

ECONOMIC REPORT FOR THE MONTH OF AUGUST 2001

1.0 SUMMARY

Available data indicated a decline in the growth of monetary aggregates in August 2001 in contrast to developments since the beginning of the year. Broad money stock (M_2) and narrow money (M_1) declined by 1.3 per cent and 5.4 per cent during the month but rose by 21.2 per cent and 12.3 per cent, respectively, in the first eight months of the year, as against the 12.2 per cent and 4.3 per cent targets for the whole year. The decline in the review month was attributable to the sharp decline in foreign assets (net) of the banking system. Aggregate bank credit to the domestic economy, which rose marginally by 0.6 per cent during the month, increased substantially during the first eight months of the year by 47.7 per cent. The expansionary effect of this factor was reinforced by the 4.8 per cent growth in foreign assets (net) of the banking system.

Provisional data indicated a general upward movement in banks' interest rates in August 2001, except savings deposit rate which fell marginally by 0.1 percentage point to 5.0 per cent. The spread between banks' weighted average deposit and maximum lending rates stood at 12.8 percentage points, while that between the savings deposit and maximum lending rates was 24.0 percentage points. The average inter-bank call rate rose from 27.1 per cent in July to 29.4 per cent, reflecting largely the impact of the demand pressure in the Inter-bank Foreign Exchange Market (IFEM).

The level of money market assets outstanding declined marginally by 0.4 per cent, in contrast to the 1.1 per cent rise in the preceding month. The fall reflected the declines of 6.9 and 0.9 per cent in

Commercial Papers (CPs) and Bankers' Acceptances (BAs), respectively. No new issues of Nigerian Treasury Bills (NTBs) were made during the month, while matured bills were rolled over. Transactions on the Nigerian Stock Exchange (NSE) indicated a downward trend in the value of traded shares, market capitalization and price indices.

Agricultural activities intensified during the month following abundant rainfall in all parts of the country. In particular, the harvest of tuber crops as well as preparations for late planting of various crops and development of nurseries for citrus, tomatoes and pepper dominated activities in the Southern and Middle-belt regions. Estimated crude oil output, including condensates and natural gas, was 2.26 million barrels per day (mbd) or 70.06 million barrels for the month. Crude oil exports represented 80.1 per cent of total output, while the balance (19.9 per cent) was refined for domestic consumption. The average price for Nigeria's reference crude, the Bonny Light (37°API), showed a rise of 4.4 per cent over the level of US\$24.84 a barrel in the preceding month. Similarly, the price index of Nigeria's major agricultural commodities at the London Commodities Market rose by 7.1 and 26.9 per cent, in naira terms, over their levels in the preceding month and corresponding period of 2000. The inflation rate stood at 18.1 per cent in August 2001, up from 17.7 per cent in the preceding month.

Data on foreign exchange flows through the Central Bank of Nigeria (CBN) showed an inflow of US\$1,215.1 million and an outflow of US\$1,393.7 million, resulting in a net outflow of US\$178.6

million during the month. Foreign exchange sales in the IFEM rose to US\$873.9 million from US\$779.1 million in July 2001. The average exchange rate of the naira depreciated marginally by 0.3 per cent to ₦111.70 from ₦111.35 per dollar in the IFEM, but appreciated by 0.73 and 0.46 per cent in the parallel market and bureaux de change, respectively. Nigeria's gross external reserves declined by 1.6 per cent to US\$10,389.9 million as at end-August, 2001.

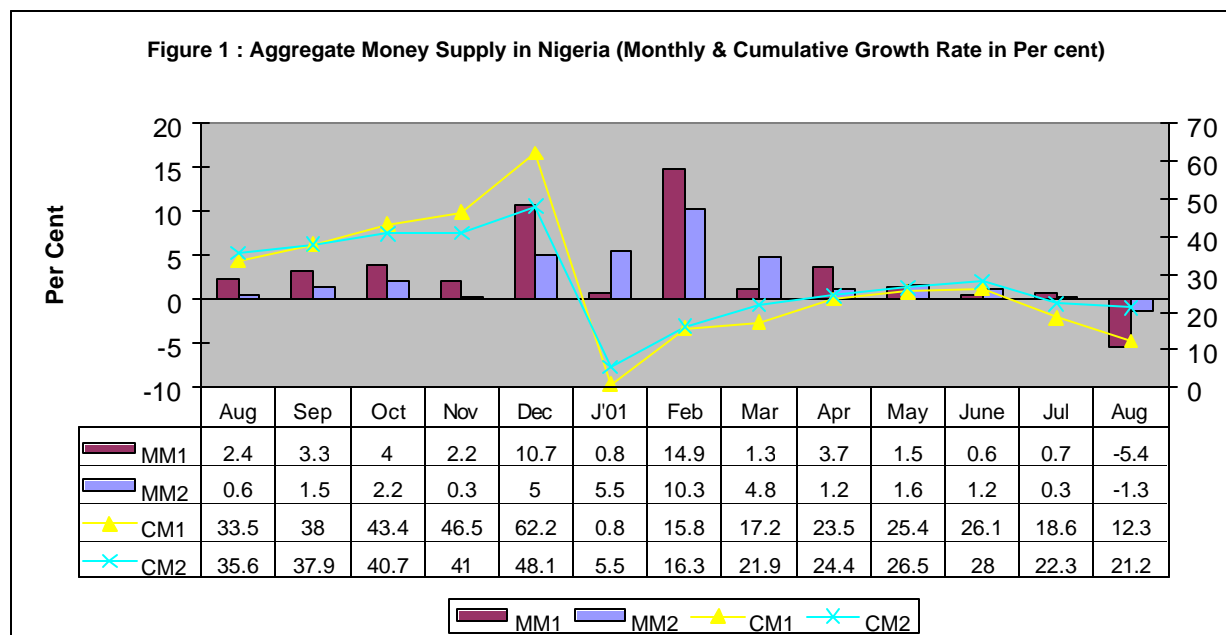
On the international scene, total world oil demand exceeded supply by 0.14 mbd, in contrast to an excess supply of 0.50 mbd recorded in the preceding month. Other major international economic developments that influenced the domestic economy during the month were the meeting of the Assembly of Governors of

2.0 FINANCIAL SECTOR DEVELOPMENTS

Money supply showed a downward movement in August, 2001 following the sharp decline in foreign assets (net) of the banking system. Bank interest rates exhibited a general upward trend while activities on the Nigerian Stock Exchange showed a downward movement. The state of bank liquidity continued to influence developments in the money market during the month under review.

2.1 Monetary and Credit Developments

Provisional data indicated that broad money stock (M_2) fell in August 2001 by 1.3 per cent, in contrast to 0.7 per cent increase in the preceding month. The fall reflected



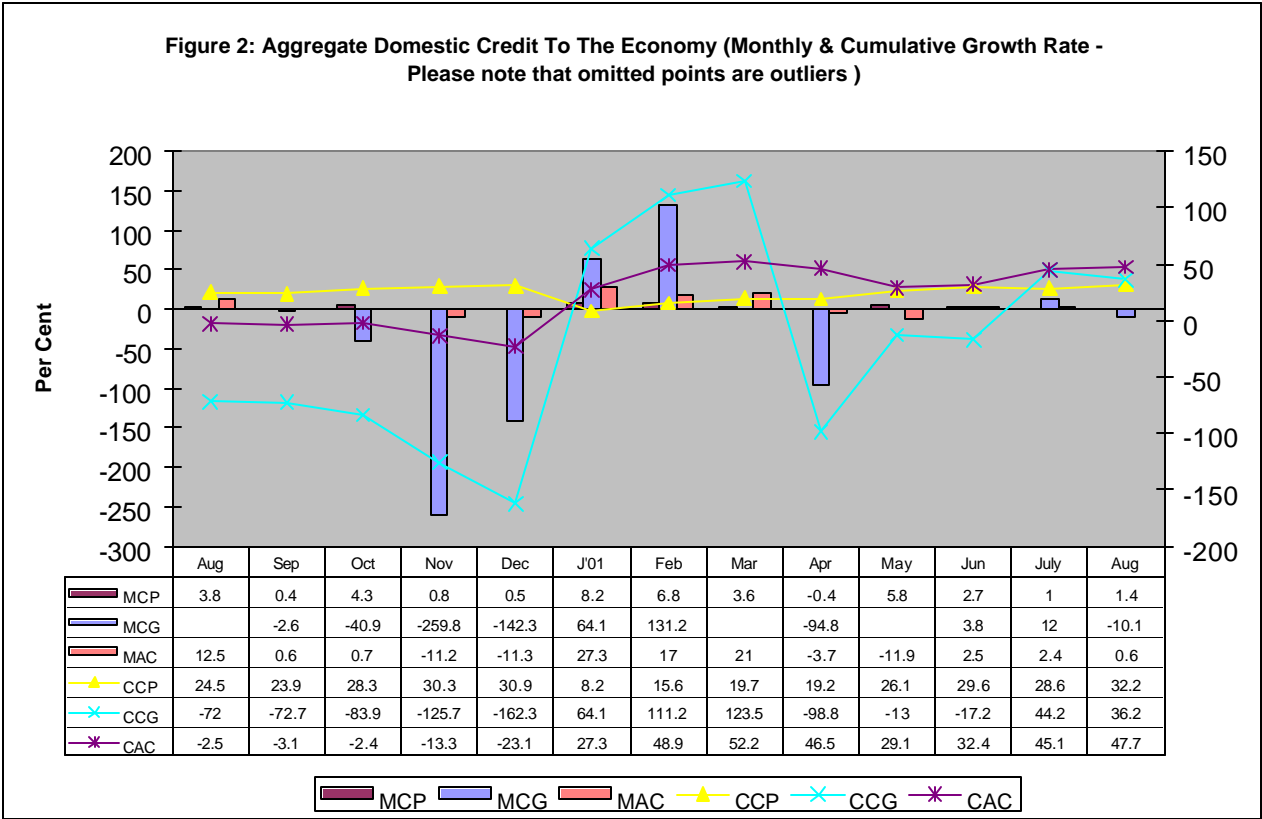
the Association of African Central Banks (AACB) held in Sandton, Johannesburg, Republic of South Africa, aimed at strengthening co-operation among member Central Banks, and the sluggish growth of the United States' economy which has implications for Nigeria's crude oil exports.

entirely the decline in narrow money (M_1), which fell by ₦41.2 billion or 5.4 per cent to ₦716.2 billion, reflecting the sharp decline in foreign assets (net) of the banking system and the increase in quasi-money (Fig. 1). During the first eight months of the year, M_2 and M_1 grew by 21.2 and 12.3 per cent,

respectively, as against the maximum targets of 12.2 and 4.3 per cent for fiscal 2001.

Aggregate bank credit to the domestic economy increased by ₦4.1 billion or 0.6 per cent to ₦717.6 billion, compared with the larger increase of ₦24.8 billion or

declines in their treasury bill holdings and direct advances to the Federal Government, reinforced by the increase in Federal Government deposits with them. In the first eight months of the year, net credit to the Federal Government rose by 36.2 per cent, as against the 2.6 per cent target growth



3.6 per cent in the preceding month. Over the end-December 2000 level, bank credit to the domestic economy rose sharply by 47.7 per cent, as against the 15.8 per cent target growth stipulated for fiscal 2001. The rise in the month reflected wholly the increase in credit to the private sector as net claims on the Federal Government declined.

Banking system’s net claims on the Federal Government fell by ₦6.5 billion or 10.1 per cent in August 2001, reflecting the decline in credit by deposit money banks which out-weighted the increase in Central Bank’s net claims. The banks’ claims fell by ₦50.8 billion or 34.2 per cent, following the

stipulated for fiscal 2001. The observed increase was induced entirely by the substantial increase in Central Bank net claims on the Federal Government during the period.

Bank credit to the private sector rose by ₦10.6 billion or 1.4 per cent to ₦787.9 billion, compared with the increase of 2.5 per cent in the preceding month. In the first eight months of the year, credit to the private sector rose substantially by 32.2 per cent, as against the 22.8 per cent maximum target for the whole year (Fig. 2).

Claims on state and local governments fell further by ₦3.5 billion or 16.6 per cent, compared with the decline of ₦7.6 billion or 26.6 per cent in the preceding month. Over the end-December 2000 level, however, the system's credit to the sub-sector increased by ₦9.9 billion or 130.6 per cent, compared with the increase of ₦8.2 billion or 390.0 per cent in the corresponding period of 2000. As in the preceding month, the fall reflected wholly the 16.6 per cent decline in deposit money banks' claims.

Banking system's claims on 'other' private sector, which constituted 97.7 per cent of credit to the private sector, rose by 1.9 per cent, compared with an increase of 3.6 per cent in the preceding month. The deposit money banks accounted for 99.1 per cent of the increase. In the first eight months of the year, credit to the sub-sector rose substantially by ₦182.1 billion or 31.0 per cent, compared with the 22.8 per cent rise in the corresponding period of 2000. Credit to the sub-sector continued to be influenced largely by developments in the IFEM.

Foreign assets (net) of the banking system fell by ₦78.6 billion or 5.6 per cent, in sharp contrast to an increase of ₦16.9 billion or 1.2 per cent in the preceding month. The fall reflected largely the 6.6 per cent decline in Central Bank's holding which constituted 79.6 per cent of total, compared with 80.5 per cent in the preceding month. Holdings by deposit money banks also fell by ₦3.1 billion or 1.1 per cent during the review month. In the first eight months of the year, the system's foreign assets (net) rose by ₦61.7 billion or 4.8 per cent.

Quasi-money rose by ₦24.7 billion or 4.8 per cent to ₦539.1 billion. The rise

reflected the sharp increases in deposit money banks' savings, time and foreign currency deposits. The cumulative increase in the first eight months of the year was ₦140.7 billion or 35.3 per cent compared with the ₦117.3 billion or 38.2 per cent rise in the comparable period of 2000. The steady upward movement in quasi-money was attributable to enhanced public confidence in the banking system and the attractive rates on term deposits.

Other assets (net) of the banking system rose by ₦57.9 billion or 6.8 per cent in contrast to the ₦33.1 billion or 4.0 per cent decline in the preceding month. The rise during the month was traceable to the accounts of the Central Bank and deposit money banks. The rise in Central Bank's account reflected in its other assets and the significant decline in the Bank's other liabilities, mainly miscellaneous items. The increase in deposit money banks' accounts resulted from the rise in their deposits with CBN and the decline in other liabilities, mainly capital accounts, bond issues and unclassified liabilities.

2.2 Currency-in-circulation and Deposits at CBN

At ₦342.1 billion, currency in circulation declined by ₦1.8 billion or 0.52 per cent from the preceding month's level but rose by ₦114.1 billion or 50.0 per cent over the level in the corresponding month of 2000. The development during the month was traceable to the decline in currency outside banks. The share of this component in total currency-in-circulation was 81.2 per cent, compared with 83.2 per cent in the preceding month and 87.8 per cent in the corresponding month of 2000.

Total deposits at the CBN stood at ₦1,108.3 billion, indicating an increase of

₦81.3 billion or 7.3 per cent over the level in the preceding month. The shares of the Federal Government, bankers and “other” in total deposits at the CBN were 83.4, 15.1 and 1.5 per cent, compared with 83.6, 13.4 and 3.0 per cent in the preceding month, respectively.

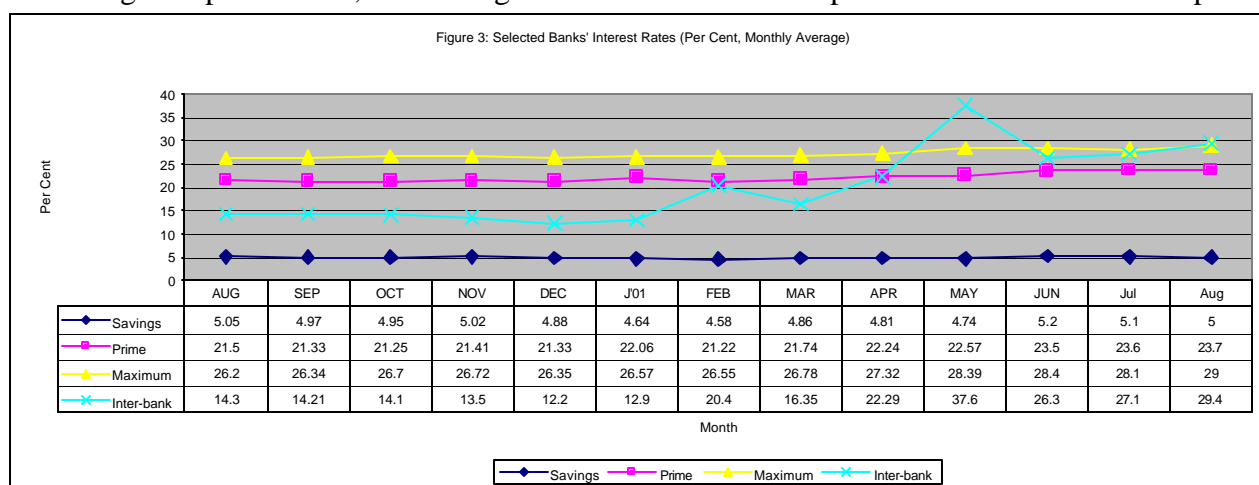
2.3 Interest Rate Developments

Interest rates exhibited a general upward trend during the month, with the exception of savings deposit rates, reflecting the

29.4 per cent, reflecting largely the impact of the increased demand pressure at the IFEM and tight bank liquidity.

2.4 Money Market Developments

Revised data indicated that the value of total money market assets outstanding at end-August, 2001 declined marginally by 0.4 per cent to ₦529.7 billion, in contrast to the increase of 1.1 per cent in the preceding month. The fall reflected the declines of 6.9 and 0.9 per cent in Commercial Papers



effects of demand pressure on the IFEM and tight monetary policy. The average savings deposit rate fell marginally by 0.1 percentage point to 5.0 per cent, while other deposit rates of various maturities, which ranged 8.7 – 16.0 per cent in July, rose to 12.2 – 21.6 per cent. Similarly, banks' average prime and maximum lending rates rose by 0.1 and 0.9 percentage points to 23.7 and 29.0 per cent, respectively. Thus, the spread between banks' weighted average deposit and maximum lending rates stood at 12.8 percentage points in August, 2001, while that between the savings deposit and maximum lending rates was 24.0 percentage points.

The average inter-bank call rate, which stood at 27.1 per cent in July, rose to

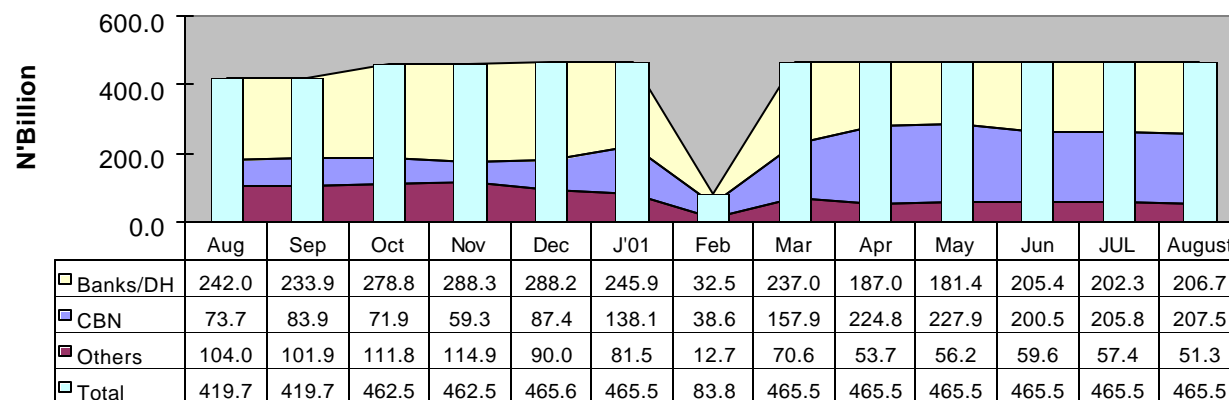
(CPs) and Bankers' Acceptances (BAs), respectively. The level of Treasury Bills outstanding, however, remained unchanged at the preceding month's level of ₦465.5 billion.

Treasury bills worth ₦98.9 billion were re-issued in the review month to replace matured bills of the same value, compared with ₦278.0 billion re-issued in July. Of the total amount rolled over during the month, banks and discount houses subscribed ₦45.4 billion or 45.9 per cent while the other investors subscribed ₦10.4 billion or 10.5 per cent. The balance of ₦43.1 billion or 43.6 per cent was absorbed by the Central Bank, increasing the Bank's total holding of treasury bills outstanding to

₦207.5 billion from ₦205.8 billion in the preceding month (Fig.4).

sourced mainly from the reduction in claims on central government, increases in time,

Figure 4: Treasury Bills' Holdings (N'Billion)



2.5 Capital Market Developments

The total number of shares traded on the Nigerian Stock Exchange (NSE) increased from 720.7 million in 44,540 deals in July 2001 to 812.7 million in 41,264 deals. However, the value of traded shares fell from ₦6.9 billion to ₦6.7 billion. Similarly, market capitalization and value price indices declined from ₦621.2 billion and 10,506.9 in the preceding month to ₦610.7 billion and 10,328.9, respectively. The downward trend in major stock market indicators partly reflected the impact of the upward review of the Minimum Rediscount Rate (MRR) and the rise in money market rates.

2.6 Deposit Money Banks' Activities

Total assets/liabilities of deposit money banks in August, 2001 stood at ₦2,062.7 billion, representing a decline of ₦3.3 billion or 0.2 per cent from the preceding month's level and an increase of ₦358.4 billion or 21.0 per cent over the level at end-December 2000. Funds were

savings and currency deposits and draw-down on foreign assets, while the major uses of funds included the expansion in claims on the private sector, and the build-up of reserves, among others.

Aggregate credit to the domestic economy stood at ₦876.4 billion, representing a decrease of ₦40.4 billion or 4.4 per cent from the preceding month's level and an increase of ₦109.8 billion or 13.6 per cent over the level at end-December, 2000. Bank credit to the private sector increased by ₦13.9 billion or 1.9 per cent, while the central and state/local governments' claims declined by ₦50.8 billion or 34.2 per cent and ₦3.5 billion or 16.6 per cent, respectively.

Central Bank's credit to deposit money banks amounted to ₦6.6 billion, representing a decline of ₦0.7 billion or 9.6 per cent from the preceding month's level but an increase of ₦4.0 billion or 153.8 per cent over the level at end-December, 2000. The decline in the review month reflected

largely the fall in overdraft facilities granted to the banks.

Total specified liquid assets of deposit money banks stood at ₦603.6 billion or 57.6 per cent of their total deposit liabilities. This level of assets was 0.5 percentage point below the preceding month's level and 17.6 percentage points above the stipulated minimum target of 40.0 per cent.

2.7 Discount Houses

Total assets/liabilities of the discount houses stood at ₦19.2 billion, representing declines of ₦6.9 billion or 26.5 per cent and ₦11.6 billion or 37.2 per cent from the levels in the preceding month and the corresponding month of 2000. Investments in Federal Government securities of less than 91 days maturity stood at ₦3.4 billion or 17.5 per cent of their total deposit liabilities, as against the prescribed minimum of 60.0 per cent for fiscal 2001.

The discount houses, however, complied with their prescribed gearing ratio, as total borrowings stood at ₦4.3 million or 0.09 per cent of total capital and reserves during the month, compared with the stipulated maximum target of 50:1.

3.0 DOMESTIC ECONOMIC CONDITIONS

Agricultural activities intensified in August 2001, due to abundant rainfall in all parts of the country. In particular, the harvest of tuber crops, and the processing of dry maize, rice and groundnut, as well as land preparation for late planting of various crops and development of nurseries for citrus, tomatoes and pepper dominated activities in the Southern and middle belt regions. The oil sector recorded an increase of 0.4 per cent in output over the July level,

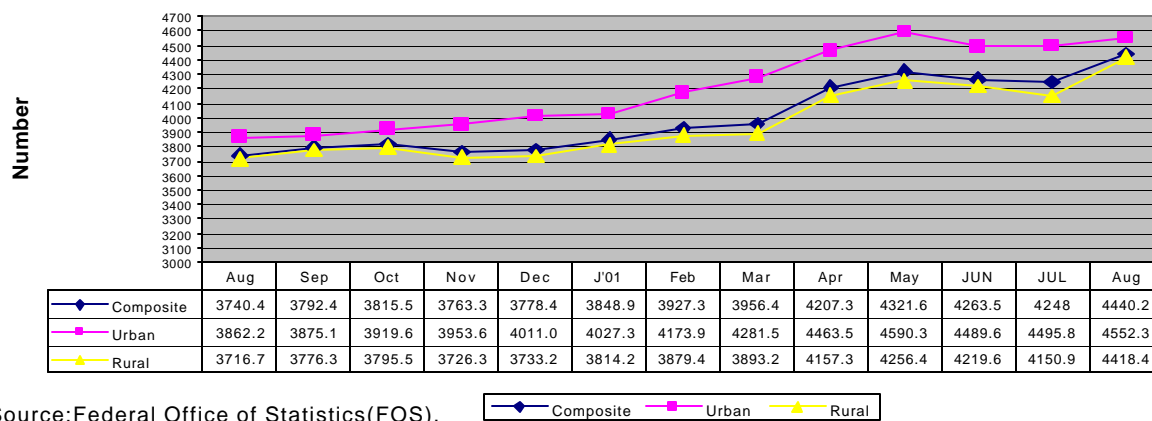
while the domestic price level rose further with the rate of inflation at 18.1 per cent in August, compared with 17.7 per cent in July, 2001.

3.1 Agricultural Sector

Agricultural activities were intensified during the month as rainfall reached its peak in all parts of the country. Harvesting of tubers such as sweet potatoes, yam, cassava and cocoyam; and the processing of dry maize, rice and groundnut dominated activities in the southern and middle-belt states. Furthermore, land was also being prepared in these areas for late planting of various crops and development of nurseries for citrus, tomatoes and pepper. Farmers in the northern states also commenced the harvesting of millet and cowpeas. In the livestock sub-sector, farmers intensified the breeding and production of livestock, following the availability of abundant rain-induced forage.

The sum of ₦120.8 million was guaranteed to 3,891 farmers under the Agricultural Credit Guarantee Scheme (ACGS) in August 2001. This amount represented an increase of 60.1 and 4.9 per cent, respectively, over the levels in the preceding month and corresponding month of 2000. A sub-sectoral analysis of the loans guaranteed showed that the food-crop sub-sector had ₦117.1 million for disbursement to 3,649 farmers. Of this amount, ₦82.2 million was allocated to 2,663 grain producers while the balance of ₦34.9 million was granted to 986 root and tuber crop farmers. The livestock sub-sector received the sum of ₦0.7 million of the total loans for the benefit of 10 poultry farmers while the fishery sub-sector had ₦2.1 million for the benefit of 36 fisher folks. The sum of ₦0.9 million was granted to 8 cash crop farmers. Of this amount, ₦0.1 million,

Figure 5 : Monthly Consumer Price Indices in Nigeria (1985 = 100)



Source: Federal Office of Statistics (FOS),

₦0.3 and ₦0.5 million were granted to 1 rubber, 4 cocoa, and 3 cotton farmers, respectively.

The prices of Nigeria's major agricultural commodities at the London Commodity Market, rose during the month. The all-commodity price index, at 98.7 (1985=100), in dollar terms, increased by 3.2 per cent and 103.9 per cent over their levels in the preceding month and corresponding month of 2000. In naira terms, the index also rose by 7.1 and 26.9 per cent over their levels in the preceding month and corresponding period of 2000. The increase in prices was attributable mainly to the reduction in supply relative to demand.

Of the six commodities monitored during the month, palm-oil, copra, coffee and cocoa recorded price increases of 11.5, 5.4, 5.2 and 2.2 per cent, respectively, while soyabean and cotton recorded price declines of 5.1 and 0.1 per cent, respectively. When compared with their levels a year earlier, all the commodities recorded varying degrees of price increases except cotton.

In naira terms, cocoa, palm-oil and soyabean recorded price increases of 8.6, 3.8 and 2.9 per cent, respectively, while copra, cotton and coffee recorded price declines of 23.4, 5.4 and 0.4 per cent, respectively.

When compared with their levels in the corresponding month of 2000, coffee and cotton exhibited price declines of 21.0 and 13.2 per cent, respectively, while copra, cocoa and palm-oil recorded respective price increases of 62.1, 28.7 and 22.8 per cent.

3.2 Petroleum Sector

Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at 2.26 million barrels per day (mbd) or 70.06 million barrels for the month, showing an increase of 0.4 per cent over the level in July. The share of the country's production in total OPEC output was 7.6 per cent, compared with 7.5 per cent in the preceding month. Crude oil exports were estimated at 1.81 mbd (56.11 million barrels for the month), showing an increase of 0.01 mbd over the level in July.

Crude oil exports accounted for 80.1 per cent of total output, compared with 80.0 per cent in the preceding month. Deliveries of crude oil to refineries for domestic consumption remained at 0.45 mbd or 13.95 million barrels during the month, as in the preceding month.

Crude oil prices generally increased in the spot and net-back markets, reflecting largely importers' anticipation of the reduction in crude oil supply in September

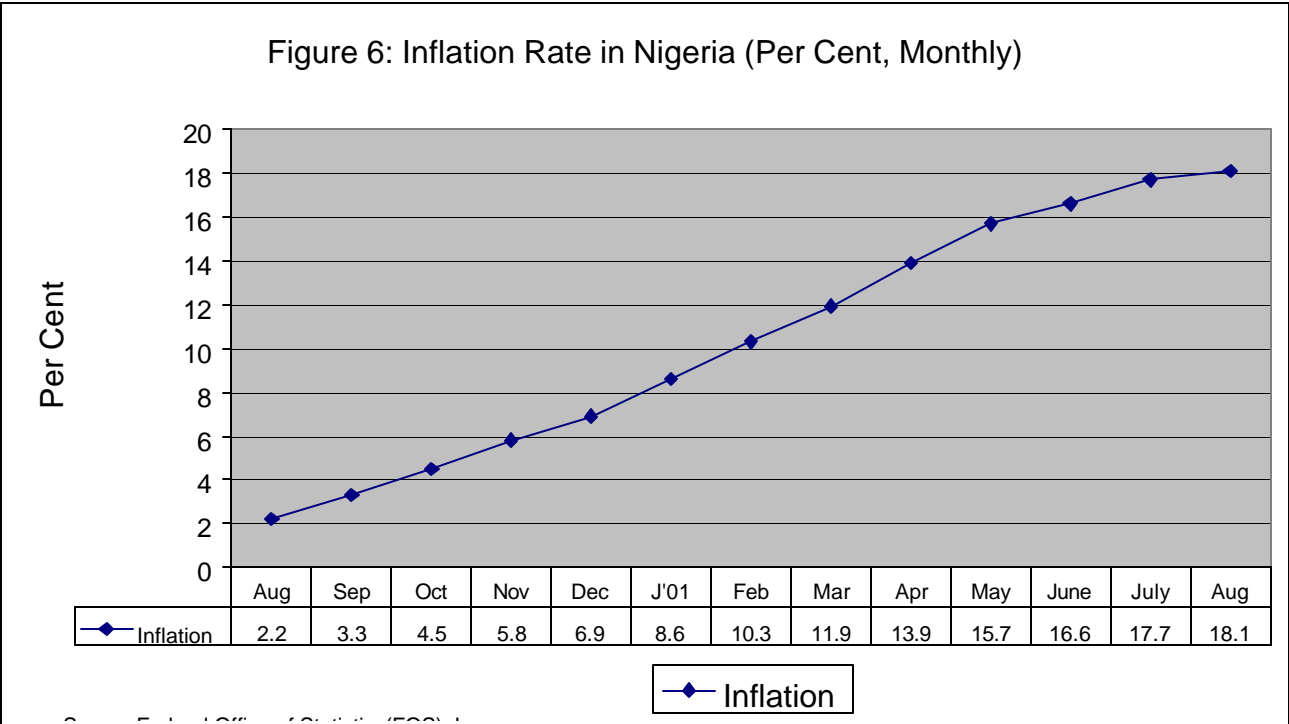
2001, in compliance with OPEC output cuts, as well as purchases to replace stocks. At \$25.94 a barrel, the average price of Nigeria’s reference crude, the Bonny Light (37⁰ API), showed a rise of 4.4 per cent over the level in the preceding month. The prices of other competing brands of crude such as the Forcados, U.K. Brent, Arab Light and West Texas Intermediate (WTI) were \$25.40, \$25.63, \$24.49 and \$27.17 a barrel, respectively, reflecting increases of 3.7, 3.8, 22.8 and 2.8 per cent over their levels in the preceding month. Similarly, in the European netback market, the Bonny Light and the UK Brent were sold at \$28.04 and \$28.0 a barrel, indicating increases of 1.8 and 7.2 per cent, respectively, from their levels in the preceding month.

3.3 Consumer Prices

Actual data showed that the all-items composite Consumer Price Index (CPI) in August 2001 stood at 4,440.2 (1985 = 100). This represented increases of 2.1 per cent

and 18.7 per cent over the levels in the preceding month and the corresponding month of 2000, respectively. The development during the month was traceable to all component items except drinks, tobacco and kola; and transportation whose indices recorded declines of 1.5, and 3.0 per cent, respectively, from their levels in the preceding month. When compared with their levels in the corresponding month a year earlier, all the component items recorded increases except accommodation, fuel and light; medical care and health expenses; and transportation whose indices recorded price declines of 13.6, 7.0, and 3.8 per cent, respectively.

The inflation rate for the twelve-month period ended August 2001 was 18.1 per cent, compared with 17.7 per cent in July 2001 and 2.2 per cent in the corresponding month of 2000. The upward trend in inflationary pressure was attributed to the acceleration in monetary expansion



induced mainly by the disbursement of excess oil revenue to the three tiers of

government, as well as supply bottlenecks associated with energy and other infrastructural facilities which resulted in rising cost of production.

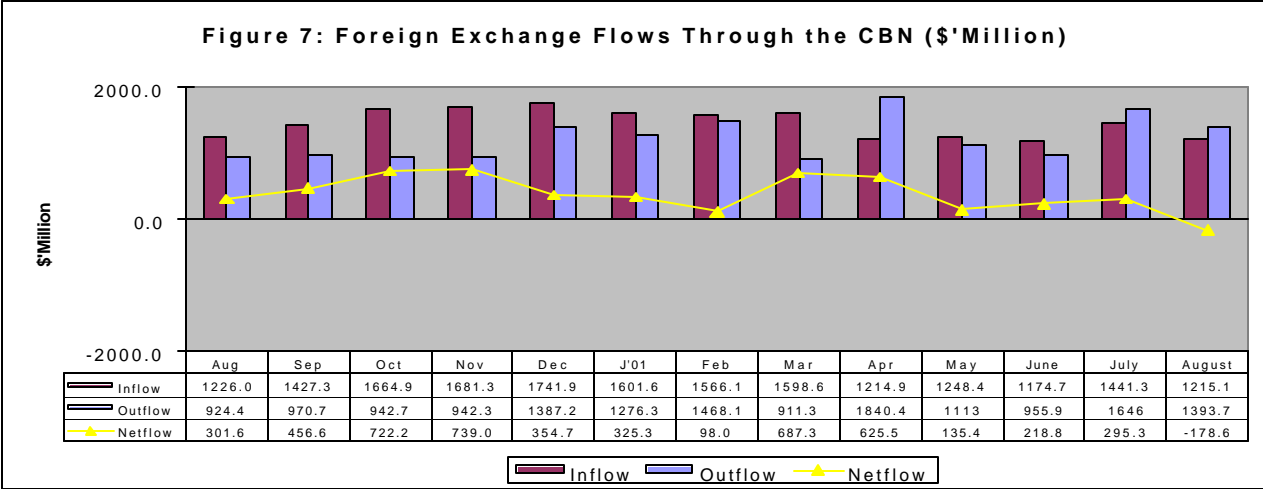
4.0 EXTERNAL SECTOR DEVELOPMENTS

4.1 Foreign Exchange Flows

In August 2001, the inflow and outflow of foreign exchange through the

Available data on foreign exchange flows through the economy in the month of August 2001, showed that total inflow stood at \$1,514.1 million, representing a decline of 11.8 per cent from the level in the previous month. Of the total inflow, oil receipts amounted to \$1,085.8 million or 71.7 per cent, while non-oil public sector receipts as well as inflows from autonomous sources stood at \$428.3 million or 28.3 per cent.

Outflow of foreign exchange from the economy rose to \$1,472.1 million from \$1,214.4 million in the preceding month,



Central Bank of Nigeria (CBN) stood at US\$1,215.1 million and US\$1,393.7 million, respectively, representing a net outflow of US\$178.6 million. Compared with their levels of US\$1,441.3 million and US\$1,146.0 million in the preceding month, inflows declined by 15.7 per cent while outflows rose by 21.6 per cent. The drop in inflow in the review period was accounted for largely by the 19.8 per cent decline in oil export earnings. The increased outflow was attributable to the rise in the funding of the IFEM as well as external debt service, both of which rose by 11.3 and 417.2 per cent, respectively.

representing an increase of 21.2 per cent, following increased IFEM funding by the CBN and the rise in external debt service during the month. Outflows in respect of parastatals and estacode disbursements also rose by 245.9 per cent to \$62.6 million, while other official payments including NNPC/JV cash calls, declined by 62.7 per cent to \$104.9 million. There were no transactions in respect of the National Priority Projects during the month under review.

4.2 Sectoral Utilisation of Foreign Exchange

The industrial sector accounted for the bulk (36.1 per cent) of total foreign exchange disbursed in August, 2001. Other beneficiary sectors, in a descending order of importance, included: invisibles, general merchandise, food, transportation and agricultural products.

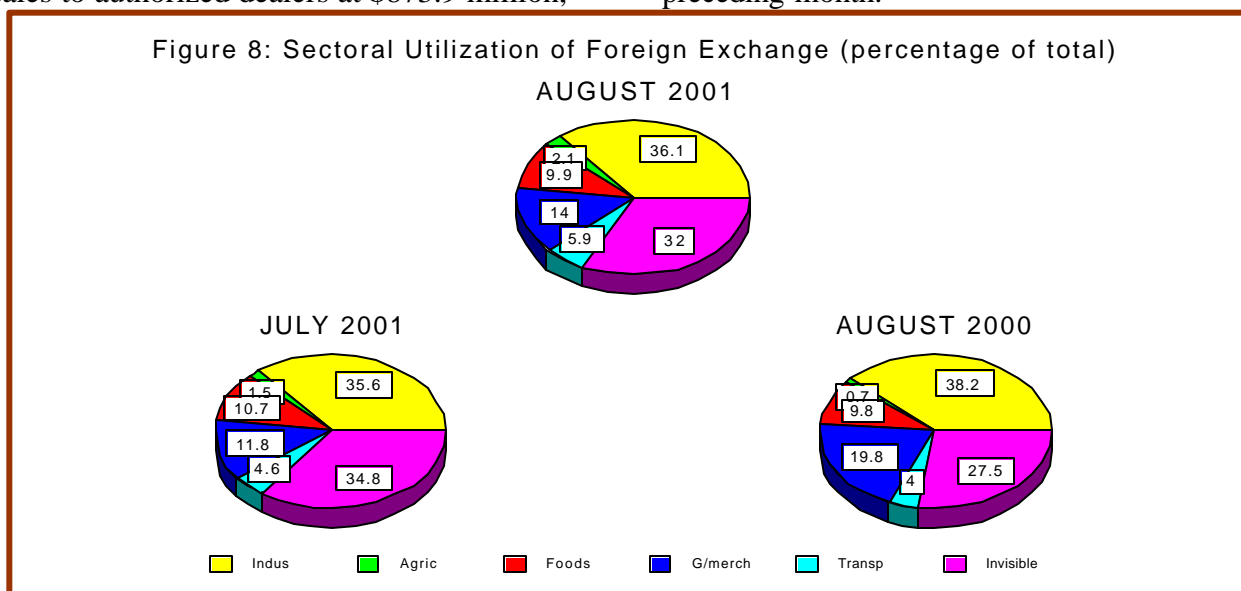
4.3 Foreign Exchange Market Developments

The demand pressure in the Inter-bank Foreign Exchange Market (IFEM) intensified in August, with foreign exchange sales to authorized dealers at \$873.9 million,

per dollar. The parallel market and bureaux de change rates, however, appreciated by 0.73 per cent and 0.46 per cent, respectively, from their levels in July 2001. Consequently, the premium between the IFEM and the parallel market rates narrowed by 1.27 percentage points to 20.09 per cent.

4.4 External Reserves

Nigeria's gross external reserves at end-August, 2001 amounted to \$10,389.9 million, representing a decline of 1.6 per cent from the level in the preceding month. At current foreign exchange commitments, the reserves could finance about 8.1 months of imports compared with 8.4 months in the preceding month.



compared with \$779.1 million in July, 2001. The increased pressure on the IFEM was traceable to higher patronage of the market, as some importers who hitherto patronized the parallel market switched their demand to the IFEM. The CBN did not purchase any foreign exchange from the market during the month of August.

The naira depreciated marginally in the IFEM from an average of ₦111.35 per dollar in the preceding month to ₦111.70

5.0 INTERNATIONAL ECONOMIC DEVELOPMENTS

World crude oil output fell marginally from 76.5 mbd in July, 2001 to 76.05 mbd in August 2001 while demand, in contrast, rose by 0.25 mbd to 76.20 mbd from the previous month's level. Total world oil demand exceeded supply by 0.14 mbd, in contrast to an excess supply of 0.50 mbd recorded in the preceding month.

The 25th Ordinary Meeting of the Assembly of Governors of the Association of African Central Banks (AACB) was held in Sandton, Johannesburg, Republic of South Africa on 16th August, 2001. The meeting was preceded by a Symposium on “Financial Institutions and the African Integration Process” held on 14th and 15th August, 2001. The Assembly of Governors deliberated on a number of issues aimed at strengthening co-operation among African Central Banks in line with the Abuja Treaty of 1991, and re-echoed by the Sirte Declaration of Libya in 1999, as well as the Constitutive Act of the African Union (AU) adopted in Lusaka in July 2001.

The Assembly subsequently adopted the following proposals:

- The reports of the 24th Ordinary Meeting held in Dar es Salaam, Tanzania on 11th August, 2000 and the 25th Extra-Ordinary Meeting held in Prague, the Czech Republic on 25th September, 2000;
- To extend the deadline for member banks to pay their outstanding arrears to the AACB;
- That the report of the Technical Committee on the African Monetary Co-operation Programme (AMCP) be further studied and discussed at the country level with relevant authorities before its adoption at the next meeting of the Association;
- To have a contact point which would serve as a Secretariat of the AACB and the Bureau to be located at the BCEAO in Dakar, Senegal. The Secretariat will be manned by one person supported by a secretarial staff under the supervision of the host Central Bank. Funding of the secretariat will be borne by the host

Central Bank and reimbursed later by the AACB;

- The amendments to the Statutes of the AACB, subject to a review by legal experts before the ratification of the document at the next meeting of the Association;
- The Assembly also observed the large composition of countries under the South African Development Community (SADC) and urged that suitable restructuring be carried out in order to have active participation of all members in the sub-region; and
- requested the Bureau to decide on the theme for next year’s Symposium of the Association and communicate to members.

In a separate development, a recent report released by the U.S. Federal Reserve Bank indicated that the United States’ (US) economy was likely to move into recession as the sluggish growth experienced during the months of June and July, 2001 continued, reflecting general weakness in retail sales, exports and business services. The decline in the manufacturing sector has had spill-over effects on the other sectors of the economy, particularly the property, haulage and shipping services sub-sectors. The labour market remained tight as the number of highly-skilled workers in search of jobs continued to rise. The weak tempo of economic activities in the United States, if it persists, could result in reduced demand for Nigeria’s crude oil.

