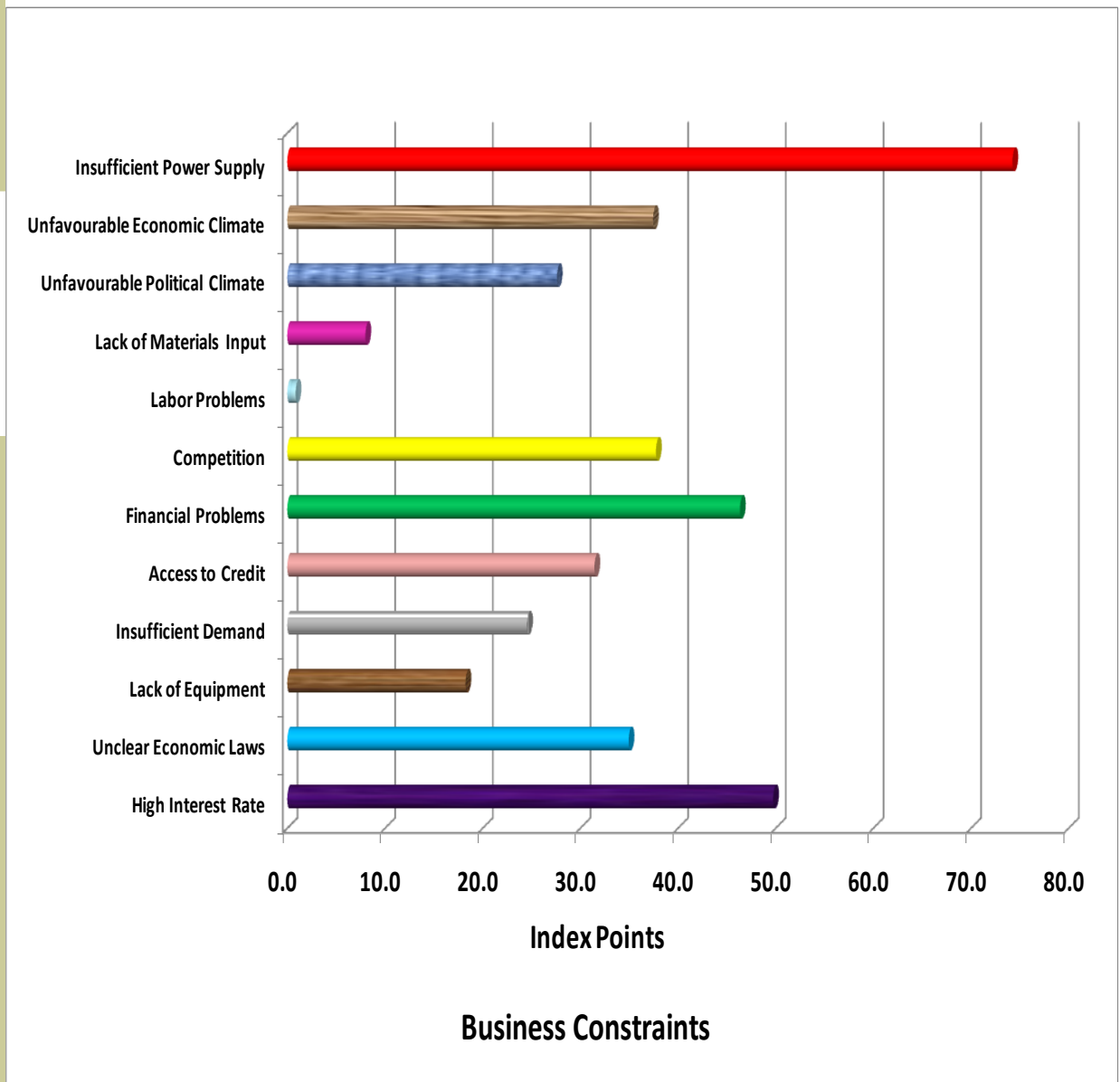


Business Expectations Survey

1st Quarter 2012



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



TABLE A

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

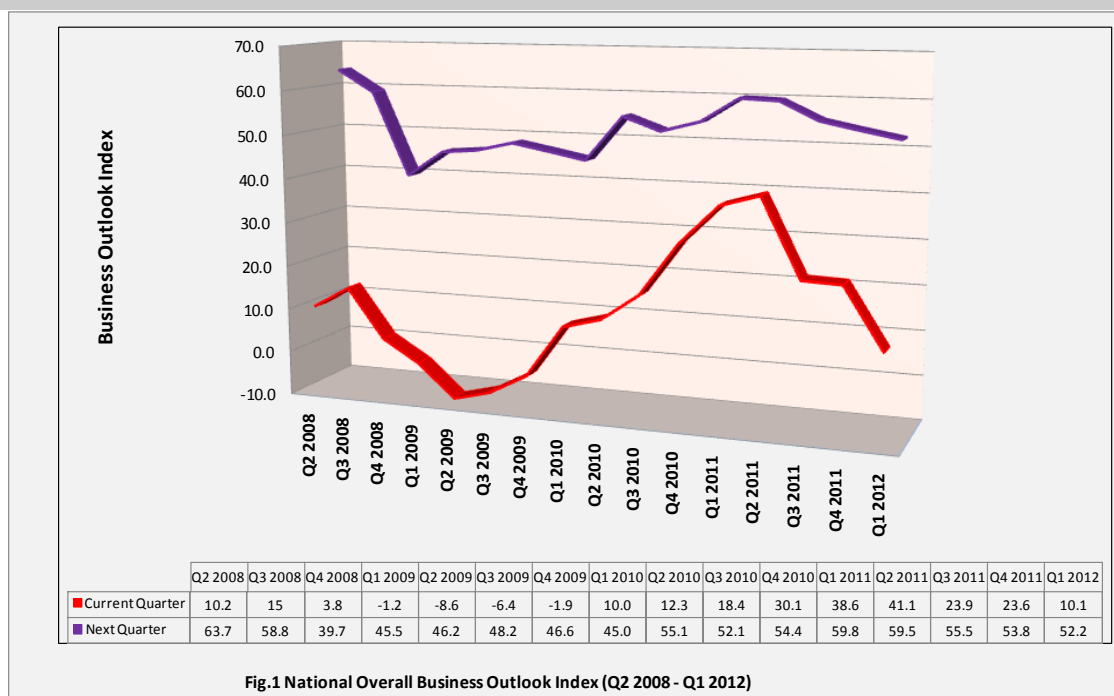
About the Survey

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

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

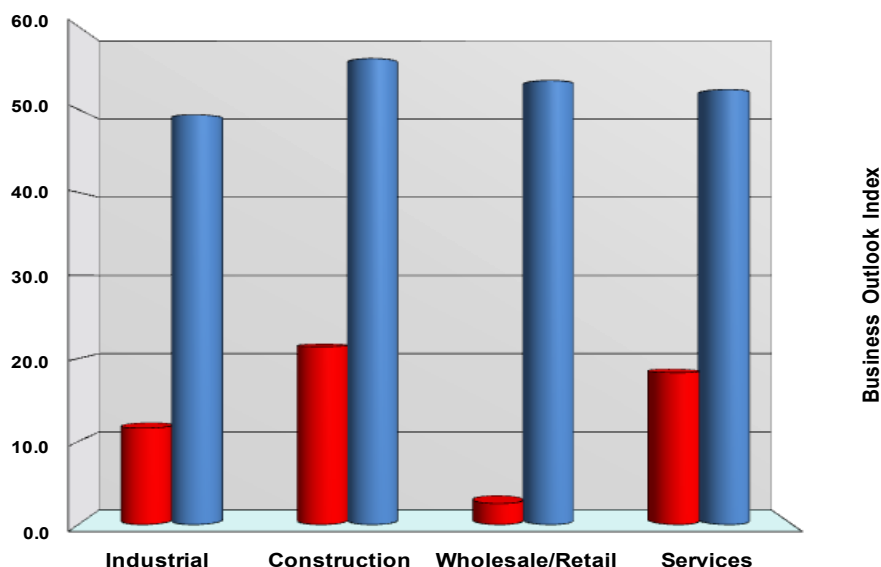


Business outlook continue to be less optimistic in both Q1 and Q2 2012

Respondent firms were slightly less optimistic on the macro economy in the quarter under review as overall confidence index (CI)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
■ 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

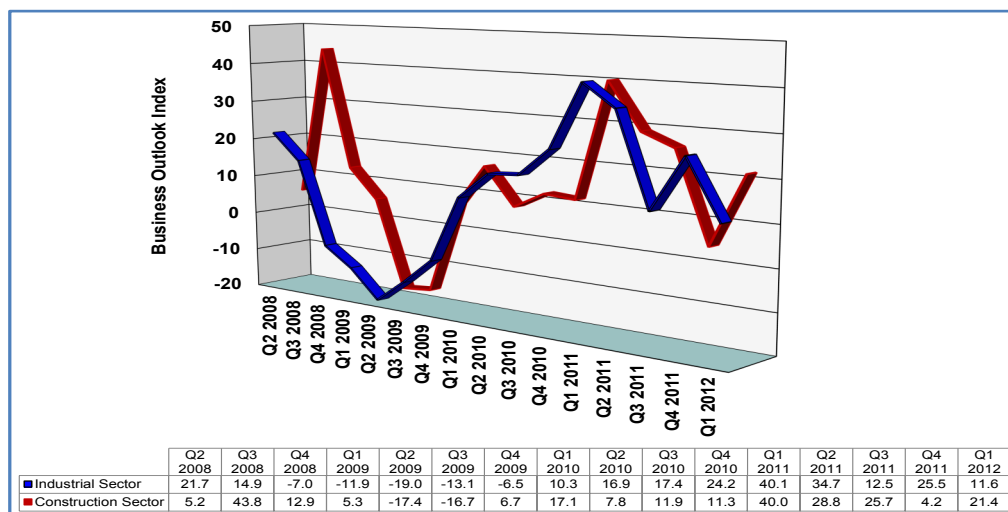


Fig.3a: Current Quarter Business Outlook Index by Sector
Q2 2008 - Q1 2012

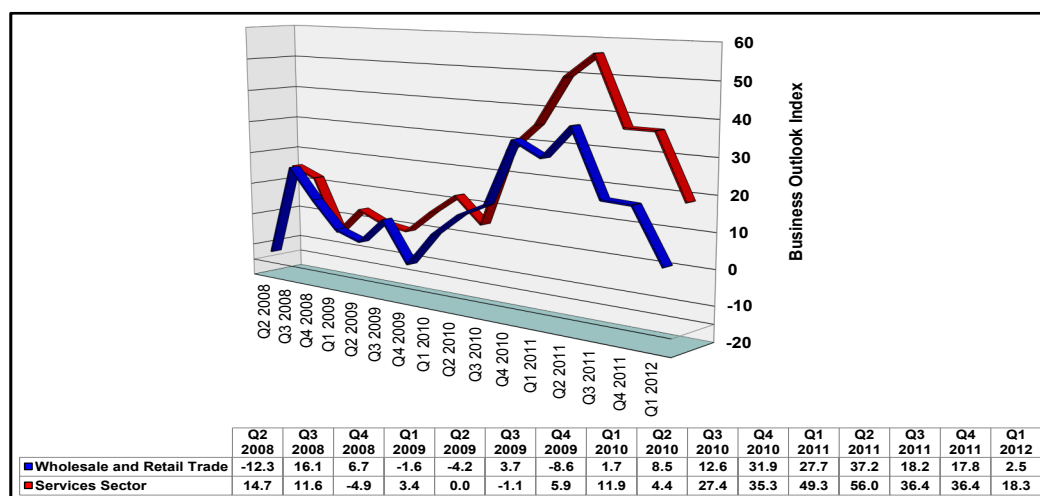


Fig. 3b: Current Quarter Business Outlook Index by Sector
Q2 2008 - Q1 2012

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

Business Confidence on Own Operations by Sector

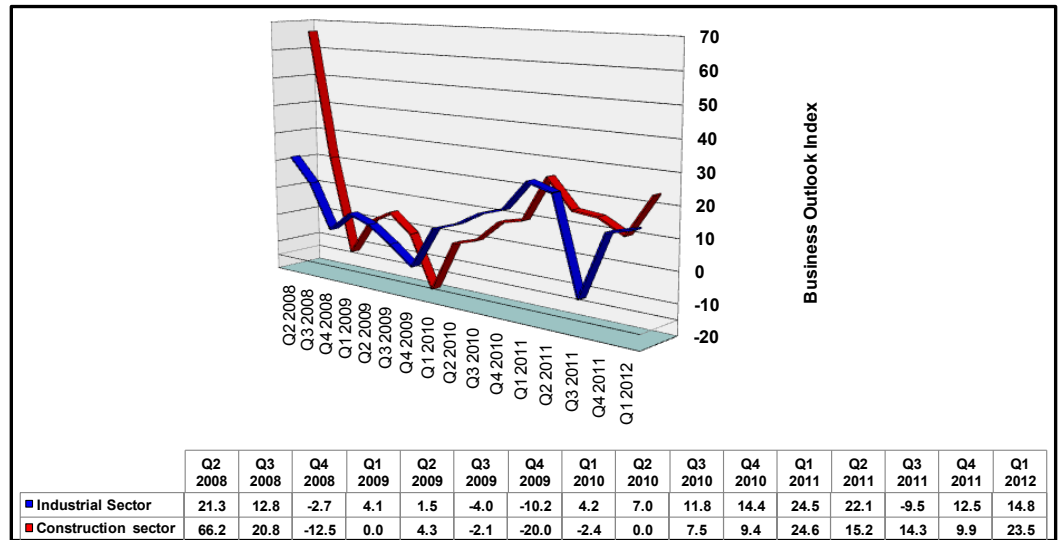


Fig. 3c: Current Quarter Business Outlook Index on Own Operations by Sector
Q2 2008 - Q1 2012

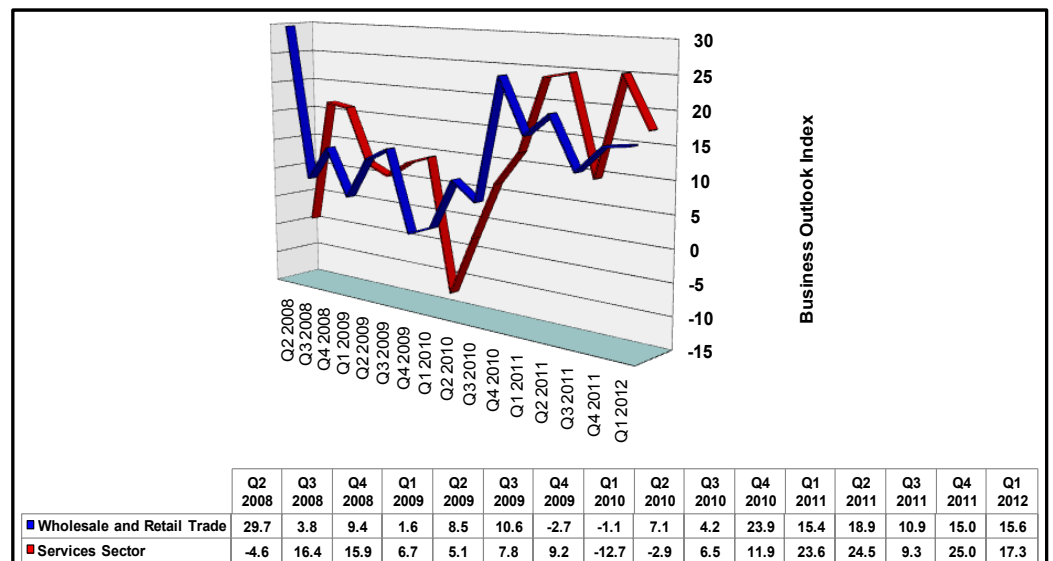


Fig. 3d: Current Quarter Business Outlook Index on Own Operations by Sector
Q2 2008 - Q1 2012

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).

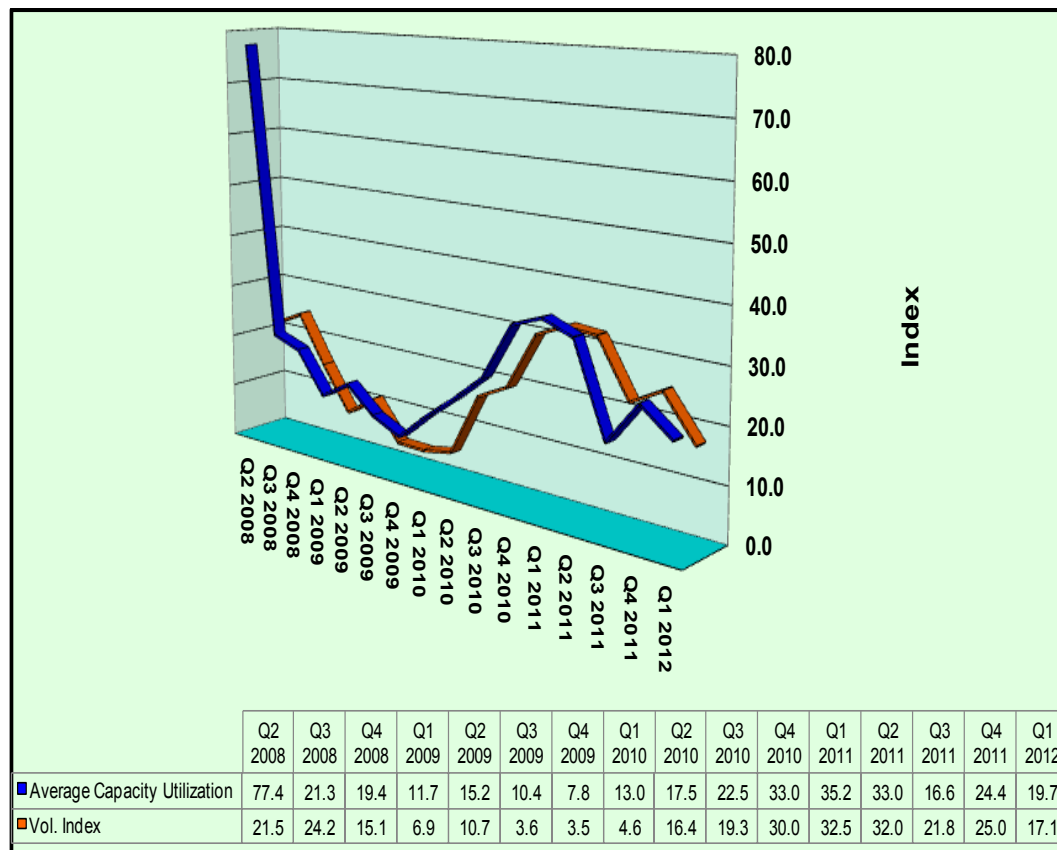


Fig. 4 Volume and Average Capacity Utilization Index (Q2 2008 - Q1 2012)

Access to Credit and Financial Condition

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

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).

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

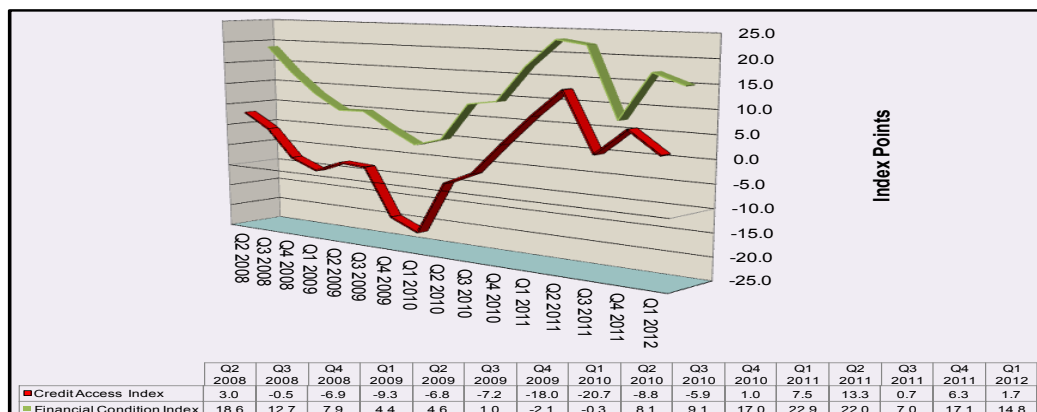


Fig. 5: Business Outlook Index on own operations: Access to Credit versus Financial Condition

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).

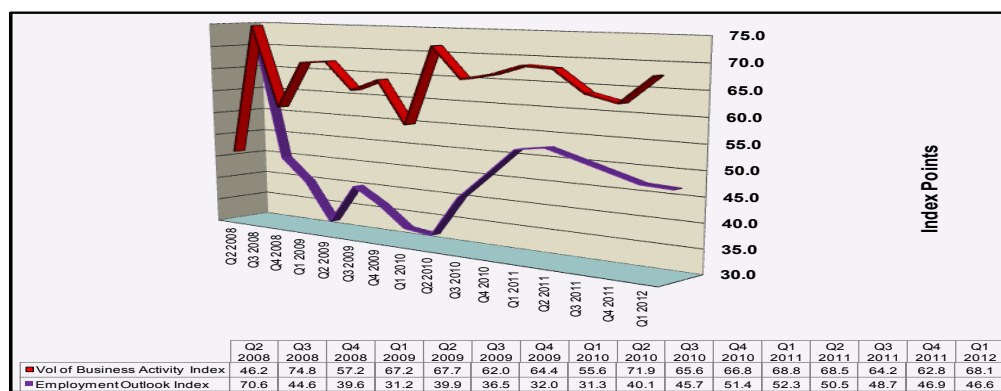


Fig. 6a: Employment Outlook and Volume of Business Activity Indices Next Quarter

Employment and Expansion Plans

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

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 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.

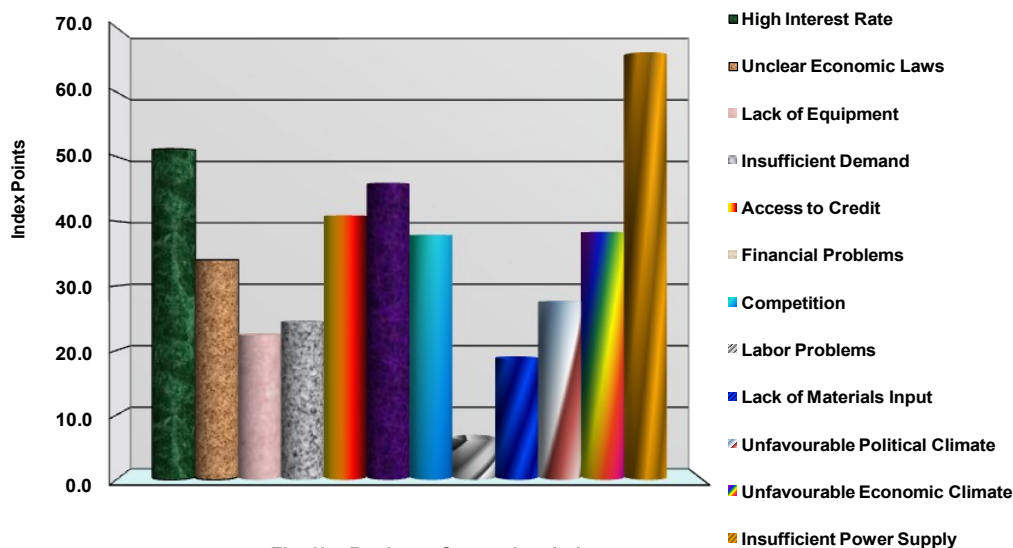
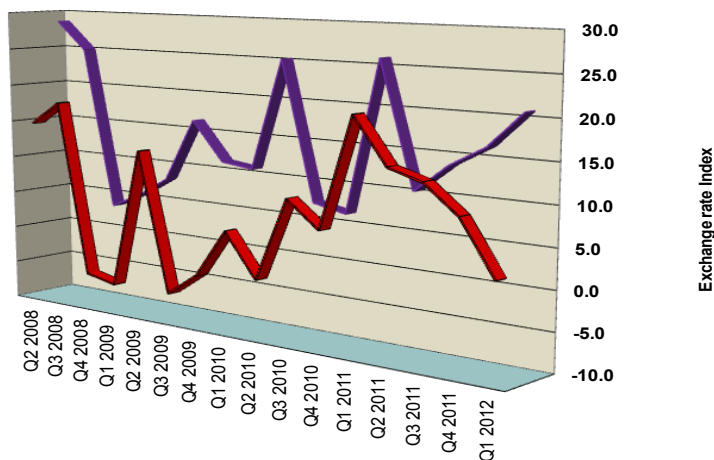


Fig. 6b: Business Constraints Index

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

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



	Q2 2008	Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012
Current Quarter	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
Next Quarter	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

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).

Expectations on Inflation and Borrowing Rates

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

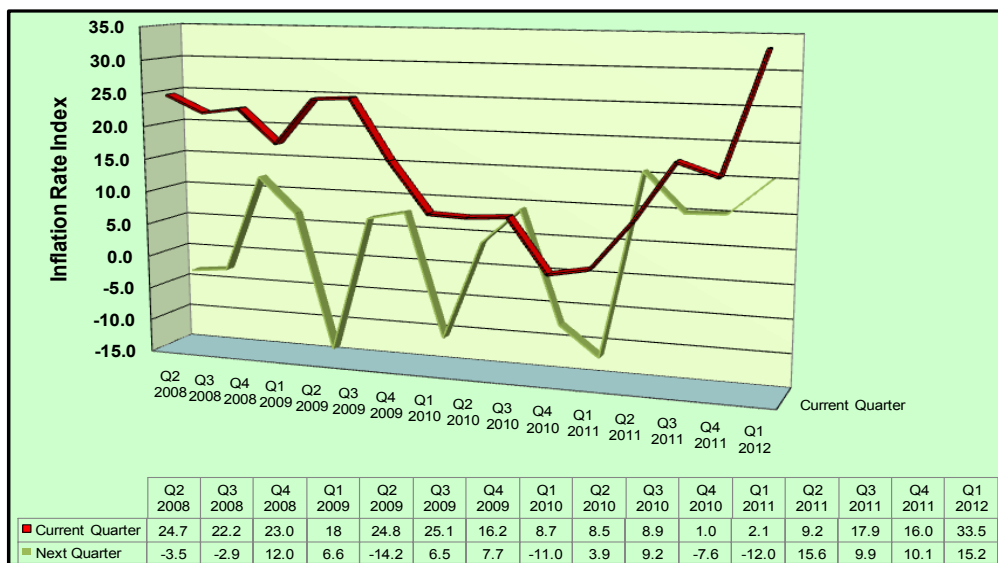


Fig.7 Inflation Rate Index (Q2 2008 - Q1 2012)

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 expected borrowing rate to rise

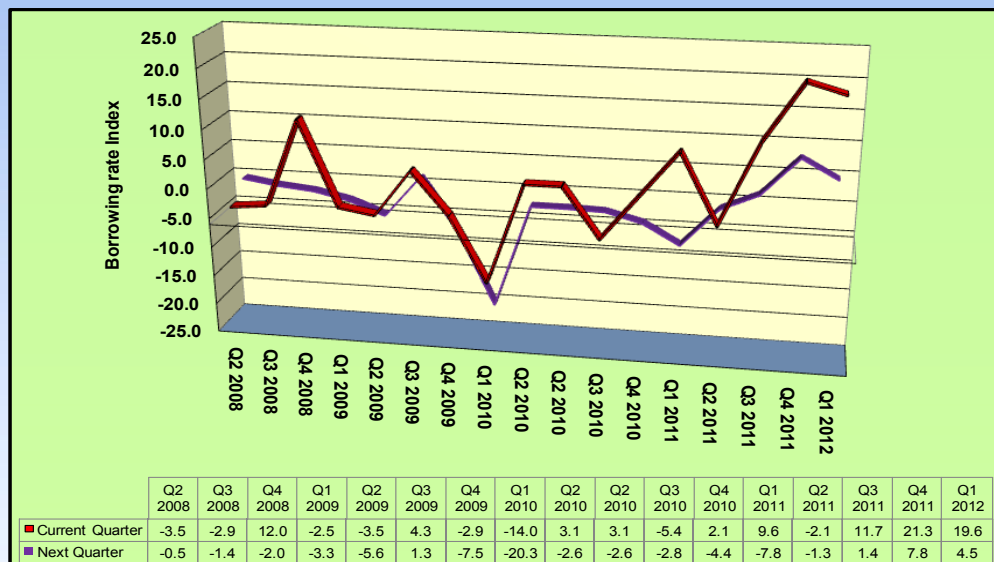


Fig.8: Borrowing Rate Index

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).

TABLE B

BUSINESS EXPECTATIONS SURVEY

National

Year	2008			2009				2010				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 Macroeconomy																
Confidence Index: All Sectors																
Current Quarter																
<i>National</i>	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
<i>North Central</i>	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
<i>North East</i>	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
<i>North West</i>	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
<i>South East</i>	-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
<i>South South</i>	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
<i>South West</i>	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																
<i>National</i>	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
<i>North Central</i>	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
<i>North East</i>	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
<i>North West</i>	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
<i>South East</i>	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
<i>South South</i>	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
<i>South West</i>	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 Macroeconomy by Sector: Current Quarter																
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 Macroeconomy by Sector: Next Quarter																
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 by Sector: Current Quarter																
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			2009				2010				2011				2012
Quarter	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
5. Business Outlook Index on Own Operations : Current Quarter																
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 Operations : Next 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 Operations by Sector: Next Quarter																
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 per cent): Next 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 Quarter																
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 Selected Economic Indicators: Current 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 Selected Economic Indicators: 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			2009				2010				2011				2012
Quarter	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
12. Business Outlook index on the Macroeconomy by Type of Business: Current Quarter																
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 Macroeconomy by Type of Business: Next Quarter																
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 Macroeconomy by Size of Business: Current Quarter																
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 Macroeconomy by Size of Business: Next Quarter																
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 Respondent Firms by Type of Business																
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 Respondent Firms by Employment 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:	369	299	290	119	235	365	312	287	312	505	567	578	633	603	605	794
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

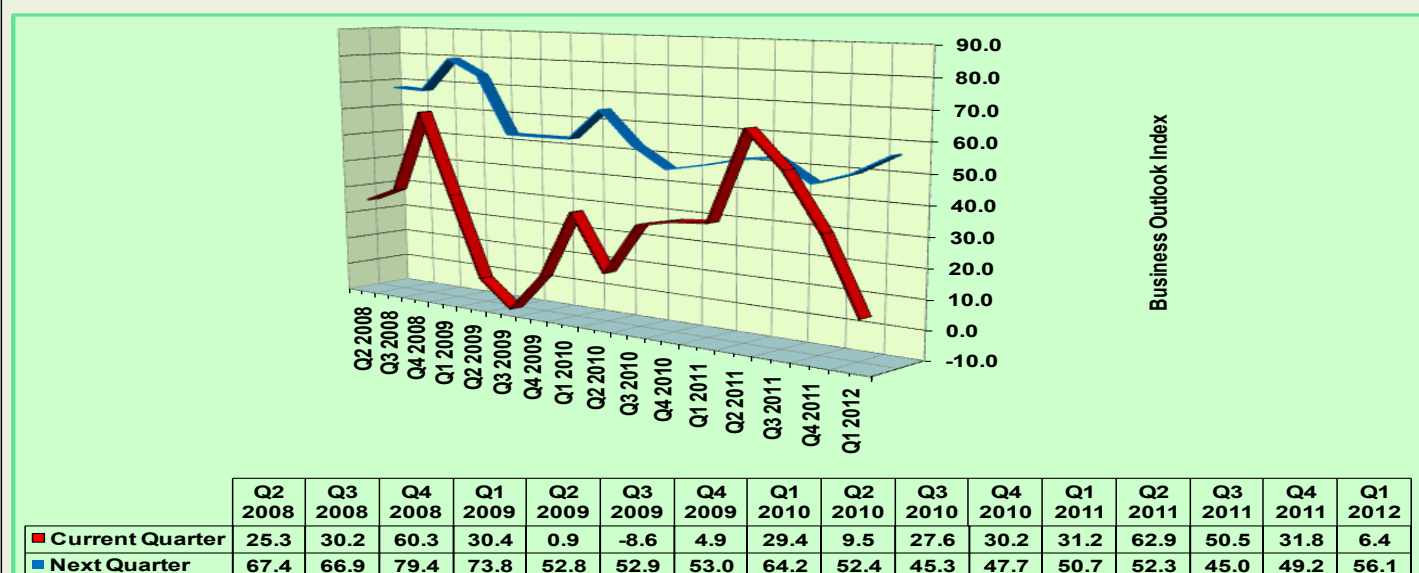


Fig.9: North Central Zone Business Outlook Index (Q2 2008 - Q1 2012)

Respondent firms in the North Central zone were less optimistic on business activities in the quarter under review as overall confidence index moderated to 6.4 index points, down by 25.4 points below the level achieved in the previous quarter. 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 points, respectively, while the index of the 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

index fell to -13.4 points. This resulted in moderation in volume of business activity index which dropped to 18.7 index points (Table C section 5).

Respondents in the zone cited financial problems, high 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 increase in inflation and borrowing rates in the 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			2009				2010				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 Macroeconomy																
Confidence Index: All Sectors																
Current Quarter																
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
Next Quarter																
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
2. Business Outlook Index on the Macroeconomy by Sector: Current Quarter																
Industrial Sector	48.3	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	25.0	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	40.0	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	25.0	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	20.0	-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	14.3	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 Macroeconomy by Sector: Next Quarter																
Industrial Sector	80.7	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	56.3	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	58.3	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:	68.2	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	80.0	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	100.0	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	50.0	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	57.1	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 Operations by Sector: Current Quarter																
Industrial Sector	39.7	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	-15.6	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	30.8	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 Operations : Current Quarter																
Volume of Business Activity Index	33.7	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	43.8	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	14.0	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	19.7	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	32.6	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 Operations : Next Quarter																
Volume of Business Activity Index	80.3	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	50.0	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

Business Expectations Survey

First Quarter, 2012

North East Zone

Business Outlook

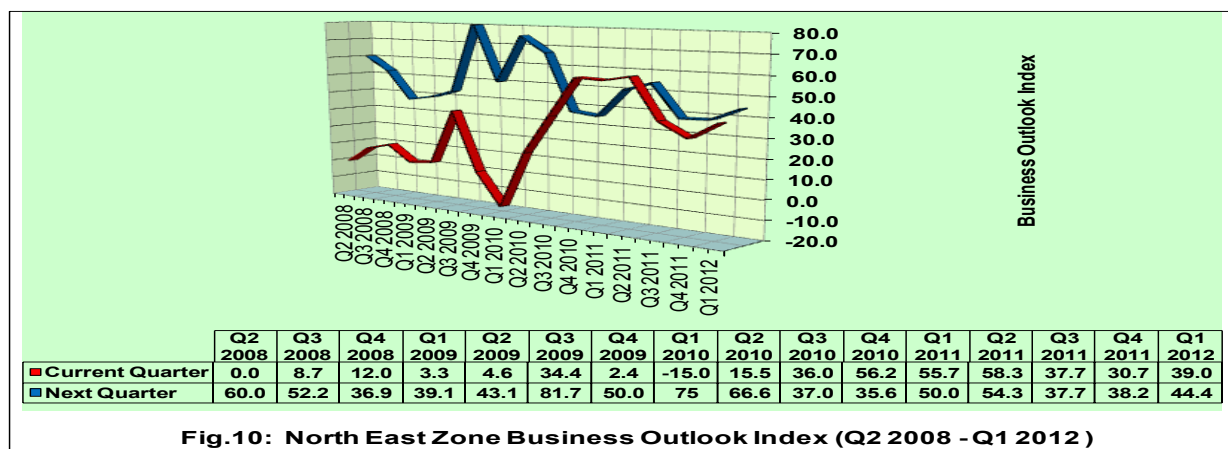


Fig.10: North East Zone Business Outlook Index (Q2 2008 - Q1 2012)

Respondent firms in the North East zone were optimistic on business activities in the quarter under review as overall confidence index rose to 39.0 index points, up by 8.3 points above the level achieved in the previous quarter. Similarly, respondents remained 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 Q4,2011 (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 quarter (Tables D sections 4&5).

Access to credit of respondents in the North East zone, deteriorated slightly in Q1 2012, as the index dropped to 14.1 points. This resulted in a downswing in volume of business activity index to 21.6 points in the current quarter (Table D section 5).

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 increase in inflation and borrowing rates in the 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			2009				2010				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 Macroeconomy																
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 Macroeconomy by Sector: Current Quarter																
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 Macroeconomy by Sector: Next Quarter																
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 Operations by Sector: Current Quarter																
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 Operations : Current Quarter																
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 Operations : Next Quarter																
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

Business Expectations Survey

First Quarter, 2012

North West Zone

Business Outlook

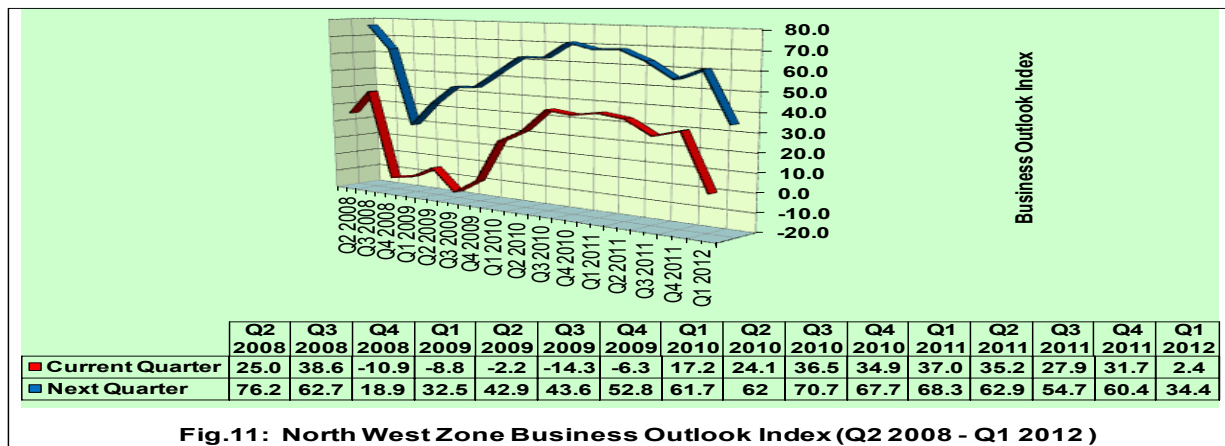


Fig.11: North West Zone Business Outlook Index (Q2 2008 - Q1 2012)

Respondent firms in the North West zone were less optimistic on business activities in the quarter under review as overall confidence index plummeted to 2.4 index points. It fell by 29.3 points below the level achieved in the previous quarter. Similarly, respondents were less optimistic about business 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

activity, average capacity utilization and volume of total order book of respondents in the North West zone slightly dipped in Q1 2012, to 7.6, 14.3, 15.5 and 14.6 points respectively, from 8.3, 28.4, 25.9 and 29.8 index points recorded in Q4, 2011 (Table E section 5).

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 quarter but appreciate in the next quarter. 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

Year	2008			2009				2010				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 Macroeconomy																
Confidence Index: All Sectors																
Current Quarter																
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
Next Quarter																
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
2. Business Outlook Index on the Macroeconomy by Sector: Current Quarter																
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
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
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
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
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
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
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
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
3. Business 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	0.0	100.0	-33.3	71.4	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	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
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	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
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
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	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
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

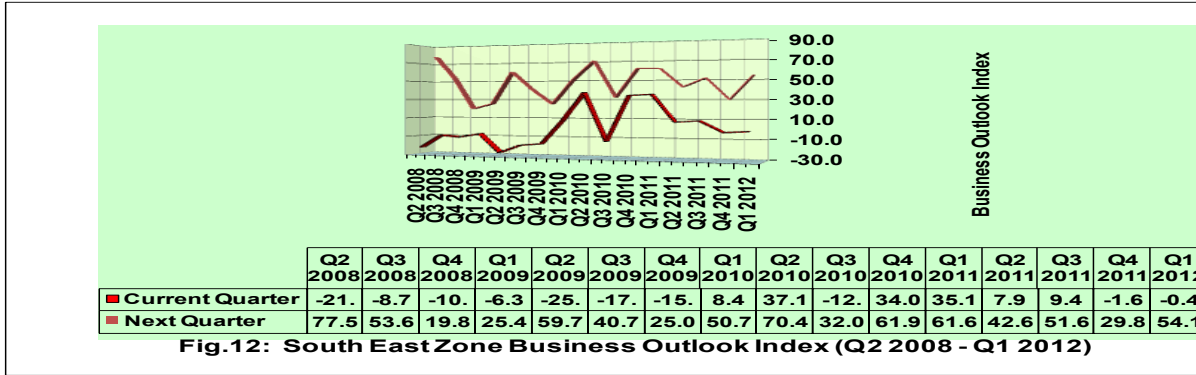
Year	2008			2009				2010				2011				2012
Quarter	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
7. Business with Expansion Plans (in per cent): Next Quarter																
Industrial Sector	64.7	76.9	47.8	44.4	77.8	66.7	76.4	74.7	23.7	45.1	50.0	48.6	66.7	29.4	46.0	35.8
Construction Sector	100.0	70.6	100.0	100.0	100.0	100.0	100.0	33.3	100.0	71.4	100.0	100.0	83.3	11.1	73.3	71.4
Wholesale and Retail Trade	60.0	73.9	47.2	44.4	71.4	83.9	80.0	89.6	38.6	85.0	66.1	54.9	54.5	42.1	86.1	46.5
Services Sector of which:	70.6	73.1	69.6	62.5	66.7	66.7	93.8	66.7	47.4	100.0	100.0	78.4	68.4	72.2	100.0	65.9
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	33.3	63.6
Hotels and Restaurants	75.0	60.9	66.7	66.7	61.5	65.0	80.0	71.4	36.4	56.3	28.2	55.6	42.9	22.0	35.3	11.1
Renting and Business Activities	62.5	66.7	0.0	0.0	0.0	80.0	75.0	66.7	26.3	92.9	60.0	81.8	81.8	46.7	88.2	75.0
Community and Social Services	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	100.0	58.3
8. Business Constraints: Current Quarter																
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
Unclear Economic Laws	28.6	29.8	26.7	25.0	40.0	42.5	45.8	44.9	41.3	40.0	37.8	38.1	35.8	30.2	35.2	40.2
Lack of Equipment	25.6	7.7	-2.0	-0.6	24.7	29.6	24.6	33.2	18.3	29.7	29.0	24.8	22.2	15.7	29.2	24.5
Insufficient Demand	0.6	-4.8	8.5	14.4	24.1	30.7	26.4	29.8	36.9	31.1	29.4	22.4	13.1	19.4	31.9	30.5
Access to Credit	29.2	19.4	9.4	18.1	28.8	42.1	37.0	39.3	44.9	39.5	41.1	33.4	32.4	29.0	37.9	25.6
Financial Problems	47.0	39.0	39.5	39.4	43.5	54.6	52.8	52.9	56.2	54.5	50.2	46.9	40.6	40.4	39.0	42.0
Competition	38.7	18.6	32.0	28.8	34.1	23.2	23.9	46.6	47.7	48.1	39.3	39.9	40.2	35.9	35.1	31.6
Labor Problems	38.7	-7.7	-19.0	-17.5	14.7	13.2	12.0	21.5	19.0	6.3	9.1	11.2	-3.8	8.4	12.4	9.2
Lack of Materials Input	17.9	1.1	-8.5	-6.3	22.9	19.6	14.4	25.4	19.8	16.5	23.1	20.2	15.6	15.0	17.3	15.7
Unfavourable Political Climate	-14.9	13.0	21.3	25.6	35.9	51.1	34.9	34.6	25.6	40.2	36.3	32.4	36.6	33.6	25.9	46.3
Unfavourable Economic Climate	38.1	33.5	44.1	45.6	48.2	52.5	49.3	44.6	50.6	47.7	44.4	43.8	29.6	47.4	32.7	52.9
Insufficient Power Supply	58.9	76.2	67.8	71.3	72.4	81.4	78.9	78.1	60.3	80.1	81.2	69.9	77.5	82.1	69.8	64.0
9. Business Expectation Index on Selected Economic Indicators: Current Quarter																
N/\$ Exchange Rate	22.6	-20.0	-6.9	-15.0	-4.4	-19.3	-14.1	-5.1	-11.8	-14.4	-18.2	-8.7	-4.6	3.6	16.9	-13.7
Inflation Rate	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
Borrowing Rate	15.5	0.7	-2.0	-15.0	-26.7	-5.7	-18.3	-1.1	8.7	2.2	11.3	14.6	19.7	14.0	25.9	35.9
10. Business Expectation Index on Selected Economic Indicators: Next Quarter																
N/\$ 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	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 (<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	0.5	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	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:	<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>
Financial Intermediation	4	26	1	1	1	2	1	1	1	5	6	5	8	9.0	3	11
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



Respondent firms in the South East zone remain less optimistic on business activities in the quarter under review as overall confidence index stood at -0.4 index points. However, respondents were more optimistic 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 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.

Similarly, volume of business activity, volume of total book order and average capacity utilization indices inched up to 2.1, 8.9 and 7.7 index points, respectively (Table F section 5).

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 business activities (Table F section 8).

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			2009				2010				2011				2012
Quarter	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q4
1. Overall Business Outlook on the Macroeconomy																
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 Macroeconomy 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 Macroeconomy by Sector: Next Quarter																
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 Operations by Sector: Current Quarter																
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 Operations : Current Quarter																
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 Operations : Next Quarter																
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
Employment Outlook Index	54.9	50.3	19.8	21.4	64.5	26.5	25.8	15.2	59.0	5.8	22.0	26.9	20.0	27.5	15.5	19.5

TABLE F

BUSINESS EXPECTATIONS SURVEY

South East Zone

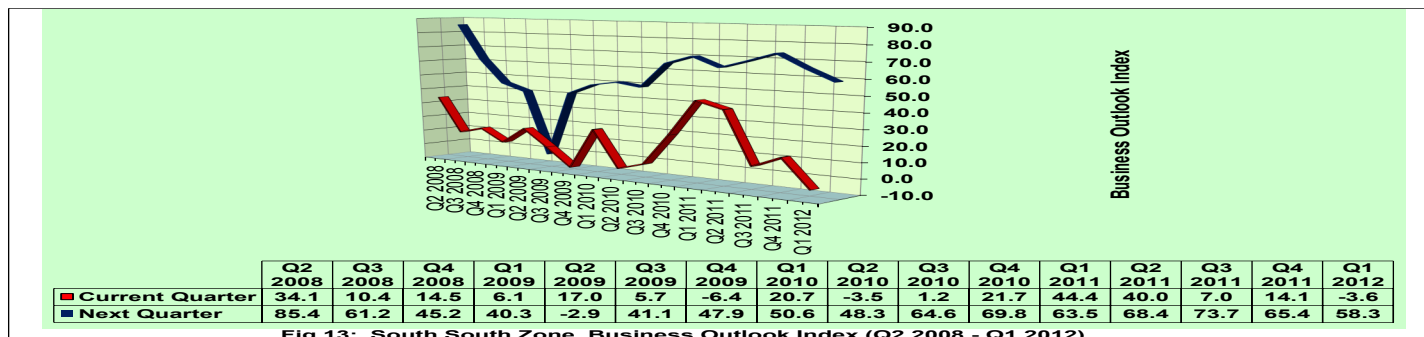
Year	2008			2009				2010				2011				2012
Quarter	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q4
7. Business with Expansion Plans (in per cent): Next Quarter																
Industrial Sector	55.6	67.5	66.7	65.0	20.5	46.6	20.0	40.9	38.5	34.7	34.7	-69.8	-54.2	-55.1	-29.4	-6.5
Construction Sector	83.3	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 Quarter																
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	19.5	21.8
Unfavourable Economic Climate	54.6	36.5	38.5	49.6	-36.7	53.9	38.1	41.3	54.3	57.5	36.3	63.5	51.6	39.6	38.7	38.4
Insufficient Power Supply	82.7	73.8	63.9	69.8	-7.7	74.8	82.0	85.1	40.1	84.6	61.0	18.5	87.4	77.3	74.7	79.9
9. Business Expectation Index on Selected Economic Indicators: Current Quarter																
N/\$ Exchange Rate	39.4	36.9	19.0	15.1	54.0	-18.1	9.8	18.8	27.7	12.2	20.8	21.5	7.9	16.5	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	-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
10. Business Expectation Index on Selected Economic Indicators: Next Quarter																
N/\$ Exchange Rate	50.0	13.4	-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
Inflation Rate	-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	-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
11. Percentage Distribution of Respondent Firms by Type of Business																
Importer	33.1	20.8	31.7	29.4	8.1	28.4	31.1	20.8	7.6	17.4	18.5	18.1	27.4	20.9	22.3	19.9
Exporter	2.1	0.7	0.0	0.0	1.6	2.9	0.0	6.9	1.0	1.7	7.1	7.1	6.8	2.2	1.1	0.4
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	72.4
12. Percentage Distribution of Respondent Firms by Employment Size																
Small (<50)	71.1	74.5	71.4	76.2	79.0	76.0	82.3	71.5	76.2	76.2	72.6	76.9	81.6	79.7	69.1	69.1
Medium (50 and <200)	20.4	17.4	17.5	12.7	11.3	14.2	14.0	19.4	12.4	16.3	17.3	12.1	12.6	16.5	21.8	24.4
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 Sector																
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



Respondent firms in the South South zone were pessimistic on business activities in the quarter under 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 of 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 Q1,2012, 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

indices to -2.2, 9.5 and 8.1 index points, respectively (Table G section 5).

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 the majority with 57.2 per cent, followed by "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			2009				2010				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 Macroeconomy																
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 Macroeconomy by Sector: Current Quarter																
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 Macroeconomy by Sector: Next Quarter																
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 Own Operations by Sector: Current Quarter																
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 Operations : Current Quarter																
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 Operations : Next Quarter																
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				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 cent): Next Quarter																
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 Quarter																
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 Selected Economic Indicators: Current Quarter																
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 Selected Economic Indicators: Next Quarter																
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 Respondent Firms by Type of Business																
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 Respondent Firms by Employment Size																
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	<u>37</u>	<u>57</u>	<u>60</u>	<u>120</u>	<u>99</u>	<u>94</u>	<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

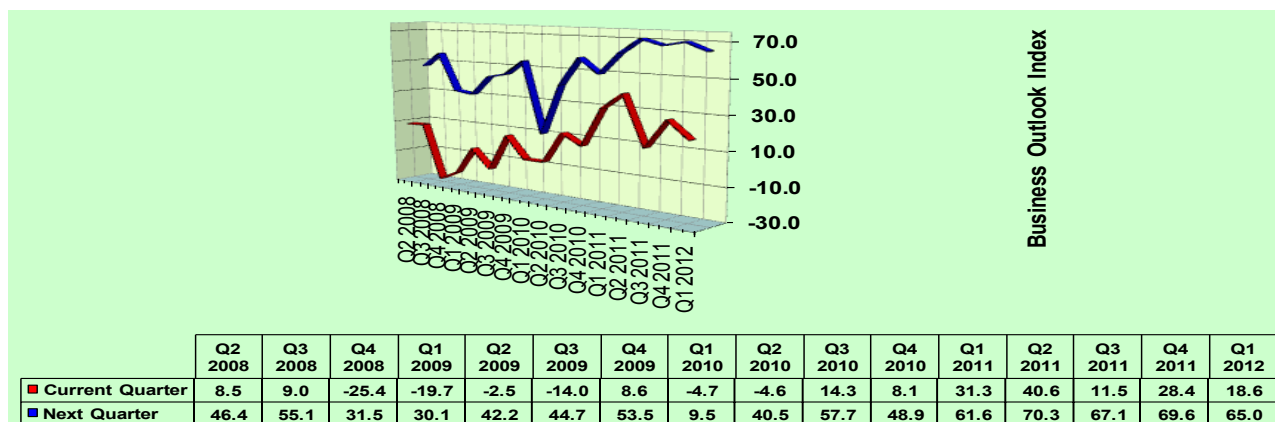


Fig.14: South West Business Outlook Index (Q2 2008 - Q1 2012)

Respondent firms in the South West zone were moderately optimistic on business activities in the quarter under review and the next quarter as overall confidence index dropped to 18.6 and 65.0 index points, down by 9.8 and 4.6 points above the level achieved in the previous quarter (Fig. 14).

The index of the industrial sector inched up to 17.8 index point, while the services, wholesale/retail and construction sector indices moderated to 24.0, 14.4 and 6.3 index points in the quarter under review (Table H section 2).

The financial condition in the current quarter stood at 22.0 per cent, which was driven largely by the 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 quarter. It

represented a decline of 12.4 points compared with the level in the preceding quarter. This resulted in a downswing in volume of business activity and average capacity utilization indices which fell to 32.1 and 31.0 index points, respectively (Table H section 5).

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

Respondent firms expect naira to depreciate in the current quarter and appreciate in the next quarter, while inflation and borrowing rates would rise in the current and next quarters (Table H section 9&10).

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			2009				2010				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 Macroeconomy																
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 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 Operations by Sector: Current Quarter																
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 Operations : Current Quarter																
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 Operations : 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

TABLE H

BUSINESS EXPECTATIONS SURVEY

South West Zone

Year	2008			2009				2010				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 cent): Next Quarter																
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 Quarter																
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 Selected Economic Indicators: Current Quarter																
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 Selected Economic Indicators: Next Quarter																
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 Respondent Firms by Type of Business																
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 Respondent Firms by Employment Size																
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 by Sector																
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