

## ECONOMIC REPORT FOR THE MONTH OF MARCH 2002

### 1.0 SUMMARY

Broad money stock ( $M_2$ ) rose further by 0.1 per cent in March 2002, while narrow money ( $M_1$ ) fell by 1.9 per cent. In the first quarter of the year, ( $M_2$ ) and ( $M_1$ ) grew by 7.7 and 1.6 per cent, respectively, as against the maximum targets of 15.3 and 12.4 per cent for fiscal 2002. Monetary growth in the review month was driven by the increases of 12.1 and 6.1 per cent in aggregate bank credit to the domestic economy and foreign assets (net) of the banking system, respectively.

The spread between banks' weighted average deposit and maximum lending rates was 11.2 percentage points, while the margin between the weighted average savings deposit and maximum lending rates was 25.7 percentage points. The average inter-bank call rate rose from 23.2 per cent in February 2002 to 26.1 per cent in March 2002.

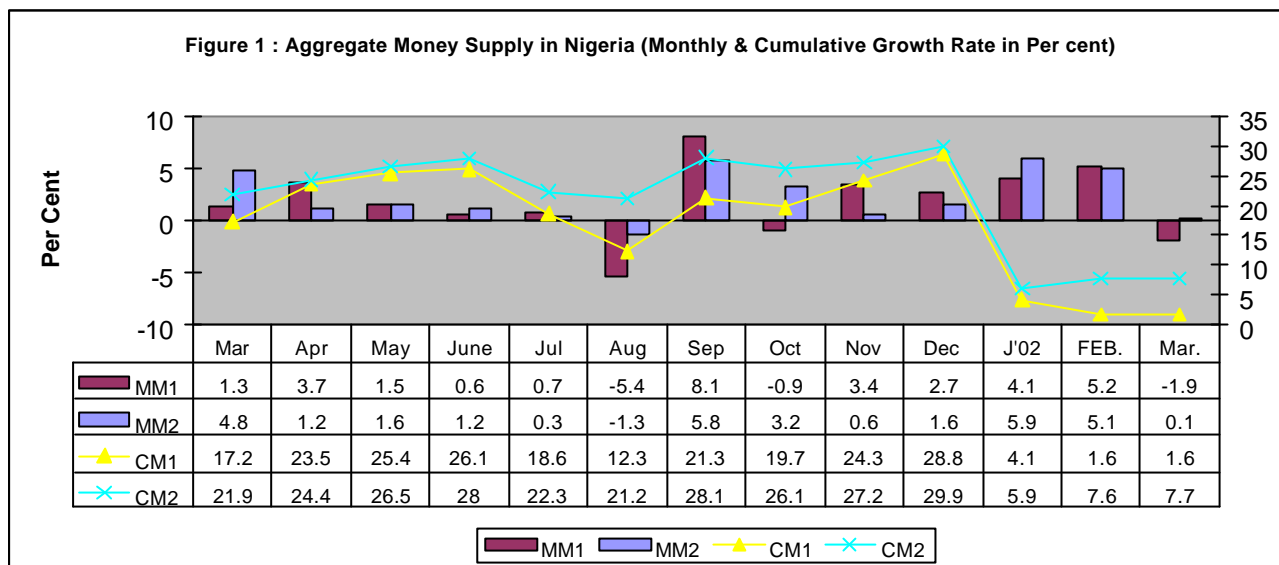
The value of money market assets outstanding rose by 2.0 per cent, reflecting the respective increases of 44.9 and 0.6 per cent in Bankers' Acceptances (BAs) and Commercial Papers (CPs). No new issue of Nigerian Treasury Bills (NTBs) was made during the month, but bills worth ₦207.6 billion were re-issued to replace matured ones of the same value. Capital market indicators showed upward trends as the value of traded securities, market capitalization and price index increased.

Agricultural activities during the month consisted mainly of pre-planting operations and harvesting of irrigated crops. Crude oil output, including condensates and natural gas, was estimated at 1.84 million barrels per day (mbd) or 57.04 million barrels for

the month. Crude oil export constituted 75.5 per cent of total output, while the balance (24.5 per cent) was refined for domestic consumption. The average price of Nigeria's reference crude, Bonny Light, (37<sup>th</sup> API), rose by 16.2 per cent to U.S \$ 23.54 a barrel in March. The price index of Nigeria's major agricultural commodities at the London Commodities Market increased by 5.1 per cent, in dollar terms, and 10.1 per cent, in naira terms, over the level recorded in the preceding month. The inflation rate in March was 18.8 per cent, down from 18.9 per cent in the preceding month.

Foreign exchange flows through the Central Bank of Nigeria (CBN) during the month resulted in a net outflow of \$177.2 million. Foreign exchange sales in the Inter-bank Foreign Exchange Market (IFEM) declined from \$781.20 million in February, 2002 to \$656.70 million in March. However, the average exchange rate of the naira vis-à-vis the U.S dollar depreciated from ₦114.75 to ₦116.03 per dollar in the IFEM, and from ₦138.68 and ₦139.18 per dollar to ₦138.95 and ₦139.32 per dollar in the parallel market and bureaux-de-change, respectively, during the period. Nigeria's gross external reserves declined by 2.6 per cent to U.S\$9,546.1 million at end-March 2002.

On the international scene, total world oil demand exceeded supply by 1.5 mbd, compared with an excess demand of 1.15 mbd recorded in the preceding month. The United Nations Conference on Financing for Development (UNFfD) was held in Monterrey, Mexico from 18<sup>th</sup> to 22<sup>nd</sup> March, 2002. The Conference focused on the



challenges of Financing for Development and actions aimed at improving economic conditions globally, among other issues.

A technical meeting of the Group of 24 Countries on International Monetary Affairs and Development was held in Beirut, Lebanon from 1<sup>st</sup> to 2<sup>nd</sup> March, 2002 to discuss relevant issues and concrete recommendations which would advance the voice of the developing countries in international fora.

In another development, the National Sensitization Programme of the West African Monetary Zone (WAMZ) was launched on March 15, 2002 by the President of the Federal Republic of Nigeria, Chief Olusegun Obasanjo (GCFR).

Also, some African leaders held a summit in Abuja during the month to deliberate on the modalities for the effective implementation of the New Partnership for Africa's Development (NEPAD). The summit adopted a draft report on governance and democracy as well as an African Peer Review Mechanism (APRM). □

## 2.0 FINANCIAL SECTOR DEVELOPMENTS

Money supply increased further in March 2002. Interest rate movements indicated mixed developments. The liquidity situation in the banking system continued to influence developments in the money market. Major stock market indicators showed improved performance during the month.

### 2.1 Monetary and Credit Developments

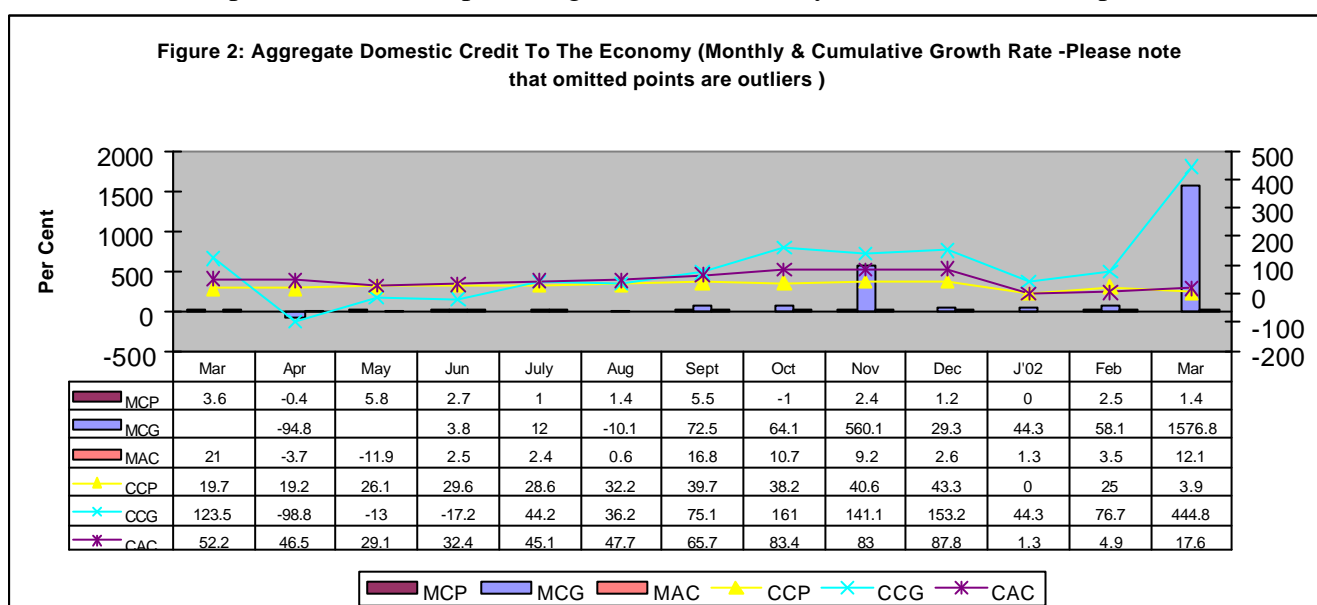
Provisional data indicated that broad money ( $M_2$ ) rose further by ₦0.8 billion or 0.1 per cent to ₦1,417.1 billion in March 2002, compared with an increase of 5.1 per cent in the preceding month. The rise in the review month reflected entirely the increase in quasi-money. Narrow money ( $M_1$ ), on the other hand, fell by ₦16.2 billion or 1.9 per cent, in contrast to the increase of ₦41.6 billion or 5.2 per cent in February, following the significant decline in other assets (net) of the banking system. In the first quarter of the year, however,  $M_2$  and  $M_1$  grew by 7.7 and 1.6 per cent, respectively, compared

with the targets of 15.3 and 12.4 per cent for fiscal 2002.

Aggregate banking system's credit to the domestic economy rose sharply by ₦105.0 billion or 12.1 per cent to ₦975.5 billion, in contrast to the decline of ₦6.8 billion or 0.8 per cent in the preceding

attributable to increases in deposit money banks' holdings of treasury bills and direct advances by the Central Bank. In the first quarter of the year, net credit to the Federal Government grew by ₦112.1 billion.

Bank credit to the private sector increased by ₦12.2 billion or 1.4 per cent in



month. The rise in aggregate credit reflected largely the expansion in credit (net) to the Federal Government. In the first quarter of the year, aggregate bank credit rose by ₦145.7 billion or 17.6 per cent, compared with the permissible expansion rate of 57.9 per cent for fiscal 2002 and the increase of 21.0 per cent in the corresponding period of 2001.

Banking system's net claims on the Federal Government rose sharply by ₦92.8 billion, in contrast to a decline of ₦29.0 billion in the previous month. The rise was

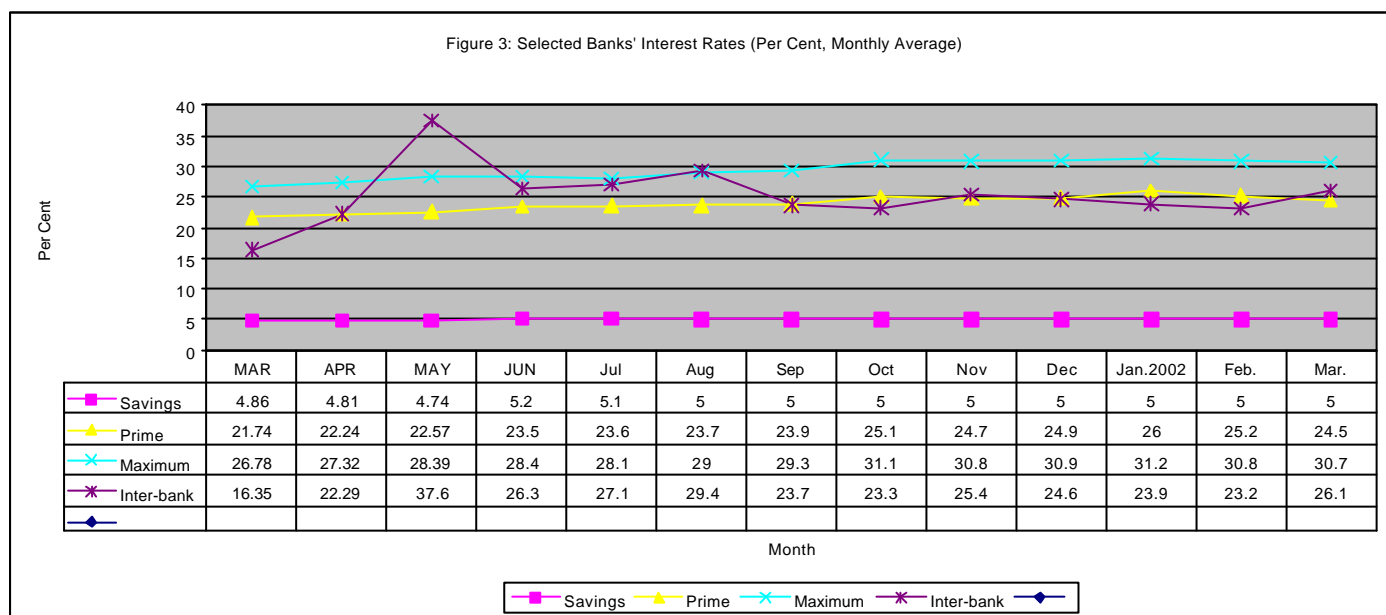
the review month and by ₦33.6 billion or 3.9 per cent in the first quarter of 2002, compared with the 34.9 per cent growth target for the whole year.

At ₦1,394.1 billion, foreign assets (net) of the banking system rose by ₦80.6 billion or 6.1 per cent, in contrast to a decline of ₦57.6 billion or 4.2 per cent in the previous month. The increase reflected the sharp rise of ₦78.4 billion or 7.5 per cent in Central Bank holding. In first quarter of the year, however, foreign assets (net) fell by ₦38.8 billion or 2.7 per cent.

Quasi-money rose by ₦17.0 billion or 3.0 per cent in March, compared with the increase of ₦27.4 billion or 5.1 per cent in the preceding month. The rise reflected

## 2.2 Currency-in-circulation and Deposits at CBN

At ₦365.1 billion in March 2002,



largely the increase in deposit money banks' time deposits. In the three-month period ended March 2001, quasi-money rose significantly by ₦88.3 billion or 17.7 per cent.

Other assets (net) of the banking system declined sharply by ₦184.8 billion or 24.1 per cent in March, in contrast to an increase of ₦133.4 billion or 14.8 per cent in the previous month. The decline was traceable to both the Central Bank and deposit money banks' accounts. The decrease in Central Bank's accounts reflected declines in unclassified assets, reinforced by the increase in other liabilities, mainly capital accounts and banks' deposits. Deposit money banks recorded increases in other liabilities, mainly capital accounts and bond issues.

currency in circulation fell by ₦46.7 billion or 11.3 per cent from the level in the preceding month. The decline was reflected in currency held outside the banking system and vault-cash, which fell by 10.8 and 14.4 per cent, respectively.

Total deposits at CBN amounted to ₦944.6 billion, indicating a decrease of ₦8.3 billion or 4.9 per cent from the level in the preceding month but an increase of ₦50.9 billion or 5.7 per cent over the level in the corresponding period of 2001. The shares of the Federal Government, bankers and 'other' in total deposits at the CBN were 82.6, 15.3 and 2.1 per cent, respectively, compared with 85.1, 12.3 and 2.6 per cent in February 2002.

### 2.3 Interest Rate Developments

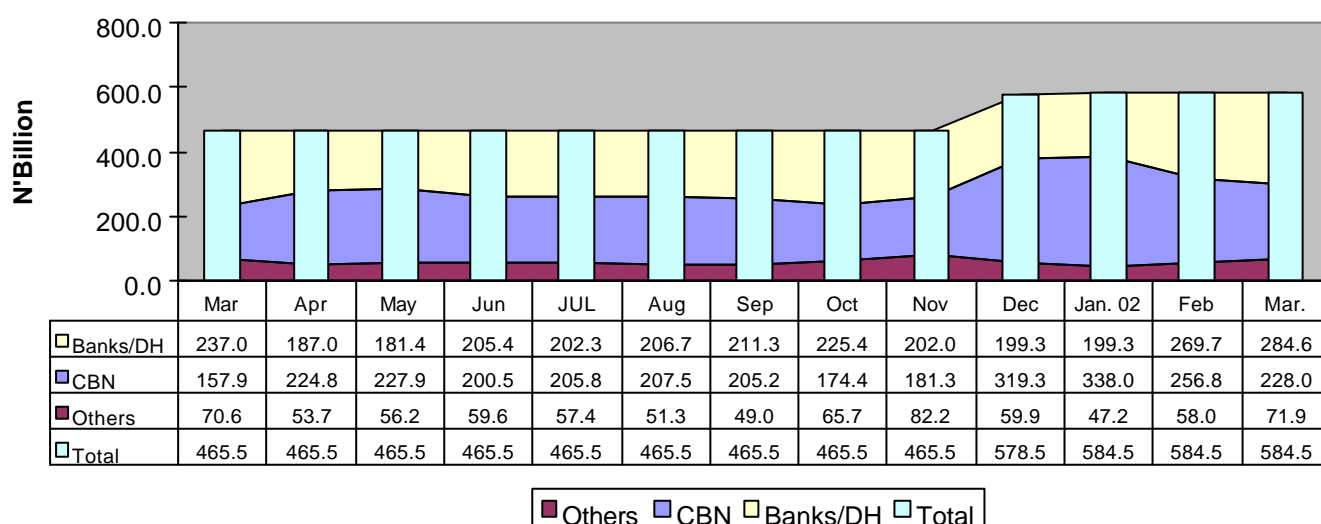
Available data indicated that interest rate developments in March 2002 were mixed. With the exception of the average savings deposit rate and the average rates on time deposits of 7-day and 3-month maturities which remained unchanged at the preceding month's levels of 5.0, 12.9 and 20.0 per cent, respectively, other deposit rates of various maturities recorded increases. Banks' average prime and maximum lending rates, on the other hand,

in February 2002 reflecting the pressure on bank liquidity during the month.

### 2.4 Money Market Developments

The value of money market assets outstanding at end-March, 2002 rose by ₦12.8 billion or 2.0 per cent to ₦658.2 billion, in contrast to a decline of ₦10.6 billion or 1.6 per cent in the preceding month. The rise reflected the increases of ₦14.0 billion or 44.9 per cent in Bankers' Acceptances (BAs) and ₦0.2 billion or 0.6 per cent in Commercial Papers (CPs),

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



fell by 0.7 and 0.1 percentage points to 24.5 and 30.7 per cent, respectively. Thus, the spread between banks' weighted average deposit and maximum lending rates narrowed to 11.2 percentage points from 12.7 points in the previous month, while the margin between the average savings deposit and maximum lending rates fell from 25.8 percentage points in February 2002 to 25.7 percentage points.

The average inter-bank call rate rose to 26.1 per cent in March from 23.2 per cent

respectively. Eligible Development Stocks (EDS) outstanding, on the other hand, fell by ₦1.4 billion or 37.6 per cent, while treasury bills remained unchanged at the preceding month's level.

Treasury bills worth ₦207.6 billion were re-issued in the review month to replace matured bills of the same value, compared with ₦77.9 billion re-issued in the preceding month. Thus, total bills outstanding remained unchanged at end-February level of ₦584.5 billion. Of the total re-issued during the month, deposit

money banks subscribed ₦54.7 billion or 26.3 per cent, while 'others', including discount houses subscribed ₦52.8 billion or 25.4 per cent. The balance of 100.1 billion or 48.3 per cent was absorbed by the Central Bank. Following the increase in public patronage, Central Bank's total holding fell by ₦28.8 billion or 11.2 per cent to ₦228.0 billion during the month.

## 2.5 Capital Market Developments

Activities on the Nigerian Stock Exchange (NSE) indicated improved performance in March, 2002 as all the market indicators showed upward trends. The volume of transactions rose by 57.8 per cent to 642.3 million shares, compared with 407.0 million shares recorded in February 2002. The value also increased by 73.3 per cent to ₦5.2 billion. Similarly, market capitalization and value index increased from ₦625.4 billion and 10,578.0 to ₦662.8 billion and 11,210.8, respectively. The improved performance during the month reflected largely increased patronage by investors after the lull that characterized the market in the first two months of the year.

## 2.6 Deposit Money Banks' Activities

Total assets/liabilities of deposit money banks (DMBs) in March, 2002 amounted to ₦2,259.00 billion, representing increases of ₦51.8 billion or 2.3 per cent and ₦91.8 billion or 4.2 per cent over the preceding month's level and the corresponding month of 2001. Funds were sourced mainly from the increases in deposits and capital accounts as well as the drawn-down on reserves, while the major uses of funds included increases in credit to both the public and private sectors of the economy as well as acquisition of unclassified assets,

among others. Aggregate credit to the domestic economy by deposit money banks amounted to ₦1,108.7 billion, representing increases of ₦55.6 billion or 5.3 per cent and ₦291.4 billion or 35.7 per cent over the preceding month's level and the level achieved at end-March, 2001, respectively. The breakdown showed that credit to government increased by ₦42.6 billion or 22.8 per cent, while claims on the private sector increased by ₦12.9 billion or 1.5 per cent. Credit to state and local governments, however, declined by ₦9.7 billion or 37.1 per cent during the month under review. Central Bank's credit to deposit money banks amounted to ₦12.6 billion, representing declines of ₦6.2 billion and ₦12.6 billion below the preceding month's level and the level at end-March, 2001 respectively.

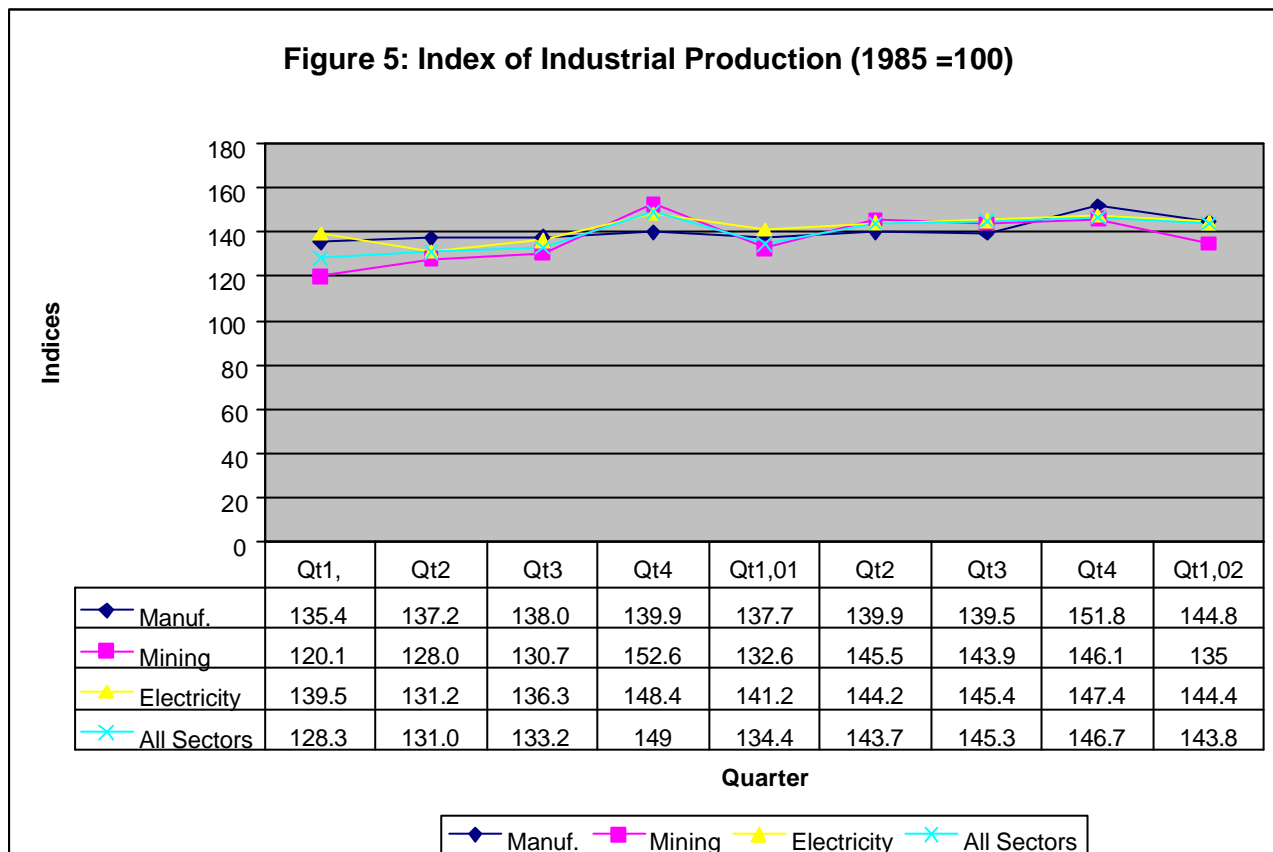
Total specified liquid assets of deposit money banks stood at ₦621.9 billion or 52.1 per cent of their total deposit liabilities. This level of assets was 1.4 percentage points below the preceding month's level but 12.1 percentage points above the stipulated minimum of 40.0 per cent for fiscal 2002.

## 2.7 Discount Houses

Total assets/liabilities of discount houses amounted to ₦52.6 billion in March 2002, showing an increase of ₦24.81 billion or 89.3 per cent over the preceding month's level. Investments in Federal Government securities of less than 91 days maturity stood at ₦24.50 billion, representing 46.6 per cent of discount houses' total deposit liabilities. The ratio was 13.4 percentage points below the prescribed minimum of 60.0 per cent for fiscal 2002. Total borrowings by discount houses stood at ₦15.7 billion, while capital and reserves amounted to ₦4.9 billion,

resulting in a gearing ratio of 3.1, compared

following early rains during the month,



with the stipulated maximum target of 50:1 for fiscal 2002.

### 3.0 DOMESTIC ECONOMIC CONDITIONS

The dominant agricultural activities during the month included pre-planting operations and harvesting of irrigated crops. Crude oil output fell by 2.1 per cent from the preceding month's level, while the domestic price level fell in March.

#### 3.1 Agricultural Sector

Pre-planting operations dominated agricultural activities in the coastal areas

while in the North farmers engaged in harvesting of irrigated crops such as tomato and carrot. In the livestock sub-sector, farmers intensified efforts to boost production. Poultry farmers repaired leaking roofs and fumigated broiler houses to raise table birds in preparation for sales during the Easter festivities.

The prices of Nigeria's major agricultural commodities at the London Commodity Market increased during the month. At 77.9 (1985=100), the all-commodity price index, in dollar terms, rose by 5.1 per cent over the level in the preceding month. Compared with the level in March 2001, the index represented an increase of 39.1 per cent. In naira terms, the index at 8004.6 (1985=100), rose by 10.1

and 30.8 per cent over the levels in the preceding month and corresponding month of 2001, respectively. The price fluctuations were attributable mainly to seasonal factors.

Of the six (6) commodities monitored during the month, four (4), namely, coffee, cocoa, palm oil and soya beans recorded price increases, in dollar terms, of 8.1, 5.8, 1.6 and 0.7 per cent, respectively. Copra and cotton, however, recorded price declines of 41.7 and 0.2 per cent, respectively. When compared with the corresponding month of 2001, four (4) of these commodities namely, copra, cotton, coffee and soya beans recorded price declines of 98.8, 23.3, 4.2 and 0.6 per cent, respectively.

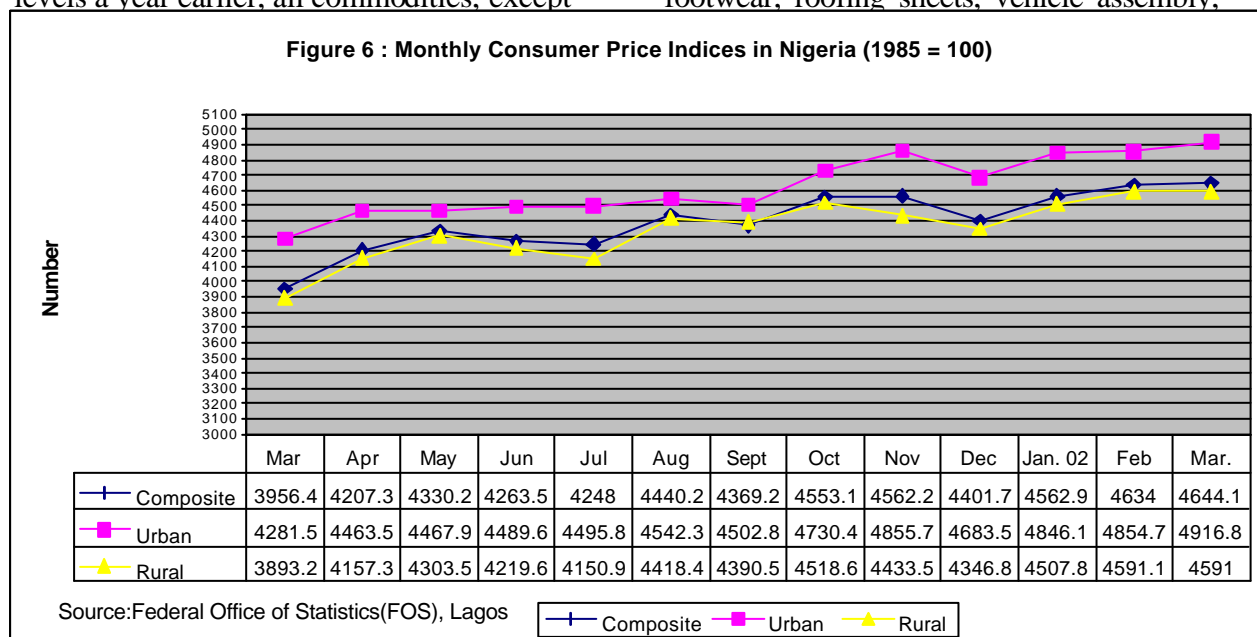
In naira terms, palm oil, coffee, cocoa and soya beans recorded price increases of 37.3, 7.6, 6.9 and 1.2 percent, respectively, over the levels in the preceding month. Copra and cotton, however, exhibited price declines of 2.5 and 0.4 per cent. When compared with their respective levels a year earlier, all commodities, except

cotton and coffee, recorded varying degree of price increases.

### 3.2 Industrial Production

Activities in the industrial sector during the first quarter of 2002 indicated a decline, in contrast to an increase in the preceding quarter, but increased relative to the corresponding quarter of 2001. At 143.8 (1985 = 100), estimated index of industrial production declined by 0.6 per cent from the level in the preceding quarter, but rose by 0.7 over the level in the corresponding quarter of 2001.

The estimated index of manufacturing production, at 144.8 (1985=100), declined by 4.6 per cent from the level in the preceding quarter, but increased by 5.2 per cent relative to the corresponding quarter of 2001. During the quarter under review, nine sub-groups namely: soft drinks, sugar/confectioneries, radio/TV & communication equipment, footwear, roofing sheets, vehicle assembly,



cotton textiles, synthetic fabrics, and paints



recorded declines of 40.7, 20.1, 8.8, 8.4, 3.2, 2.6, 1.7, 1.6 and 0.4 per cent, respectively, while four sub-groups namely; beer & stout, soap and detergent, refined petroleum products, and cement recorded increases of 41.5, 4.1, 2.7 and 2.3 per cent, respectively. The decline was traceable to the delay in the release of the 2002 Budget, which resulted in a slow-down in economic activities.

Similarly, the index of mining production, at 135.0 (1985=100), declined by 6.2 per cent from the level in the preceding quarter. The decline was traceable mainly to the petroleum component.

Estimated at 172.9 million barrels, crude oil production (including condensates) which accounted for over 98 per cent of mining output, declined by 10.2 per cent from the level in the last quarter of 2001. Production of coal and limestone also fell by 5.1 and 7.3 per cent, respectively. Cassiterite and columbite, however, increased by 3.6 and 0.7 per cent, respectively.

Estimated aggregate electricity consumption declined by 2.3 per cent from the level recorded in the preceding quarter, but rose by 2.0 per cent over the corresponding quarter of 2001. The fall was attributable to the lingering problems of transmission and distribution in the sub-sector. Of the total consumption in the review period, residential, commercial & street lighting and industrial accounted for

51.5 26.6 and 21.9 per cent, respectively.

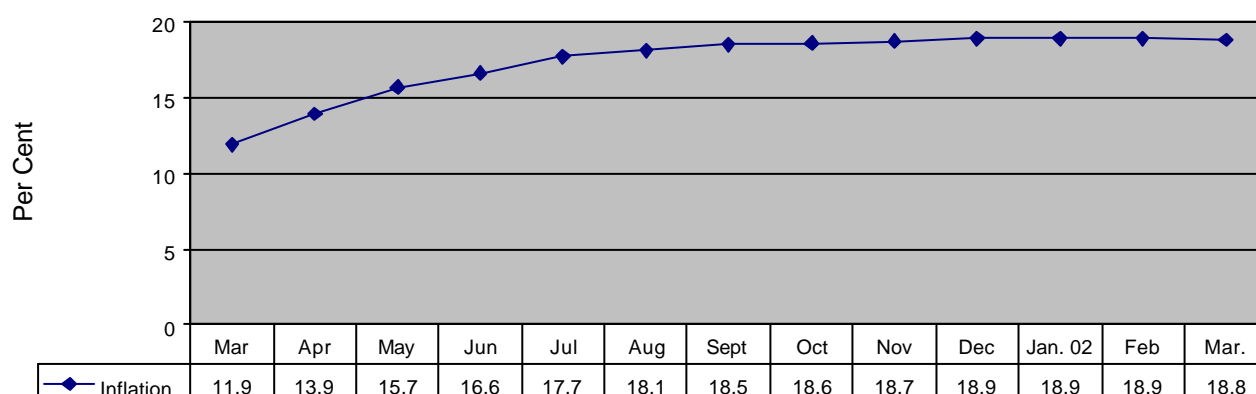
### 3.3 Petroleum Sector

Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at 1.84 million barrels per day (mbd) or 57.04 million barrels for the month, representing a decline of 2.1 per cent from the level in the preceding month. The fall was attributable mainly to the compliance with OPEC reduction in output by 6.5 per cent effective from January 1, 2002. The share of the country's production in total OPEC's output during the month was 8.5 per cent, compared with 8.2 per cent in the preceding month.

Crude oil exports were estimated at 1.39 mbd or 43.09 million barrels for the month, showing a decline of 2.8 per cent from the level in the preceding month. Crude oil exports accounted for 75.5 per cent of total output, compared with 77.4 per cent recorded in February 2002, while the balance (24.5 per cent) was refined for domestic consumption.

Crude oil prices showed appreciable increases over the levels in February 2002, following the cut in crude oil supply by OPEC and some Non-OPEC producers. Other factors that contributed to price increases included the improvement in the United States of America's (USA) economy,

Figure 7: Inflation Rate in Nigeria (Per Cent, Monthly)



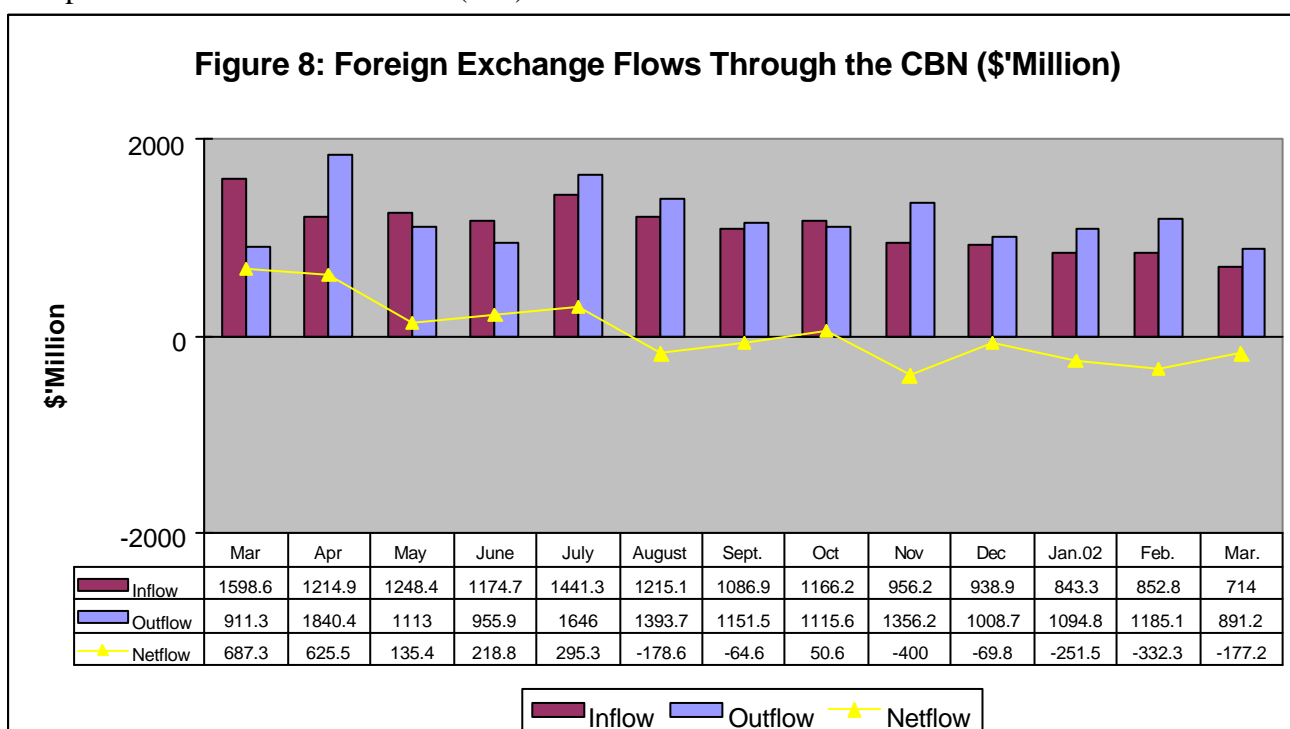
Source: Federal Office of Statistics (FOS), Lagos

the replenishment of the USA's strategic stocks and political uncertainties in the Middle East. At \$23.54 a barrel, the average price of Nigeria's reference crude, Bonny Light (37° c API), rose by 16.2 per cent over the level in February 2002, in the spot market. Similarly, the average prices of other competing brands of crude, namely the Forcados, U.K. Brent, West Texas Intermediate (WTI) and Arab Light rose to \$23.36, \$23.72, \$24.25 and \$21.10 a barrel, from their respective levels of \$20.15, \$20.24, \$20.59 and \$17.77 a barrel in February 2002. In the European net-back market, the Bonny Light and U.K. Brent were sold at \$25.27 and \$26.74 a barrel, representing increases of 18.7 and 25.4 per cent, respectively, over the preceding month's levels. Similarly, in the American net-back market, the Arab Light and WTI were sold at \$25.01 and \$27.11 a barrel, respectively, as against \$20.23 and \$21.69 a barrel, in the preceding month.

### 3.4 Consumer Prices

Data from the Federal Office of Statistics (FOS) showed that the all-items composite Consumer Price Index (CPI) in

March 2002 was 4644.1 (1985 = 100), reflecting increases of 0.2 and 17.4 per cent over the levels in the preceding month and corresponding month of 2001, respectively. The development during the month was traceable to the indices of drinks, tobacco and kola; clothing and footwear as well as medical care and health expenses whose indices rose by 8.5, 6.0, and 3.3 per cent, respectively, while the indices of other component items recorded decreases ranging from 1.1 per cent for household goods to 6.5 per cent for accommodation, fuel & light. When compared with their levels in the corresponding month a year earlier, all the component items recorded price increases, except transportation; household goods; medical care & health expenses; and clothing and footwear whose indices recorded price decreases of 6.6, 4.7, 0.6 and 0.1 per cent, respectively. The urban all-items CPI was 4,916.8 (1985 = 100), in March 2002, showing increases of 1.3 and 4.8 per cent over the levels in the preceding month and the corresponding month of 2001, respectively. The rural all-items CPI, however, stabilized at 4,591.0 (1985 = 100) but showed an increase of 17.9 per cent over



the level in the corresponding month of 2001.

The inflation rate for the twelve-month period ended March 2002 was 18.8 per cent, compared with 18.9 per cent in the preceding month and 11.9 per cent in the corresponding month of 2001 (Fig. 7). The rate had stabilized at 18.9 per cent between December 2001 and February 2002 before the observed fall during the review month.

#### **4.0 EXTERNAL SECTOR DEVELOPMENTS**

##### **4.1 Foreign Exchange Flows**

Foreign exchange inflow and outflow through the Central Bank of Nigeria (CBN) stood at \$714.0 million and \$891.2 million, respectively, in March 2002, representing a net outflow of US \$177.2 million during the month. Compared with the respective levels of \$852.8 million and \$1,185.1 million in the preceding month, inflow and outflow declined by 16.3 and 24.8 per cent. The decline in inflow was accounted for mainly by the fall in oil receipts, while that of outflow was attributable mainly to the declines in debt service payments, funding of IFEM and disbursements on "Other Official Payments" from \$147.0 million, \$781.2 million and \$235.8 million in February 2002 to \$18.8 million, \$656.7 million, and \$181.1 million, respectively, in March. At \$2,410.1 million and \$3,171.1 million, cumulative inflow and outflow, from January to March 2002, represented declines of 54.3 and 13.3 per cent, respectively, from the levels in the same period, a year earlier.

##### **4.2 Sectoral Utilisation of Foreign Exchange**

As in the past, the industrial sector accounted for the bulk (42.9 per cent) of total foreign exchange disbursed in March 2002, followed closely by invisibles which had 22.4 per cent of the total. Other beneficiary sectors, in a descending order of importance, included: general merchandise, food, transportation and agricultural products (Fig 9).

##### **4.3 Foreign Exchange Market Developments**

The demand pressure in the Inter-bank Foreign Exchange Market (IFEM) moderated during the review month, as \$656.70 million was sold to authorized dealers by the CBN, compared with \$781.20 in February 2002. The decline could be attributed mainly to sustained surveillance of the market by the regulatory authorities. The CBN purchased US\$1.00 million from the market, during the month, in contrast to the preceding month when the Bank made no purchase.

The average exchange rate of the naira vis-à-vis the U.S. dollar depreciated from ₦114.75 per dollar in February to ₦116.03 per dollar. Similarly, the rates in the parallel market and the bureaux de change depreciated from ₦138.68 and ₦139.18 per dollar to ₦138.95 and ₦139.32 per dollar, during the period. Overall, the premium between the IFEM and the parallel market rates narrowed from 20.85 percent in February 2002 to 19.75 per cent in March.

##### **4.4 External Reserves**

Nigeria's gross external reserves at end-March, 2002 amounted to \$9,546.1 million, representing a decrease of 2.6 per cent from

the preceding month's level of \$9,793.5 million. This level could finance 9.0 months of imports at the current foreign exchange commitments.

## 5.0 OTHER INTERNATIONAL ECONOMIC DEVELOPMENTS

World crude oil output declined marginally from 75.25 mbd in February 2002 to 74.93 mbd in March, while demand rose by 0.03 mbd to 76.43 from the previous month's level of 76.40 mbd. Total world oil demand exceeded supply by 1.5 mbd, compared with an excess demand of 1.15 mbd recorded in the preceding month.

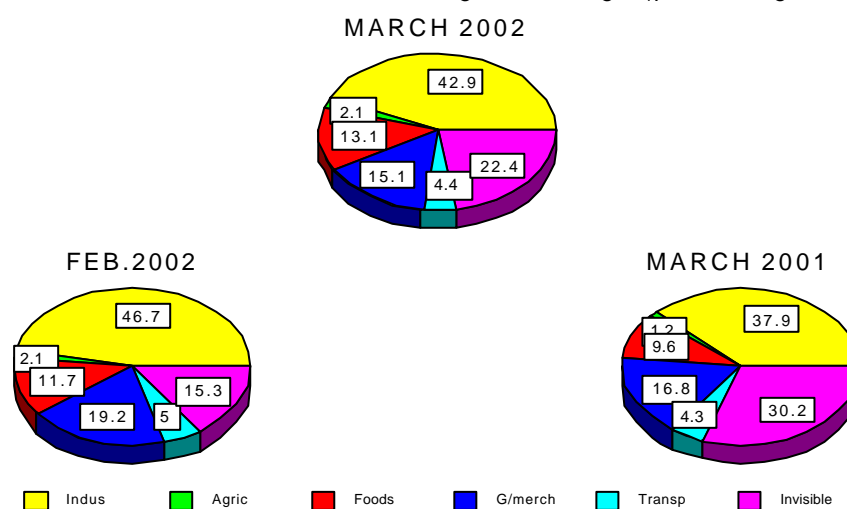
The United Nations Conference On Financing for Development (UNFfD) was held in Monterrey, Mexico from 18<sup>th</sup> to 22<sup>nd</sup> March 2002. The Conference was attended by several Heads of State and Government from developed and developing countries (including Nigeria), the United Nations' Secretary-General, the World

Bank Governors, senior officials of public and private institutions as well as Non-Governmental Organisations (NGOs). President Olusegun Obasanjo led the Nigerian delegation to the conference, which included the Governor of the Central Bank of Nigeria (CBN), Chief (Dr) J.O. Sanusi, who is the current Chairman of the Group of 24 countries on International Financial and Monetary Affairs and Development. The Conference created a forum for the Heads of State and Government to deliberate and take decisions on some areas of concern as follows:

- The challenges confronting Financing for Development;
- Leading Actions, aimed at improving economic conditions globally; and
- meeting Modalities for staying engaged.

In another development, a technical of the Group of 24 countries on International Monetary Affairs and Development was held in Beirut, Lebanon from 1<sup>st</sup> to 2<sup>nd</sup>

Figure 9: Sectoral Utilization of Foreign Exchange (percentage of total)



Bank's President, the International Monetary Fund's Managing Director, Finance and Foreign Ministers, Central

March, 2002 to discuss relevant issues and concrete recommendations which would

advance the voice of the developing countries in international fora.

The National Sensitisation Programme of the West African Monetary Zone (WAMZ) was launched on March 15, 2002 by the President of the Federal Republic of Nigeria, Chief Olusegun Obasanjo (GCFR). A Committee was inaugurated to sensitize all stakeholders in Nigeria on the various aspects of monetary and regional integration as well as the introduction of a common currency.

Finally, some African leaders held a summit in Abuja in March 2002 to deliberate on the modalities for the effective implementation of the New Partnership for Africa's Development (NEPAD). The summit adopted a draft report on governance and democracy as well as an African Peer Review Mechanism (APRM), which must be credible, transparent and all-encompassing to demonstrate that African leaders are fully aware of their responsibilities and obligations to their people. The priority sectors of attention in the draft action plan included agricultural development, market access, infrastructural development, foreign capital inflow and human development in health and education.