

ECONOMIC REPORT FOR THE MONTH OF JANUARY 2004

1.0 SUMMARY

Provisional data indicated a seasonal downward trend in monetary aggregates in January, 2004. Broad money stock (M_2) fell by 0.2 per cent to ₦2,015.7 billion during the month, compared with a decline of 5.3 per cent in the preceding month. Narrow money (M_1) also fell by 3.2 per cent to ₦1,219.4 billion, compared with the 7.8 per cent decline recorded in December 2003. The development during the month was attributable to the declines in domestic credit, foreign and other assets (net) of the banking system. Aggregate banking system's credit to the domestic economy fell by 9.7 per cent during the month, compared with the decline of 6.8 per cent in the preceding month.

Banks' interest rates showed downward trend during the month. The spread between the banks' weighted average deposit and maximum lending rates was 10.5 percentage points, while the margin between the average savings deposit and maximum lending rates stood at 16.4 percentage points. The average inter-bank call rate also fell from 21.1 per cent in December 2003 to 12.3 per cent in January, 2004.

The value of money market assets outstanding fell by 0.5 per cent to ₦927.9 billion in January 2004, in contrast to the increase of 11.8 per cent in the preceding month. Treasury bills worth ₦299.0 billion were re-issued in January 2004 to replace matured bills of the same value, compared with ₦199.4 billion in the preceding month. Activities on the Nigerian Stock Exchange (NSE) indicated improved performance as

all the major indicators rose during the month.

Major agricultural activities during the month included harvesting of tree crops and fruits, clearing of lands in preparation for the year's planting season and cultivation of irrigated lands in some parts of the country. In the livestock sub-sector, farmers intensified the raising of broilers and pullet during the review period. The price index of Nigeria's major agricultural commodities at the London Commodity Market, in dollar terms, declined by 0.7 and 11.5 per cent from the levels in the preceding month and the corresponding period of 2003. The inflation rate in January 2004 was estimated at 14.8 per cent, up from 14.0 per cent in the preceding month.

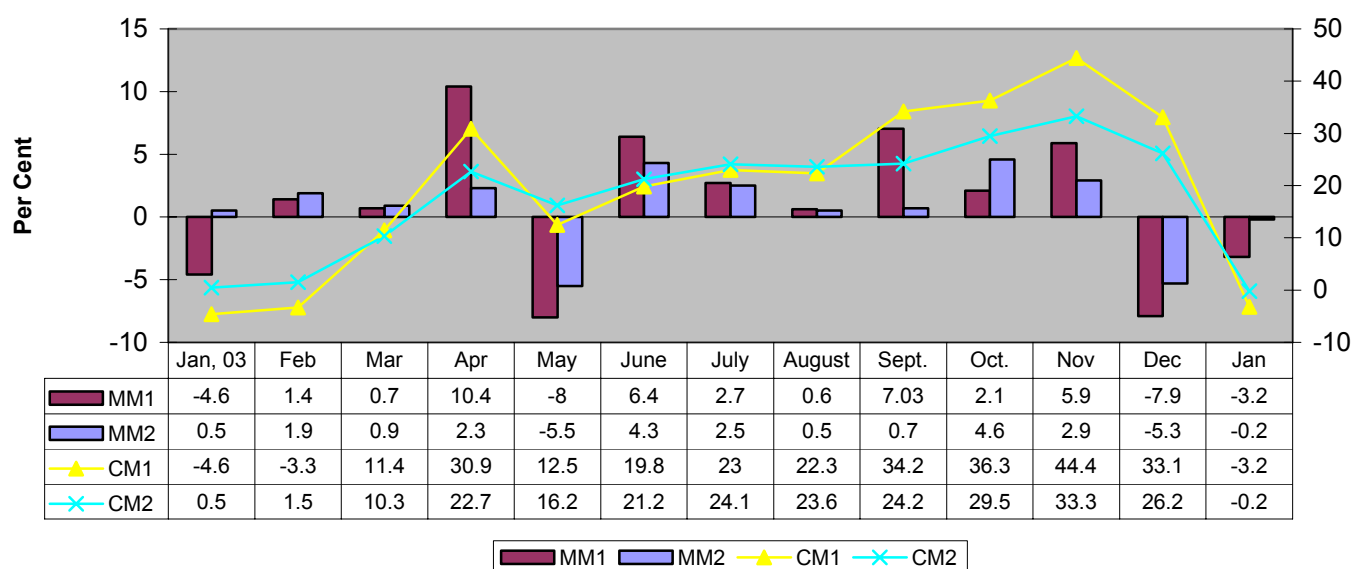
Estimated crude oil output, including condensates and natural gas, was 2.35 million barrels per day (mbd) or 72.85 million barrels for the month, indicating an increase of 6.3 per cent over the preceding month's level. Crude oil exports were estimated at 2.11 mbd or 65.41 million barrels for the month, indicating an increase of 19.4 per cent over the level in the preceding month. Deliveries of crude oil to refineries for domestic consumption, however, remained at 0.45 million barrels per day or 13.95 barrels for the month. The average price of Nigeria's reference crude, the Bonny Light (37°API), was US\$31.77 a barrel, reflecting an increase of 6.4 per cent over the preceding month's level.

Provisional data on foreign exchange flows through the Central Bank of Nigeria (CBN) showed an inflow of US\$2,152.27 million and an outflow of US\$1,148.50 million, resulting in a net inflow of

US\$1,003.77 million during the month. Foreign exchange sales to authorized dealers by CBN amounted to US\$777.36 million, compared with US\$652.64 million in December, 2003. The weighted average exchange rate of the naira vis-à-vis the US dollar appreciated by 0.8 per cent over its December, 2003 level of ₦137.22 per dollar to ₦136.08 per dollar. In the bureaux de change, the naira also appreciated by 1.8 per

experienced in the Northern Hemisphere, especially in the United States. Another major economic development of relevance to the domestic economy during the month was a Three-day National Interactive Forum of Stakeholders on Trade and Investment on the theme “Repositioning Commerce as the Hub of Development of the Economy” organized by the Federal Ministry of Commerce Abuja from 27th –29th January,

Figure 1 : Aggregate Money Supply in Nigeria (Monthly & Cumulative Growth Rate in Per cent)



cent during the month. Nigeria's gross external reserves increased by 11.5 per cent to US\$8,324.0 million as at end-January, 2004.

On the international scene, World crude oil output, estimated at 79.9 million barrels per day (mbd) in January 2004 rose by 0.09 mbd or 0.1 per cent over the preceding month's level of 79.81 mbd, while the estimated demand at 80.45 mbd for the month, rose by 0.15 mbd or 0.2 per cent. Overall, total world oil demand exceeded supply by 0.55 mbd, compared with an excess demand of 0.5 mbd in the preceding month. The rise was attributable largely to the increased demand for heating oil following severe winter currently being

2004. The Forum was aimed at developing concrete trade proposals that would accelerate the formulation of national trade policy to facilitate smooth and unhindered flow of trade and investment between Nigeria and her trading partners.

2.0 FINANCIAL SECTOR DEVELOPMENTS

Monetary aggregates as well as banks' deposit and lending rates declined in January 2004. Money market activities generally slowed down as a result of increased tempo of transactions in the foreign exchange market. However, activities on the Nigerian Stock Exchange

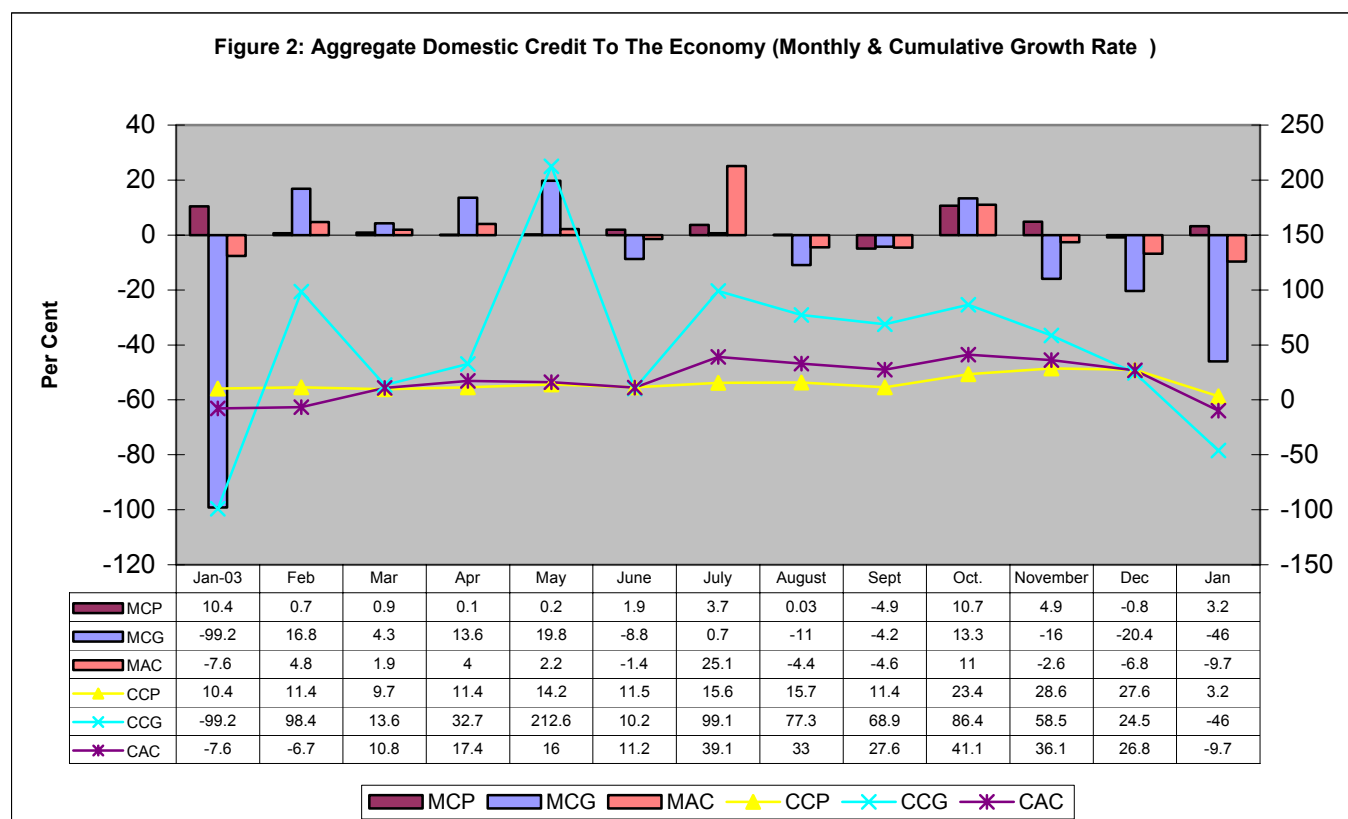
(NSE) showed improved performance during the month.

2.1 Monetary and Credit Developments

Broad money stock (M_2) declined in January 2004 by ₦3.5 billion or 0.2 per cent to ₦2,015.7 billion, compared with a decline of ₦113.6 billion or 5.3 per cent in the preceding month, but in contrast to an increase of ₦146.7 billion or 9.2 per cent in

billion or 9.7 per cent to ₦1, 599.7 billion during the month, compared with the decline of ₦129.9 billion or 6.8 per cent in the preceding month. The fall was accounted for wholly by the substantial decline in CBN's claims on the Federal Government, reflecting the significant rise in Federal Government deposits with the Bank during the month (fig.2).

Banking system's net claims on the Federal Government fell by ₦213.9 billion



the corresponding month of 2003. Narrow money (M_1) also fell by 3.2 per cent to ₦1,219.4 billion, compared with the 7.8 per cent decline recorded in December 2003. The trend in the review month reflected the declines in domestic credit, foreign and other assets (net) of the banking system (fig.1).

Aggregate bank credit to the domestic economy declined by ₦171.6

or 46.0 per cent to ₦251.3 billion, compared with the decline of ₦119.6 billion or 20.4 per cent in the preceding month. The development reflected the substantial drop of ₦284.6 billion or 170.7 per cent in net claims on the Federal Government by the CBN during the month. Deposit money banks' (DMBs) claims on the Federal Government, on the other hand, rose by ₦70.7 billion or 23.7 per cent during the review month.

Bank credit to the private sector increased by ₦42.3 billion or 3.2 per cent to ₦1,348.4 billion during the month under review, in contrast to the decline of ₦10.3 billion or 0.8 per cent in the preceding month. The increase was due entirely to the rise in claims by the deposit money banks on the sector.

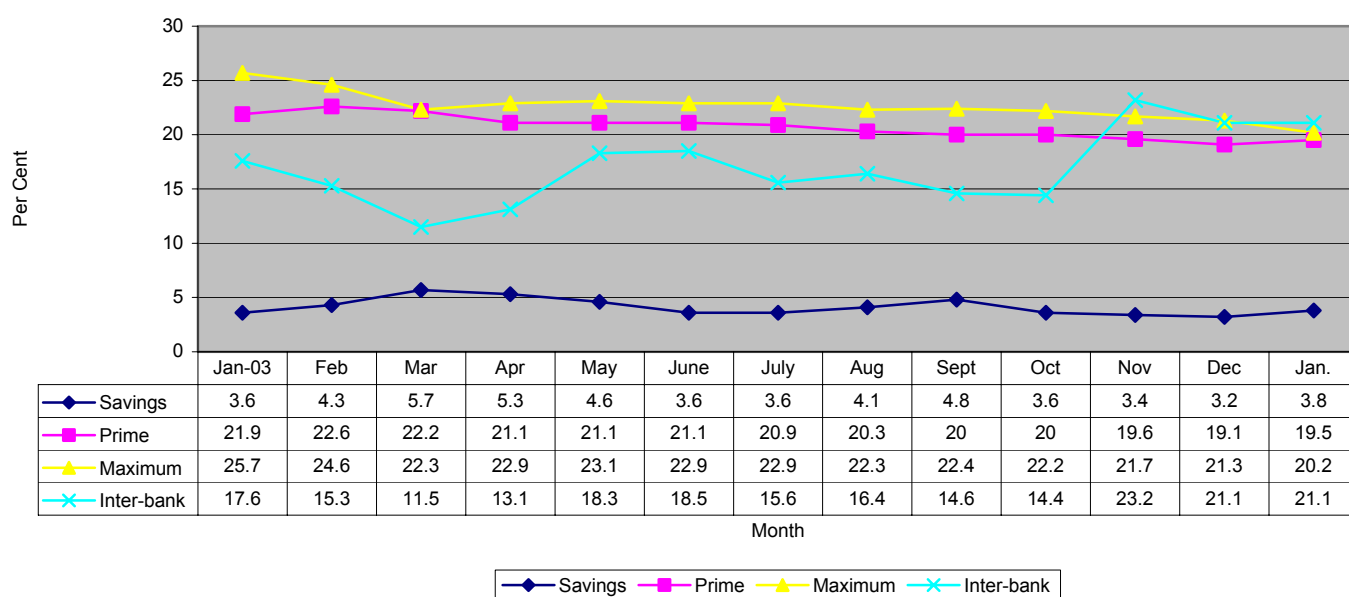
At ₦1, 474.8 billion, foreign assets (net) of the banking system fell by ₦130.4 billion or 8.1 per cent during the month, in contrast to the increase of ₦144.7 billion or 9.9 per cent in the preceding month. The fall reflected the 10.3 and 1.9 per cent declines

Other Assets (net) of the banking system fell by ₦298.5 billion or 22.0 per cent in the review month, in contrast to an increase of ₦128.4 billion or 10.5 per cent in the preceding month. The decline was traceable to the rise in unclassified liabilities of the Central Bank.

2.2 Currency-in-circulation and Deposits at the CBN

At ₦475.7 billion, currency in circulation in January 2004 rose by ₦31.4 billion or 7.1 per cent and ₦34.4 billion or 7.8 per cent over the levels in the preceding month and January 2003, respectively. The

Figure 3: Selected Banks' Interest Rates (Per Cent, Monthly Average)



in Central Bank and deposit money banks' holdings.

Quasi-money rose by ₦36.6 billion or 4.8 per cent to ₦796.3 billion in January 2004, in contrast to a decline of ₦6.3 billion or 0.8 per cent in the preceding month but compares with an increase of ₦40.5 billion or 6.2 per cent recorded in the corresponding month of 2003.

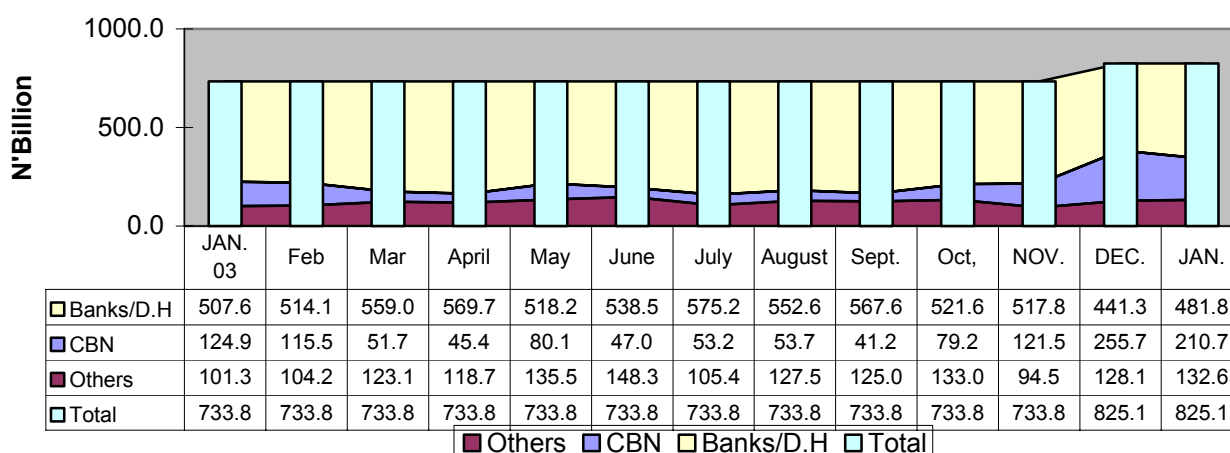
rise during the review month was traceable wholly to currency held outside the banking system, which increased by 13.3 per cent. Vault cash, on other hand, declined by 17.5 per cent during the month.

Total deposits at the CBN amounted to ₦871.0 billion, indicating increases of ₦74.6 billion or 9.4 per cent and ₦61.5 billion or 7.6 per cent over the levels in the preceding month and January 2003,

respectively. The development during the month was traceable to the substantial increases of ₦216.1 billion or 78.4 per cent and ₦1.0 billion or 0.5 per cent in the deposits of Federal Government and deposit

between banks' weighted average deposit and maximum lending rates narrowed to 10.5 from 10.8 percentage points in the preceding month. The spread between the average savings deposit and maximum

Figure 4: Treasury Bills Holdings (N'Billion)



money banks, respectively. This was, however, moderated by the decline of ₦142.4 billion in account of others. The shares of the three components in total deposits at the CBN, namely, Federal Government, bankers and 'others' were 56.5, 22.3 and 21.2 per cent, respectively, compared with 34.6, 24.2 and 41.1 per cent in December, 2003.

2.3 Interest Rate Developments

Provisional data indicated further declines in banks' deposit and lending rates during the month under review. The average savings deposit rate, however, rose by 0.6 percentage point to 3.8 per cent, while all other rates on deposits of various maturities, declined from a range of 8.79 –14.79 per cent in December 2003, to 6.20 –12.10 per cent in January 2004. Similarly, banks' weighted average prime and maximum lending rates fell by 0.08 and 1.4 percentage points to 19.50 and 20.2 per cent, respectively. Consequently, the spread

lending rates stood at 16.4 percentage points.

The average inter-bank call rate also fell from 21.1 per cent in December 2003, to 12.3 per cent in the review month, reflecting the liquidity condition in the banking system (Fig. 3).

2.4 Money Market Developments

The value of money market assets outstanding as at end-January 2004 fell by ₦4.3 billion or 0.5 per cent to ₦927.9 billion, in contrast to the increase of ₦98.6 billion or 11.8 per cent in the preceding month. This development reflected the 6.1, 2.8 and 2.1 per cent declines recorded in Commercial Paper (CPs), Eligible Development Stocks (EDS) and Bankers' Acceptances (BAs), respectively. Treasury Bills outstanding, however, remained unchanged at the end-December 2003 level of ₦825.1 billion.

Treasury bills worth ₦299.0 billion were issued in January 2004 to replace matured bills of equivalent value, compared with ₦199.4 billion in the preceding month. Of the total amount issued, deposit money banks (DMBs) and discount houses jointly subscribed ₦159.8 billion or 53.4 per cent, while “other” investors accounted for ₦55.1 billion or 18.4 per cent. The balance of ₦84.1 billion or 28.1 per cent was absorbed by the CBN.

Analysis of outstanding treasury bills holdings showed that deposit money banks and discount houses’ accounted for ₦481.8 billion or 58.4 per cent, while holdings by “other” investors amounted to ₦132.6 billion or 16.1 per cent, compared with their respective shares of ₦441.3 billion or 53.5 per cent and ₦128.1 billion or 15.5 per cent in the preceding month. Consequently, Central Bank’s holding declined from ₦255.7 billion in December 2003 to ₦210.7 billion, representing 25.5 per cent of the total (fig 4).

2.5 Capital Market Developments

Transactions on the Nigerian Stock Exchange (NSE) in January 2004 indicated improved performance as all the major market indicators trended upward. At 2.5 billion shares worth ₦16.2 billion in January 2004, the volume and value of transactions rose by 176 and 48.9 percent, respectively, over 0.9 billion shares and ₦10.9 billion recorded in December 2003. When compared with their levels in the corresponding month of 2003, both volume and value of transactions rose by substantial margins of 167.7 and 48.6 per cent, respectively.

Further analysis showed that trading in equities dominated the market, while the banking sub-sector remained the most active

with a total of 1.99 billion shares, valued at ₦6.7 billion, representing 79.6 and 41.4 per cent of the total volume and value of equities traded, respectively. During the month under review, dealings in industrial stocks resumed with a total transaction of 17.5 thousand shares worth ₦17.5 million, while the Federal Government stock remained dormant.

Market capitalization and value index increased by 15.9 and 12.8 per cent over the preceding month’s levels to ₦1.53 billion and 22,712.88 (1984=100), respectively. The developments reflected price gains by some of the highly capitalized companies listed on the Exchange.

2.6 Deposit Money Banks’ Activities

Total assets/liabilities of deposit money banks amounted to ₦3,159.0 billion in January 2003, representing increases of ₦82.1 billion or 2.7 per cent and ₦411.9 billion or 15.0 per cent over the levels in the preceding month and January 2003, respectively. Funds were sourced from demand, time and savings deposits as well as foreign currency deposits, while the major uses of funds included increased investment in treasury bills, among others.

Available data indicated that aggregate credit to the domestic economy by deposit money banks amounted to ₦1,704.9 billion, representing increases of ₦113.7 billion or 7.1 per cent and ₦252.0 billion or 17.3 per cent over the preceding month’s level and the level at January 2003, respectively. A breakdown showed that credit to the private sector rose by ₦43.0 billion or 3.3 per cent, while net credit to the Central Government rose by ₦70.7 billion or 23.7 per cent over the preceding month’s level.

Central Bank's credit to deposit money banks amounted to ₦43.9 billion, representing a decline of 6.0 per cent from the level in the preceding month. The fall reflected largely the declines in overdrawn facilities granted to the banks during the period.

Total specified liquid assets of deposit money banks stood at ₦776.5 billion or 49.1 per cent of their total deposit liabilities. This level of assets was 0.3 percentage points below the preceding month's level, but 9.1 percentage points over the minimum target of 40.0 per cent for fiscal 2004.

2.7 Discount Houses

Total assets/liabilities of the discount houses amounted to ₦53.8 billion in January 2004, indicating an increase of ₦4.6 billion or 2.0 per cent over the preceding month's level but a decline of ₦5.6 billion or 11.7 per cent below the level in the corresponding month of 2003. Discount houses' investments in Federal Government securities of less than 91 days maturity stood at ₦28.4 billion, representing 73.7 per cent of their total deposit liabilities. This was 3.9 and 13.7 percentage points higher than the levels in the preceding month and the prescribed minimum of 60.0 per cent for fiscal 2004.

Total borrowings by discount houses was ₦22.0 billion, while their capital and reserves amounted to ₦7.7 billion, resulting in a gearing ratio of 2.9:1, compared with the stipulated maximum target of 50:1 for the year.

3.0 DOMESTIC ECONOMIC CONDITIONS

The dominant agricultural activities during the month included harvesting of tree crops and fruits, clearing of lands in preparation for the year's planting season and cultivation of irrigated lands in some parts of the country. In the livestock sub-sector, farmers intensified the raising of broilers and pullet during the review period.

Crude oil output rose by 6.3 per cent over the preceding month's level, while inflationary pressures continued as estimated rate of inflation of 14.8 per cent indicated an increase of 0.8 percentage points over the preceding month's level.

3.1 Agricultural Sector

Harvesting of tree crops and fruits and clearing of lands for 2004 cropping season were the major agricultural activities in the southern states, while cultivation of irrigated lands dominated agricultural operations in the Northern states during the month. In the livestock sub-sector, farmers intensified the raising of broilers and pullet during the review period.

The prices of Nigeria's major agricultural commodities at the London Commodity Market declined during the month. At 95.7 (1985=100), the all-commodities price index, in dollar terms, fell by 0.7 and 11.5 per cent from its levels in the preceding month and corresponding month of 2003, respectively. In naira terms, the index, at 9031.59 (1985 = 100), similarly declined by 1.7 and 26.9 per cent below the levels in the preceding month and the corresponding period of 2003, respectively.

Of the six commodities monitored during the month, cocoa, coffee, copra and

soya bean recorded price increases of 0.2, 12.3, 15.7 and 5.0 per cent, respectively, in dollar terms, over their levels in the preceding month, while cotton and palm-oil recorded price declines of 9.0 and 4.6 per cent, respectively. When compared with their levels a year earlier, coffee, copra, cotton, palm oil and soya bean recorded price increases of 50.7, 12.3, 18.6, 8.4 and 40.8 per cent, respectively, while cocoa recorded a price decline of 15.4 per cent.

In naira terms, four of the commodities namely, coffee, copra, cotton and soya bean recorded price increases of 10.3, 14.7, 0.9 and 1.5 per cent, respectively, over their levels in the preceding month, while cocoa and palm oil recorded price declines of 1.2 and 4.3 per cent, respectively. When compared with their levels in the corresponding month of 2003, four of the commodities namely copra, cotton, palm oil and soya bean recorded price increases of 80.4, 43.6, 16.7 and 47.9 per cent, respectively, while the remaining two namely, coffee and cocoa recorded price declines of 30.7 per cent and 35.2 per cent, respectively.

3.2 Petroleum Sector

Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at 2.35 million barrels per day (mbd) or 72.85 million barrels for the month, showing an increase of 0.14 mbd or 6.3 per cent over the level in December, 2003. The rise in output was attributable largely to the efforts being made to increase the country's revenue base by increasing gas production as well as the licensing of more

marginal fields. The share of the country's production in total OPEC's output was 7.6 per cent, compared with 7.2 per cent in the preceding month. Crude oil export was estimated at 2.11 million barrels per day (mbd) or 65.41 million barrels for the month, compared with 1.76 mbd in December 2003. Deliveries of crude oil to refineries for domestic consumption remained at 0.45 mbd or 13.95 million barrels per month, same as in the preceding month.

There was a general increase in crude oil prices during the month under review in both the spot and netback markets following increased demand. In the spot market, the average price of Nigeria's reference crude, the Bonny Light (37° API), was \$31.77 a barrel, indicating an increase of \$1.92 a barrel or 6.4 per cent over the December 2003 level. Similarly, the prices of other competing brands namely, the UK Brent, Arab Light, West Texas Intermediate (WTI) and Forcados rose by 6.6, 8.7, 5.0 and 11.7 per cent to \$31.50, \$30.12, \$33.60 and \$31.68 a barrel, respectively, during the month.

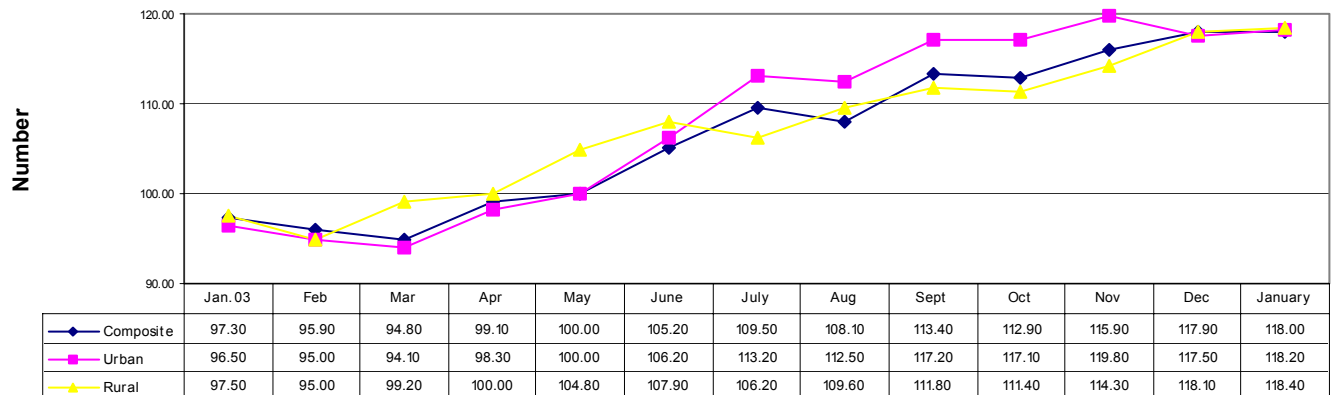
In the net-back market, the Bonny Light was sold for \$40.24 a barrel, representing a rise of 12.9 per cent over the level in December 2003, while the UK Brent and the WTI were sold for \$40.23 and \$40.86 a barrel, respectively, compared with \$34.83 and \$37.59 a barrel in the preceding month. The rise in the prices of crude oil during the month was due largely to the increase in demand for oil in Europe and America following severe winter.

3.3 Consumer Prices

Data from the Federal Office of Statistics (FOS) indicated that the all-items

over the levels in the preceding month and the corresponding month of 2003, respectively. Similarly, the rural all-items CPI, which was estimated at 118.4

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



Source: Federal Office of Statistics (FOS), Lagos

Composite Urban Rural

composite Consumer Price Index (CPI) in January 2004 was estimated at 118.0 (May 2003 = 100), representing increases of 0.1 and 21.3 per cent over the levels in the preceding month and the corresponding period of 2003, respectively. The development during the month was attributable to the rise in the indices of food; food and non-alcoholic beverages; alcoholic beverages, tobacco and kola; clothing and footwear; housing, water, electricity, gas and other fuel; transport; communication; recreation and culture; education; restaurant and hotels; and miscellaneous goods and services by 0.6, 1.0, 0.9, 1.9, 1.0, 1.6, 0.7, 0.8, 0.7, 0.2 and 0.4 per cent, respectively. However, the indices of furnishings, household equipment and maintenance; and health recorded declines of 0.13 and 3.3 per cent, respectively. When compared with their levels in the corresponding month a year earlier, all the components recorded price increases ranging from 3.8 per cent for communication to 67.2 per cent for recreation and culture. The urban all-items CPI was estimated at 118.2 (2003=100), indicating increases of 0.6 and 22.5 per cent

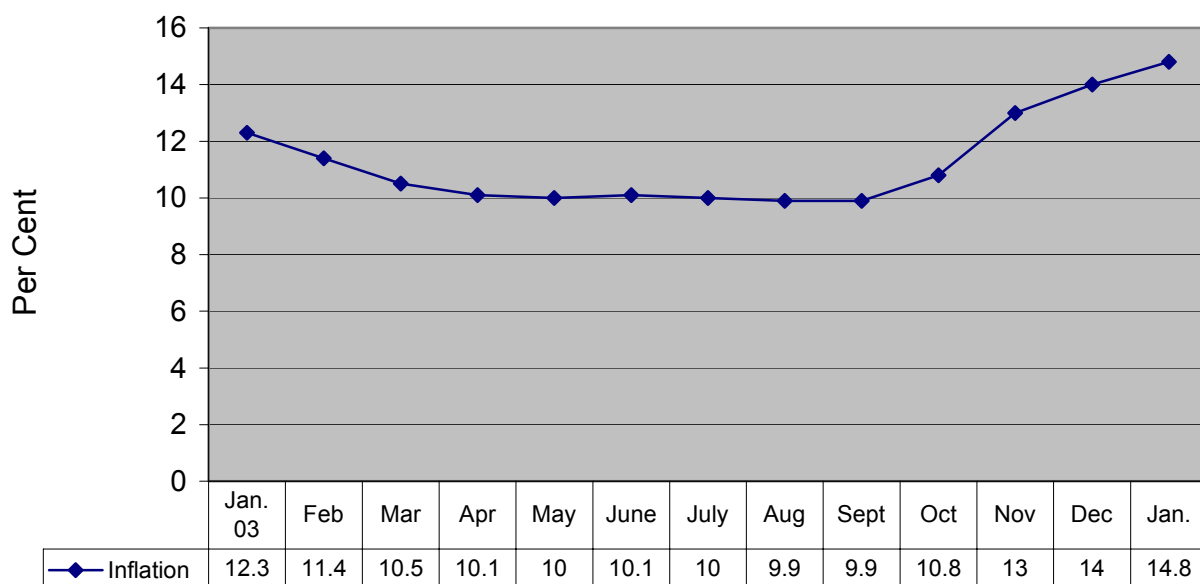
(2003=100), rose by 0.3 and 21.4 per cent over the levels in the preceding month and the corresponding period of 2003, respectively.

Available information based on the retail price surveys in some locations within Lagos area, F C T Abuja as well as Bauchi, Enugu, Ibadan and Kano zones indicated an increase of 1.70 per cent in the all-items average price of consumer items in January 2004, compared with 1.75 per cent increase recorded in the preceding month. The development during the month was traceable to the increase in the indices of staples; meat, fish and eggs; oil and fat; vegetable, fruits and nuts; beverages and drinks; clothing and fabrics; fuel and light; medical as well as building materials by 3.0, 4.1, 3.4, 4.8, 5.4, 2.5, 1.4, 0.9 and 3.1 per cent, respectively. Price increase of 3.6, 1.8, 1.9, 3.7, 1.3 and 3.0 per cent was reported in Bauchi, Enugu, Ibadan, Kano zones, F.C.T Abuja and Lagos area, respectively, over the preceding month's level.

The rate of inflation for the twelve-month period ended January 2004 was estimated at 14.8 per cent, compared with 14.0 and 12.3 per cent in the preceding month and corresponding month of 2003,

US\$1,934.13 and US\$1,326.47 million in the preceding month, inflow rose by 11.3 per cent, while outflow declined by 13.4 per cent. The rise in inflow was due largely to the 18.8 per cent increase in oil receipts

Figure 6: Inflation Rate in Nigeria (Per Cent, Monthly)



Source: Federal Office of Statistics (FOS), Lagos

—◆— Inflation

respectively. The observed inflationary pressure reflected the effect of the recent increase in the prices of petroleum products with attendant consequences on the cost of transportation and increase in prices of other items.

4.0 EXTERNAL SECTOR DEVELOPMENTS

4.1 Foreign Exchange Flows

Available data indicated that foreign exchange inflow and outflow through the Central Bank of Nigeria (CBN) in January 2004 amounted to US\$2,152.27 and US\$1,148.50 million, respectively, indicating a net inflow of US\$1,003.77 million. Compared with their levels of

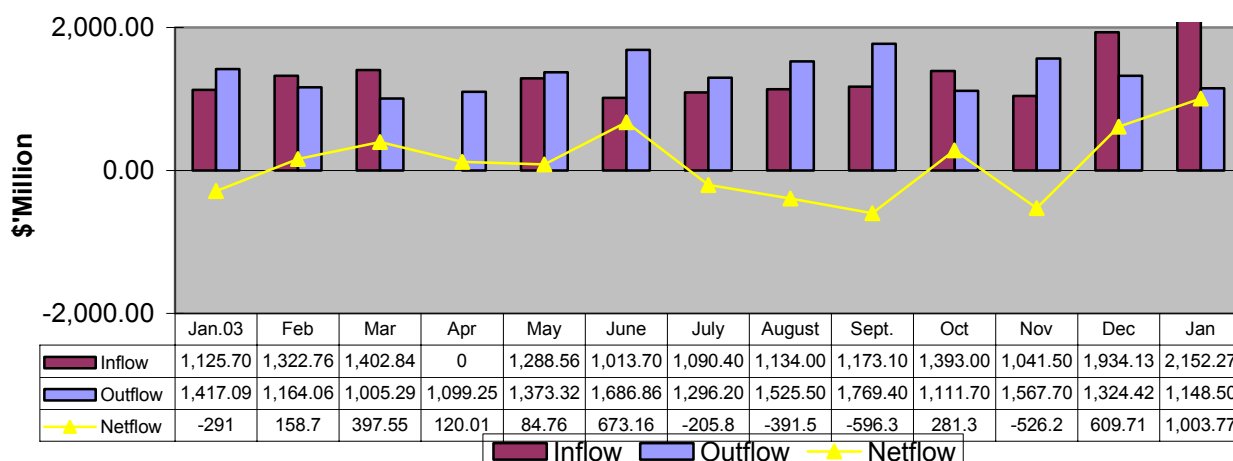
during the month, while the fall in outflow was traceable to the 99.1 per cent decline in debt service payment during the month. Inflow through the CBN in January 2004 indicated a rise of 91.2 per cent over the level in January 2003, while outflow indicated a decline of 19.6 per cent below the level recorded in the corresponding month of 2003.

Available data on foreign exchange flows through the economy indicated that total inflow rose by 2.5 per cent to US\$2,802.07 million in January 2004 over the level in December 2003. Analysis of the total inflow indicated that oil receipts rose by 18.8 per cent to US\$2,071.30 million, representing 73.9 per cent of the total, while non-oil public sector receipts amounted to

US\$80.97 million, or 2.9 per cent of the total. Inflow through the autonomous sources stood at US\$649.80 million and

cent), transportation (6.8 per cent) and agricultural products (0.4 per cent) (Fig.8).

Figure: 7 Foreign Exchange Flows Through the CBN (\$'Million)



accounted for 23.2 per cent of the total. At US\$1,280.80 million, aggregate foreign exchange outflow from the economy fell by 7.4 per cent from the preceding month's level, reflecting largely the significant decline in external debt service payments by 99.1 per cent during the month. In contrast, outflow through the autonomous source increased significantly by 132.2 per cent from US\$56.98 million in December 2003 to US\$132.30 million in January 2004. Inflow through the economy during the month showed an increase of US\$797.97 million, while outflow recorded a decline of US\$212.64 million below the level in the corresponding month of 2003.

4.2 Sectoral Utilisation of Foreign Exchange

The industrial sector accounted for the bulk (51.1 per cent) of total foreign exchange disbursed in January 2004, followed by invisibles (16.6 per cent). Other beneficiary sectors, in a descending order of importance, included: general merchandise (15.8 per cent), food (9.4 per

4.3 Foreign Exchange Market Developments

The demand for foreign exchange in the Foreign Exchange Market (FEM) increased in January 2004, compared with the level in the preceding month. A total of US \$777.36 million was sold to end-users through the authorized dealers, compared with US\$652.64 million in the preceding month. The weighted average exchange rate of the Naira vis-à-vis the US dollar, however, appreciated by 0.8 per cent from ₦137.22 per dollar in December 2003 to ₦136.08 per dollar in January 2004. Similarly, in the bureaux de change segment of the market, the rate appreciated from ₦150.42 per dollar in December 2003 to ₦147.65 per dollar in January 2004. Overall, the premium between the bureaux de change and official market rates stood at 8.50 per cent in January 2004, down from 9.62 per cent in December 2003.

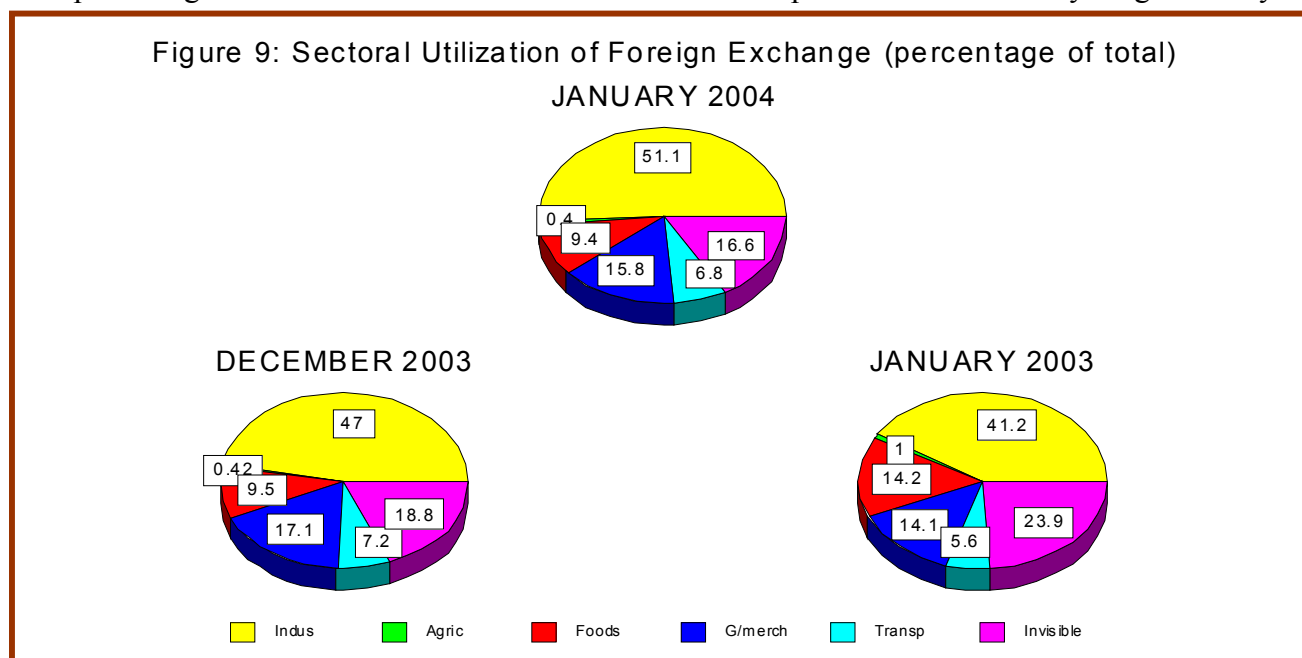
4.4 External Reserves

Provisional data indicated that Nigeria's gross external reserves at end-January, 2004 amounted to US\$8,324.0 million, indicating an increase of 11.5 per cent over the preceding month's level. At current foreign exchange commitments, the level of reserves could finance about 7.3 months of imports as against 5.5 months in the preceding month.

following severe winter currently being experienced in the Northern Hemisphere, especially in the United States.

Another major economic development of relevance to the domestic economy during the month was a Three-day National Interactive Forum of Stakeholders on Trade and Investment on the theme "Repositioning Commerce as the Hub of Development of the Economy" organized by

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



the Federal Ministry of Commerce in Abuja

5.0 OTHER INTERNATIONAL ECONOMIC DEVELOPMENTS

World crude oil output, estimated at 79.90 million barrels per day (mbd) in January 2004 rose by 0.09 mbd or 0.1 per cent over the preceding month's level of 79.81 mbd, while the estimated demand at 80.45 mbd for the month, rose by 0.15 mbd or 0.2 per cent. Overall, total world oil demand exceeded supply by 0.55 mbd, compared with an excess demand of 0.5 mbd in the preceding month. The rise was attributable largely to the increased demand for heating oil

Nigeria from 27th –29th January, 2004. The Forum was aimed at developing concrete trade proposals that would accelerate the formulation of national trade policy to facilitate smooth and unhindered flow of trade and investment between Nigeria and her trading partners. To this end, the meeting recommended a private sector-driven economy with government acting as a facilitator through the provision of infrastructural facilities and appropriate macroeconomic environment, among others.