business Expectations Survey

First Quarter, 2012 South South Zone

Business Outlook



pessimistic on business activities in the quarter under (Table G section 5). review as overall confidence index dropped to -3.6 index points, from the 14.1 points achieved in the previous quarter. However, respondents were less optimistic about business activities in the next quarter, at 58.3 points, the index dropped marginally by 7.1 points below the level achieved in the previous quarter (Fig. 13).

The indices the industrial. construction. wholesale/retail and services sectors declined to 0.0, -25.0, -8.3 and -1.2 index points, respectively, in the quarter under review (Table G section 2).

The financial condition index stood at 5.7 per cent in the current quarter, which was driven largely by the number of the less optimistic respondent firms. The construction and services sectors at 12.5 and 2.4 index points, respectively recorded downswings in their internal liquidity positions in 01,2012, while the industrial sector moderated to -2.2 points (Table G section 4).

At -10.9 points, access to credit of respondents in the South South zone, worsened in the first quarter of 2012, as against the level achieved in Q4, 2011. The anticipation of a worsening condition resulted in declines in the volume of total order book, volume of business activity and average capacity utilization

Respondent firms in the South South zone were indices to -2.2, 9.5 and 8.1 index points, respectively

Respondents in the zone cited insufficient power supply, financial problems, high interest rate, unfavourable economic climate and competitions as limiting factors to the growth of business activities (Table G section 8).

Respondent firms expect naira to depreciate in the current quarter, but appreciate in the next quarter. Inflation and borrowing rates are expected to rise in the current and next quarters (Table G sections 9&10).

The respondent firms by type of business shows that "neither importer nor exporter" category constituted 57.2 per cent, followed by the majority with "importer" 16.6 per cent, "both importer and exporter" 6.7 per cent and "exporter" firms 1.8 per cent (Table G section 11).

TABLE G

BUSINESS EXPECTATIONS SURVEY

South South Zone

Year	2008							2010			2011					
Quarter	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
1. Overall Business Outlook on the M	lacroeconomy															
Confidence Index: All Sectors																
Current Quarter																
South South	34.1	10.4	14.5	6.1	17.0	5.7	-6.4	20.7	-3.5	1.2	21.7	44.4	40.0	7.0	14.1	-3.6
Next Quarter																
South South	85.4	61.2	45.2	40.3	-2.9	41.1	47.9	50.6	48.3	64.6	69.8	63.5	68.4	73.7	65.4	58.3
2. Business Outlook Index on the Ma	croeconomy by Sect	or: Curren	t Quarte	er												
Industrial Sector	4.2	24.1	-23.1	0.0	62.5	17.1	-24.0	37.0	10.5	-11.6	40.0	45.2	45.9	-10.5	32.4	0.0
Construction Sector	0.0	36.4	-23.1	60.0	0.0	-16.7	-66.7	0.0	20.0	-100.0	100.0	50.0	50.0	14.3	62.5	-25.0
Wholesale and Retail Trade	71.4	0.0	75.0	16.7	41.7	0.0	0.0	8.3	-29.2	-1.8	33.3	36.0	40.4	12.5	22.4	-8.3
Services Sector of which:	33.3	15.4	23.1	0.0	50.0	-1.9	4.5	6.7	33.3	17.9	10.3	52.3	35.9	-3.4	-4.7	-1.2
Financial Intermediation	20.0	50.0	0.0	0.0	0.0	0.0	0.0	100.0	-50.0	20.0	20.0	80.0	42.9	13.3	-40.0	-44.4
Hotels and Restaurants	60.0	17.4	33.3	0.0	33.3	25.0	25.0	41.7	-23.5	14.3	13.3	46.2	50.0	61.5	25.0	13.0
Renting and Business Activities	85.7	-25.0	0.0	50.0	0.0	100.0	0.0	0.0	0.0	40.0	100.0	7.1	28.6	14.3	-75.0	0.0
Community and Social Services	100.0	0.0	33.3	-100.0	0.0	20.0	-50.0	-50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100
3. Business Outlook Index on the Ma	croeconomy by Sect	or: Next C	uarter													
Industrial Sector	75.0	46.7	66.7	72.7	0.0	40.0	40.0	74.1	68.4	65.1	53.3	45.2	75.7	73.7	56.8	67.4
Construction Sector	66.7	90.9	75.0	100.0	0.0	50.0	-25.3	33.3	20.0	100.0	100.0	100.0	50.0	50.0	100.0	50.0
Wholesale and Retail Trade	100.0	50.0	69.2	58.3	-8.3	21.2	64.6	37.5	45.8	61.4	80.0	76.0	65.4	75.0	70.7	47.9
Services Sector of which:	66.7	69.2	44.4	50.0	0.0	53.8	17.3	6.7	44.4	67.9	76.9	61.4	56.3	69.0	55.8	57.6
Financial Intermediation	100.0	100.0	0.0	0.0	0.0	0.0	4.0	100.0	50.0	60.0	40.0	100.0	100.0	80.0	40.0	55.6
Hotels and Restaurants	100.0	58.3	66.0	100.0	0.0	50.0	31.7	100.0	41.2	50.0	66.7	69.2	78.6	92.3	75.0	82.6
Renting and Business Activities	100.0	50.0	0.0	100.0	0.0	100.0	0.0	0.0	0.0	80.0	100.0	71.4	92.9	100.0	75.0	64.3
Community and Social Services	100.0	50.0	0.0	-50.0	0.0	30.0	12.0	-50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100
4. Business Confidence Index on Owr	Operations by Secto	r: Curren	t Quarte	r												
Industrial Sector	33.3	36.7	0.0	18.2	-62.5	14.3	-8.0	29.6	5.3	4.7	6.7	35.5	32.4	-28.9	-5.4	-2.2
Construction Sector	-46.7	45.5	-50.0	0.0	0.0	0.0	-66.7	33.3	40.0	-50.0	100.0	50.0	50.0	7.1	37.5	12.5
Wholesale and Retail Trade	35.7	30.0	30.8	8.3	-8.3	27.3	9.2	4.2	16.7	19.3	40.0	40.0	32.7	15.0	25.9	14.6
Services Sector	18.0	25.5	-11.1	-30.0	6.7	23.1	10.4	-20.0	0.0	10.7	17.9	18.2	32.8	-3.4	16.3	2.4
5. Business Outlook Index on Own O	perations : Current Q	uarter														
Volume of Business Activity Index	34.1	29.3	30.6	6.1	-11.4	19.9	14.9	24.2	23.6	19.3	34.9	24.7	36.8	22.6	28.1	9.5
Volume of Total Order Book Index	30.5	32.8	24.2	11.0	-14.3	25.5	10.6	19.5	15.3	14.3	19.9	37.1	37.4	13.5	22.2	-2.2
Credit Access Index	-9.8	3.5	-11.3	-7.3	-22.9	-3.5	-14.9	-3.4	-10.5	-31.7	-8.5	6.7	19.0	-17.2	-7.6	-10.9
Financial Condition Index	15.9	27.6	0.0	-3.7	-14.3	21.3	5.3	13.8	9.4	11.2	17.9	24.7	33.7	2.7	15.1	5.7
Average Capacity Utilization	23.2	32.8	14.5	9.8	-11.4	25.5	6.4	10.3	10.5	10.5	28.3	38.2	40.0	5.9	21.6	8.1
6. Business Outlook Index on Own Op	perations : Next Qua	ter														
Volume of Business Activity Index	89.0	81	54.8	43.9	31.4	53.2	72.3	74.8	84.7	72.6	78.3	68.5	80.0	76.9	77.9	71.8
Employment Outlook Index	36.6	50	4.8	11.0	17.1	48.9	37.2	26.4	56.4	41.6	53.8	53.4	55.8	47.9	46.5	51.9

TABLE G

BUSINESS EXPECTATIONS SURVEY

South South Zone

Year	2008				2009				2010			2012				
Quarter	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
7. Business with Expansion Plans (in p				<u> </u>				`	·		•	,	,	•	•	
Industrial Sector	75.0	76.7	76.9	81.8	25	65.7	48.0	77.8	-5.3	53.5	33.3	9.7	62.2	36.8	29.7	43.5
Construction Sector	93.3	90.9	75.0	80.0	0.0	33.3	66.7	33.3	-20.0	100.0	100.0	0.0	-100.0	14.3	75.0	0.0
Wholesale and Retail Trade	35.7	90.0	53.8	83.3	33.3	72.7	70.4	58.3	-12.5	64.9	66.7	76.0	46.2	50.0	51.7	27.1
Services Sector of which:	66.7	84.6	77.8	75.0	58.3	80.8	81.8	60.0	-5.6	71.4	69.2	34.1	56.3	48.3	53.5	22.4
Financial Intermediation	20.0	100.0	0.0	0.0	0.0	0.0	100.0	100.0	0.0	100.0	60.0	60.0	71.4	46.7	80.0	33.3
Hotels and Restaurants	50.0	91.7	66.7	50.0	0.0	75.0	75.0	91.7	-17.6	14.3	33.3	53.8	42.9	-23.1	30.0	21.7
Renting and Business Activities	100.0	87.5	0.0	75.0	0.0	100.0	0.0	0.0	0.0	80.0	100.0	85.7	85.7	100.0	0.0	85.7
Community and Social Services	100.0	50.0	100.0	100.0	0.0	60.0	50.0	0.0	0.0	61.5	0.0	0.0	0.0	100.0	20.0	0
8. Business Constraints: Current Quar																
High Interest Rate	69.5	53.8	49.2	36.6	37.1	34.4	45.2	51.2	57.0	62.1	50.5	51.9	63.1	53.2	58.5	50.2
Unclear Economic Laws	26.8	36.2	24.2	17.7	10.0	13.1	43.1	43.8	42.4	37.3	27.4	39.6	38.7	42.2	44.1	44.2
Lack of Equipment	11.0	28.0	19.4	10.4	-35.7	1.1	21.3	29.4	27.1	38.8	3.3	18.1	33.4	20.7	28.9	31.3
Insufficient Demand	-0.6	-1.7	9.7	7.3	27.1	-0.4	14.4	4.0	25.9	44.5	5.2	21.3	33.9	31.0	37.8	37.5
Access to Credit	14.0	39.7	27.4	14.6	-3.0	8.5	46.3	39.7	27.1	61.2	42.9	28.1	40.6	44.6	50.0	44.0
Financial Problems	47.0	46.1	-31.5	29.3	17.1	11.3	50.5	52.9	50.6	59.7	51.5	60.9	51.2	55.2	57.3	56.2
Competition	55.5	41.5	33.9	22.6	42.9	17.7	39.4	10.9	39.4	42.3	47.2	52.2	38.9	50.5	57.7	45.8
Labor Problems	-6.1	-16.1	-3.2	0.0	0.0	-8.5	-1.1	-2.3	2.3	11.5	0.0	23.9	22.3	19.9	9.2	26.9
Lack of Materials Input	-0.6	3.9	23.4	7.3	-20.0	-7.8	12.2	15.5	16.0	19.0	-6.2	-2.6	28.2	18.5	20.0	31.6
Unfavourable Political Climate	12.8	9.1	20.2	8.0	7.1	-20.2	32.4	44.9	26.5	29.8	33.5	4.5	34.2	39.8	44.9	42.8
Unfavourable Economic Climate	20.1	38.4	33.1	16.5	-7.1	-24.8	56.4	62.7	27.7	51.9	34.9	35.8	45.4	40.1	50.6	48.5
Insufficient Power Supply	17.1	79.4	39.5	27.4	27.4	5.7	56.9	76.0	61.2	76.1	64.6	66.6	81.9	72.3	70.3	68.5
9. Business Expectation Index on Sele					27.17	3.7	30.3	70.0	01.2	70.1	04.0	00.0	01.5	72.5	70.5	00.5
N/\$ Exchange Rate	-11.0	19.0	-29.0	-4.9	-20.0	5.7	7.4	-5.1	22.3	11.8	13.2	42.2	19.5	12.0	2.1	-16.2
Inflation Rate	39.0	28.0	12.9	13.4	28.6	48.2	-3.2	27.4	29.4	11.8	13.1	11.8	10.0	1.1	-1.6	34.6
Borrowing Rate	30.5	-2.0	4.8	-3.7	34.3	40.4	1.1	-1.1	2.3	6.9	2.8	32.0	-11.5	-1.6	25.4	10.3
10. Business Expectation Index on Se					0					0.0		02.0				
N/\$ Exchange Rate	23.2	20.7	1.6	1.2	-11.4	5.0	38.3	20.6	21.2	21.7	20.7	43.9	11.6	21.5	29.7	13.8
Inflation Rate	11.0	6.9	22.6	6.1	42.9	22.7	19.1	10.3	10.5	26.7	10.3	39.9	18.9	0.5	4.8	9.2
Borrowing Rate	22.0	-12.1	-1.6	-2.4	31.4	33.3	-12.8	-30.8	-2.3	21.1	-1.0	15.1	0.0	-24.2	6.5	2.5
11. Percentage Distribution of Respo												-				
Importer	15.9	20.7	30.7	6.1	11.4	17.7	24.5	24.1	21.2	26.1	15.1	14.0	15.3	18.8	17.3	16.6
Exporter	9.8	1.7	3.2	46.0	0.0	9.9	2.1	2.3	2.4	0.6	0.9	0.6	1.1	2.2	2.2	1.8
Both Importer and Exporter	14.6	17.2	6.6	7.7	5.7	7.8	12.8	10.3	15.3	12.4	15.1	18.5	10.0	8.1	13.0	6.7
Neither Importer nor exporter	59.8	56.0	59.7	40.2	82.9	64.5	60.6	63.2	61.2	60.9	67.9	66.9	73.7	71.0	67.6	57.2
12. Percentage Distribution of Respo																
Small (<50)	70.7	85.3	59.7	43.9	77.1	76.6	74.5	81.6	72.9	80.7	75.5	77.0	83.2	74.2	75.7	82.0
Medium (50 and <200)	20.7	11.2	30.6	7.3	14.3	18.4	11.7	14.9	20.0	12.4	19.8	18.5	12.1	17.7	17.3	8.8
Large (200 and Up)	8.5	3.4	9.7	7.3	8.6	5.0	13.8	3.4	7.1	6.8	4.7	4.5	4.7	8.1	7.0	9.2
No Response	0.0	0.0	0.0	0.0	0.0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13. Distribution of Respondent Firms	by Sector															
All Sectors	. 82	100	48	48	35	141	94	87.0	85	161	106	178	190	186	185	283
Industrial Sector	24	30	13	11	8	35	25	27.0	19	43	15	31	37	38	37	46
Construction Sector	15	11	4	5	0	6	3	6.0	5	4	1	2	2	14	8	8
Wholesale and Retail Trade	14	10	13	12	12	33	27	24.0	24	57	30	25	52	40	58	96
Services Sector of which:	<u>29</u>	<u>49</u>	<u>18</u>	<u>20</u>	<u>15</u>	<u>67</u>	<u>39</u>	30.0	37	<u>57</u>	<u>60</u>	120	<u>99</u>	94	<u>82</u>	<u>133</u>
Financial Intermediation	5	2	0	0	0	0	1	1.0	2	5	5	5	7	15	10	9
Hotels and Restaurants	10	24	6	6	3	4	12	12.0	17	14	15	13	14	13	20	23
Renting and Business Activities	7	8	0	4	0	1	0	0.0	0	10	1	14	14	7	4	14
Community and Social Services	4	2	3	2	0	10	4	2	0	0	0	0	0	1	5	2

Business Expectations Survey

First Quarter, 2012 South West Zone

Business Outlook

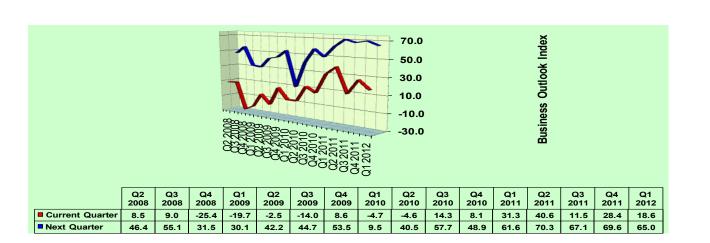


Fig.14: South West Business Outlook Index (Q2 2008 - Q1 2012)

points, down by 9.8 and 4.6 points above the level 31.0 index points, respectively (Table H section 5). achieved in the previous quarter (Fig. 14).

construction sector indices moderated to 24.0, 14.4 business activities (Table H section 8). and 6.3 index points in the guarter under review (Table H section 2).

22.0 per cent, which was driven largely by the current and next quarters (Table H section 9&10). number of the less optimistic respondent firms. The services, industrial, wholesale/Retail and construction sector at 31.3, 19.2, 14.4 and 6.3 index points recorded downswing in their internal liquidity positions, when compared with the preceding quarter index (Table H sections 4&5).

Access to credit of respondents in the South West zone, stood at 16.6 points in the current guarter. It

Respondent firms in the South West zone were represented a decline of 12.4 points compared with moderately optimistic on business activities in the the level in the preceding quarter. This resulted in a quarter under review and the next quarter as overall downswing in volume of business activity and average confidence index dropped to 18.6 and 65.0 index capacity utilization indices which fell to 32.1 and

Respondents in the zone cited insufficient power The index of the industrial sector inched up to 17.8 supply, high interest rate, financial problems and index point, while the services, wholesale/retail and competition as limiting factors to the growth of

Respondent firms expect naira to depreciate in the current quarter and appreciate in the next quarter, The financial condition in the current quarter stood at while inflation and borrowing rates would rise in the

> The respondent firms by type of business shows that "neither importer nor exporter" category constituted the majority with 66.2 per cent, followed by "importer" 19.8 per cent, "both importer and exporter" 11.5 per cent and "exporter" firms 2.6 per cent (Table H section 11).

TABLE H

BUSINESS EXPECTATIONS SURVEY

South West Zone

Year	2008						20)10		2011				2012		
Quarter	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
1. Overall Business Outlook on the Macr	oeconomy			,					,							
Confidence Index: All Sectors																
Current Quarter																
South West	8.5	9.0	-25.4	-19.7	-2.5	-14.0	8.6	-4.7	-4.6	14.3	8.1	31.3	40.6	11.5	28.4	18.6
Next Quarter																
South West	46.4	55.1	31.5	30.1	42.2	44.7	53.5	9.5	40.5	57.7	48.9	61.6	70.3	67.1	69.6	65.0
2. Business Outlook Index on the Macro	2. Business Outlook Index on the Macroeconomy by Sector: Current Quarter															
Industrial Sector	13.9	5.1	-37.5	-32.9	-14.5	-24.1	-3.8	-15.1	8.3	29.6	13.5	43.4	45.3	40.0	7.1	17.8
Construction Sector	-7.4	56.5	-28.6	-44.4	-25.0	-15.4	44.4	16.7	-2.6	30.0	-13.3	30.8	36.4	-3.8	20.2	6.3
Wholesale and Retail Trade	-4.8	0.0	-5.8	-18.4	8.0	14.9	-6.8	-19.6	-12.1	-3.8	9.0	22.1	39.1	1.5	20.9	14.4
Services Sector of which:	9.2	-8.3	-41.2	-18.2	5.2	-23.4	17.0	15.8	0.0	8.0	0.0	33.8	35.9	30.0	50.0	24.0
Financial Intermediation	100.0	0.0	-100.0	-100.0	0.0	-33.3	20.0	0.0	14.3	60.0	33.3	40.0	64.3	23.1	41.2	-25.0
Hotels and Restaurants	8.3	-37.5	-40.0	-18.2	-16.7	-11.8	6.3	-37.5	-25.0	4.5	4.8	27.8	41.2	40.0	50.0	35.5
Renting and Business Activities	63.6	-50.0	0.0	-18.2	0.0	0.0	25.0	20.0	-28.6	20.0	50.0	-20.0	14.3	0.0	50.0	17.6
Community and Social Services	12.5	-54.5	0.0	-14.3	0.0	-50.0	45.5	-20.0	-4.7	25.0	0.0	-20.0	-100.0	11.5	28.3	42.9
3. Business Outlook Index on the Macroeconomy by Sector: Next Quarter																
Industrial Sector	32.9	56.5	18.8	30.7	41.0	39.2	57.7	0.0	44.4	56.3	51.4	49.4	72.7	90.0	50.0	57.5
Construction Sector	48.1	69.6	71.4	44.4	50.0	30.8	88.9	0.0	33.3	75.0	40.0	53.8	66.7	76.3	66.0	56.3
Wholesale and Retail Trade	34.9	57.1	40.4	53.1	58.0	59.6	40.9	6.5	48.7	48.1	52.8	76.6	68.8	54.5	74.6	60.8
Services Sector of which:	47.1	40.4	32.4	21.9	46.6	44.7	41.5	24.6	32.8	57.3	47.8	69.2	85.7	50.0	60.0	71.9
Financial Intermediation	100.0	0.0	100.0	100.0	0.0	0.0	40.0	37.5	0.0	80.0	66.7	53.3	82.4	69.2	64.7	50.0
Hotels and Restaurants	83.3	56.3	20.0	45.5	8.3	58.8	81.3	-18.8	53.6	59.1	38.1	72.2	71.4	60.0	100.0	71.0
Renting and Business Activities	81.8	0.0	70.0	-9.1	0.0	50.0	62.5	26.7	0.0	80.0	25.0	0.0	0.0	16.7	50.0	82.4
Community and Social Services	75.0	27.3	-12.5	-7.1	0.0	12.5	72.7	-20.0	28.6	75.0	0.0	0.0	0.0	67.1	69.6	85.7
4. Business Confidence Index on Own Oլ	perations by Sector: Cui	rent Quart	er													
Industrial Sector	-37.0	8.6	-10.9	-6.6	-8.1	-5.1	5.8	-18.9	-1.6	29.6	23.0	27.7	0.0	20.0	37.8	19.2
Construction Sector	3.7	31.8	0.0	0.0	25.0	-7.7	22.2	25.0	-16.7	45.0	13.3	15.4	23.0	20.0	28.6	6.3
Wholesale and Retail Trade	-6.3	-10.9	0.0	-16.3	4.0	10.9	6.8	13.0	-10.3	2.5	15.7	7.8	29.7	31.8	21.3	14.4
Services Sector	-4.5	8.6	-5.2	-20.2	1.4	-2.1	20.8	-17.5	-1.7	1.3	-1.4	32.3	100.0	30.0	40.3	31.3
5. Business Outlook Index on Own Opera	ations : Current Quarte	•														
Volume of Business Activity Index	23.1	22.8	-5.5	-7.1	11.6	3.1	8.6	-13.7	0.4	26.4	26.4	42.7	49.4	26.2	35.7	32.1
Volume of Total Order Book Index	22.0	17.9	-9.4	-5.2	9.5	-2.2	3.5	-18.4	-3.3	22.9	29.6	40.6	40.5	25.0	33.2	37.2
Credit Access Index	1.4	5.7	-19.9	-23.0	-11.1	-6.1	-9.1	-23.6	-18.1	3.8	8.4	12.5	25.7	26.2	29.0	16.6
Financial Condition Index	-12.2	9.0	-5.5	-11.2	-0.5	-5.7	10.6	-13.2	-1	15.0	15.1	25.0	27.4	21.1	34.6	22.0
Average Capacity Utilization	11.2	16.7	7.2	-3.0	17.1	8.8	24.2	10.8	11.1	27.5	28.5	30.2	36.5	32.1	42.3	31.0
6. Business Outlook Index on Own Opera	ations : Next Quarter															
Volume of Business Activity Index	71.2	67.8	53.0	49.1	67.3	55.7	65.7	28.3	60	75.4	61.2	81.2	81.1	78.1	73.8	76.8
Employment Outlook Index	47.1	37.9	21.5	16.7	34.7	33.8	33.8	28.3	31.6	46.5	44.7	54.1	58.8	57.2	56.0	49.8

					T/	ABLE H	l									
BUSINESS EXPECTATIONS SURVEY																
South West Zone																
Year	20	-		- 1	2009					010				011	1	2012
Quarter	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
7. Business with Expansion Plans (in p			54. C	F3 C	CC 4	F2 2	F2.0	60.4	47.5	40.0	46.2	25.2	20.0	20.2	27.0	20.0
Industrial Sector	80.6	62.4	51.6	52.6	66.1	53.2	53.8	60.4	17.5	40.8	16.2	25.3	38.9	26.3	27.0	26.0
Construction Sector	63.0	56.5	14.3	55.6	50.0	69.2	77.8	66.7	66.7	30.0	6.7	38.5	9.1	40.0	57.1	62.5
Wholesale and Retail Trade	75.8	67.2	67.3	72.9	70.6	63.8	77.3	67.4	33.3	31.6	19.1	71.4	58.6	60.0	38.3	44.3
Services Sector of which:	77.0	58.3	67.6	60.6	72.4	59.6	56.6	59.6	34.5	48.1	33.3	35.4	31.3	51.5	28.4	31.3
Financial Intermediation	100.0	0.0	100.0	100.0	0.0	100.0	60.0	75.0	50.0	20.0	33.3	-6.7	57.1	0.0	80.0	16.7
Hotels and Restaurants	83.3	56.3	80.0	90.9	58.3	76.5	56.3	56.3	42.9	9.1	4.8	22.2	29.4	38.5	17.6	22.6
Renting and Business Activities	100.0	50.0	70.0	90.9	0.0	100.0	62.5	60.0	0.0	60.0	50.0	20.0	42.9	80.0	100.0	41.2
Community and Social Services	100.0	54.5	75.0	46.4	100.0	100.0	63.6	80.0	42.9	50.0	0.0	60.0	100.0	66.7	100.0	71.4
8. Business Constraints: Current Quart		-0.0	^										_			
High Interest Rate	61.2	59.6	55.0	46.8	62.0	52.6	60.6	63.2	66.9	62.3	64.5	55.2	61.8	54.0	57.5	59.0
Unclear Economic Laws	40.2	31.7	36.5	28.6	35.4	27.2	30.8	45.3	40.3	44.1	38.5	35.4	22.6	23.7	24.5	29.4
Lack of Equipment	20.2	2.9	17.7	17.7	13.6	12.3	18.4	32.8	23.3	25.2	28.1	10.4	11.9	23.4	24.6	26.3
Insufficient Demand	19.3	1.5	23.2	29.7	18.6	10.7	37.1	23.8	26.3	27.8	31.0	19.3	36.6	25.4	37.7	38.3
Access to Credit	31.7	13.9	14.9	12.3	27.4	44.3	38.4	55.9	32.3	50.8	47.1	31.5	45.2	42.5	45.0	34.3
Financial Problems	40.0	38.4	42.3	42.0	49.5	52.6	48.7	62.9	50.1	50.8	50.9	42.2	52.7	48.8	56.7	48.5
Competition	33.6	45.5	40.9	34.2	42.5	37.9	43.9	25.8	37.5	35.5	29.9	37.5	-56.3	31.5	37.8	41.7
Labour Problems	3.1	-8.0	-3.3	-4.5	-2.0	-5.7	-6.6	14.8	-3.4	1.4	-3.0	3.6	2.9	2.6	0.9	6.4
Lack of Materials Input	12.9	-2.9	19.1	18.0	9.8	-0.4	16.4	23.4	11.0	11.3	13.6	10.0	15.6	16.1	21.6	25.7
Unfavourable Political Climate	34.1	25.2	24.9	22.5	27.1	38.2	39.1	38.1	41.2	42.8	26.4	24.3	16.8	22.4	21.1	20.4
Unfavourable Economic Climate	49.7	38.6	46.4	40.9	44.7	58.3	56.6	42.0	46.1	49.2	37.2	32.2	22.9	23.2	23.6	28.4
Insufficient Power Supply	74.6	46.8	40.9	32.5	56.0	74.3	50.0	63.7	76.6	75.3	80.5	58.8	73.7	75.8	67.9	74.4
9. Business Expectation Index on Sele																
N/\$ Exchange Rate	17.3	9.0	-16.0	-12.6	8.0	-15.4	-16.7	17.0	-26.1	0.0	-11.3	-13.2	-24.7	-9.6	2.5	-0.3
Inflation Rate	24.4	31.1	30.4	15.6	16.1	17.1	27.8	9.9	-0.5	7.2	11.3	23.2	32.7	26.2	17.1	31.2
Borrowing Rate	-3.7	17.9	6.1	11.9	8.5	3.1	11.6	3.7	-0.5	-1.3	8.1	-8.5	-10.8	29.4	29.0	34.3
10. Business Expectation Index on Sel																
N/\$ Exchange Rate	26.1	20.5	9.9	9.7	26.6	19.7	4.0	0.9	18.6	14.5	2.1	17.8	45.6	19.4	13.0	28.4
Inflation Rate	-2.4	-0.4	6.1	10.8	1.5	7.9	17.7	6.7	2.3	4.8	-9.5	35.2	18.5	-16.7	-12.6	2.6
Borrowing Rate	-16.9	10.2	-3.9	5.6	6.0	4.4	21.7	-5.2	-0.9	-3.5	4.2	-6.4	7.1	5.2	16.5	7.1
11. Percentage Distribution of Respon																
Importer	18.6	20.8	32.0	22.3	18.1	19.3	46.5	34.4	21.9	14.6	14.8	17.8	16.6	26.2	17.5	19.8
Exporter	3.7	7.3	2.8	3.3	7.0	3.9	5.6	7.5	5.6	1.4	1.1	2.8	3.4	2.0	1.0	2.6
Both Importer and Exporter	27.5	22.0	14.9	5.9	15.6	25.0	13.6	15.1	14.4	16.7	15.1	11.0	10.1	9.5	14.3	11.5
Neither Importer nor exporter	48.8	49.8	50.3	68.4	59.3	51.8	34.3	42.9	58.1	67.4	69.0	68.3	69.9	62.3	67.1	66.2
12. Percentage Distribution of Respon																
Small (<50)	59.7	64.5	64.1	60.6	64.3	66.2	56.6	52.8	67.4	75.7	74.6	77.6	75.0	76.6	76.2	78.5
Medium (50 and <200)	19.0	20.4	24.3	29.8	18.1	17.1	22.2	30.2	20.5	14.6	13.4	11.4	11.8	10.3	12.2	13.2
Large (200 and Up)	21.0	14.7	11.6	9.6	13.6	16.7	21.2	17.0	12.1	9.4	12.0	11.0	13.2	13.1	11.5	7.7
No Response	0.3	0.4	0.0	0.0	4.0	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0
13. Distribution of Respondent Firms	•															
All Sectors	295	285	181	218	191	228	198	212	215	288	284	281	296	252	286	349
Industrial Sector	73	117	64	76	62	79	52	53	63	71	74	83	95	57	74	73
Construction Sector	27	23	7	9	4	13	9	12	12	20	15	13	11	10	14	16
Wholesale and Retail Trade	63	64	52	49	51	47	44	46	39	79	89	77	87	80	94	97
Services Sector of which:	<u>132</u>	<u>81</u>	<u>58</u>	<u>84</u>	<u>74</u>	<u>89</u>	<u>93</u>	<u>101</u>	<u>101</u>	<u>118</u>	<u>106</u>	<u>108</u>	<u>103</u>	<u>105</u>	<u>104</u>	<u>163</u>
Financial Intermediation	2	0	1	1	0	3	5	8	4	10	12	15	14	10	10	12
Hotels and Restaurants	24	16	5	11	12	17	16	16	28	22	21	18	17	13	17	31
Renting and Business Activities	11	6	10	11	0	14	8	15	4	5	4	5	7	10	8	17
Community and Social Services	8	11	8	28	4	8	11	5	7	4	0	5	1	6	2	7