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THE SECOND QUARTER OF
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CENTRAL BANK OF NIGERIA

QUARTERLY ECONOMIC REPORT

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1.0 Summary

Aggregate output growth measured by the gross domestic product (GDP) was estimated at 6.65 per cent during the second quarter of 2008, compared with 5.54 per cent in the preceding quarter. The growth was driven by the non-oil sector which was estimated at 8.50 per cent. Provisional data indicated decline in monetary aggregates during the review quarter. Broad money (M_2) and narrow money (M_1) fell by 0.2 and 4.1 per cent relative to the preceding quarter. The fall in M_2 was attributed to the decline in other assets (net) of the banking system.

Available data indicated mixed developments in banks' deposit and lending rates in the second quarter of 2008. The spread between the weighted average deposit and maximum lending rates narrowed from 10.32 percentage points in the preceding quarter to 8.24 percentage points. The margin between the average savings deposit and maximum lending rates, also, narrowed from 15.20 to 14.93 percentage points during the review quarter. The weighted average inter-bank call rate rose to 10.40 per cent from 10.21 per cent in the preceding quarter, reflecting the liquidity condition in the inter-bank funds market.

The value of money market assets outstanding rose by 6.1 per cent over the level in the preceding quarter to =N=2,728.9 billion in June 2008. The increase was attributed largely to the rise in bankers acceptances (BAs). Activities on the Nigerian Stock Exchange indicated mixed developments as some of the major market indicators rose, while others trended downward.

Total federally-collected revenue in the second quarter of 2008 stood at =N=1,880.26 billion, representing an increase of 25.6 per cent over the proportionate budget estimate and a decline of 0.1 per cent from the preceding quarter's level. At =N=1,559.30 billion, oil receipts constituted 82.9 per cent of the total revenues representing an increase of 32.0 per cent over the budget estimate and a decline of 1.0 per cent from the level in the preceding quarter. The rise in oil receipts relative to the budget estimate was attributed to the persistent rise in oil prices at the international oil market. Non-oil receipts, at =N=320.96 billion or 17.1 per cent of the total, was higher than the receipts in the preceding quarter and the budget estimate by 1.9 and 4.1 per cent, respectively. The rise in non-oil receipts relative to the preceding quarter was attributed to the increase in independent revenue of the Federal Government and Companies Income Tax (CIT). Federal Government retained revenue for the second quarter of 2008 was =N=829.32 billion, while total expenditure was =N=961.80 billion. Thus, the fiscal operations of the Federal Government resulted in an estimated deficit of =N=132.48 billion, compared with the proportionate budgeted deficit of =N=38.87 billion and the surplus of =N=123.53 in the preceding quarter.

The major agricultural activities in the review quarter included: intense cultivation of crops such as maize and vegetables. The prices of most Nigerian major agricultural commodities at the London Commodities Market declined during the quarter. Activities in the industrial sector declined as the estimated index of industrial production fell marginally by 0.2 per cent.

Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at 1.82 million barrels per day (mbd) or 165.62 million barrels for the quarter. Crude oil export was estimated at 1.37 mbd or 124.67 million barrels for the quarter, while deliveries to the refineries for domestic consumption remained at 0.445 mbd or 40.495 million barrels for the quarter. The average price of Nigeria's reference crude, the Bonny Light (37⁰ API), estimated at US\$138.74 per barrel, rose by 40.3 per cent over the level in the preceding quarter. The end-period inflation rate for the second quarter of 2008, on a year-on-year basis, was 12.0 per cent, compared with 7.8 and 6.4 per cent recorded at the end of the preceding quarter and the corresponding period of 2007, respectively. Inflation rate on a twelve-month moving average basis for the second quarter, was 7.0 per cent, compared with 5.8 per cent recorded in the preceding quarter, reflecting largely the increase in the price index for food and non-food items.

The gross external reserves rose by 1.0 per cent to US\$59.16 billion in the second quarter of 2008, compared with US\$59.76 and US\$42.63 billion in the preceding quarter and corresponding period of 2007, respectively.

Foreign exchange inflow and outflow through the Central Bank of Nigeria (CBN) amounted to US\$11.12 billion and US\$10.21 billion, respectively, resulting in a net inflow of US\$0.91 billion during the quarter. Foreign exchange sales by the CBN to the authorized dealers rose to US\$2.75 billion from US\$1.64 billion in the preceding quarter. The weighted average exchange rate of the Naira vis-à-vis the US dollar, appreciated by 0.1 per cent to =N=117.95 per dollar at the WDAS. In the bureaux de change segment of the market, the naira also appreciated from =N=119.79.89 per dollar to =N=119.37 per dollar. Non-oil export earnings by Nigeria's top 100 exporters amounted to US\$429.39 million, indicating an increase of 10.8 per cent over the level in the preceding quarter. The development was attributed largely to the rise in the prices of all the commodities traded at the international commodities market during the period.

Other major international economic developments of relevance to the domestic economy during the quarter included: the 1st Joint Conference of African Union Ministers of Economy and Finance, and the United Nations Economic Commission for Africa (UNECA) Conference of African Ministers of Finance, Planning and Economic Development held in Addis Ababa, Ethiopia from March 31 - April 2, 2008.

Also, the 2008 Spring meetings of the Inter-Governmental Group of Twenty-Four (G-24) on International Monetary Affairs and Developments, the International Monetary Fund (IMF) and the World Bank (WB) was held in Washington D.C., USA from April 9 - 14, 2008. Furthermore, the 2008 Annual Meetings of the African Development Bank (AfDB) Group was held in Maputo, Mozambique, from 14 – 15 May, 2008. The purpose of the Meeting centered on the approval of the Group's annual report and operational programmes for 2008. In addition, the first Session of the Committee of Twelve Heads of State and Government of the African Union (AU) Government was held in Arusha, Tanzania on May 22, 2008 under the chairmanship of Mr. Jakaya Mrisho Kikwete, President of Tanzania and Chairman, African Union. The term-of-reference of the Committee was to deliberate on the important issue of the Union Government as mandated by the last Assembly of the AU. The 22nd Meeting of the Convergence Council of Ministers and Governors of the West African Monetary Zone (WAMZ) was held in Freetown, Sierra Leone on June 19, 2008.

The meeting was preceded by the meetings of the Technical Committee and Committee of Governors of Central Banks of the WAMZ. The Thirty-Fourth Ordinary Session of the Authority of the Economic Community of West African States (ECOWAS) Heads of State and Government was held in Abuja on June 23, 2008. Also, the 18th World Economic Forum on Africa was held in Cape Town, South Africa from June 4 – 6, 2008. The theme of the Forum was 'Capitalising on Opportunity'. The Forum was attended by more than 800 business, government and civil society leaders from 50 countries. Lastly, the meeting of the G8 Finance Ministers held in Osaka, Japan on June 14, 2008 in preparation for the Summit of G8 Heads of State and Government in Hokkaido-Toyako.

2.0 FINANCIAL SECTOR DEVELOPMENTS

2.1 Monetary and Credit Developments

Major monetary aggregates declined in the second quarter of 2008, while banks' deposit and lending rates indicated mixed development. The value of money market assets increased, following largely the rise in Bankers' Acceptances. Transactions on the Nigerian Stock Exchange (NSE) were bullish as some of the major market indicators trended upward.

Provisional data indicated decline in monetary aggregates in the second quarter of 2008. Broad money supply (M_2) and narrow money (M_1) fell by 0.2 and 4.1 per cent to ₦7982.9 billion and ₦4,360.7 billion, respectively, in contrast to the increase of 37.7 and 45.9 per cent in the preceding quarter. The fall in M_2 was attributed wholly to the decline in other assets (net) of the banking system. Over the level at end-December 2007 however, M_2 grew by 37.4 per cent, compared with growth of 37.7 per cent at end of the first quarter (fig. 1 and table 1).

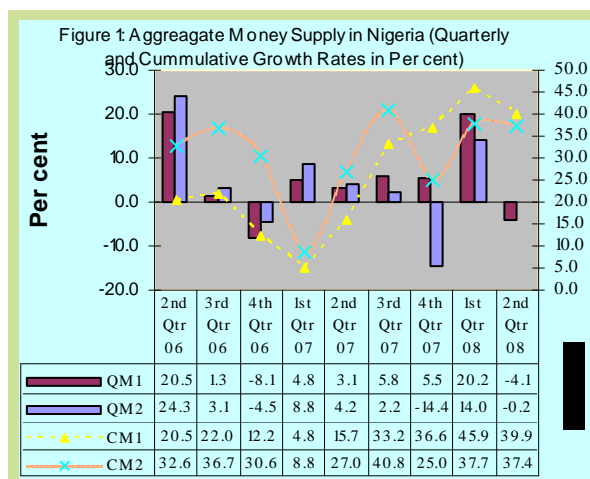
At ₦4,075.5 billion, aggregate banking system credit (net) to the domestic economy rose by 17.7 per cent in the second quarter of 2008, compared with the increase of 28.8 per cent in the preceding quarter. The development reflected wholly the increase in claims on the private sector.

Banking system's credit (net) to the Federal Government declined by 7.8 per cent to ₦2,697.9 billion, compared with the decline of 5.6 per cent in the preceding quarter. The fall was attributed to the decline in holding of Federal Government securities by banks.

Banking system's credit to the private sector rose by 13.6 per cent to ₦6,773.4 billion, compared with the increase of 17.9 per cent in the preceding quarter. The rise reflected wholly the 14.4 per cent increase in deposit money banks' (DMBs) claims on the private sector. Over the end-December level, credit to the private sector increased by 33.9 per cent (fig 2).

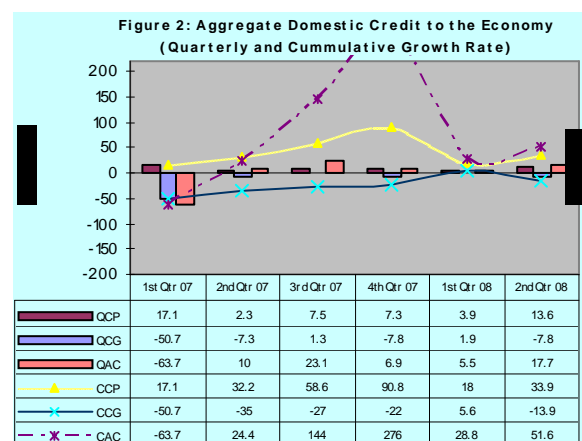
At ₦8,320.7 billion, foreign assets (net) of the banking system rose by 4.1 per cent, compared with the increase of 10.0 per cent in the preceding quarter. The development was attributed to the 17.2 and 2.8 per cent increase in the DMBs and CBN's holdings, respectively.

Over the level at end-December, it rose by 14.5 per cent, compared with the 20.7 per cent recorded in the corresponding period of 2007.



Similarly, quasi money rose by 4.9 per cent to ₦3,622.2 billion, compared with the increase of 28.2 per cent in the preceding quarter. The development was attributed to the increase in all the components namely, time, savings and foreign currency deposits of the DMBs.

Other assets (net) of the banking system, however, declined by 27.7 per cent to ₦4,413.3 billion, in contrast to the increase of 16.6 per cent in the preceding quarter. The fall reflected largely the increase in unclassified assets of the DMBs during the quarter. Over the level at end-December, it declined by 6.5 per cent, compared with the 13.2 per cent recorded in the corresponding period of 2007.



2.2 Currency-in-circulation and Deposits at the CBN

At ₦918.3 billion, currency in circulation rose by 3.0 per cent in June, 2008 over the level in March, 2008. The rise was attributed largely to the decline of 1.6 per cent in currency outside the banking system during the period.

Total deposits at the CBN amounted to ₦5,114.2 billion, indicating an increase of 4.9 per cent over the level in the preceding quarter. The development was attributed to the rise in both the deposit money banks (DMBs) and private sector deposits, respectively. The shares of the Federal Government, banks and “others” in total deposits at the CBN were 87.3, 10.5 and 2.2 per cent, respectively, compared with the shares of 93.3, 5.6 and 1.1 per cent, in the first quarter of 2008.

2.3 Interest Rate Developments

Available data indicated a general increase in banks’ deposit rates, while lending rates declined in the second quarter of 2008. With the exception of the average savings deposits rate which remained at the preceding quarter’s level of 2.97 per cent, all other rates on deposits of various maturities rose from a range of 5.38 – 10.71 per cent in the preceding quarter to 5.55 – 12.19 per cent. On the other hand, the average prime and maximum lending rates fell by 0.19 and 0.27 percentage points to 15.86 and 17.90 per cent, respectively. Consequently, the spread between the weighted average term deposit and maximum lending rates narrowed from 10.32 percentage points in the preceding quarter to 8.24 percentage points. The margin between the average savings deposit and maximum lending rates also, narrowed from 15.20 percentage points in the preceding quarter to 14.93 percentage points. The increase in interest rates during the review quarter was attributed to the upward review of the MPR in June, 2008.

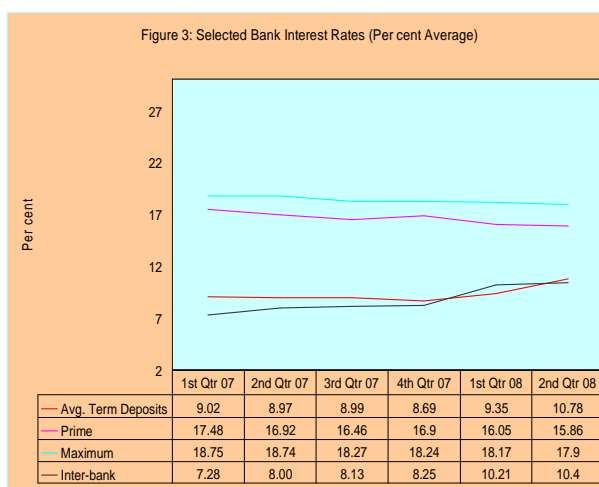
At the inter-bank call segment, the weighted average rate, which was 10.21 in the preceding quarter, rose to 10.40 per cent, reflecting the liquidity squeeze in the inter-bank funds market.

2.4 Money Market Developments

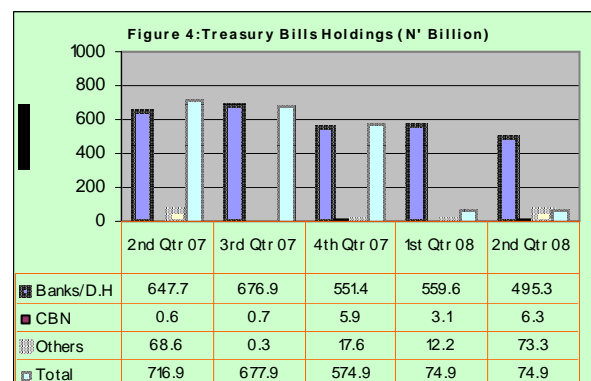
Provisional data indicated that the value of money market assets outstanding as at June 2008 was ₦2, 728.9 billion, representing an increase of 6.1 per cent over the level at end-March 2008. The increase was attributed to the rise in bankers’ acceptances (BAs).

Analysis of activities in the money market showed that the tight liquidity experienced in the first quarter of 2008 eased in the second quarter, following the huge payment of matured bills. The release of excess crude oil proceeds and budget augmentation amounting to ₦563.05 billion and ₦311.43 billion, respectively, buoyed liquidity in the banking system. Total NTBs that matured in the second quarter of 2008 was ₦1,074.00 billion, compared with ₦393.00 billion in the first quarter.

The two-way quote trading, reverse repo transactions and direct OMO auctions were used principally to mop up excess funds in the banking system. Also, securities of 182-day tenor were issued at the primary market to complement liquidity management. Consequently, a total of ₦918.98 billion was mopped up in the second quarter, compared with ₦484.30 billion in the first quarter of 2008. The breakdown of sales indicated that ₦266.00 billion was sold at the two-way trading; ₦3.00 billion at the direct OMO auction; ₦317.65 billion at the reverse repo transaction and the balance of ₦332.33 billion was issued at the primary market for liquidity management. The issue rates for the primary market securities were between 8.00 and 9.55 per cent, compared with 7.25 and 9.50 per cent in the first quarter, 2008.



At the primary market, Nigerian Treasury Bills of the 91- 182- and 364-day tenors were offered. The total amount offered and sold were ₦569.00 billion and ₦574.90 billion, respectively, while total allotment was ₦958.90 billion. The increase in sales was due to the substantial amount issued for liquidity management at the 182-day segment of the market.



At the 91-day segment, subscription was low (=N5.00 billion was issued each week) as market players showed preference for the 182- and 364- day tenors owing to higher returns. The range of issue rates for the 91- and 182-day NTBs were 8.10 to 9.25 per cent and 9.18 to 9.55 per cent, respectively, in the second quarter of 2008, compared with 8.30 to 8.84 per cent and 8.57 to 9.50 per cent, respectively, in the first quarter of 2008. At the 364-day tenored segment, the issue rates ranged between 8.88 to 9.20 per cent, compared with 8.23 to 9.50 per cent in the first quarter of 2008.

A total of =N=130.00 billion, made up of =N=30.00 billion 3-year Bond, =N=80.00 billion 5-year Bond and =N=40.00 billion 10-year bonds were floated, while =N=148.5 billion was allotted at coupon rates ranging from 9.6 to 12.8 per cent, compared with =N=120.00 billion issued and allotted in the first quarter of 2008 with issue rates ranging from 9.00 to 10.30 per cent. The sustained patronage at the FGN Bonds auction, especially by foreign investors indicated increased confidence in the Nigerian economy.

In order to curb the adverse effects of the huge injection of liquidity in the banking system and to stem rising inflation, the MPR was reviewed upwards by 25 basis points to 10.25 per cent by the Monetary Policy Committee on June 2, 2008. The lending/repo rate was 10.25 per cent, up from 10.00 per cent, while interest payment on overnight deposits by the DMBs remained abolished.

Following the liquidity surfeit in the banking system, arising from the various releases of funds, requests for lending facilities by the DMBs declined in the review quarter. However, the withdrawal of NNPC remittance from the banking system engendered upward movement in interest rate in the money market.

2.5 Deposit Money Banks' Activities

Available data indicated that total assets/liabilities of the DMBs amounted to =N=14,796.9 billion, representing an increase of 11.0 per cent over the level in the preceding quarter. The development was attributed largely to the increase in reserves.

Funds, which were sourced mainly from demand deposit and capital account were used mainly for the acquisition of unclassified assets and reserves.

At =N=8,374.5 billion, credit to the domestic economy rose by 7.5 per cent over the level in the preceding quarter. The increase in credit during the quarter was attributed largely to the 14.4 per cent rise in claims on the private sector during the period.

Central Bank's credit to the DMBs rose by 45.6 per cent to =N=54.6 billion in the review quarter, reflecting a significant increase in loans and advances to the DMBs.

Total specified liquid assets of the DMBs stood at =N=3,764.9 billion, representing 47.6 per cent of their total current liabilities. At that level, the liquidity ratio fell by 2.9 percentage points from the preceding quarter's level, but was 7.6 percentage points above the stipulated minimum ratio of 40.0 per cent for fiscal 2008. The loans-to-deposit ratio rose by 9.7 percentage points over the level in the preceding quarter, and was 1.9 percentage points above the prescribed minimum target of 80.0 per cent.

2.6 Discount Houses' Activities

Total assets/liabilities of the discount houses stood at =N=572.7 billion in the second quarter of 2008, indicating an increase of 30.8 and 156.1 per cent over the levels in the preceding quarter and corresponding period of 2007, respectively. The increase in assets relative to the preceding quarter was attributed largely to the rise in claims on banks and the Federal Government.

Correspondingly, the increase in total liabilities was attributed largely to the 81.2 and 46.6 per cent rise in money-at-call and borrowing during the period, respectively. Discount houses' investments in Federal Government securities of less than 91 days maturity declined by 8.1 per cent to =N=133.0 billion, representing 25.4 per cent of their total deposit liabilities. At this level, discount houses' investments rose by 8.1 per cent over the level in the preceding quarter. This level of investment was 34.6 percentage points below the prescribed minimum level of 60.0 per cent for fiscal 2008.

Total borrowing by the discount houses was =N=314.6 billion, while their capital and reserves amounted to =N=25.8 billion, representing an increase of 14.2 and 119.3 per cent over the levels in the preceding quarter and the corresponding period of 2007, respectively. Thus, resulting in a gearing ratio of 12.2:1, compared with the stipulated maximum target of 50:1 for fiscal 2008.

2.7 Capital Market Developments

Provisional data indicated that transactions on the Nigerian Stock Exchange in the second quarter of 2008 were mixed. The aggregate volume and value of traded securities rose by 22.6 and 25.0 per cent to 53.1 billion shares and =N=743.1 billion, respectively, compared with 68.6 billion shares and =N=990.4 billion, in the preceding quarter. When compared with the corresponding period of 2007, it showed an increase of 40.5 and 2.4 per cent, respectively. Consequently, a total of 121.6 billion shares valued at =N=1.7 trillion exchanged by investors in the first six months of the year. The insurance sub-sector was the most active on the Exchange followed by the banking sub-sector, while Federal Government and industrial loans/preference stocks recorded no dealings.

Transactions on the Over-the-Counter (OTC) bond market, indicated a turnover of 1.6 billion units worth =N=1.6 trillion in 13,277 deals in the review quarter, compared with 3.3 billion units valued at =N=3.3 trillion in 4,195 deals, respectively in the first quarter of 2008. The most active bond was the 4th FGN Bond 2010 series 14 with a traded volume of 60.7 million units valued at =N=61.7 billion in 464 deals.

In the new issues market, five Federal Government 4th FGN bonds namely, (5-year) 2013 reopening, (5- year) 2013 reopening, (5- year) 2013 reopening, (10- year) 2018 reopening, and (10- year) 2018 valued at =N=128.54 billion were issued and admitted to the daily official list with coupon rates of 9.45 per cent and 10.70 per cent for the 5 and 10 year bonds, respectively. The issues were over- subscribed by 48.8 per cent. Also, a total of 49.24 billion ordinary shares issued by the following companies, Nigerian Bag Manufacturing Company Plc (6.215 billion ordinary shares), Aso Savings and Loans Plc (8.679 billion ordinary shares), Regency Alliance Insurance Plc (4.85 billion), Investment and Allied Assurance Plc (28 billion ordinary shares), Fidson Healthcare Plc (1.5 billion ordinary shares) were admitted to the daily official list.

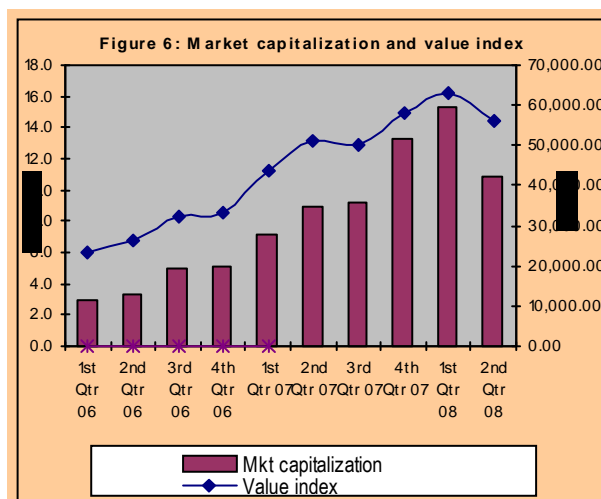
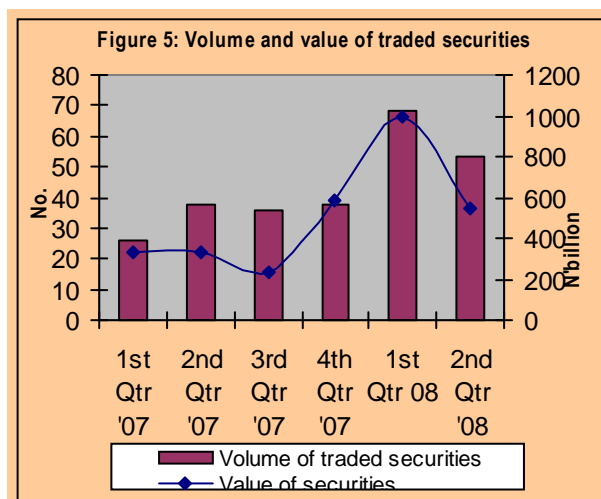
In a related development, 289.51 million ordinary shares involving Thomas Wyatt Nigeria Plc, Mobil Oil Nigeria Plc, Nigerian Aviation Handling Co. Plc, AG Leventis Nigeria Plc, UTC Nigeria Plc, Zenith Bank Plc, Oando Plc, Beta Glass Co. Plc, Platinum-Habib Bank Plc, Eterna Oil & Gas Plc, United Bank for Africa Plc and Guaranty Trust Bank Plc were registered as supplementary listings during the quarter.

Market capitalization and value index declined by 6.8 and 11.2 per cent to =N=14.2 trillion and 55,949.00 (1984=100), respectively, during the review quarter. The development was attributable largely to the price losses recorded by the highly capitalized companies in the insurance and banking sub-sectors.

3.0 FISCAL OPERATIONS

3.1 Federation Account Operations

Total federally-collected revenue during the second quarter of 2008 stood at =N=1,880.26 billion, representing an increase of 25.6 per cent over the proportionate budget estimate and a decline of 0.1 per cent from the preceding quarter's level. At =N=1,559.30 billion, oil receipts which constituted 82.9 per cent of the total, increased by 32.0 per cent over the budget estimate but declined by 1.0 per cent from the level in the preceding quarter.



The rise in oil receipts relative to the budget estimate was attributed to the persistent rise in oil prices at the international oil market. However, the decline in revenue relative to the level in the preceding quarter was due to the temporary suspension of production by some of the Joint Venture Companies as a result of the crisis in the Niger Delta region. Non-oil receipts, at =N=320.96 billion or 17.1 per cent of the total, was higher than the receipts in the preceding quarter and the budget estimate by 1.9 and 4.1 per cent, respectively. The increase in non-oil receipts during the period was attributed largely to the rise in independent revenue of the Federal Government and Companies Income Tax (CIT) (fig 7).

Of the total federally-collected revenue during the review quarter, the sum of =N=1,526.38 billion was transferred to the Federation Account for distribution among the three tiers of government and the 13 per cent derivation fund. The Federal Government received =N=709.54 billion, while the state and local governments received =N=359.89 billion and =N=277.46 billion, respectively. The balance of =N=179.50 billion went to the 13 per cent derivation fund for distribution by the oil producing states.

3.2 The Fiscal Operations of the Three Tiers of Government

3.2.1 The Federal Government

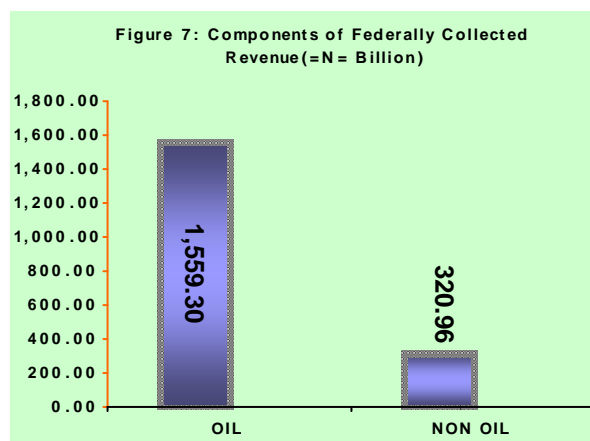
At =N=829.32 billion, the Federal Government retained revenue for the second quarter of 2008 was 28.0 and 52.9 per cent higher than the proportionate budget estimate and the receipts in the preceding quarter, respectively. The increase in retained revenue was attributed largely to the increased share from the Federation Account and the Independent Revenue of the Federal Government.

At =N=961.80 billion, total expenditure for the review period rose by 40.0 and 129.7 per cent from the levels in the preceding quarter and the proportionate budget estimate, respectively. The increase in total expenditure for the period relative to the preceding quarter and budget estimate was attributed largely to the substantial releases made by the Accountant General of the Federation in respect of capital budget in the second quarter following the passage of the 2008 Appropriation Act. A breakdown of total expenditure showed that the recurrent component accounted for 56.6 per cent, the capital component accounted for 38.1 per cent, while statutory transfers to FCT and other special agencies accounted for the balance of 5.3 per cent.

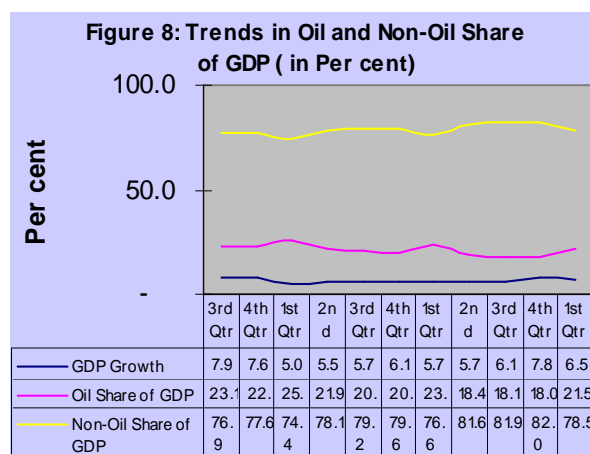
The fiscal operations of the Federal Government in the second quarter of 2008, resulted in a notional overall deficit of =N=132.48 billion, in contrast to the proportionate budgeted deficit of =N=38.87 billion and a surplus of =N=123.53 billion in the preceding quarter.

3.2.2 Statutory Allocations to State Governments

During the second quarter of 2008, total receipts, including the 13 per cent Derivation Fund and share of Value Added Tax (VAT) by the state governments from the Federation Account stood at =N=585.92 billion, representing an increase of 42.0 and 61.4 per cent over the levels in the preceding quarter and corresponding period of 2007, respectively.



At =N=46.54 billion, receipts from the VAT Pool Account declined by 2.7 per cent from the level in the preceding quarter, but increased by 36.0 per cent over the level in the corresponding period of 2007. Similarly, at =N=539.38 billion, total receipts from the Federation Account rose by 47.9 and 64.0 per cent over the levels in the preceding quarter and corresponding period of 2007, respectively. On monthly basis, the sum of =N=159.15 billion, =N=268.74 billion and =N=158.03 billion were allocated to the 36 state governments in April, May and June 2008, respectively.



3.2.3 Statutory Allocations to Local Government Councils

Total receipts by the local governments from the Federation and VAT Pool Accounts during the second quarter of 2008 stood at =N=310.03 billion. This was higher than the levels in the preceding quarter and the corresponding period of 2007 by 38.6 and 59.5 per cent, respectively. Of this amount, allocation from the Federation Account was =N=277.46 billion or 89.5 per cent of the total.

VAT Pool Account accounted for ₦32.57 billion or 10.5 per cent of the total, representing a decline of 2.7 and 83.2 per cent from the levels in the preceding quarter and corresponding quarter of 2007, respectively. On monthly basis, the sums of ₦86.09 billion, ₦138.97 billion and ₦84.97 billion were allocated to the 774 local governments in April, May and June 2008, respectively.

3.3 Domestic Debt

The domestic debt stock of the Federal Government outstanding at end-second quarter 2008 stood at ₦2,338.96 billion, representing an increase of 7.8 and 4.8 per cent over the levels at end-December 2007 and end-first quarter 2008, respectively. As a percentage of GDP, total domestic debt was 31.2 per cent. The increase in total domestic debt was attributed largely to the issuance of additional FGN Bonds during the quarter, in consonance with the government policy to access the capital market for its financial needs.

4.0 DOMESTIC ECONOMIC CONDITIONS

Aggregate output growth in the economy measured by the gross domestic product (GDP) was estimated at 6.65 per cent during the second quarter of 2008, compared with 5.54 per cent in the preceding quarter. The growth was driven by the non-oil sector which was estimated at 8.50 per cent. The major agricultural activities during the second quarter of 2008 were cultivation of some crops such as maize and vegetables. Crude oil production was estimated at 1.82 million barrels per day (mbd) or 165.62 million barrels for the quarter. The end-period inflation rate for the second quarter of 2008, on a year-on-year basis, was 12.0 per cent, compared with 7.8 per cent in the preceding quarter. The inflation rate on a 12-month moving average basis was 7.0 per cent, compared with the preceding quarter's level of 5.8 per cent.

4.1 Agricultural Sector

The weather situation improved during the second quarter of 2008 as rainfall increased and spread to most parts of the country. Consequently, agricultural activities during the review period increased as farmers engaged in intense cultivation of crops such as maize and vegetables.

During the second quarter, a total of ₦1,429.4 million was guaranteed to 13,212 farmers under the Agricultural Credit Guarantee Scheme (ACGS). This amount represented an increase of 493.2 and 169.6 per cent over the levels in the preceding quarter and the corresponding quarter of 2007, respectively. A sub-sectoral analysis of the loans guaranteed indicated that the food crops sub-sector had the largest share of ₦1,016.9 million or 71.1 per cent guaranteed to 10,745 beneficiaries, while the livestock sub-sector received ₦289.6 million or 20.3 per cent guaranteed to 1,803 beneficiaries. Also, the cash crops sub-sector got ₦64.9 million or 4.6 per cent guaranteed to 489 beneficiaries, the fisheries sub-sector obtained ₦51.6 million or 3.6 per cent for disbursement to 77 beneficiaries, while 'others' had ₦6.3 million or 0.4 per cent guaranteed to 98 beneficiaries. Further analysis showed that 33 states benefited from the scheme during the quarter, the highest and lowest sums of ₦741.1 million (51.8 per cent) and ₦0.2 million (0.01 per cent) went to Zamfara and Ekiti States, respectively.

The retail price survey of most staples by the CBN showed price increase in the second quarter of 2008. Nine of the commodities monitored recorded price increases which ranged from 16.0 per cent for guinea corn to 39.9 per cent for white beans, while the prices of vegetable oil, yam flour, groundnut oil, eggs and palm oil recorded decline of 9.9, 13.4, 17.9, 23.2 and 32.6 per cent, respectively, from their levels in the preceding quarter.

The prices of all Nigerian major agricultural commodities at the London Commodities Market declined during the review quarter. All the commodities recorded price declines ranging from 0.4 per cent for cocoa to 9.6 per cent for soya bean. The general decline in prices was attributed to the strengthening of the US dollar against major currencies, which led to large trading activities in the commodity market. When compared with their levels in the corresponding period of 2007, the prices of all commodities recorded increases which ranged from 4.9 per cent for cocoa to 354.6 per cent for soya bean.

In naira terms, at 3998.0 (1990=100), the all-commodities price index in the second quarter of 2008 showed a decline of 7.2 per cent from the level in the preceding quarter and an increase of 34.9 per cent over the level in the corresponding quarter of 2007. Further analysis of the commodities monitored revealed that most of them recorded price declines, which ranged from 0.2 per cent for cocoa to 7.2 per cent for soya bean. When compared with their levels in the corresponding period of 2007, all commodities recorded price increases ranging from 3.4 per cent for cocoa to 230.8 per cent for soya bean.

4.2 Industrial Production

Industrial activities during the second quarter of 2008 declined marginally relative to the preceding quarter. At 119.2 (1990=100), estimated index of industrial production fell marginally by 0.2 and 2.1 per cent from the levels attained in the preceding quarter and corresponding period of 2007, respectively. The fall reflected declines in manufacturing output and electricity consumption.

Provisional data from the National Bureau of Statistics (NBS) on the sectoral growth rate of GDP indicated that the manufacturing sub-sector fell by 0.1 per cent from the level attained in the preceding quarter. The estimated index of manufacturing production, at 88.0 (1990=100), also fell by 2.2 and 2.0 per cent from the levels in the preceding quarter and corresponding period of 2007, respectively. The development was attributed to the decline in production by manufacturing firms as a result of poor power supply and other infrastructural bottlenecks.

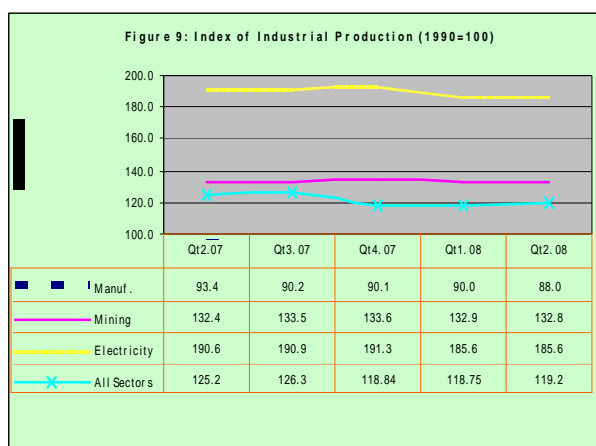
At 132.75 (1990=100), the index of mining production declined marginally by 0.1 per cent from the level in the preceding quarter. It however, rose by 0.3 per cent over the level in the corresponding period of 2007. The decline was attributed to the fall in crude oil and gas production resulting from the crises in the Niger Delta region.

At 2,500.0 MW/h, estimated average electricity generation fell by 10.5 per cent from the level attained in the preceding quarter. The decline reflected the drop in water levels at the reservoirs which power the hydro power stations in the country as well as the non supply of gas to Egbin, Delta and Geregu power stations, following vandalism on gas pipelines during the period.

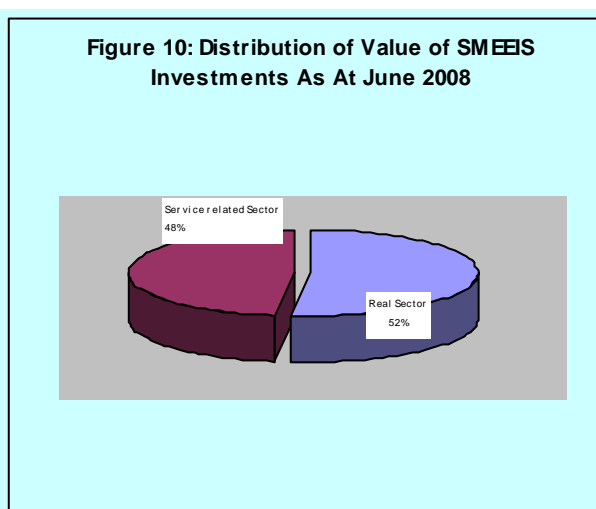
At 1,300.0 MW/h, estimated average electricity consumption declined by 6.3 per cent from the level in the preceding quarter. Of the total, residential consumption accounted for 50.3 per cent, commercial & street lighting accounted for 26.2 per cent, while industrial consumption accounted for 22.5 per cent. The decline in electricity consumption relative to the preceding quarter was attributed to the low supply from the power generating stations.

4.3 Small and Medium Enterprises Equity Investment Scheme

A cumulative sum of ₦42.02 billion had been realized under the SMEEIS as at the end of the second quarter of 2008. Out of this, the sum of ₦24.75 billion or 58.9 per cent of the total was set aside for investment in 327 projects.



Overall, the total amount invested by banks remained the same as in the preceding quarter. Sectoral analysis of the cumulative investment showed that the real sector (Manufacturing-31.2%, Agro-allied-9.3%, Construction-11.3% and Solid Minerals-0.3%) recorded investments worth ₦12.85 billion, accounting for 51.9 per cent in 201 projects, while the service sub-sector (Tourism & Leisure-20.4%, Services-18.9%, IT & Telecom-7.2%, and Educational Establishment-1.6%) accounted for ₦11.89 billion (48.1%) in 126 projects.



4.4 Petroleum Sector

Nigeria's crude oil production, including condensates and natural gas liquids was estimated at 1.82 million barrels per day (mbd) or 165.62 million barrels (mb) during the second quarter of 2008, representing a decline of 11.2 per cent from the level in the preceding quarter. Crude oil export was estimated at 1.37 mbd or 124.67 million barrels in the review quarter, compared with 1.60 mbd or 145.60 million barrels in the preceding quarter. Deliveries to the refineries for domestic consumption remained at 0.445 mbd or 40.495 million barrels in the review quarter.

At an estimated average of US\$138.74 per barrel, the price of Nigeria's reference crude, the Bonny Light (37° API), rose by 40.3 per cent over the level in the preceding quarter. The average prices of other competing crudes namely, the West Texas Intermediate, the U.K Brent, the Arab Light, and the Forcados also rose by 39.5, 38.6, 39.4 and 40.5 per cent to US\$135.44, US\$134.38, US\$129.34 and US\$139.32 per barrel, respectively. The average price of OPEC's basket of eleven crude streams also, rose by US\$39.96 per barrel to US\$128.34 over the level in the preceding quarter.

The increase in price was attributed to the continued depreciation of the US dollar and fears of an impending economic recession, output shortages due to the activities of militants in the Niger Delta of Nigeria and tensions in the Middle East.

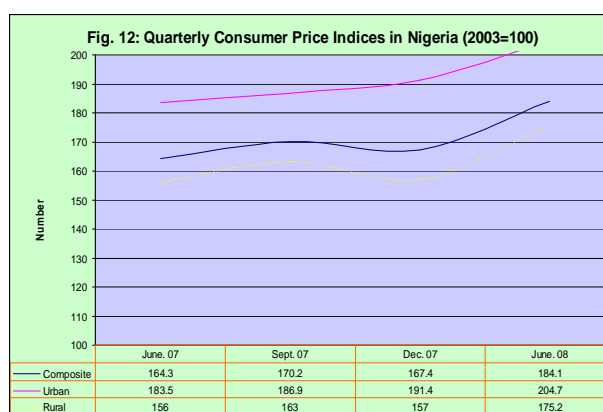
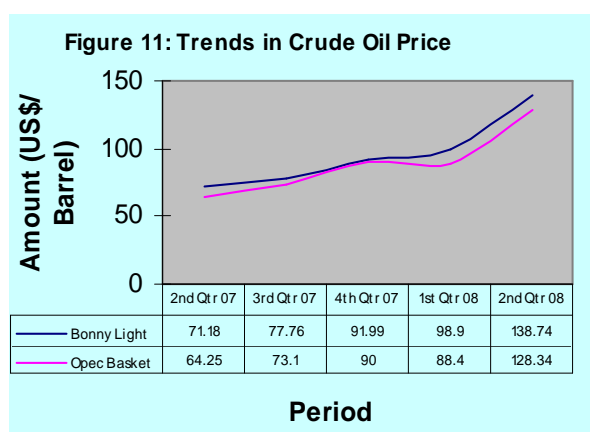
4.5 Consumer Prices

Available data showed that the all-items composite Consumer Price Index (CPI) for the end of second quarter, 2008 was 184.1 (May 2003=100), representing an increase of 7.3 and 12.0 per cent over the levels in the preceding quarter and corresponding period of 2007, respectively.

The development was attributed to the increase in the prices of some food items, household goods, diesel and kerosene and building materials.

The urban all-items CPI at the end of the second quarter, 2008 was 204.7 (May 2003=100), indicating an increase of 4.3 and 11.6 per cent over the levels in the preceding quarter and corresponding quarter of 2007, respectively. Similarly, the rural all-items CPI for the quarter, at 175.2 (May 2003=100), represented an increase of 8.9 and 11.7 per cent over the levels in the preceding quarter and corresponding period of 2007, respectively.

The end-period inflation rate for the second quarter of 2008, on a year-on-year basis, was 12.0 per cent, compared with 7.8 and 6.4 per cent recorded in the preceding quarter and corresponding quarter of 2007, respectively. The inflation rate on a twelve-month moving average basis for the second quarter, 2008 was 7.0 per cent, compared with 5.8 and 5.9 per cent recorded in March and the corresponding period of 2007, respectively. The development was attributed to the increase in the price index for food and non-alcoholic beverages; housing, water, electricity/gas and other fuel; furnishing, household equipments and housing maintenance; restaurant and hotels; clothing and footwear; and health which contributed 9.9, 0.8, 0.5, 0.4, 0.3 and 0.2 per cent, respectively. It was however, moderated by a 0.2 per cent decline in transport.



5.0 EXTERNAL SECTOR DEVELOPMENTS

The gross external reserves fell by 1.0 per cent to US\$59.16 billion, compared with US\$59.76 billion and US\$42.63 billion in the preceding quarter and corresponding period of 2007, respectively.

5.1 Foreign Exchange Flows

Foreign exchange inflow and outflow through the CBN in the second quarter of 2008 amounted to US\$11.12 billion and US\$10.21 billion, respectively, representing a net inflow of US\$0.91 billion. Relative to the respective levels of US\$12.89 billion and US\$4.19 billion in the preceding quarter, inflow fell by 13.7 per cent, while the outflow rose by 143.7 per cent. The decrease in inflow was attributed to reduction in public sector receipts.

Available data on aggregate foreign exchange flows through the economy indicated that total inflow amounted to US\$25.80 billion, representing a decline of 11.1 per cent from the level in the preceding quarter and an increase of 86.1 per cent over the level in the corresponding period of 2007. Oil sector receipts, which accounted for 40.0 per cent of the total, stood at US\$10.31 billion, compared with US\$10.69 billion and US\$5.72 billion in the preceding quarter and corresponding period of 2007, respectively. Non-oil public sector inflows which accounted for 3.1 per cent of the total, fell by 63.2 per cent, while autonomous inflow which accounted for 56.9 per cent fell by 9.0 per cent.

At US\$10.47 billion, aggregate foreign exchange outflow over the economy rose by 132.7 and 62.3 per cent from the levels in the preceding quarter and corresponding period of 2007, respectively. The increase in outflow relative to the preceding quarter was attributed largely to the 195.5 per cent rise in WDAS utilisation.

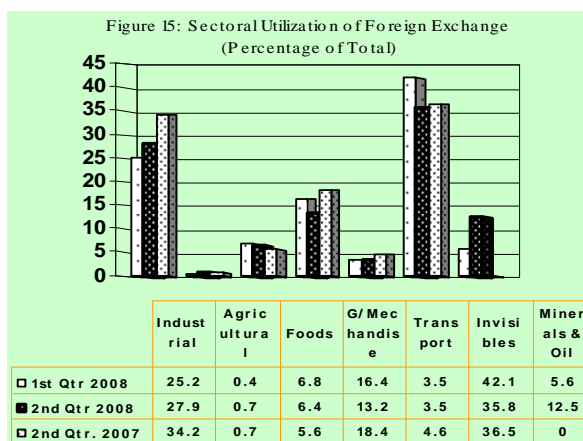
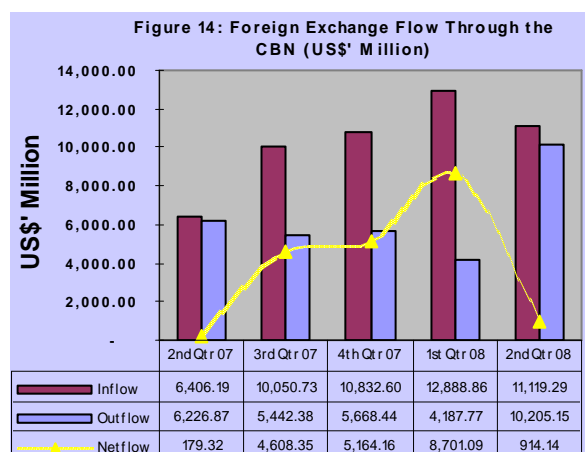
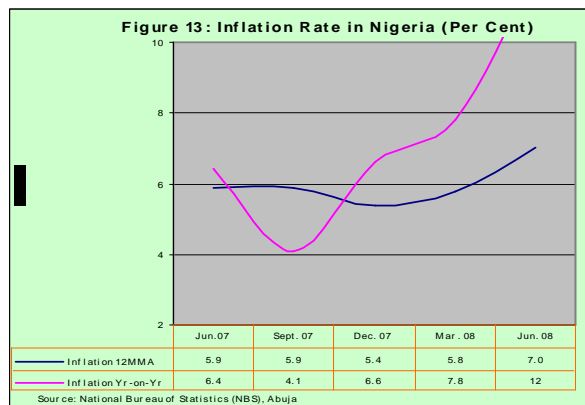
5.2 Non-Oil Export Proceeds by top 100 Exporters

Total non-oil export earnings by Nigeria's top 100 exporters increased by 10.8 and 27.1 per cent to US\$428.95 million over the levels in the preceding quarter and corresponding period of 2007, respectively. A breakdown of the proceeds in the review quarter showed that proceeds of agricultural and manufacturing sub-sectors rose from US\$236.56 million and US\$126.77 million to US\$253.90 million and US\$152.70 million, respectively, while "others" sub-sector fell from million US\$23.34 million in the preceding quarter to US\$22.34 million.

The shares of agricultural, manufacturing and "others" sub-sectors in total non-oil export proceeds were 59.2, 35.6 and 5.2 per cent, respectively, compared with 61.2, 32.8 and 6.0 per cent, in the preceding quarter. The development was attributed largely to the increase in the prices of the goods traded at the international market. The top 100 exporters accounted for 99.9 per cent of all the non-oil export proceeds in the second quarter of 2008.

5.3 Sectoral Utilisation of Foreign Exchange

The invisibles sector accounted for the bulk (35.8 per cent) of total foreign exchange disbursed in the second quarter of 2008, followed by the industrial sector (27.9 per cent). Other beneficiary sectors, in a descending order of importance, included: general merchandise (13.2 per cent), minerals & gas (12.5 per cent), food (6.4 per cent), transport (3.5 per cent) and agricultural products (0.7 per cent) (Fig.12).



5.4 Foreign Exchange Market Developments

Foreign exchange demand by the authorized dealers stood at US\$4.24 billion, indicating an increase of 71.7 over the level in the preceding quarter but a decline of 16.2 per cent from the level in the corresponding period of 2007. Consequently, a total amount of US\$2.75 billion was sold by the CBN during the period, indicating an increase of 67.7 per cent over the level in the preceding quarter and a decline of 41.2 per cent from the level in the corresponding period of 2007.

Under the WDAS, the weighted average exchange rate of the Naira vis-à-vis the US dollar appreciated by 0.1 per cent to ₦117.95 per dollar from ₦118.04 per dollar in the preceding quarter. It also showed an appreciation of 7.3 per cent over the level in the corresponding period of 2007. In the bureaux-de-change segment of the market, the naira traded at an average of ₦119.37 per dollar, compared with ₦119.79 and ₦128.83 per dollar in the preceding quarter and the corresponding quarter of 2007, respectively. Consequently, the premium between the official and the bureaux-de-change rates narrowed from 1.5 per cent in the preceding quarter to 1.2 per cent.

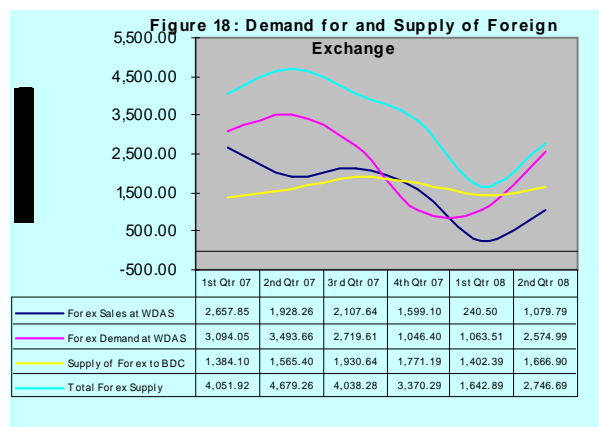
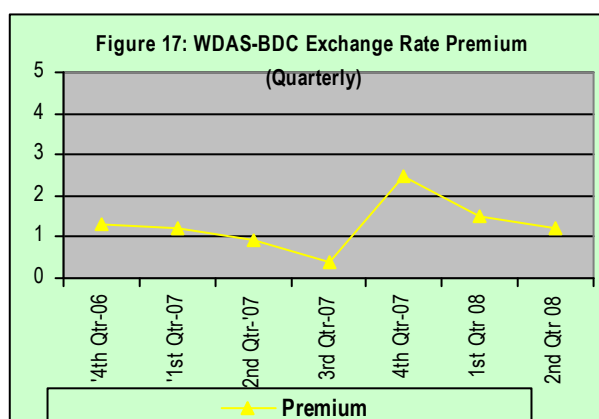
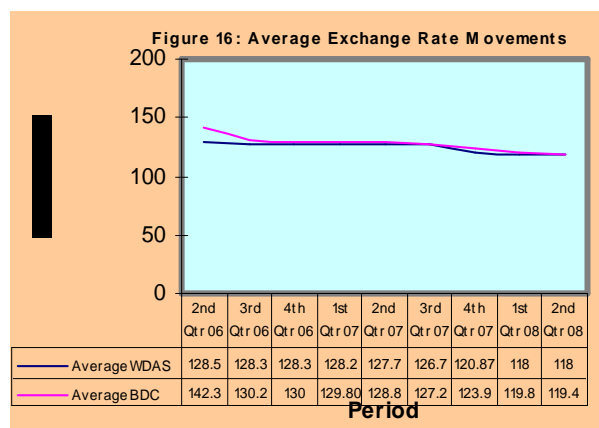
6.0 OTHER INTERNATIONAL ECONOMIC DEVELOPMENTS

World crude oil output in the second quarter of 2008 was estimated at 86.81 million barrels per day (mbd), while demand was estimated at 86.95 mbd, compared with 87.30 and 88.0 mbd supplied and demanded in the preceding quarter, respectively. The decline in demand was attributed to the reduced consumption of transport fuel in the OECD, as well as the slow economic activity in the US owing to the high oil prices.

Other major international economic developments of relevance to the domestic economy during the quarter included: the 1st Joint Conference of African Union Ministers of Economy and Finance, and the United Nations Economic Commission for Africa (UNECA) Conference of African Ministers of Finance, Planning and Economic Development held in Addis Ababa, Ethiopia from March 31 - April 2, 2008. The purpose of the Conference was to address the new challenges facing Africa in the 21st century and examine the new international economic environment within which these challenges would be tackled (see April, 2008 report).

Also, the 2008 Spring meetings of the Inter-Governmental Group of Twenty-Four (G-24) on International Monetary Affairs and Developments, the International Monetary Fund (IMF) and the World Bank (WB) was held in Washington D.C., USA from April 9 - 14, 2008 (see April, 2008 report).

Furthermore, the first Indo-African Summit was held in Delhi, India from April 8 - 9, 2008. The Summit was attended by fourteen African Heads of State and African Regional Economic Communities (see April, 2008 report).



In a related development, the 2008 Annual Meetings of the African Development Bank (AfDB) Group held in Maputo, Mozambique, from May 14-15, 2008. The agenda of the Meeting included the approval of the Group's annual report and operational programmes for 2008; consideration for the admission of Turkey as the 78th member of the institution; the extension of the duration of the Nigeria Trust Fund for 10 years; and the establishment of a Special Fund for Reconstruction and Development of the Great Lakes Region of Africa (See May, 2008 report).

Also, the first Session of the Committee of Twelve Heads of State and Government of the African Union (AU) Government was held in Arusha, Tanzania on May 22, 2008 under the chairmanship of Mr. Jakaya Mrisho Kikwete, President of Tanzania and Chairman, African Union. The term-of-reference of the Committee was to deliberate on the important issue of the Union Government as mandated by the last Assembly of the AU (See May 2008).

In another development, the seventh session of the Nigeria–South Africa Bi-National Commission (BNC) was held in Abuja, Nigeria, from May 21-23, 2008 (See May 2008).

The 22nd Meeting of the Convergence Council of Ministers and Governors of the West African Monetary Zone (WAMZ) was held in Freetown, Sierra Leone on June 19, 2008. The meeting was preceded by the meetings of the Technical Committee and Committee of Governors of Central Banks of the WAMZ. The highlights of the meetings were as follows:

- Member countries should undertake medium to long term strategies to tackle the prevailing energy and food crises.
- Approval of the proposed ADF grant of UA 14 million (US\$23 million) for the development of the payments systems in The Gambia, Guinea and Sierra Leone.
- Approval of the Statutes on Payments System, WAFSA, Non-Bank Financial Institutions and Single Economic Space and Prosperity Agreement (SESPA).
- WAMI was directed to sensitize commercial banks in the Zone on the financing of trade in the WAMZ using local currencies.
- The holding of a Summit of Heads of State and Government of the WAMZ as soon as possible to address pertinent issues, including the signing of the relevant Legal instruments.
- WAMI was directed to convene a meeting in Accra in July 2008 for WAMZ Central Bank and Ministry of Finance officials to discuss the payment of arrears on Stabilization and Cooperation Fund (SCF) and West African Central Bank (WACB) capital. The meeting should establish the total cost of the WAMZ programme, exploring all the financial implications associated with the operationalisation of the various structures of a common central bank. In addition, the financial obligations of operationalising the WAMZ Secretariat in Conakry and the West African Financial and Supervisory Agency (WAFSA) in Nigeria should be considered. The financial obligations of each member country should also be determined.

The Thirty-Fourth Ordinary Session of the Authority of the Economic Community of West African States (ECOWAS) Heads of State and Government was held in Abuja on June 23, 2008. The following were the major highlights of the Summit:

- The Summit directed the ECOWAS Commission to concentrate on the development of regional infrastructure, particularly the development of energy and provision of intra-community rail, air and road links as catalysts for regional integration.
- Tin another development, they further urged a redoubling of efforts “in domesticating the ECOWAS Common Agricultural Policy and Regional Strategy for Food Security.”
- The Summit also discussed the rising global oil prices and their potential adverse effects on the economies of Member States and called on oil-exporting Member States to show more solidarity with their non-oil exporting counterparts to help reduce the burden.
- Reviewing the performance of the West African economy, the Authority noted with satisfaction the improved macroeconomic management and governance in member states. It further noted that this trend was sustained in the first half of 2008 despite the global financial turbulence and other negative external shocks on the regional economy.
- It directed the ECOWAS Commission to expedite action on the introduction of a region-wide Common External Tariff (CET) and take all necessary measures to conclude a fair, balanced and development-oriented EPA that takes cognizance of the concerns of West Africa.
- Furthermore, they called on ECOWAS and UEMOA Commissions to harmonize the rules and mechanisms for the standardization and certification of products originating from the Community, towards facilitating intra-Community trade.
- The Heads of State and Government expressed solidarity with the Government of the Federal Republic of Nigeria over the situation in the Niger Delta. It applauded President Umaru Musa Yar’Adua’s effort at comprehensive development of the area and called upon the militants to desist from acts of violence and embrace dialogue in addressing the problems of the area.

In a related development, the 18th World Economic Forum on Africa was held in Cape Town, South Africa from June 4 – 6, 2008. The theme of the Forum was ‘Capitalising on Opportunity’. The Forum was attended by more than 800 business, government and civil society leaders from 50 countries. Highlights of the major recommendations from the forum were as follows:

- ◆ African countries were urged to address deficiencies in agriculture to increase productivity and empower small farmers.
- ◆ The forum noted that the adoption of technology would be a major boost to productivity, allowing economies to unlock value in poorer communities and rural areas.
- ◆ It was observed that mediocre leadership and poor governance have been major impediments to prosperity. The need for public institutions including political parties to be strengthened and made accountable was also noted.

Lastly, the G8 Finance Ministers met in Osaka, Japan on June 14, 2008 in preparation for the Summit of G8 Heads of State and Government in Hokkaido-Toyako. The major highlights of the meeting were as follows:

- The Ministers noted that for a long time, the world economy enjoyed a combination of robust growth and low inflation, but now faces difficulties. They expressed their commitment to ensure that the conditions are in place for continued strong world economic growth.
- They noted that elevated commodity prices, especially oil and food, pose a serious challenge to stable growth worldwide and have serious implications for the most vulnerable, and may increase global inflationary pressure. They pledged to remain vigilant, and continue to take appropriate actions, individually and collectively, in order to secure stability and growth in their economies and globally.
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- The Ministers observed that financial market conditions have improved somewhat in the past few months. Bold measures by major central banks have supported the better functioning of markets. Disclosures of losses and capital enhancements by many financial institutions have also helped to improve market sentiment. However, strains remained, especially in money and credit markets. The recent financial turmoil has revealed the risks posed to the financial system by excessive risk taking and leveraging. Financial innovation has contributed significantly to the global growth and development, but in the light of risks to financial stability, it is imperative that transparency and risk awareness be enhanced.

- They recognised the benefits of commercially-driven investment from government-controlled investors such as sovereign wealth funds and, to this end encouraged these investors to work with the IMF to identify and adopt high standards in areas such as governance, risk management, and transparency.

- They called on the IMF and the International Energy Agency (IEA) to work together, with appropriate national authorities, in carrying out further analysis of real and financial factors behind the recent surge in oil and commodity prices, their volatility, and the effects on the global economy, and report back at the next Annual Meetings.

- On climate change, the Ministers agreed that urgent and concerted action is needed and accepted responsibility to show leadership in tackling climate change. They are strengthening efforts to assist developing countries in addressing climate change, and agreed to the ‘‘G-8 Action Plan for Climate Change to Enhance the Engagement of Private and Public Financial Institutions’’.

- Ministers expressed commitment to working together with African countries to foster sustainable, private sector led growth, building on commitments to double aid to Africa. They expressed their commitment to fighting money laundering, terrorist financing and other illicit financing.

Appendix 2: Selected Macroeconomic Indicators (Fiscal, External & Real Sectors Indicators)

	2 nd Qtr 06	3 rd Qtr 06	4 th Qtr 06	1 st Qtr 07	2 nd Qtr 07	3 rd Qtr 07	4 th Qtr 07	1 st Qtr 08	2 nd Qtr 08
FISCAL OPERATIONS OF THE FEDERAL GOVT									
Federally Collected Revenue (=N='b)	1,284.7	1,487.6	1483.1	1224.7	1,120.2	1,479.4	1,699.3	1,889.4	1,880.3
Oil Revenue	1,144.2	1,311.8	1,280.5	1,018.6	926.8	1,165.6	1,279.1	1,574.3	1,559.3
Non-Oil Revenue	140.5	175.7	202.6	206.0	193.4	281.0	420.2	315.1	321.0
Retained Revenue (=N='b)	395.1	492.7	564.1	473.1	670.5	566.6	700.6	560.7	829.3
Total Expenditure (=N='b)	309.3	498.1	685.8	485.1	585.5	515.7	941.3	464.1	961.8
Recurrent	267.0	354.2	339.5	307.1	251.5	375.27	615.5	434.9	544.9
Capital Expenditure	42.3	128.1	309.2	152.5	308.5	6.93	291.5	-	366.3
Transfers	38.4	15.9	37.1	25.6	25.6	16.75	34.4	19.5	50.6
Surplus/Deficit (=N='b)	85.9	-5.5	-121.7	-12.1	85.1	153.47	-240.7	123.5	-132.5
Ways and Means Advances (=N='b)	-	-	-	-	-	-	-	-	-
Statutory Limit (% of Budgeted Revenue)	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5
FOREIGN EXCHANGE FLOWS Through the CBN (US\$m)									
Inflow	8,717.74	9,626.35	8,727.91	8,146.21	6,406.19	10,050.73	10,832.60	12,888.8	11,119.29
Outflow	8,800.95	5,069.32	8,195.86	7,017.01	6,226.87	5,442.38	5,668.44	4,187.77	10,205.15
(Debt Service)	4,733.48	209.16	1,727.72	676.71	109.17	129.43	111.15	110.40	118.44
Net Flow	-83.21	4,557.03	532.05	1,129.2	179.32	4,608.35	5,164.16	8,701.09	914.14
FOREIGN EXCHANGE MARKET									
Forex Sales at WDAS (US\$m)	2,419.2	2,724.62	3,412.38	2,657.85	2306.06	2,107.64	1,599.10	240.50	1,079.79
Forex Demand at WDAS (US\$m)	2,878.19	2,991.86	4,537.24	3,094.05	3493.66	2,719.61	1,046.40	1,063.51	2,574.99
Supply of Forex to BDC (US\$m)	508.84	1,018.92	1,202.24	1,384.1	1,185.60	1,930.6	1,771.19	1,402.39	1,666.90
Total Forex Supply (US\$m)	2,928.045	3,743.54	5,224.62	4,051.92	4,679.26	4,038.28	3,370.29	1,642.89	2,746.69
Average WDAS Exchange Rate	128.45	128.31	128.28	128.23	127.65	126.63	120.87	118.04	117.95
Average BDC Exchange Rate (=N=/\$)	142.33	130.24	129.99	129.80	128.83	127.15	123.89	119.79	119.37
BDC Premium	10.80	1.50	1.33	1.22	0.9	0.4	2.5	1.2	1.2
Depreciation									
BALANCE OF PAYMENTS (=N='b)									
Current Account (=N='b)	1,089.50	1,090.58	929.71	876.06	1,217.07	1,571.41	-	-	-
Goods	948.15	754.63	736.39	486.44	741.87	854.42	-	-	-
Export	1,560.51	1,531.80	1,460.38	1,320.18	1,505.46	1,646.70	-	-	-
Import	-612.35	-777.17	-723.99	-833.75	-763.59	-792.29	-	-	-
Services (net)	-65.03	-47.47	79.54	-6.27	-3.50	-43.06	-	-	-
Income (net)	-52.97	-26.22	69.26	7.13	-20.53	-16.23	-	-	-

	2 nd Qtr 06	3 rd Qtr 06	4 th Qtr 06	1 st Qtr 07	2 nd Qtr 07	3 rd Qtr 07	4 th Qtr 07	1 st Qtr 08	2 nd Qtr 08
Current Transfers (net)	259.35	262.24	342.12	388.76	499.23	657.70	-	-	-
Capital and Financial Accounts	-1,050.67	-604.58	-668.18	-762.67	-1,231.15	-897.94	-	-	-
Capital Account (net)	2.23	2.60	1.92	1.60	1.96	2.58	-	-	-
Financial Accounts (net)	1,052.90	-607.19	-670.10	-764.27	-1,233.11	-900.52	-	-	-
Direct Investment	85.03	71.06	136.09	147.50	161.14	365.22	-	-	-
Net Errors and Omissions	-4.45	-2.54	-1.92	-3.58	-3.80	-2.52	-	-	-
Overall Balance	34.38	483.43	259.61	109.82	6.50	670.95	-	-	-
EXTERNAL RESERVES (US\$b)	36.48	40.46	42.30	42.60	42.63	47.97	51.33	59.70	59.16
CRUDE OIL PRODUCTION (MBD)									
Total World Supply	84.5	84.9	85.2	85.4	85.5	86.0	85.9	87.3	86.8
OPEC	33.6	34.2	34.0	33.7	35.1	36.3	35.1	37.2	36.9
Non-OPEC	50.8	50.6	51.3	50.6	50.3	49.5	50.8	50.1	49.9
CRUDE OIL PRICES (US\$/Barrel)									
Bonny Light	70.5	71.5	61.6	59.9	71.2	79.6	92.0	98.9	138.7
OPEC Basket	64.9	66.2	56.1	54.6	64.3	73.1	90.0	88.4	128.3
DOMESTIC PRICES									
12 MMA Inflation Rate (%)	15.5	10	8.2	7.2	5.9	5.9	5.4	5.8	7.0
Y/Y Inflation Rate (%)	8.5	6.3	8.5	5.2	6.4	4.1	6.6	7.8	12.0
Core Inflation:12 MMA (%) ²	11.0	11.2	12.8	13.4	11.1	10.6	9.2	6.8	5.8
Core Inflation: Y/Y (%) ²	13.6	10.6	17.3	8.9	9.6	10.5	3.6	0.5	3.6
Food Inflation:12 MMA (%) ³	18.0	9.0	5.6	3.3	2.0	2.1	1.9	4.2	7.4
Food Inflation: Y/Y (%) ³	6.2	4.3	3.9	1.7	3.2	-0.8	8.2	12.4	18.1
INDUSTRIAL PRODUCTION									
Index of Industrial Production	124.4	120.6	114.8	120.80	121.70	120.90	118.84	118.75	119.2
Index of Manufacturing Production	92.6	87.2	86.6	89.60	89.80	89.40	90.07	89.96	88.0
Index of Mining Production	148.1	145.3	132.8	132.10	132.40	133.50	133.64	132.90	132.8
Average Electricity Generation (MW/h)	3,016.2	2,744.7	2,520.1	2,271.5	2,950.0	2,794.1	3,850.0	3,850.0	2,500.0
Average Electricity Consumption (MW/h)	1,796.6	1,760.9	1,725.1	1,689.1	1,796.6	1,617.0	1,750.0	1,750.0	1,300.0
1 Provisional									
2 Core Inflation based on consumer price index (CPI) of All Items less Farm Produce									
3 Inflation based on consumer price index (CPI) of food									