2012

CENTRAL BANK OF NIGERIA

ECONOMIC REPORT FOR THE FIRST HALF OF 2012

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Vision

To be one of the most efficient and effective world's central banks in promoting and sustaining economic development.

Mission

To be proactive in providing a stable framework for the economic development of Nigeria through the effective, efficient and transparent implementation of monetary and exchange rate policy and management of the financial sector.

THE CENTRAL BANK OF NIGERIA

Established by the Central Bank of Nigeria (CBN) Act of 1958, the Principal objects of the Bank as contained in the new CBN Act, 2007 are to

- *ensure monetary and price stability*
- *issue legal tender currency in Nigeria*
- *maintain external reserves to safeguard the international value of the legal tender currency*
- *promote a sound financial system in Nigeria*
- *act as banker and provide economic and financial advice to the Federal Government of Nigeria*

MEMBERS OF THE BOARD OF DIRECTORS OF THE BANK AS AT JUNE 30, 2012

1.	SanusiLamidoSanusi, CON	-	Governor (Chairman)
2.	Suleiman A. Barau	-	Deputy Governor (Corporate Services)
3.	Sarah O. Alade (Mrs)	-	Deputy Governor (Economic Policy)
4.	Kingsley C. Moghalu	-	Deputy Governor (Financial System Stability)
5.	TundeLemo, OFR	-	Deputy Governor (Operations)
6.	DanladiKifasi, MNI -		Director (Permanent Secretary, Federal Ministry of Finance)
7.	Jonah O. Otunla-		Director (Accountant General of the Federation)
8.	Dahiru Muhammad	-	Director
9.	Samuel O. Olofin	-	Director
10.	Joshua O. Omuya	-	Director
11.	Stephen O. Oronsaye, CFR	-	Director
	Yunusa M. Sanusi	-	Secretary to the Board

MEMBERS OF THE COMMITTEE OF GOVERNORS OF THE BANK AS AT JUNE 30, 2012

1.	SanusiLamidoSanusi, CON	-	Governor (Chairman)
2.	Suleiman A. Barau	-	Deputy Governor (Corporate Services)
3.	Sarah O. Alade (Mrs)	-	Deputy Governor (Economic Policy)
4.	Kingsley C. Moghalu	-	Deputy Governor (Financial System stability)
5.	TundeLemo, OFR	-	Deputy Governor (Operations)
	Yunusa M. Sanusi	-	Secretary

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SUMMARY

POLICY FRAMEWORK

Monetary targeting, in principle, remained the framework for monetary management during the first half of 2012. In reality, however, actual implementation of monetary policy adopted an eclectic approach, as attention was focused on both quantity and price variables to achieve the objective of monetary and price stability. In this regard, the Bank sustained the use of Open Market Operations (OMO), repurchase transactions, standing facilities and discount windows as the major tools of its monetary operations. These were complemented with prudential requirements such as cash reserve ratio requirement (CRR) and liquidity ratio (LR) as well as primary market transactions in government securities andinterventions in the foreign exchange market. Monetary policy implementation remained generally tight with the monetary policy rate (MPR) signalling the stance of policy and serving as the anchor for short-term money market and other rates. The Bank intensified its surveillance activities through regular appraisal and review of banks' returns, spot checks, special investigations and risk-based supervision, among others. The Bank also pursued the implementation of its initiatives on development financing, namely; the ₦235 billionIntervention Fund for Refinancing and Restructuring of Bank's Loans to the Manufacturing/SME Sector, the ₦200 billion SME Credit Guarantee Scheme Fund (SMECGS) and the ₦300 billion Power and Airline Intervention Fund (PAIF). Furthermore, the Bank continued the implementation of Agricultural Credit Guarantee Scheme (ACGS), the Commercial Agricultural Credit Scheme (CACS) and, in addition, approved the establishment of additional three Entrepreneurship Development Centres. The implementation of the Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL) was boosted with the engagement of the 26 state Governments.

CBN OPERATIONS

Liquidity

The OMO continued to be the main tool for liquidity management and was complemented by the CRR, repurchase transactions, standing facilities and discount windows. Additional tools were the issuance of treasury securities in the primary market and interventions in the foreign

Management

exchange market through spot and forward auctions as well as in the interbank markets.

Payments & Clearing System

The payments system continued to witness significant transformation with increased usage of other modes of payment such as the Real Time Gross Settlement (RTGS) System, Nigeria Inter-Bank Settlement System (NIBSS), Inter-Bank Funds Transfer (NEFT), Automated Teller Machine (ATM), mobile banking and internet payments etc., resulting in a decline in the use of cheques during the first half of 2012. In order to reduce cash dependency and further promote e-payments within the economy, the implementation of the pilot-run of the "Cash-less" policy commenced during the review period. The policy provided for a daily cumulative limit for individual and corporate customers on cash withdrawals and lodgements as well as third party encashment over the counter, among others. The Bank continued the deployment of shared POS terminals and maintained a help desk for receiving complaints on card transactions.

Financial Sector Surveillance

The Bank sustained its supervisory efforts to proactively address regulatory issues in the banking system. The CBN in conjunction with the NDIC carried out target examinations of the DMBs to evaluate their risk assets in order to determine compliance with the regulatory thresholds on non-performing loans, capital adequacy and corporate governance. In addition, the Bank conducted risk-based supervision of two foreign subsidiaries of Nigerian banks in conjunction with their host supervisors during the first half of the year. The routine examination of the discount houses, credit bureaux and the Asset Management Corporation of Nigeria (AMCON) was also performed during the period.

Furthermore, the health of the banking sector improved as the capital adequacy ratio (CAR) of all the banks, except one, was consistently above the stipulated minimum of 10.0 per cent. At 62.7 per cent, banks' industry-wide average liquidity ratio (LR) exceeded 30.0 per cent minimum requirement, while the industry's ratio of non-performing credits to total loans, at 4.3 per cent,was below the threshold of 5.0 per cent set by the CBN.As part of efforts to strengthen corporate governance in banks, the CBN in collaboration with the Bankers' Committee issued a draft Competency Framework for comments by the stakeholders. Also, the CBN issued an exposure draft on Financial Inclusion Strategy for Nigeria with the aim of reducing the percentage of adults excluded from access to financial services. To reduce regulatory arbitrage, the Bank directed all other financial institutions (OFIs) to adopt a uniform accounting year-end, effective 31st December 2012. To further tackle money laundering and the financing of terrorism, the Bank developed a three-level Know-Your-Customer (KYC) regime for banks and other financial institutions during the period.

Foreign Exchange Management

The exchange rate was relatively stable during the first half of 2012. The demand pressure moderated at the foreign exchange market owing to the intervention by the Bank and the increased supplies from autonomous sources. The average spot rate of WDAS, BDC and inter-bank were ₦157.65/US$, ₦164.00/US$ and ₦162.85/US$, respectively, in the first half of 2012, while the exchange rate for 1-, 2- and 3-month WDAS-FWD averaged ₦156.19/US$, ₦156.32/US$ and ₦156.88/US$, respectively. Furthermore, foreign exchange inflow into the economy increased substantially during the first half of the year, reflecting rise in crude oil receipts and autonomous inflows. However, foreign exchange outflow dropped relative to the level in the corresponding period of 2011. Consequently, there was a net inflow of US$35.44billion into the economy at the end of the first half of 2012, compared with US$28.85billion at end-June 2011.

THE FINANCIAL SECTOR

Growth in monetary aggregates was sluggish in the first half of 2012. Available data indicated that broad money supply (M_2) grew by 1.4 per cent,compared with 5.6 per cent at end-June 2011, while the narrow money supply (M_1) fell by 2.5 per cent in the first half of 2012. The development reflected the tight monetary stance of the Bank which was designed to maintain price and monetary stability as well as contain inflationary pressures. Similarly, reserve money was below the indicative benchmark for the first half of 2012 as it fell by 7.8 per cent. Credit to the domestic economy declined by 2.7 per cent in the first half of the year due to the substantial fall in claims on the Federal Government (net). The Federal Government was a net creditor to the banking system as the credit to government (net) declined by 177.8 per cent at end-June 2012.Instruments of short-term maturity remained dominant in the structure of credit and deposit portfolios of deposit money banks. Banks' average prime and maximum lending rates rose by an average of 125 and 127 basis points, respectively, while the spread between banks' average term deposit and maximum lending rates narrowed to 16.46 percentage points from 17.60 percentage points in the first half of 2011. With the year-on-year inflation rate at 12.9 per cent at end-June 2012, all the term deposit rates were negative in real terms.Aggregate institutional savings, at ₦7,544.4 billion, at end-June 2012declined by 11.5 per cent from the level in the corresponding half year of 2011. The DMBs remained the dominant savings institution, accounting for 91.2 per cent of the total. Transactions on the floor of the Nigerian Stock Exchange were bullish as the All-share Index (ASI) and aggregate market capitalization (MC) rose by 4.2 and 20.4 per cent, to close at 21,599.57 and ₦12.4 trillion, respectively, at end-June 2012.

THE GOVERNMENT SECTOR

Provisional data indicated that total federally-collected revenue (gross), at ₦5,577.22 billion, was 15.1 and 17.2 per cent higher than both the proportionate budget estimate for fiscal 2012 and the actual revenue in the corresponding period of 2011, respectively. Oil-revenue contributed 78.1 per cent and non-oil revenue accounted for the balance. At ₦1,741.98 billion, the Federal Government retained revenue was 12.4 per cent lower than the proportionate budget estimate, but higher than the level in the first half of 2011 by 33.4 per cent.Aggregate expenditure of the Federal Government,at ₦2,023.80 billion, was 20.9 per cent lower than the proportionate budget estimate, but exceeded the amount expended in the first half of 2011 by 3.3 per cent. The lower expenditure performance reflected the delayed disbursements of capital budget and transfers. Notwithstanding, the fiscal operations of the Federal Government resulted in an overall notional deficit of ₦281.82 billion or 1.5 per cent of GDP, compared with the proportionate budget deficit of ₦568.31 billion and the actual deficit of ₦650.23 billion at end-June 2011. At ₦7,103.48 billion, the stock of Federal Government consolidated debt comprised domestic ₦6,152.87 billion and external US$6.04 billion (₦950.61 billion)rose by 17.6 per cent above the level at end-June 2011.

Provisional data from the National Bureau of Statistics (NBS) revealed

THE REAL SECTOR

that the gross domestic product (GDP) at 1990 constant basic prices grew by 6.4 per cent,compared with 7.4 per cent in the corresponding period in 2011. The growth was driven by the non-oil sector which rose by 7.8 per cent and contributed 85.2 per cent of the GDP. At 250.9 (1990=100), aggregate index of agricultural production increased by 4.2 per cent, compared with 5.6 per cent in the first half of 2011. Activities in the industrial sector improved as the index of production at 136.3 (1990=100) rose by 5.8 per cent above the level in the corresponding period of 2011, largely reflecting the rise in output from manufacturing and mining as well as improved electricity supply. Domestic Crude oil production, including condensates at an average daily production of 2.09 million barrels per day (mbd) in the first half of 2012 declined by 0.05 mbd from the level in the first half of 2011. The average spot price of Nigeria's reference crude, the Bonny Light (37^0 API), was US$115.05 per barrel in the first half of 2012, up by 1.0 per cent over the level in the first half of 2011. Inflationary pressures which persisted through the first and second halves of 2011 continued into the first half of 2012 as the composite Consumer Price Index (CPI) stood at 135.3 (November 2009 = 100), compared with 119.9 and 126.0 at end-June and end-December 2011, respectively. The year-on-year headline inflation edged-up to 12.9 per cent at end-June 2012, from 10.2 per cent in the corresponding period of 2011. However, the 12-month moving average trended downward to 11.3 per cent at end-June 2012, compared with 12.3 per cent at end-June 2011.

EXTERNAL SECTOR

The performance of the external sector improved in the first half of 2012, following the sustained high price of crude oil at the international market. Consequently, the current account recorded an estimated surplus of ₦1468.22 billion or 7.7 per cent of GDP and engendered a balance of payment surplus of ₦438.93 billion or 2.3 per cent of GDP. Provisional data indicated that Nigeria's external assets at end-June 2012 rose significantly by 15.2 per cent to ₦7,526.88 billion(US$47.79 billion), from its level in the corresponding period of 2011. Similarly, the stock of external reserves grew to US$35.41 billion at end-June 2012 and could finance 7.6 months of current imports. The IMF economic growth projections indicated that global recovery remained weak, thus growth was projected to moderate at 3.5 per cent in 2012 and the advanced economies were estimated to grow at an average of 1.4 per cent. Growth in the United States was estimated to strengthen modestly at 2.0 per cent and that of Japan at 2.4 per cent, following recovery from earthquake-related losses. The economies of euro area were estimated to contract by 0.3 per cent as a result of the sovereign debt crisis, general loss of confidence and the impact of fiscal consolidation in response to market pressures. In emerging marketeconomies, growth was projected at 5.6 per cent and expected to be sustained by good macroeconomic management and external demand. Global inflation was projected to ease as commodity prices stabilize and demand softens. Inflationary pressures in the advanced economies was estimated to decelerate to 1.9 per cent and those of emerging and developing economies were expected to decline to 6.2 per cent as food price inflation drops.

OUTLOOK FOR THE REST OF 2012

The inflationary pressure that was witnessed in the first half of 2012 is expected to moderate slowly in the second half of 2012 as a result of the expected bumper harvest following the clement weather condition for agricultural production during the period. The continued improvementin electricity supply which aided industrialgrowth would continue and complementthe impact of the expected increase in agricultural output on real GDP growth.Furthermore, the sustained increase in the prices of crude oil in the international market is expected to bolster foreign exchange inflows to further stabilize the foreign exchange market, strengthen the balance of payments position and engender further build-up of external reserves. In addition, the federation revenue is expected to be significantly increased in the face of improved crude oil production and exports occasioned by the sustained peace in the Niger Delta region. Expectedly, improved federation revenue would smoothen budget implementation at all levels of government and provide the required finance for infrastructural projects across the country. The likely huge fiscal injections may engender considerable liquidity inflows into the financial system and exacerbate pressures on the general price level. Nevertheless, the monetary authority is expected to maintain tight policy regime/stance in order to ensure internal and external stability.

Selected Macroeconomic and Social Indicators

Indicator	Jun-08	Jun-09	Jun-10	Jun-11 1/	Jun-12 2/
Domestic Output and Prices					
GDP at Current Mkt Prices (N' billion) 3/	11,434.30	11,548.71	15,743.23	17,786.39	19,504.81
GDP at Current Mkt Prices (US$' billion) 3/	96.95	78.39	104.93	116.09	123.72
GDP per Capita (N) 3/	76,637.42	75,004.10	99,075.34	108,462.59	115,253.53
GDP per Capita (US$) 3/	649.81	509.12	660.33	707.93	731.07
Real GDP Growth (Growth Rate %) 3/	5.16	6.27	7.57	7.38	6.38
Oil Sector	-3.30	-3.47	3.16	0.45	-1.31
Non-oil Sector	8.65	8.10	8.36	8.71	7.84
Sectoral Classification of GDP (Growth Rate %)					
Agriculture	6.30	5.82	5.84	5.64	4.06
Industry 4/	-1.93	-1.94	3.88	1.50	0.11
Services 5/	10.28	10.38	11.40	12.56	13.79
Oil Production (mbd)	1.94	1.76	2.07	2.14	2.09
Manufacturing Capacity Utilisation (%) 1/	52.60	53.81	54.90	55.73	57.03
Inflation Rate (%) (Year-over-Year)	12.00	11.20	14.10	10.20	12.90
Inflation Rate (%) (12-month moving average)	7.00	13.70	13.10	12.30	11.30
Core Inflation Rate (%) (Year-over-Year) 7/	3.60	8.50	12.70	11.50	15.20
Core Inflation Rate (%) (12-month moving average) 7/	5.80	8.30	10.90	12.10	12.70
Federal Government Finance (% of GDP)					
Retained Revenue	11.35	11.22	10.71	8.19	9.10
Total Expenditure	11.42	14.10	14.68	12.52	10.60
Recurrent Expenditure	7.81	9.01	10.89	9.69	8.40
Of which: Interest Payments					
Foreign	0.31	0.17	0.15	0.09	0.14
Domestic	0.94	0.89	1.14	1.28	0.51
Capital Expenditure and Net Lending	3.03	4.21	3.37	1.90	1.40
Transfers	0.58	0.88	0.43	0.58	0.80
Current Balance (Deficit(-)/Surplus(+))	3.54	2.21	-0.18	-1.50	0.70
Primary Balance (Deficit(-)/Surplus(+))	1.17	-1.81	-2.68	-3.00	0.20
Overall Fiscal Balance (Deficit(-)/Surplus(+))	-0.07	-2.87	-3.97	-4.33	-1.50
Financing					
Foreign	0.00	0.00	0.57	0.46	0.00
Domestic	0.00	0.00	3.41	3.87	1.50
Banking System	0.00	0.00	0.00	0.00	0.00
Non-bank Public	0.00	0.00	2.78	2.98	0.00
Others	0.07	2.87	-0.11	0.88	1.50
Consolidated Government Debt Stock					
External	1.50	2.23	2.23	2.35	2.40
Domestic	7.80	11.38	13.11	14.78	15.5

Selected Macroeconomic and Social Indicators (Cont...)

Indicator	Jun-08	Jun-09	Jun-10	Jun-11 /1	Jun-12 /2
Money and Credit (Growth Rate %)					
Reserve Money	26.98	-16.63	-7.18	11.90	-9.40
Narrow Money (M1)	38.90	-7.67	-1.72	1.30	-2.50
Broad Money (M2)	36.81	-0.98	0.73	5.70	1.40
Net Foreign Assets	14.45	-10.61	-14.60	-0.80	5.40
Net Domestic Assets	74.75	132.55	37.39	14.00	-3.40
Net Domestic Credit	50.22	14.65	8.97	2.30	-2.70
Net Credit to Government	-14.69	7.33	35.29	4.50	-177.80
Credit to Private Sector	33.58	6.17	-1.01	1.50	-3.60
Money Multiplier for M2	5.24	7.03	7.06	5.90	5.30
Income Velocity of M2	3.41	2.77	2.81	3.12	3.02
Interest Rates (% per annum)					
Monetary Policy Rate (MPR)	10.25	8.00	6.00	8.00	12.00
Repurchase Rate					
Reverse Repurchase Rate					
Treasury Bill Rate					
91-day	8.64	3.32	2.29	8.20	14.08
Inter-bank Call Rate	11.23	18.60	2.73	11.66	14.30
Deposit Rates					
Savings Rate	3.15	2.93	1.95	1.40	1.70
3-months Fixed	11.77	13.12	4.98	5.14	8.18
6-months Fixed	11.63	13.34	4.85	5.26	7.42
12-months Fixed	11.68	13.06	4.90	4.68	7.22
Prime Lending Rate	16.04	18.16	17.65	15.76	17.02
Maximum Lending Rate	17.08	22.64	22.03	22.02	23.27
External Sector					
Current Account Balance (% of GDP)	17.3	9.84	2.38	8.81	7.67
Goods Account	11.4	13.05	11.39	16.78	15.67
Services and Income Account	-5.8	-14.33	-18.04	-17.37	-16.65
Current Transfers	11.7	11.12	8.77	9.25	8.51
Capital and Financial Account Balance (% of GDP)	1.1	16.35	-22.97	-2.02	-2.27
Overall Balance (% of GDP)	7.4	-12.23	5.54	-0.48	2.29
External Reserves (US $ million)	59,812.90	43,462.74	37,424.38	31,890.91	35,412.50
Number of Months of Import Equivalent	16.6	19.07	9.12	6.90	7.60
Debt Service Due (% of Exports of Goods and Servic	-	-	-	-	
Average Crude Oil Price (US$/barrel)	113.03	53.65	79.47	113.86	115.05
Average AFEM/DAS Rate (N/$1.00)	117.94	147.32	150.04	153.31	157.66
End of Period AFEM/DAS Rate (N/$1.00)	117.80	148.22	150.19	153.21	157.50
Average Bureau de Change Exchange Rate (N/$)	119.21	168.03	152.77		161.22
End of Period Bureau de Change Exchange Rate (N/$	119.00	158.00	153.87		164.00
Capital Market					
All Share Value Index (1984=100)	55,949.0	26,249.28	25,384.14	24,980.20	21,599.57
Value of Stocks Traded (Billion Naira)	106.30	301.50	437.00	373.50	317.33
Market Capitalization (Trillion Naira)	12.10	8.81	8.22	11.20	12.40

Selected Macroeconomic and Social Indicators (Cont...)

Indicator	Jun-08	Jun-09	Jun-10	Jun-11	Jun-12 2/
Social Indicators					
Population (million)	149.2	154.0	158.9	164.0	169.2
Population Growth Rate (%)	3.2	3.2	3.2	3.2	3.2
Life Expectancy at Birth (Years)	54	54	***	***	
Adult Literacy Rate (%)	66.9	66.9	***	***	
Incidence of Poverty	54.4	54.4	***	***	

1/ Revised

2/ Provisional

3/ Revised based on National accounts of Nigeria 1981-2005 Harmonised series

4/ Includes Building and Construction.

5/ Includes Wholesale and Retail Services

6/ Based on GDP at purchasers' value (i.e. GDP at market prices)

7/ Core Inflation is measured as the rate of change of all-item Consumer Price Index (CPI) less farm produce.

8/ Based on GDP at Current Purchasers' Value (Current Market Price).

10/ The 182-day and the 364-day bills were introduced with effect from _____

**** indicates not available.*

CENTRAL BANK OF NIGERIA
REPORT FOR THE FIRST HALF OF 2012

1.0 Introduction

The focus of monetary policy in the first half of 2012 remained the maintenance of price and monetary stability through liquidity management. The Bank took necessary steps to sustain financial sector stability and banking soundness as well as enhance the efficiency of the payments system. Monetary targeting was,in principle, the main framework for monetary management, although actual implementation of monetary policy was generally eclectic with focus on both quantity and price variables guide monetary policy decision. The adjustment of the Monetary Policy Rate (MPR) continued to signal the stance of monetary policy and to serve as the anchor for short-term money market and other rates. The Bank retained the various restrictive monetary policy measures adopted during the second half of 2011 to achieve the objectives of monetary policy consistent with the real Gross Domestic Product (GDP) growth target of 7.33 per cent for 2012 and single digit inflation rate. The major approach to monetary management also remained the sale and purchase of treasury bills through Open Market Operations (OMO), repurchase transactions and standing facilities, complemented with discount window operations, cash reserve requirement (CRR) and liquidity ratio (LR). Primary market transactions in government securities and foreign exchange market interventions continued to be used to support monetary management.

The major monetary policy targets set for 2012 and the provisional outcome as at the end of the first half are provided in the table 1 below:

Table 1

Monetary Policy Targets and Outcomes(Growth in % except otherwise stated)

Key Variables	2008	2009	2010	2011	2012	Outcome Half Year 2012
Broad Money Growth (M2)	56.83	20.80	29.30	13.75	24.64	2.70
Narrow Money Growth (M1)	56.00	32.23	22.40	15.75	34.71	-5.07
Base Money (Reserve) Naira Billion	1,124.80	1,346.30	1,872.80	1,771.40	2,726.14	2,519.26
Aggregate credit to the domestic economy(Net)	72.84	86.97	51.40	27.69	52.17	-5.46
Credit to Government (Net)	-5.31	21.90	25.70	29.29	61.47	-355.70
Credit to the private sector	33.95	44.99	31.50	23.34	47.50	7.20
Inflation rate	10.20	10.00	11.20	10.00	11.20	12.9
Real GDP Growth	5.00	5.00	6.10	7.40	7.33	6.38

2.0 Operations of the Central Bank of Nigeria

2.1 Liquidity Management

Following the restrictive monetary policy stance of the Bank aimed at achieving its price and monetary stability mandate, growth in reserve money and major monetary aggregates was sluggish in the first half of 2012. The reserve (base) money, which stood at ₦2,519.26 billion at end-June 2012, was ₦206.88 billion or 7.59 per cent below the indicative benchmark of ₦2,726.14 billion for end-June 2012. With the threats of inflation arising from a number of factors including the partial removal of subsidy on Premium Motor Spirit (PMS) on January 1, 2012, the announcement of the increase in tariffs on some imported consumer goods and in electricity tariffs, both effective July 1, 2012, as well as the fiscal injections associated with the monthly disbursement to the three tiers of government, the Bank deployed a number of liquidity management tools to contain the inflationary pressures. These included the retention of: MPR at 12.00 per cent with a symmetric corridor of +/- 200 basis points around the MPR; CRR at 8.00 per cent; LR at 30.00 per cent; and the mid-point of exchange rate at N155/US1 with a band of +/-3.0 per cent.

Open Market Operations (OMO) remained the main tool for liquidity management during the review period. This was complemented by the CRR and LR. Other tools included:standing facilities, repurchase transactions, discount window operations andthe issuance of treasury securities in the primary market. The domestic money market instruments were complemented by foreign exchange market interventions at the Wholesale Dutch Auction System (wDAS) window through spot and forwards auctions and atthe inter-bank market.

2.2 Monetary Policy Committee (MPC) Decisions

The Monetary Policy Committee (MPC) held three (3) regular meetings in the first half of 2012. A summary of the key decisions of the MPC during the period is presented as follows.

Date of Meeting	Type of Meeting	Decisions
January 30 – 31, 2012	Regular	• Retained MPR at 12.0 per cent with interest rate corridor of +/- 200 basis points • Retained CRR at 8.0 per cent • Retained minimum Liquidity Ratio of 30.0 per cent • Retained the mid-point of exchange rate at N155/US$ with a band of +/-3.0 per cent
March 19 – 20, 2012	Regular	• Retained MPR at 12.0 per cent with interest rate corridor of +/- 200 basis points • Retained CRR at 8.0 per cent • Retained minimum Liquidity Ratio of 30.0 per cent
May 21 – 22, 2012	Regular	• Retained MPR at 12.0 per cent with interest rate corridor of +/- 200 basis points • Retained CRR at 8.0 per cent • Retained minimum Liquidity Ratio of 30.0 per cent

2.3 Developments in the Payments System

During the period under review, the Bank, in collaboration with other stakeholders, implemented policies, guidelines and initiatives to ensure the efficiency, safety and reliability of the payments system.The implementation of the CBN "cash-less" policy commenced in Lagos (Cash-less Lagos) with effect from January 1, 2012. As part of the policy cash in transit (CIT) to merchant-customers were to be rendered by the CBN licenced CIT providers at a fee rather than the DMBs with effect from January 1, 2012.

The full implementation of the cash-less policy commenced on April 1, 2012 in Lagos with the following amendments to the guidelines:

- A daily cumulative limit of ₦500,000.00 and ₦3,000,000.00 on free cash withdrawals and lodgements by individual and corporate customers, respectively.
- Individuals and corporate organizations that make cash cumulative withdrawals above the limits would be charged a processing fee of 3 per cent and 5 per cent respectively.
- Cash deposits above the limits will attract a processing fee of 2 per centand 3 per cent for individuals and corporates, respectively.
- Exemptions are granted to Ministries, Departments and Agencies (MDAs) of the Federal and State governments for the purpose of revenue collection as well as direct lodgements and withdrawals of Primary Mortgage Banks (PMBs) and Microfinance Banks (MFBs) in recognition of the nature of their operations.
- Third party cheques above ₦150,000.00 shall not be eligible for encashment over the counter. Value for such cheques shall be received through the clearing house.

Furthermore, the Bank continued with the implementation of the following initiatives, to ensure the success of cash-less Lagos:

- Engagement of relevant stakeholders by the Nigeria Electronic Fraud Forum (NeFF) to ensure that a collaborative industry board is put in place to proactively manage e-fraud attempts and limit losses.
- Transformation of Nigeria Interbank Settlement System (NIBSS)plcto effectively play the role of Payments Terminal Service Aggregator(PTSA).
- Monitoring of cash-less Lagos to track and assess its impact on a monthly basis – both in terms of usage of electronic channels, cash

circulation and cash holding rates. This would allow the CBN to provide information on the progress of the scheme to relevant stakeholders, and also manage public perception.

- Massive deployment of shared Point-of-Sale(POS) terminals under the shared service project with a view to reducing cost.

In addition, the Bank maintained its help desk for receiving public complaints on electronic card transactions, with a view to fast-tracking the resolution and monitoring of DMBs' compliance within the stipulated 72-hour timeline. The CBN also conducted audit of the licensed mobile payment operators to ensure compliance with the Mobile Payments Regulatory Framework.

These initiatives have increased public awareness and confidence, improved customer convenience, and reducedthe time spent on banking transactions.

In continuation of the implementation of the Payment System Vision (PSV)2020, the CBN:

- Granted commercial licences to 15 mobile payment scheme operators while 14 others were at various stages of pilot run.
- Conducted sensitization workshops for Lagos State Government and its Local Government Councils on the adoption of end-to-end electronic payment of government suppliers, salaries, pension and taxes.
- Approved Guidelines on Cheque Truncation in Nigeria.
- Continued the review of the guidelines on:
  - Transaction Switching Services;
  - Stored Value and Prepaid Card Issuance.
- Continued the process of replacing the current Real-Time Gross Settlement (RTGS) System with a version that is expected to meet the requirements of FSS 2020.
- Followed up on the *Payments System Management* Bill earlier presented to the National Assembly.

2.3.1Retail Payments System

2.3.1.1 Cheque

At the end of June 2012, the volume and value of cleared cheques decreased by 12.1 and 13.5 per cent to 18,154,880 and ₦10,081.39 billion, from 20,663,260 and ₦11,657.93 billion, respectively, at end-December 2011. This development resulted from increased use of electronic channels.

Figure 1

Volume of Cheques Cleared

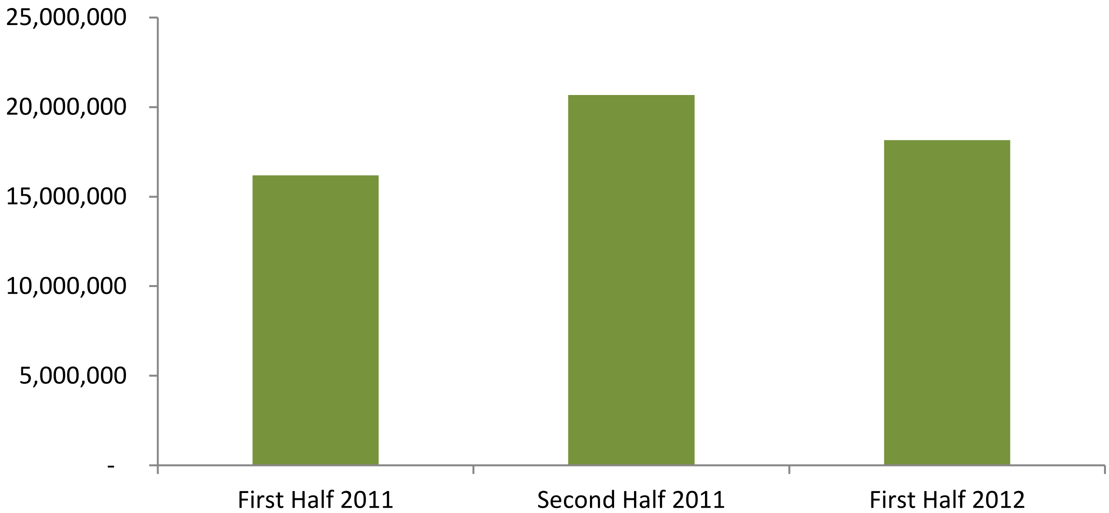
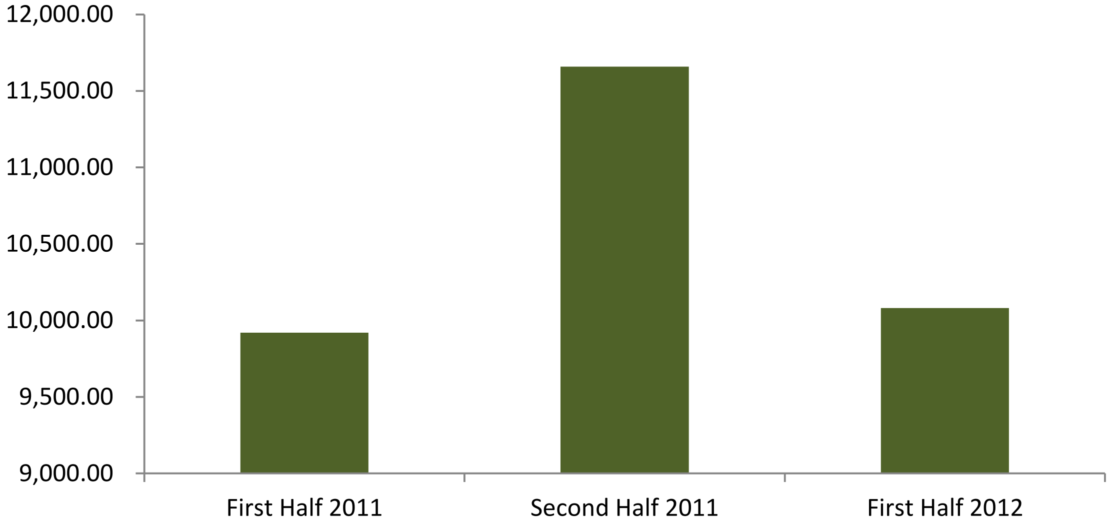


Figure 2

Value of Cheques Cleared

(Naira Billion)



2.3.1.2 Electronic Payments

The value of electronic card (e-card) transactions rose by 32.8 per cent to ₦1,014.71 billion in the first half of 2012 from ₦764.14 billion in the first half of 2011, while the volume increased from 167,962,665 in the first half of 2011 to 185,078,223 in the period under review.

Data on various e-payment channels for the period under review indicated that Automated Teller Machine (ATM) remained the most patronized, accounting for 96.4 per cent, followed by mobile payments with 1.3 per cent and POS terminals, 1.2 per cent. The web (internet) was the least patronized, accounting for only 1.1 per cent of total e-payment transactions.

In value terms, ATM accounted for 90.8 per cent; POS, 2.5 per cent; the web (Internet), 4.9 per cent; while mobile payments accounted for 1.8 per cent.

Figure 3

Volume of Electronic Card Transactions: First Half 2012

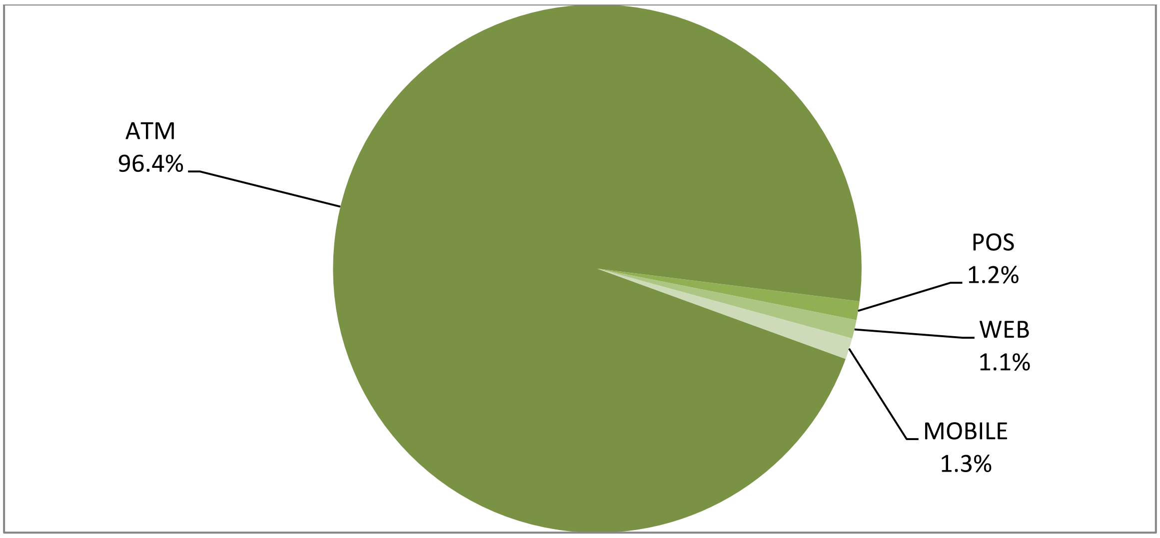
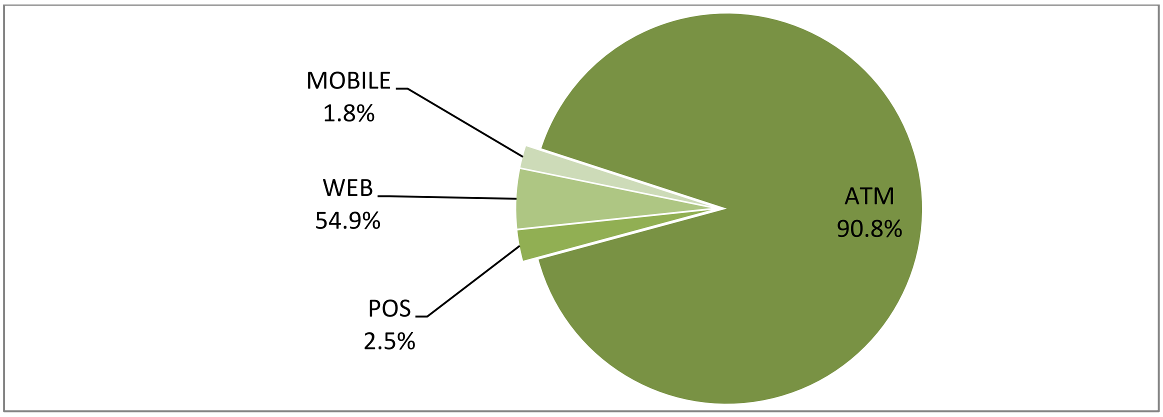


Figure 4

Value of Electronic Card Transactions: First Half 2012

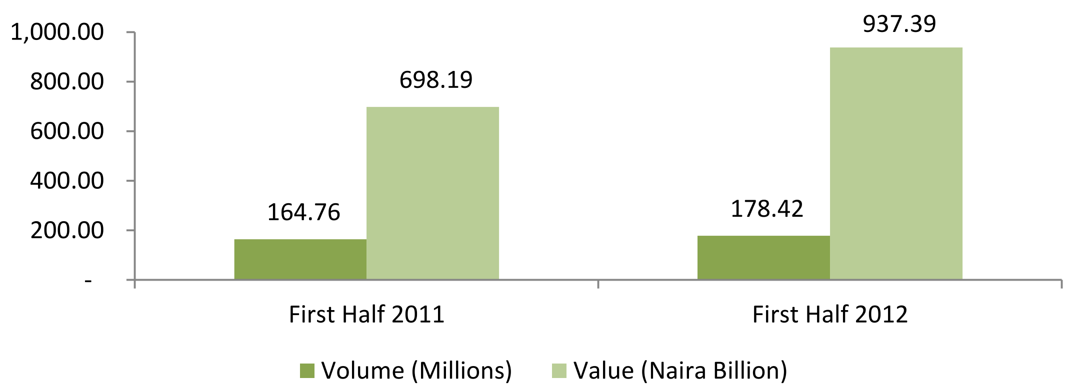


2.3.1.2.1 ATM Transactions

The number of ATMs stood at 10,221 as at end-June 2012. The volume of ATM transactions amounted to 178,421,736 compared with 164,755,055 in the first half of 2011, and represented an increase of 8.3 per cent. The value of ATM transactions, also, increased during the period to N937.39 billion from N698.19 billion representing an increase of 34.3 per cent. The development reflected the increasing popularity of the mode of payment by the public.

Figure 5

Volume and Value of ATM Transactions

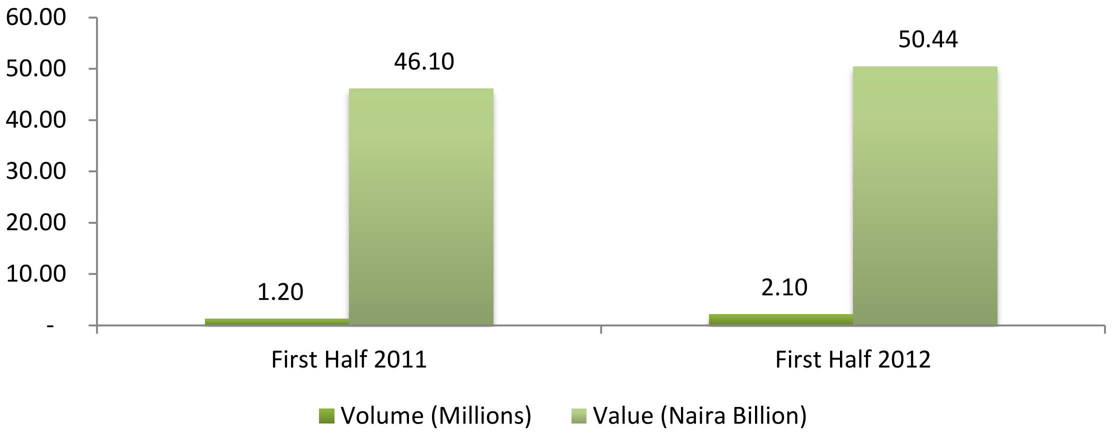


2.3.1.2.2 Web Transactions

Internet payments increased by 74.8 and 9.3 per cent to 2,103.4 and N50.4 billion in volume and value, respectively, in the review period. The rise was due to increased acceptance of the use of online payments.

Figure 6

Volume and Value of Web Transactions

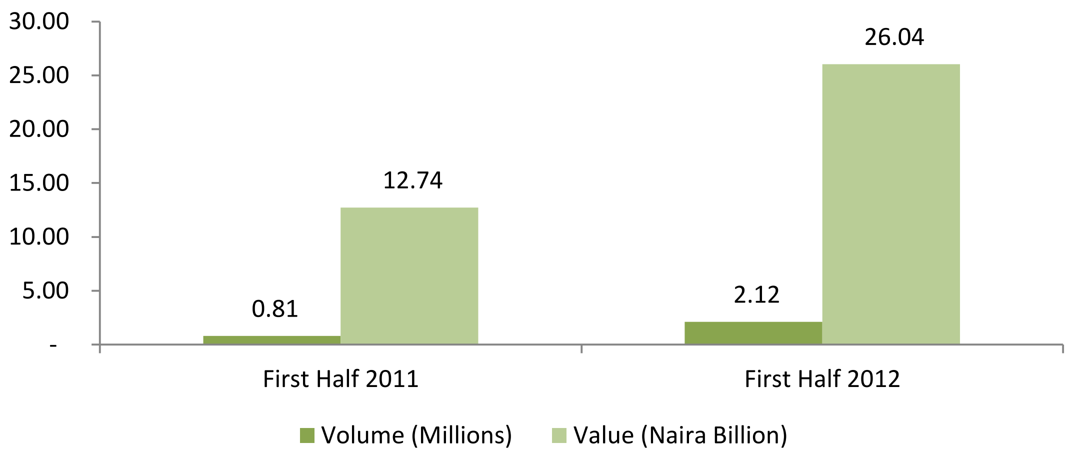


2.3.1.2.3 Point of Sale (POS) Transactions

The first half of 2012 witnessed an increase in the volume and value terms of on-line POS transactions. At 2,121.963 and N26,04 billion, POS transactions rose by 162.3 and 104.4 per cent over the levels in the corresponding half of 2011. The growth in the POS transactions was due to the increase in the number of people and merchants using debit cards.

Figure 7

Volume and Value of POS Transactions

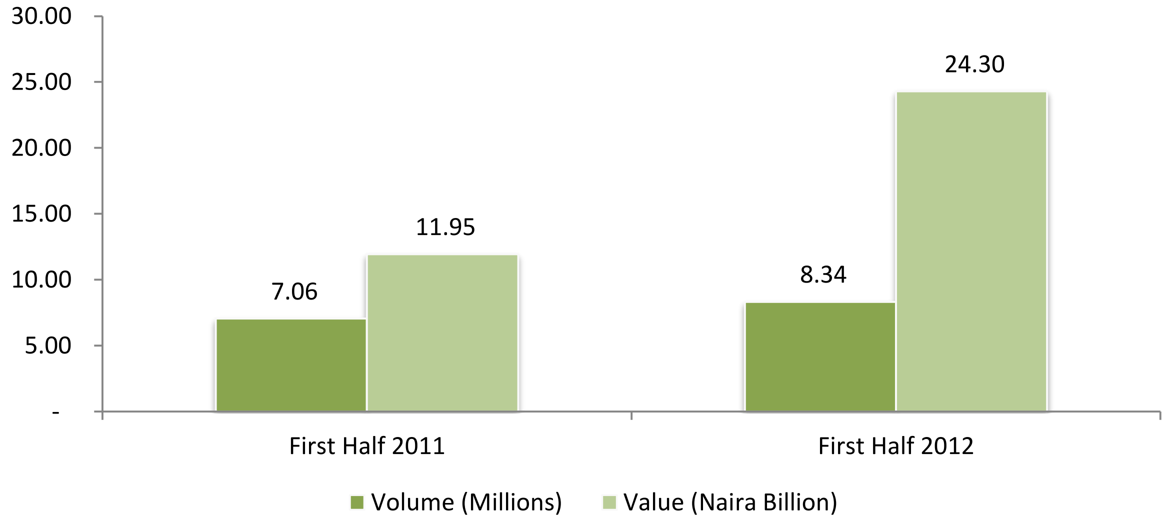


2.3.1.2.4 Mobile Payments

The volume of payments through the mobile banking channel increased by 103 per cent from 1,195,459 in the first half of 2011 to 2,430,864 in the period under review. The value also, increased by 18 per cent to N83.4 billion during the period from N70.6 billion in the first half of 2011.

Figure 8

Value of Mobile Transaction



2.3.2 Wholesale Payments System

The volume of inter-bank transfers through the CBN RTGS System (CBN Inter-bank Funds Transfer System – CIFTS) increased by 1.5 per cent to 273,105 at end-June 2012 from 268,994 at end-December 2011. The value, however, declined by 8.6 per cent to ₦58,576.85 billion during the period from ₦64,099.7 billion at end-June 2011.

2.4 Financial Sector Surveillance

2.4.1 Banking Supervision

The CBN intensified its supervisory and surveillance activities in the banking sector in the first half of 2012. In this regard, the Bank continued close monitoring of banks through regular appraisal and review of banks' periodic returns, spot checks, special investigations and risk-based supervision, among others, to ensure that regulatory concerns were proactively addressed.

In the first half of 2012, two (2) banks had fully complied with the provisions of the regulation on the scope of banking activities and ancillary matters under the new banking regulation policy. The new banking policy requires banks to: divest their interestin non-permitted subsidiaries; dispose off non-permitted equity investments and real estate investments. The two (2) affected banks were subsequently granted banking licenses with national authorisation.Six (6) other banks had applied and obtained extension of deadline, while two (2) applications for extension of deadline were being processed.Nine (9) banks were yet to conclude divestment in subsidiaries and four (4) had holding company (Holdco) arrangements.

As part of the effort towards combating money laundering and financing terrorism, the CBN developed a three-level tier Know-Your Customer (KYC) regime for banks and other financial institutions during the review period. Also, to promote financial inclusion, the CBN issued an exposure draft on Financial Inclusion Strategy for Nigeria. The strategy isaimed at reducing the percentage of adult Nigerians excluded from access to financial services from 46.3 percent in 2010 to 20.0 percent by 2020.

The CBN Credit Risk Management System (CRMS) recorded improved basic credit information on customers in the first half of the year. The number of borrowers registered in the CRMS database rose by 9.2 per cent to 84, 090, reflecting increased awareness by banks and customers on the critical role of CRMS database. The value of outstanding credits, however, declined from ₦5,227 billion at end-June 2011 to ₦4,635 billion, owing largely to the take-over of most bank's toxic assets by AMCON. Similarly, the number of borrowers with outstanding credit facilities equal to or above ₦1.0 million declined from 26,854 at end-June 2011 to 26,119.

In order to avoid regulatory arbitrage and provide a level playing field for all operators in the industry, the Bank directed all other financial institutions (OFIs) sub-sector,comprised of primary mortgage banks, microfinance banks and finance companies,to adopt a uniform accounting year-end with effect from 31st December 2012. The directive conforms with the earlier one given to all DMBs and discount houses in Nigeria to adopt 31st December as a uniform accounting year-end from 2009 enshrined in the Companies and Allied Matters Act (CAMA) 1990, as amended.

2.4.2 Target Examination

The CBN/NDIC carried out a joint target examination of all the DMBs in the first half of 2012.The examination was conducted to evaluate the risk assets of the DMBs to determine compliance with regulatory thresholds on non-performing loans, capital adequacy ratio and code of corporate governance. Similarly, the adequacy of the risk management processes of the DMBs was appraised. Material lapses, observations and remedial advice were communicated to the Board and Management of the banks as appropriate.

In addition, the routine examination of discount houses and credit bureaux were conducted, while that of the Asset Management Corporation of Nigeria (AMCON) was deferred to the second quarter of 2012. Similarly, the Bank conducted risk-based supervision of two foreign subsidiaries of Nigerian banks in conjunctionwith their respective host supervisors. The joint report, superintended by the host regulator would be in conformity with recent resolution of the West African Monetary Zone (WAMZ).

2.4.3 Routine/Special Foreign Exchange Examinations

An on-site assessment of the foreign exchange operations of 18 DMBs was carried out in the first half of 2012. The exercise was to determine the level of compliance by banks with the provisions of the CBN guidelines on Wholesale Dutch Auction System (wDAS).Also, an examination of the transactions in the recently introduced foreign exchange products including derivatives was carried out.The exercise highlighted several lapses by some banks, including breaches of the CBN approved net open position limit, the retention of unsold wDAS official funds beyond 5 working days, and the use of official funds for the repatriation of capital. Appropriate remedial measures were administered to the DMBs found to have been in breach.

2.4.4 Banking Sector Soundness

The health of banks improved in the first half of 2012 with the successful recapitalisation of CBN-intervened banks and the acquisition of bridge banks by AMCON.The average Capital Adequacy Ratio (CAR) of the banks in the industry was consistently above the stipulated minimum of 10.0 per cent in the first half of 2012. The industry average CAR stood at 17.7 per cent, compared with 17.9 and 5.0 per cent at end-December 2011 and the corresponding period of 2011, respectively. With the exception of one bank, all the banks met the regulatory minimum CAR of 10.0 per cent with the highest and lowest at 34.1 and a negative 7.8 per cent, respectively.All the banks in the industry met the prescribed minimum liquidity ratio (LR) of 30.0 per cent at end-June 2012.Banks' industry-wide average liquidity ratio stood at 62.7 per cent at end-June 2012, compared with 50.3 per cent at end-June 2011.The industry's ratio of non-performing loans to total loans declined to 4.3 per cent, from 5.0 per cent at end-December 2011. This was below the maximum threshold of 5.0 per cent set by the CBN. The development was attributed to the acquisition of non-performing loans in the industry by AMCONand improved risk management practices by the DMBs.

2.4.5 Compliance with the Code of Corporate Governance for Banks in Nigeria

As part of the on-going effort to strengthen corporate governance in the industry, the Bank, in collaboration with the Bankers' Committee, issued a draft competency framework for comments/input by the industry stakeholders. The framework provides details of proposed guidelines by the Bank to promote, standardise and sustain skills and competency development in the Nigerian banking industry. Specific objectives of the framework include to:

i. define the minimum knowledge, skills and competencies needed for operators and regulators to perform optimally;

ii. standardise capacity and competency development with a view to nurturing and producing a knowledgeable, skilled and competent workforce for the Nigerian banking industry;

iii. serve as tool for banks to assess their overall human capital capabilities; and

iv. provide basis for sustaining career development in the Nigerian banking industry.

2.4.6 Fraud and Forgeries

The number and value of reported cases of attempted and/or successful fraud/forgery in the banking industry increased in the first half of the year. There were 2,300reported cases of attempted or successful fraud and forgery, involving the sum of ₦7.11 billion, compared with 1,393 cases, valued at ₦6.52 billion recorded at the end of the corresponding period of 2011. Of this amount, the actual loss to the banks during the period was ₦2.5 billion, representing 35.2 per cent of the total fraud amount, up from ₦1.95 billion in the corresponding period of 2011.

The various cases were carried out through diverse means, including fraudulent withdrawals from customers' accounts, suppression and conversion of customers' deposits, theft, illegal funds transfer, cheque defalcations, and fraudulent ATM withdrawals, among others. In most cases, the frauds were perpetrated by outsiders, although there were instances where bank employees were involved.

2.4.7 Examination of Other Financial Institutions

On-site examination was conducted on three hundred and eighty-five (385) microfinance banks (MFBs) during the first half of 2012. The exercise included special examination on thirty-five institutions with respect to their compliance with prescribed supervisory actions. In addition, sixteen (16) selected MFBs in Abuja, Lagos and Enugu were examined under the risk-based supervision (RBS) approach as part of the arrangement for the full-scale adoption of the framework. The reports of the examination showed that most of the institutions needed improvement on their risk management control functions. Consequently, arrangement was being made to hold risk management sensitization programmes for operators to address the issue, while continuing with the capacity building programme for bank examiners. Also, in an effort to ensure compliance with foreign exchange regulationsbyBDCs, spot-checks were carried out on 60 BDCs in the first half of 2012.

2.5 Foreign Exchange Management

The Bank sustained the use ofwDAS as the mechanism for foreign exchange management in the first half of 2012. Cumulative demand at the foreign exchange market dropped by 28.5 per cent to US$14.99 billion from US$27.23 billion in the corresponding period of 2011. Total salesalso fell, by 5.3 per cent, to US$16.69 billion relative to the level at end-June 2011. The naira/dollar rates at all the segments of the market were relatively stable, largely as a result of increased supply of foreign exchange through autonomous sources to the interbank segment. In addition, the Bank intervened in the market to dampen demand pressure and increased the net open position of DMBs in part to curtail speculative foreign exchange demand. Furthermore, the mid-point exchange rate band was adjusted from ₦150+/- 3.0 per cent to ₦155+/- 3.0 per cent.

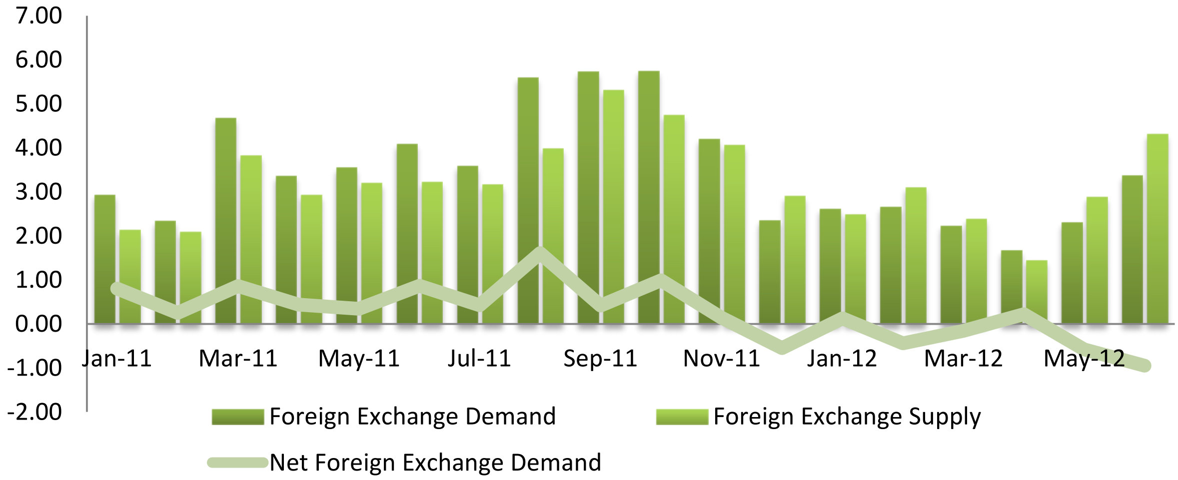
2.5.1. Spot Segments of the Foreign Exchange Market

A total of forty-nine (49) trading sessions were held under the wDAS spot segment of the foreign exchange market compared with forty-eight (48) in the corresponding period of 2011.Aggregate wDAS and BDC demand dropped by 40.1 and 27.0 per cent to US$14.42 billion from US$24.11 billion at end-December, 2011 and the corresponding period of 2011. This was due largely to the increased supply of foreign exchange by oil companies at the interbank segment of the foreign exchange market and the inflow of portfolio investments for the purchase of federal government bonds. Of the total demand at the spot segments, wDAS amounted to US$10.96 billion (76.0 per cent) and BDC US$3.46 billion (24.0 per cent).

The total foreign exchange sold by the CBN fell by 27.9 and 15.8 per cent to US$13.87 billion relative to the level at end-December, 2011 and end June 2011. A breakdown of the total showed that sales to wDAS and BDC segments amounted to US$10.41 billion and US$3.46 billion, respectively. The Bank also conducted interbank sales and swap transactions valued at US$1.61 billion and US$0.53 billion, respectively.

Figure 9

Demand, Supply and Net Demand of Foreign Exchange Spot Market (US$ Million)

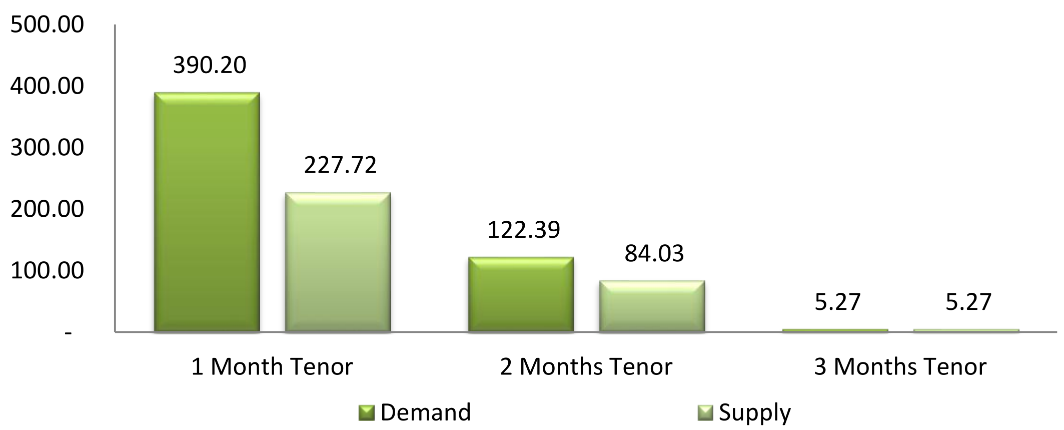


2.5.2 Forward Segment of the Foreign Exchange Market

The number of auctions held at the wDAS-FWD segment of the foreign exchange market for 1-, 2- and 3-month forward contracts remained at fifteen (15) in the first half of 2012 as in the preceding half year of 2011. Authorised dealers, however, did not bid in the last three auctions at end-June 2012 owing to favourable rates at the spot segment. The aggregate demand for wDAS-FWD in the period under review amounted to US$0.51 billion compared with US$3.12 billion at end December 2011. The demand for 1-, 2-, and 3-month tenors were US$0.39 billion, US$0.12 billion and US$0.003 billion, representing 76.0, 23.4 and 0.6 per cent of the total, respectively. The Bank sold a cumulative of US$0.31 billion forward that comprised of 1-month tenor, US$ 0.23 billion (73.5 %); 2-month tenor, US$0.08 billion (25.6 %); and 3-months tenor US$0.003 billion (1.0%) compared with a total forward contract of US$0.26billion at end December 2011. The Bank disbursed US$0.68 billion at maturity representing 69.8 per cent fall when compared with the level at end-December 2011. It comprised contracts of 2-,and 3-month tenors sold in the preceding half year and maturing in the first half of 2012 as well as all maturing contracts sold in the review period. The performanceof the wDAS-FWD segment showed preference for the 1-month tenor due to expectation of low exchange rate risk.

Figure 10

Demand and Supply at the Foreign Exchange Forward Market: First Half 2012 (US$ Million)



2.5.3. Wholesale Dutch Auction (wDAS) Exchange Rate Movements.

In the period under review, movements in the exchange rate of the Naira/US$ was relatively stable. This was attributed to the efforts by the Bank to smoothen demand pressure in the foreign exchange market in other to minimize exchange rate volatility.

2.5.3.1. Spot Exchange Rates

The naira exchange rate vis-à-vis the US dollar depreciated in all the three segments of the foreign exchange market in the first halfof 2012, as in the corresponding period of 2011. At the wDAS, interbank and BDC, the naira averaged ₦157.65, ₦159.31 and ₦161.22 per US dollar, respectively, indicating 2.8, 3.0 and 2.6 per cent depreciation relative to the level in the first half of 2011. Compared with the second half 2011, the rates at the wDAS and interbank segments depreciated by 2.0 and 1.3 per cent, while an appreciation of 0.3 per cent was observed at the BDC segment. The premium between wDAS and BDC rates in the period under review, thus,narrowed from 4.6 to 2.3 per cent.Also, it narrowed from 1.8 to 1.1 per cent between the wDAS and interbank rates.

Figure 11

Exchange rate Movements (Naira per US$)

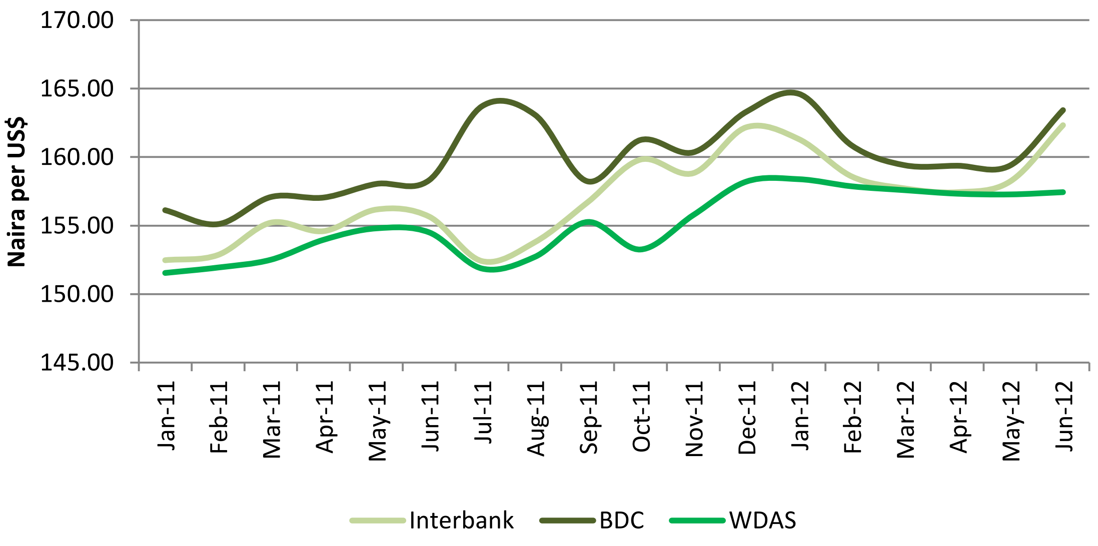
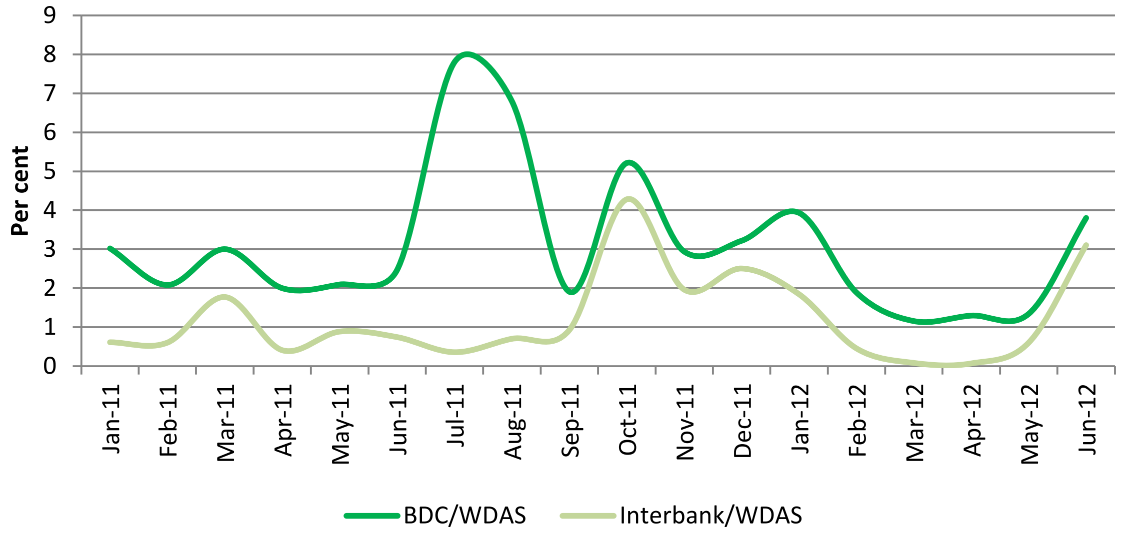


Figure 12

Interbank/WDAS and BDC/WDAS Premia



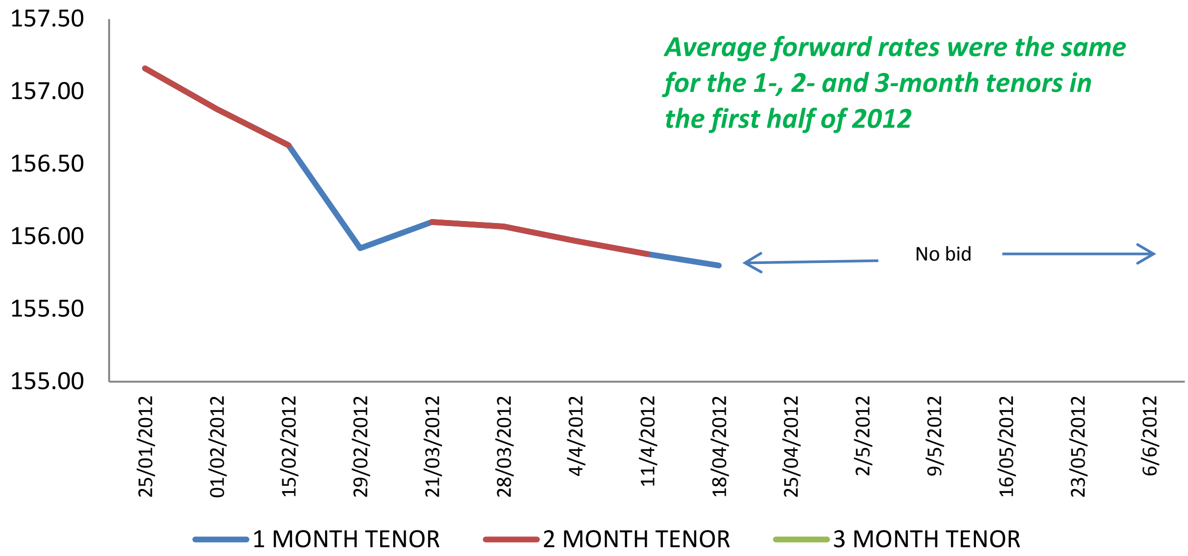
The end-period exchange rates of the naira to the US dollar also depreciated by 2.7, 5.6 and 3.0 per cent to ₦157.50, ₦162.85 and ₦164.00 per dollar, at the wDAS, interbank and BDC segments, respectively, relative to their levels in the corresponding period of 2011. Compared with the second half of 2011, the rate at the wDAS and BDC segments appreciated by 0.5 and 0.6 per cent respectively, but depreciated at the interbank market by 1.9 per cent.

2.5.3.2 Forward Exchange Rates

In the first half of 2012, the average exchange rate forwDAS-FWD 1-, 2- and 3-month tenors were ₦156.19/US$, ₦156.32/US$ and ₦156.88/US$, respectively. When compared with the average spot exchange rate of ₦157.65/US$, the forward rate reflected discounts of 1.31, 1.18 and 0.62 annualized percentage for the 1-, 2-, and 3-month wDAS-FWD tenors, respectively.

Figure 13

Forward Exchange Rates, First Half 2012



2.5.4. Foreign Exchange Flows

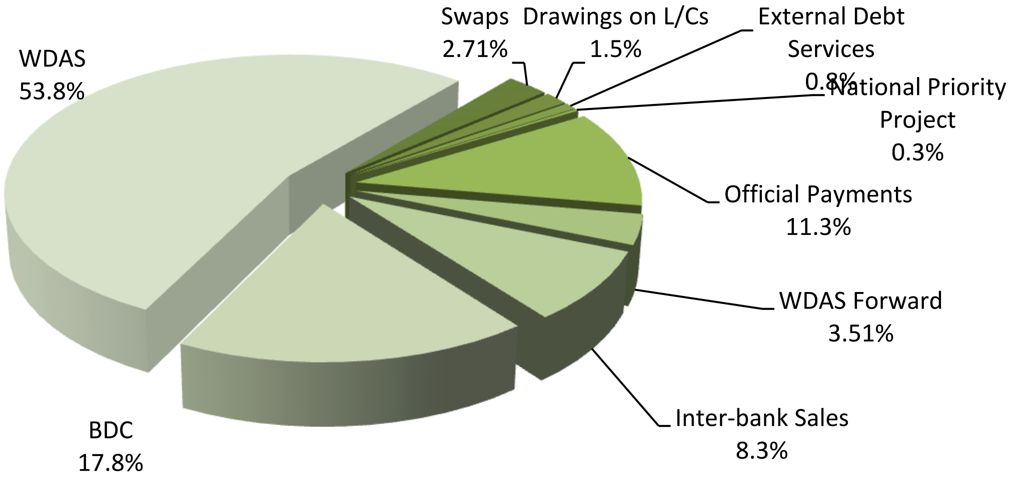
The foreign exchange flows through the economy in the first half of 2012 mirrored movement in the international crude oil prices and inflows through autonomous sources that comprised invisibles, mainly home remittances and capital importation. Provisional data indicated that foreign exchange inflow through the economy increased by10.8 per cent to US$55.66 billion over the level in the first half of 2011. A trend analysis revealed that inflows rose steadily from US$8.52 billion in January, and peaked at US$9.97 billion in April due to increased receipts from crude oil exports and invisibles. Thereafter, it declined to US$7.95 billion in June 2012 as the external sector weakened. Of the total, inflow through the CBN and autonomous sources were US$22.14 billion and US$33.52 billion, representing 39.8 and 60.2 per cent, respectively. The inflow was largely driven by the autonomous sources that comprised invisibles,non-oil exports and capital inflows. These rose to US$31.40 billion, US$2.01 billion,US$0.11 billion and represented 56.4, 3.6, and 0.2 per cent of total, respectively.

Total foreign exchange outflow through the economy fellbelow the level in the first half of 2011 by 5.5 per cent to US$20.22 billion. The development was attributed to a reduction in thewDAS utilization by 1.8 per cent to US$16.69

billion as an outcome of increased sales of foreign exchange by oil companies at the interbank segment. A trend analysis showed that outflow declined from US$3.03 billion in January to US$1.9 billion in April and peaked in June at US$4.85 billion. Overall, foreign exchange transactions resulted in a net inflow of US$35.44 billioninto the economy compared with US$28.85 billion at end-June 2011.

Figure 14

Foreign Exchange Disbursements through the CBN: First Half 2012



Provisional data on foreign exchange transactions through the CBN in the first half of 2012 showed that inflow rose by 13.1 per cent above the level in the corresponding period of 2011to US$22.14 billion. It comprised receipts from crude oil exports, which grew by 17.4 per cent to US$21.30 billion; the non-oil component contracted by 41.3 per cent to US$0.84 billion due to the fall in interest earned on investments and the inflow of official receipts by 20.8 and 43.1 per cent, respectively.

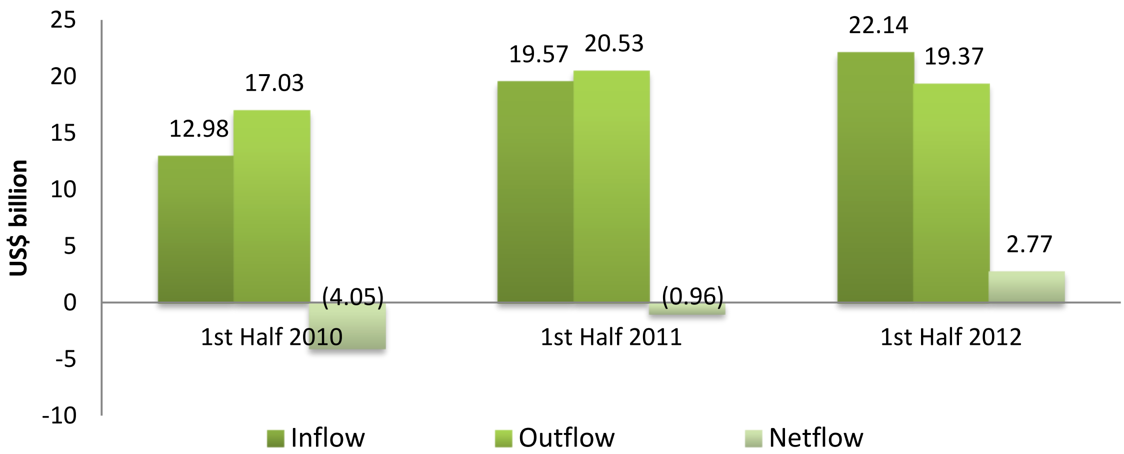
Foreign exchange outflow through the Bank declined by 5.6 per cent to US$19.37 billion relative to the level in the corresponding period of 2011. A disaggregation showed that wDAS utilisation declined by 1.8 per cent to US$16.69 billion. This was attributed largely to the reduction in foreign exchange sales under the wDAS by 28.9 per cent, when compared with end-June2011.

Analysis of wDAS utilisation showed that wDAS sales amounted to US$10.41 billion (53.8%); cash sales to BDCs,US$3.46 billion (17.8%); Inter-bank sales, US$1.61 billion (8.3%);wDAS-forward contract,US$0.68 billion (1.7%) and swaps transactions US$0.53 billion (2.7%).

Other sources of outflow through the Bank were drawings on letters of credit (L/Cs), external debt service,and other official payments which fell by 67.7, 13.8,and 9.3 per cent to US$0.29 billion, US$0.15 billion and US$2.19 billion,respectively relative to the levels at end-June 2011. National priority projects, however, rose by 41.2 per cent to US$0.05 billion. The total foreign exchange transactions through the Bank resulted in a net inflow of US$2.77 billion in the period under review, compared with a net outflow of US$0.96 billion recorded in the first half of 2011.

Figure 15

Foreign Exchange Transactions through the CBN



2.5.5. Sectoral Utilization of Foreign Exchange

Aggregate sectoral utilization of foreign exchange in the first-half of 2012 amounted to US$22.14 billion, an increase of 22.6 per cent above the level recorded at end-June 2011. A disaggregation showed that visible and invisible trade accounted for US$15.88 billion and US$6.26 billion compared with US$13.79 billion and US$4.27 billion, respectively, at end-June 2011. A disaggregation of visible imports showed that oil and industrial imports grew by 10.3 and 18.5 per cent over the levels in the corresponding period of 2011 to US$5.00 billion and US$4.02 billion, respectively. Similarly, food products, manufactured products, transport and minerals sub-sectors grew by 22.6, 12.9, 28.3 and 13.2 per cent to US$2.99 billion, US$2.47 billion, US$1.00 billion and US$0.25 billion, respectively, when compared with the levels at end-June 2011. The amount utilized for agricultural sector imports, however, fell by 39.2 per cent. Under the invisible category, financial services increased by 55.7 per cent over the level at end-June 2011 to US$4.83 billion. Similarly, foreign exchange utilisation under the transport, communication, education and other services sub-category rose by 25.7, 113.4, 60.1 and 62.5 per cent to US$0.43 billion, US$0.18 billion, US$0.09 billion and US$0.08 billion, respectively. Business and construction and engineering services, however, fell by 0.4 and 4.91 per cent below the levels in the first half of 2011.

Figure 16

Sectoral Utilization of Foreign Exchange (Visibles) First Half 2012

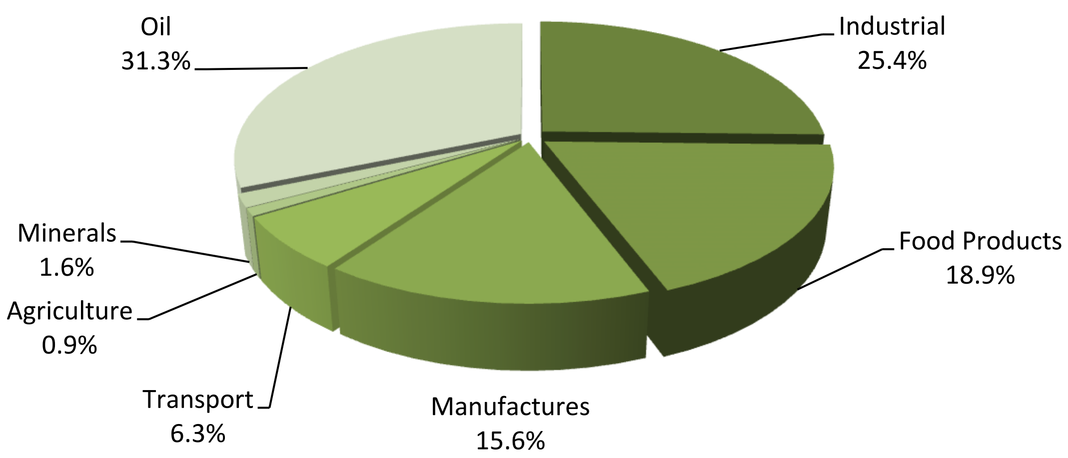
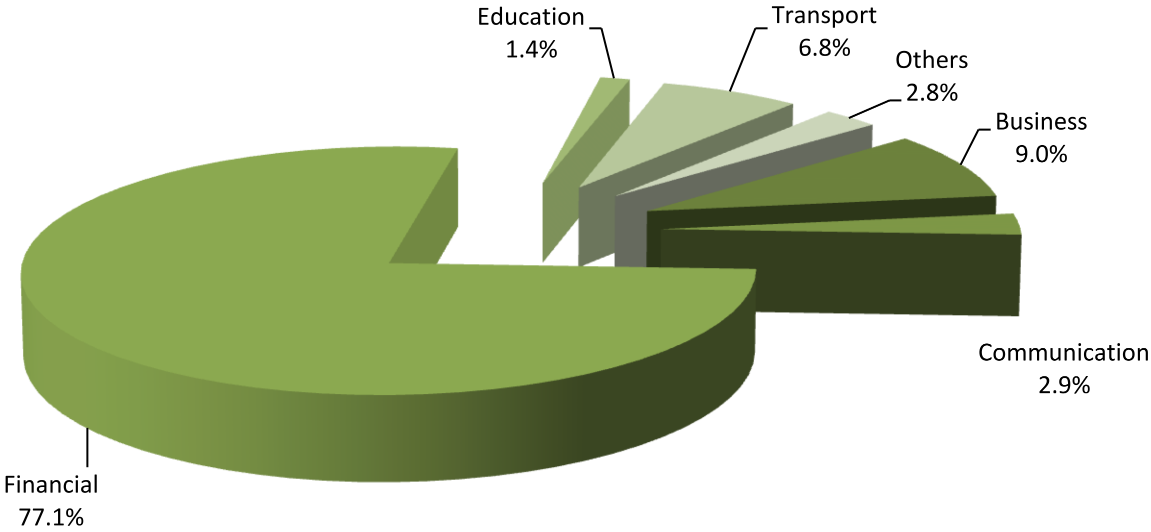


Figure 17

Sectoral Utilization of Foreign Exchange (Invisibles) First Half 2012



2.5.6. Foreign Exchange receipts by Top Hundred Exporters

Analysis of export receipts of the top 100 exporters in the country during the first half of 2012 showed that Olam Nigeria Limited maintained its lead with US$241.63 million earned from the export of sesame seeds and cocoa beans to Europe, Asia and the United States. Armajaro Nigeria Limited ranked second with US$62.02 million from cotton and cocoa beans exports to Germany and the Netherlands, while the third largest exporter was Mamuda Industries Nigeria Limited with the sum of US$60.44 million through the sale of leather to Italy and Hong Kong. Unique Leather Finishing Limited and Imoniyame Holdings Limited were placed fourth and fifth, with export proceeds valued at US$48.05 million and US$36.70 million realised from exports of finished leather to Italy and crumbed rubber to the Netherlands, respectively.

2.5.7 Nominal Effective Exchange Rate (NEER) and Real Effective Exchange Rate (REER) Indices,

The average 13-currency Nominal Effective Exchange Rate (NEER) index decreased by 1.8 per cent below the level in the first half of 2011 to 100.05.

Similarly, the average Real Effective Exchange Rate (REER) index (based on a 13-currency basket) decreased by 12.8 per cent below the level in the first half 2011 to 81.05 in first half of 2012.

Figure 18

Nominal Effective Exchange Rate (NEER) and Real Effective Exchange Rate (REER) January – June 2012

(November 2009=100)

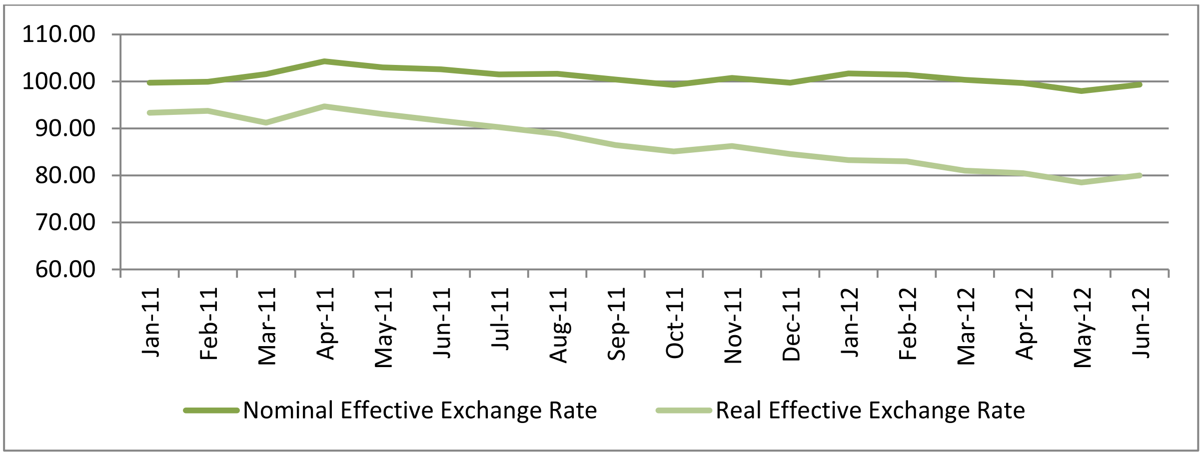


Table 2

Nominal and the Real Effective Exchange Rate indices

(November 2009=100)

2011	Nominal Effective Exchange Rate	Real Effective Exchange Rate
Jan	99.72	93.31
Feb	99.90	93.73
Mar	101.55	91.20
Apr	104.28	94.65
May	102.99	93.07
Jun	102.54	91.60
Jul	101.49	90.22
Aug	101.62	88.82
Sep	100.41	86.46
Oct	99.24	85.08
Nov	100.73	86.26
Dec	99.73	84.56
2012	**Nominal Effective Exchange Rate**	**Real Effective Exchange Rate**
Jan	101.69	83.27
Feb	101.41	83.00
Mar	100.29	81.03
Apr	99.66	80.49
May	97.94	78.49
Jun	99.29	80.00

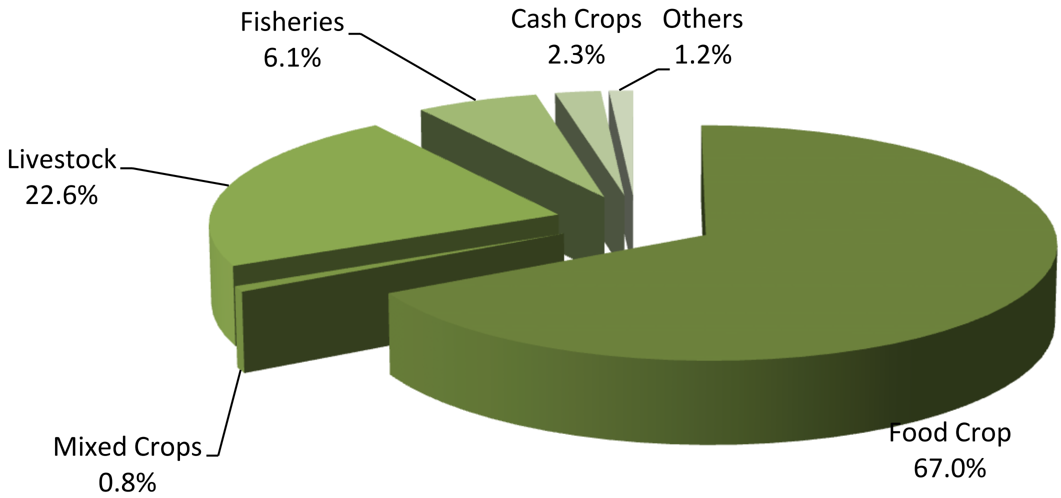
2.6 Development Finance Operations

2.6.1 Agricultural Credit Guarantee Scheme Fund (ACGSF)

A total of 15,910 loans valued at ₦2.43billion were guaranteed in the first half of 2012 compared with 11,410 valued at ₦2.19billion in the corresponding period of 2011. At end-June 2012, the cumulative number of loans guaranteed from inception of the Scheme in 1978 was 770,438 valued at ₦54.77 billion.

Figure 19

Sectoral Distribution of ACGSF Loans (By Purpose) First Half 2012



2.6.2 Interest Drawback Programme (IDP)

In the first half of 2012, 27,303 claims valued at ₦248.56million were settled. This brought the number and value of claims settled since inception of the programme to 160,833 and ₦1.79 billion, respectively.

2.6.3 The Trust Fund Model (TFM)

No new Memorandum of Understanding (MoU) was signed by the Bank under the TFM during the period under review. Thus, the number of Stakeholders that had signed MoUs remained at 56 consisting of state governments, multinational agencies, LGAs, NGOs and individuals with the sum of ₦5, 516.10 billion placed under the TFM from inception in 2002.

2.6.4Entrepreneurship Development Centres (EDCs)

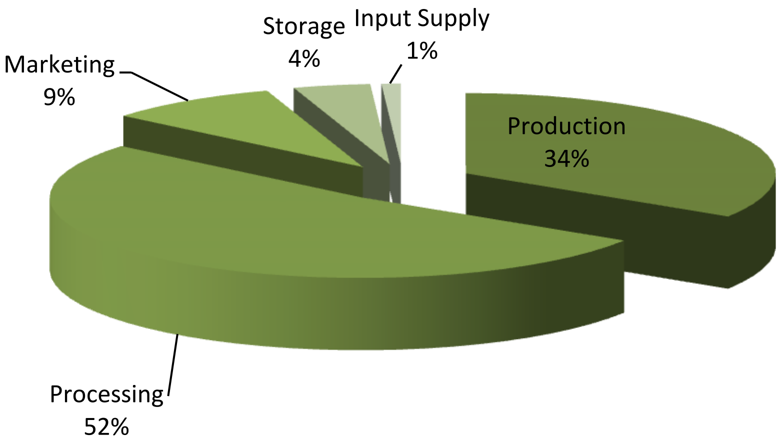
Three additional EDCs were approved to be established in the North-Central, North-East and South-South geopolitical zones of the country. Thus far, a total of 29,323 participants made up of 4,113 graduates and 25,210 entrepreneurs had been trained.

2.6.5 Commercial Agricultural Credit Scheme (CACS)

The sum of ₦44.99 billion was released to 19 participating banks for on-lending to 74 projects in the first half of 2012. Cumulatively, ₦197.05 billion had been disbursed under CACs for on-lending to 252 projects comprising 222 private promoters and 30 state governments (including the FCT) since the inception of the scheme. A breakdown of disbursements by value chain indicated that processing received 52.0 per cent, followed by production with 34.0 per cent. Marketing, storage and input supply got 9.0, 4.0 and 1.0 per cent, respectively.

Figure 20

Analysis of CACS Financed Projects by Value Chain, First Half 2012

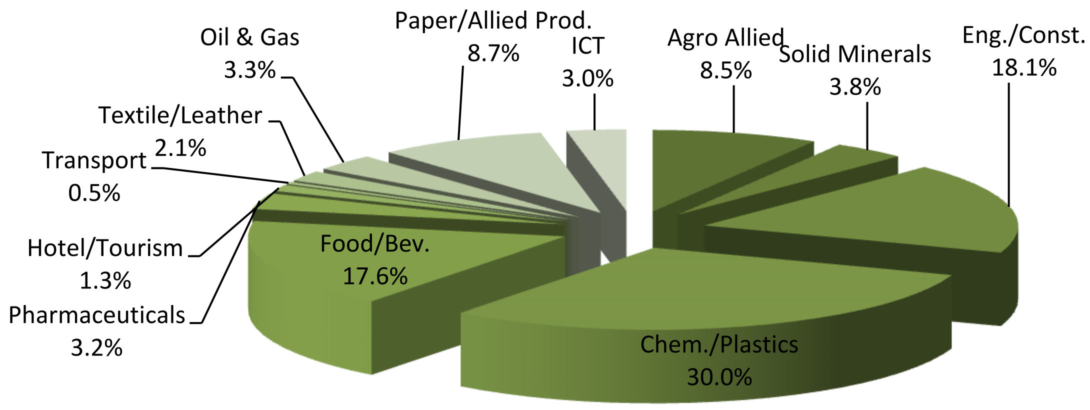


2.6.6 N235 Billion Intervention Fund for Refinancing and Restructuring of Banks' Loans to the Manufacturing/SME Sector

The entire fund of ₦235.00 billion had been disbursed to 522 projects as at end-June, 2012. In the period under review, ₦14.57 billion was recovered out of the ₦235 billion disbursed under the scheme. A disaggregation of disbursement under the RRF indicated that the chemical/plastics, engineering/construction and food/beverages sub-sectors accounted for 30.0, 18.1 and 17.6 per cent, respectively. Paper/allied products and agro-allied sub-sectors received 8.7 and 8.5 per cent, respectively and others accounted for the balance.

Figure 21

Sectoral Distribution of Facilities Through Participating Banks, First Half 2012



2.6.7₦200 Billion SME Credit Guarantee Scheme (SMECGS)

One (1) application valued at N100.0 million was approved for guarantee under the SMECGS during the period under review. This brought the number of projects guaranteed under the Scheme from inceptionin April 2010 to twenty (20) valued at ₦1.30 billion.

2.6.8₦300 Billion Power and Airline Intervention Fund (PAIF) Initiative

The sum of N20.72 billion was released to the Bank of Industry (BOI) for disbursement to ten (10) power and airline projects during the period under review. Thus, since inception of the Initiative, the sum of ₦178.63 billion had been released. However, ₦171.12 billion has been disbursed for 30 projects under the PAIF consisting of 16 power plants and 14 airline projects valued at ₦80.67 billion and ₦90.45 billion, respectively.

2.6.9Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL)

The implementation of the NIRSAL programme received a boost during the period with the engagement of 26 state governments to participate under the initiative. Also, the monopoly of the Nigerian Agricultural Insurance Corporation (NAIC) ended with the liberalization of agricultural insurance to allow for the participation of other insurance companies. Furthermore, aguideline for the purchase of credit guarantee by counterparties was releasedduring the period.

2.7CBN Assets and Liabilities

Provisional data indicates that the total assets of the CBN as end-June 2012 grew by 4.7 per cent relative to end-December 2011 and 78.0 per cent relative to the level at the end of the corresponding period of 2011. The growth in Assets over end-December 2011 was due to the substantial increase (112.5 per cent) in Federal government securities as well as the respective growth of 13. 4, 8.6 and 3.2 per cent in fixed assets, Rediscount and advance, and external reserves. The growth over end-June 2011 was due to the growth of 162.6, 44.4, 32.8 and 22.9 per cent in holdings of Federal government securities, rediscounts and advances, fixed assets and external reserves, respectively. The corresponding increase in liabilities relative to end of December 2011 was due wholly to the 44.6 per cent growth in Federal government deposits with the Bank.

ECONOMIC REPORT

3.0 Global Economic Developments

Global economic growth projection by the IMF indicated that the global economic recovery remained weakin 2012. Economic recovery was envisaged to be relatively strong for most emerging/developing economies, but sluggish for advanced economies. Consequently, growth was projected to moderate to 3.5 per cent in 2012 from 4.0 per cent in 2011.

The advanced economies were estimated to grow at an average of 1.4 per cent in 2012. This represented a modest decline from the 1.6 per cent recorded in 2011. By 2013, economic activity was projected to rebound to 2.0 per cent. Growth in the United States was estimated to strengthen modestly to 2.0 per cent in 2012. Recovering from the earthquake-related losses in 2011, Japan's economy was projected at 2.4 per cent in 2012. The euro area economies were estimated to contract by 0.3 per cent in 2012, in contrast to a growth of 1.5 per cent in 2011. This was as a result of the sovereign debt crisis, general loss of confidence, the effects of bank deleveraging and the impact of fiscal consolidation in response to market pressures. The euro area crisis was expected to spillover to the rest of Europe, with the possibility of leading to financial market volatility. Labour market conditions, on the other hand, were likely to remain challenging in most advanced economies.

In emerging market economies, growth was projected at 5.6 per cent in 2012 down from 6.2 per cent achieved in 2011. The projected growth is expected to be sustained by good macroeconomic management and external demand. In developing Asia, the projected growth of 7.1 per cent would be propelled by demand from Japan. However, growth in China and India was projected to decelerate from 9.2 and 7.1 per cent in 2011 to 8.0 and 6.1 per cent, respectively,in 2012. In Latin America and the Carribean, economic activities would be driven by favourable commodity prices and financial market conditions, especially in the second half of the year. Nonetheless, growth was projected to decelerate to 3.7 per cent in 2012 from 4.5 per cent in 2011.

In the Middle East and North Africa (MENA) region, growth was projected to be 5.5 per cent in 2012, showing an improvement over the 3.5 per cent in 2011. The growth projection for the MENA region reflected the resumption of economic activities in Libya and Egypt that were engulfed by political crisis in 2011. The economies of the oil exporting countries were not expected to improve considerably due to domestic uncertainties and external demand conditions. The sub-Saharan African (SSA) economies were projected to grow by 5.4 per cent in 2012 up from 5.2 per cent recorded in 2011 largely as a result of growing export of crude oil and other commodities.

3.1 Global Commodity Prices

Crude oil prices (World Bank average) declined by 8.4 per cent in May due mainly to poor US non-farm payrolls data, a strong dollar, weak Chinese manufacturing figures and Eurozone debt concerns. Oil prices were projected to average $98 per barrel in 2012 down from the peak of about $115 per barrel in 2010 and early 2011. This projection was based on optimism that optimal production of oil in Libya would be restored and sustained global economic recovery.

The estimated world crude oil demand rose slightly by 0.63 per cent from 87.10 mbd recorded in the first half of 2011 to 87.65 mbd in the first half of 2012. Of this volume, demand from the Organization for Economic Co-operation and Development (OECD) countries was estimated at 45.08 mbd, while that of the non-OECD was 42.57 mbd. The severe winter in Europe and some parts of North America during the first quarter of the year accounted for the increase in demand during the review period.

The price of gold fell by 3.8 per cent from $1,668.15/ounce in March to $1,604.20/ounce in June following the bold actions taken by the European leaders to curb the persisting debt crisis in the region. Analysis of the price of gold for the first half of 2012 indicated that the price rose by 2.5 per cent from

$1,564.91/ounce in December 2011 to $1,604.20/ounce in June 2012. This reflected investors' aversion to risky assets due largely to the slow economic growth and sovereign debt crisis in the euro area.

3.2 Global Inflation

Global inflation was projected to ease as commodity prices stabilize and demand softens in 2012. In the advanced economies, inflation was estimated to decelerate from 2.7 per cent in 2011 to 1.9 per cent in 2012, owing to economic slackness and subdued inflation expectations as the effects of higher commodity prices of the preceding year waned. Commodity price dynamics held up headline inflation in some of the major advanced economies. In the United States and the euro area, stagnating labour cost led to a downward revision of headline inflation to 2.0 and 1.5 per cent, respectively. In the emerging and developing economies, inflationary pressures were also expected to be on the decline as food price inflation dropped. Consequently, inflation for this region was projected to decrease to 6.2 per cent in 2012 from 7.1 per cent in 2011. Inflationary pressures were, however, expected to remain persistent in some of the countries in the region.

3.3 International Financial Markets

Capital market indices declined across the global financial markets in the first half of 2012. This was attributed to the economic downturn in the euro area, the U.S. and emerging markets. The euro area was at the centre of the international financial market distress, caused by heightened political and financial uncertainty in Greece, banking sector issues in Spain and misgivings about governments' ability to deliver on fiscal adjustments and reforms as well as the extent of preparedness of some EU countries to provide bail-out funds. In the U.S., fiscal challenges and weak economic data, especially high rate of unemployment, declining consumer confidence and reduction in the U.S. growth projections by the Federal Reserve Bank, weakened investors' appetite for global equities. Poor growth in emerging market economies in Asia and South America notably India, China and Brazil arising from increases in investor risk aversion and perceived growth uncertainty, led to equity price decreases and capital outflows.

Yields on safe haven bonds for Germany, Japan, Switzerland and the U.S. declined to an all-time low in the review period. While capital flowed into some sovereign bonds within the euro area, the region's debt market remained fragile. Rising investor risk aversion based on perceived growth uncertainty across the globe contributed to the decline in foreign exchange flows to many emerging and developing economies.

On a year-to-date and year-on-year basis, currencies of selected emerging markets, euro area and Africa depreciated against the U.S. Dollar. For example, the Brazilian Real, Canadian Dollar, Indian Rupee, Euro and Ghanaian Cedi depreciated, on a year-on-year basis, by 20.40, 3.38, 19.12, 11.38 and 21.65 per cent, respectively.

Analysis of the nominal exchange rate of the domestic currency relative to other major international currencies showed that the naira depreciated against the pound sterling and Japanese yen by 0.4 and 5.6 per cent, but appreciated relative to the euro by 5.2 per cent. At the regional level, the naira strengthened against the CFA Francs by 3.2 per cent, but weakened against the WAUA by 0.1 per cent when compared with the level in the corresponding period of 2011. In comparison with the second half of 2012, the naira appreciated against the euro and the yen by 5.4 and 0.7 per cent, but depreciated against the pound by 0.1 per cent. The domestic currency appreciated against the CFA Franc and the WAUA by 4.6 and 0.7 per cent, respectively.

Figure 22

Performance of the Naira against Major Currencies

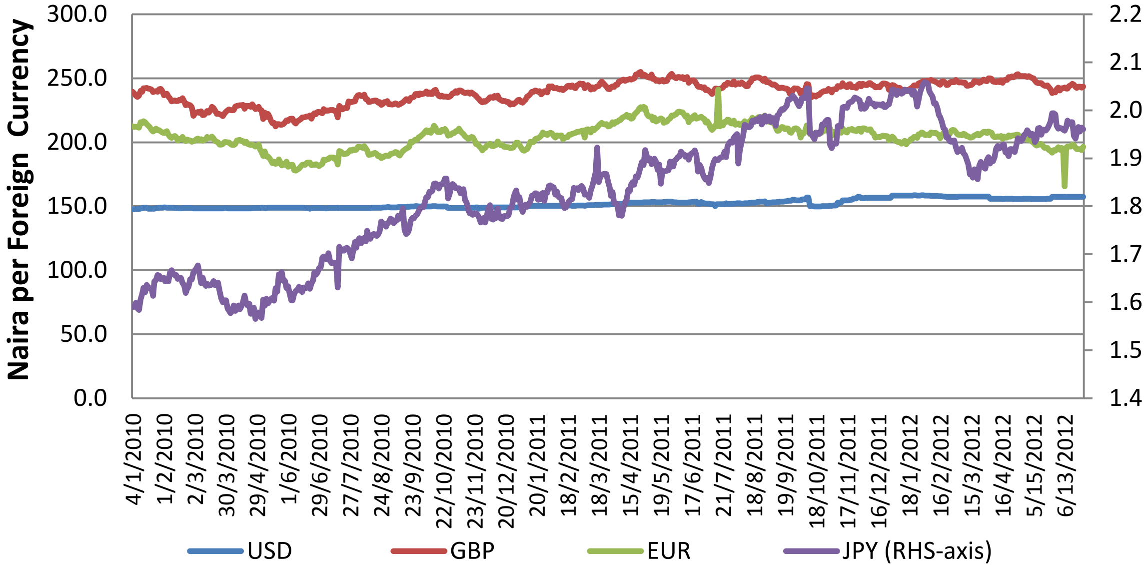
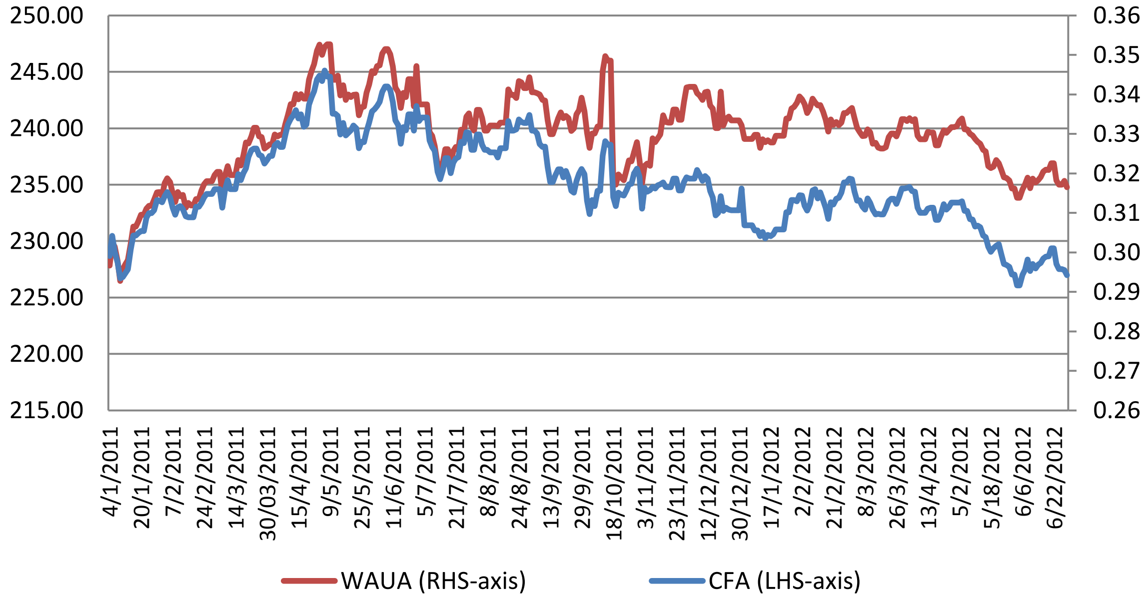


Figure 23

Performance of the Naira against Regional Currencies



3.4 World Economic Outlook for the Rest of 2012

Weaker global growth is expected through much of the second half of 2012 in both advanced and key emerging market economies, reflecting the setbacks to the global recovery.

Overall, global growth is projected to moderate to 3.5 percent in 2012 and 3.9 percent in 2013, some 0.1 and 0.2 percentage point, respectively, lower than forecast in the April 2012 WEO. Growth in advanced economies is projected to expand by 1.4 percent in 2012.

The downward revision mostly reflects weaker activity in the euro area, especially in the periphery economies, where the dampening effects from uncertainty and tighter financial conditions will be strongest. Owing mainly to negative spillovers, including from uncertainty, growth in most other advanced economies will also be slightly weaker, although lower oil prices will likely dampen these adverse effects. Growth in emerging and developing economies will moderate to 5.6 percent in 2012 before picking up to 5.9 percent in 2013. Growth is projected to remain relatively weaker than in 2011 in regions connected more closely with the euro area (Central and Eastern Europe in particular). In contrast with the broad trends, growth in the Middle East and North Africa will be stronger in 2012–13 relative to last year, as key oil exporters continue to boost oil production and domestic demand while activity in Libya is rebounding rapidly after the unrest in 2011. Similarly, growth in sub-Saharan Africa is expected to remain robust in 2012–13, helped by the region's relative insulation from external financial shocks. Global consumer price inflation is projected to ease as demand softens and commodity prices recede. Overall, headline inflation is expected to slip from 4½ percent in the last quarter of 2011 to 3–3½ percent in 2012–13.

At the domestic scene, inflation would remain a major macroeconomic problem for Nigeria. Monetary aggregate likely to increase buy might continue to lag behind their indicative benchmark, while money market rates could remain high. Furthermore, the continuous pressure on the foreign exchange market would pose major policy challenges for the CBN.

4.0 DEVELOPMENTS IN THE DOMESTIC ECONOMY

4.1 Monetary and Credit Developments

The Bank's tight monetary policy stance, aimed at maintaining price and exchange rate stability, largely influenced the developments in the financial sector during the review period. Consequently, growth in money supply was sluggish in the first half of 2012. Broad money, (M2) grew by 1.4 per cent to ₦13,483.4 billion at end-June 2012, compared with 5.6 per cent at end-December 2011. Narrow money (M1) fell by 2.5 per cent, in contrast to the growth of 1.2 per cent at the end of the corresponding period of 2011. The development relative to end-December 2011 was attributed to the fall in the demand deposit and currency components. Quasi-money grew by 5.4 per cent at end-June 2012, compared with the growth rate of 9.8 per cent during the corresponding period of 2011.

Aggregate bank credit to the domestic economy (net) fell by 2.7 per cent to ₦13, 313.1 billion at end-June 2012, in contrast to the growth of 2.1 per cent at the end of the corresponding period of 2011. The decline in net domestic credit reflected wholly the significant fall of 177.8 per cent in net claims on the Federal Government.

4.1.1 Reserve Money

Reserve money fell by 9.4 per cent below the level at end-December 2011 to ₦2, 512.3 billion at end-June 2012, in contrast to the growth of 11.9 per cent at end-June 2011. At that level, reserve money was 7.6 per cent below the indicative benchmark of ₦2,726.14 billion for the second quarter of 2012. The decline in reserve money was due to the 12.5 and 5.4 per cent fall in currency in circulation and DMBs' deposits with the CBN, respectively. On the asset side, the decline in reserve money was due largely to the 12.0 per cent fall in net foreign assets of the CBN.

Figure 24 (a)

Reserve Money and its Components

(Naira Billion)

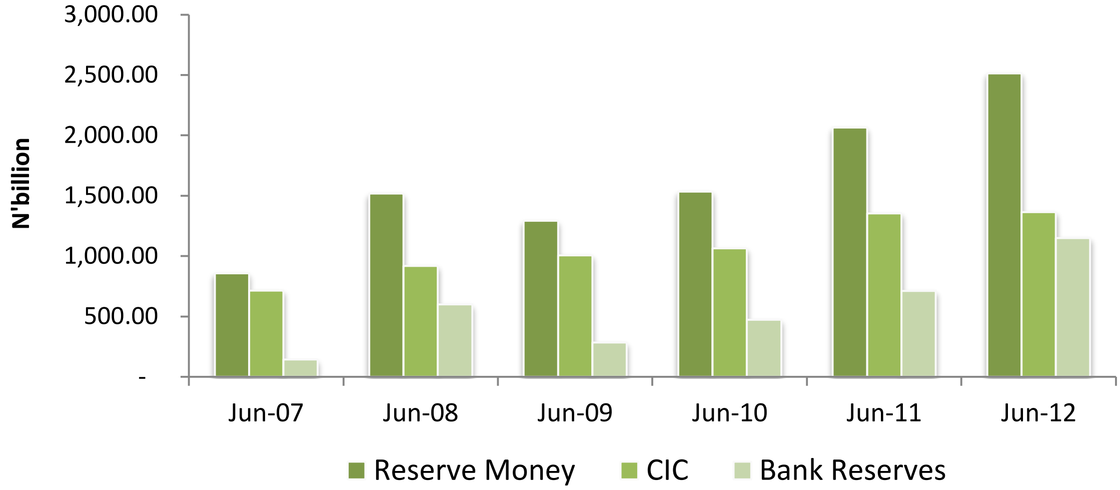
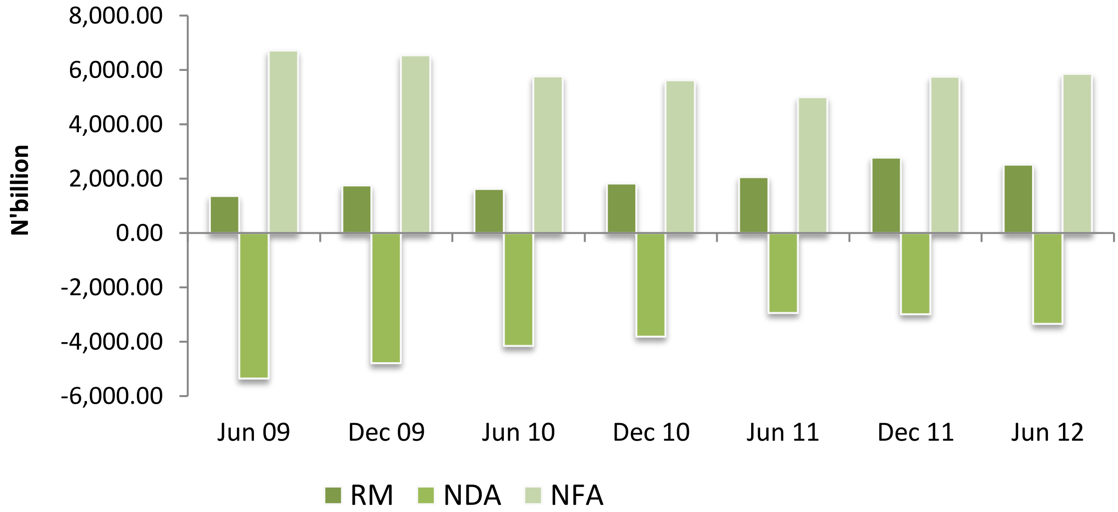


Figure 24 (b)

Sources of Reserve Money

(Naira Billion)



4.1.2 Broad Money (M_2)

Provisional data indicated that the growth of broad money (M2) was sluggish in the first half of 2012. Relative to the level at end-December 2011, M2 grew by 1.4 per cent to ₦13,483.4 billion at end-June 2012, compared with 5.6 per cent at the end of the first half of 2011. This translated to an annualized growth rate of 2.7 per cent, a significant deviation from the indicative benchmark growth of 24.6 per cent for fiscal 2012. The development was attributable to the growth of 5.4 and 2.2 per cent in foreign assets (net) and other assets (net) of the banking system, respectively. This was, however, moderated by the 2.7 per cent decline in domestic credit (net).

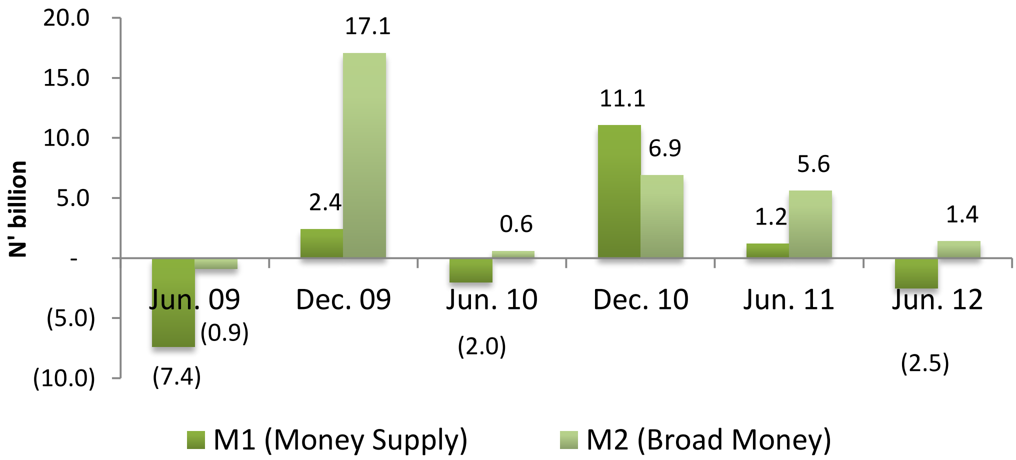
4.1.3 Narrow Money (M_1)

Narrow money (M_1) declined by 2.5 per cent at end-June 2012, in contrast to an increase of 1.2 per cent at end-June 2011. The development was due to the decline in currency outside banks (COB) and demand deposits by 12.6 and 0.3 per cent, respectively.

4.1.4 Quasi Money (QM)

Quasi-money grew by 5.4 per cent in the first half of 2012, compared with 9.8 per cent at end-June 2011. The development reflected the growth in savings and time deposits. At that level, QM contributed 2.6 percentage points to the growth in total monetary assets, compared with 5.0 percentage points at the end of the corresponding period of 2011.

Figure 25
Growth in Money Supply
(Per cent)



4.1.5 Currency-in-Circulation and Deposits at the CBN

Relative to its level at end-December 2011, currency in circulation (CIC) fell by 12.9 per cent to ₦1,363.73 billion at the end of the first half of 2012, compared with 1.8 per cent at end-June 2011. Similarly, COB fell, by 12.6 per cent, at the end of the review period, compared with the decline of 6.1 per cent at the end of the corresponding period of 2011. As a ratio of M_2, COB fell slightly to 8.1 per cent at the end of the review period from 8.2 per cent at the end of the first half of 2011.At ₦6,469.6 billion, deposits at the CBN increased by 7.5 and 36.5 per cent over the levels at end-December 2011 and the corresponding period of 2011, respectively. The development relative to end-December 2011 was attributed mainly to the 12.4 per cent increase in Federal Government deposits.

4.1.6 Drivers of the Major Monetary Aggregate

4.1.6.1 Net Foreign Assets (NFA)

At ₦7, 525.2 billion, foreign assets (net) of the banking system grew by 5.4 per cent at end-June 2012, in contrast to the 0.8 per cent decline at the end of the corresponding half of 2011. At that level, the NFA constituted 55.8 per cent of M_2, compared with 53.0 per cent at end-June 2011. The NFA's contribution to the growth in M_2 was 2.9 percentage points at end-June 2012, in contrast to a negative contribution of 0.5 percentage point at the end of the corresponding period of 2011.

4.1.6.2 Net Domestic Assets (NDA)

Net domestic assets fell by 3.4 per cent to ₦5,958.2 billion at end-June 2012, as against the 13.9 per cent growth at the end of the corresponding period of 2011. The development was attributable to the decline of 2.7 and 2.2 per cent in domestic credit (net) and other assets (net) of the banking system, respectively.

4.1.6.2.1 Net Domestic Credit (NDC)

Net domestic credit (NDC) declined by 2.7 per cent to ₦13,313.1 billion at the end of the first half of 2012, as against the 2.1 per cent growth at the end of the corresponding period of 2011. The development was due wholly to the substantial decline of 177.8 per cent in net claims on the Federal Government. At that level, NDC's contribution to the growth in M_2 was negative 2.8 percentage points, in contrast to the positive contribution of 1.6 percentage points at the end of the corresponding half of 2011.

4.1.6.2.1.1 Credit to the Government (Cg)

Net claims on the Federal Government declined by 177.8 per cent at end-June 2012, in contrast to the growth of 4.8 per cent at the end of the corresponding period of 2011. The development reflected the 9.3 per cent decline in investment in FGN Bonds by the banking system, in contrast to the 27.6 per cent growth at the end of first half of 2011.

4.1.6.2.1.2 Credit to the Private Sector (Cp)

Credit to the private sector grew by 3.6 per cent at the end of the first half of 2012, compared with 1.3 per cent at end-June 2011. The development reflected the 3.2 per cent rise in claims on core private sector which was 2.4 percentage points higher than the growth rate at the end of the corresponding period of 2011. The contribution of credit to the private sector to the change in total monetary assets was 3.8 percentage points at end-June 2012, compared with 1.1 percentage point recorded at the end of the corresponding period of 2011.

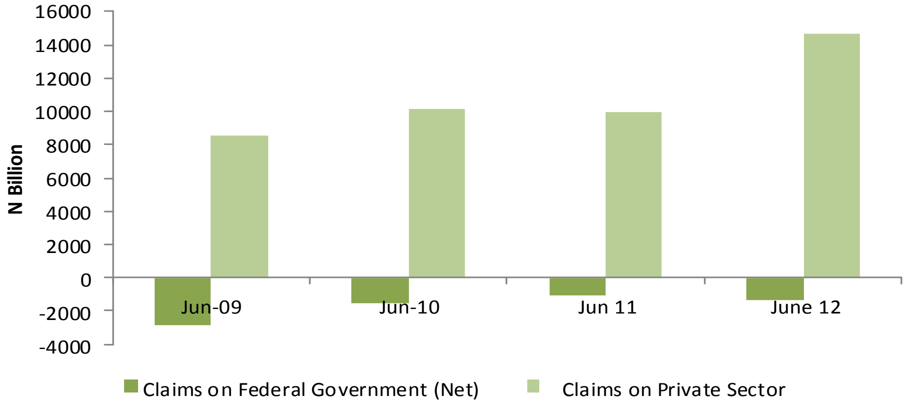
4.1.6.2.2 Other Assets (Net) of the Banking System

Other assets net (OAN) of the banking system rose by 2.2 per cent at the end of the first half of 2012, compared with 14.1 per cent at the end of the corresponding period of 2011. OAN contributed 2.3 percentage points to the growth of total monetary assets, compared with 4.5 per cent at end-June 2011.

Figure 26

Distribution of Net Domestic Credit

(Naira Billion)



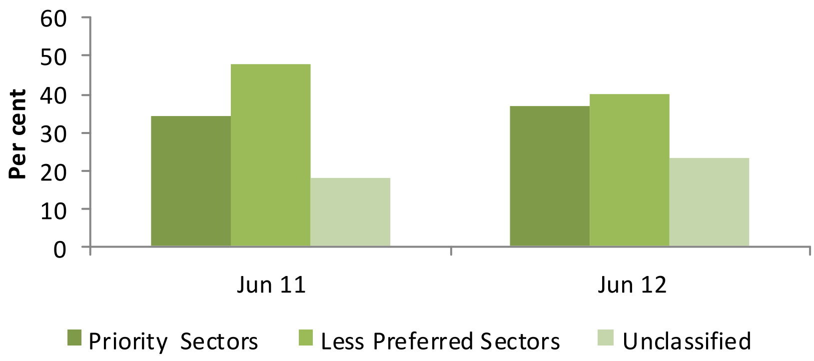
4.1.7 Sectoral Distribution of Credit

Relative to the level at end-December 2011, DMBs' credit to the core private sector grew by 3.2 per cent at end-June 2012. Of the amount outstanding, credit to the priority sectors accounted for 37.1 per cent of which agriculture, solid minerals, export and manufacturesaccounted for 3.7, 18.9, 0.7 and 13.8 per cent, respectively. At that level, credit to the core private sector was 2.4 percentage points higher than the level at end-June 2011. The less-preferred sectors accounted for 39.8 per cent, while the unclassified category accounted for the balance of 23.1 per cent.

Table 3
Credit to the Core Private Sector:
(Percentage Share)

	Share in Outstanding (per cent)		
	Jun 11	**Dec 11**	**Jun 12**
1. Priority Sectors	**34.3**	**36.1**	**37.1**
Agriculture	2.1	3.5	3.7
Solid Minerals	18.1	17.7	18.9
Exports	1.5	0.5	0.7
Manufacturing	12.6	14.4	13.8
Small Scale Enterprises	--	--	--
2. Less Preferred Sectors	**47.8**	**45.7**	**39.8**
Real Estate	7.9	6.2	6.8
Public Utilities	0.8	0.9	0.3
Transport and Communications	12.5	17.3	11.5
Finance & Insurance	7.4	4.2	3.9
Government	5.9	6.8	7.4
Import & Dom. Trade (General Comm.)	13.3	10.3	9.8
3. Unclassified	**17.9**	**18.1**	**23.1**
Total (1+2+3)	**100**	**100**	**100**

Figure 27
Sectoral Distribution of DMBs Credit
(per cent)



4.1.8 Maturity Structure of DMBs' Outstanding Loans and Advances, and Deposit Liabilities

The structure of DMBs credit at end-June 2012 indicated that short-term maturities remained dominant in the credit market. Analysis showed that outstanding loans and advances maturing one year and below accounted for 59.1 per cent, which was a slight improvement over the 62.2 per cent at the end of the corresponding period of 2011. The medium-term (≥1yr and < 3yrs) and long-term maturities (3yrs and above) stood at 14.8 and 26.1 per cent, compared with 14.6 and 23.1 per cent, respectively, at end-June 2011. At 97.6 per cent, the short-term deposit of DMBs constituted the bulk of total deposits, with those maturing less than 30 days accounting for 77.3 per cent. The medium and long-term deposits constituted the balance of 2.4 per cent

Figure 28
Distribution of Deposit Money Banks (DMBs) Loans and Advances by Maturity

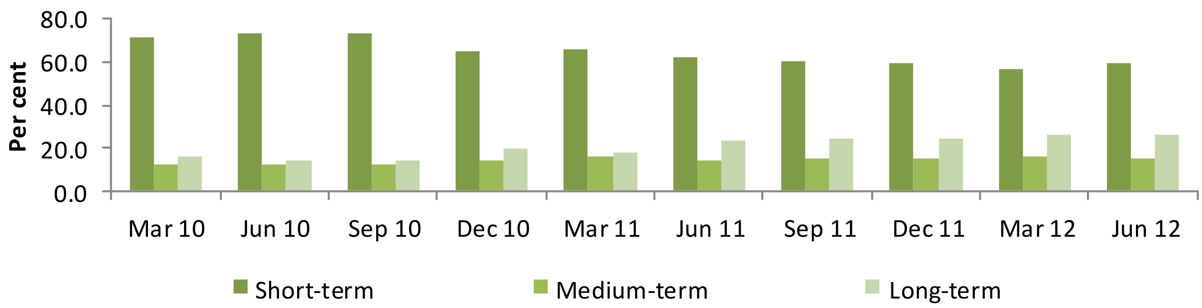


Figure 29
Distribution of DMBs Deposit Structure

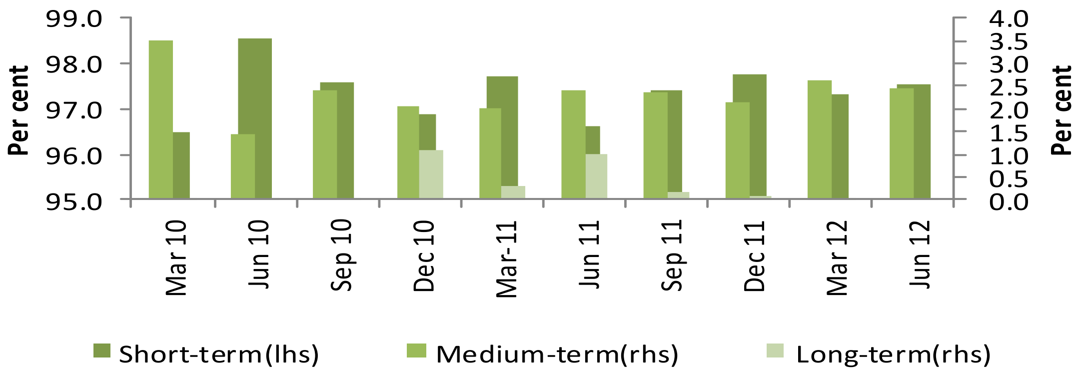


Table 4

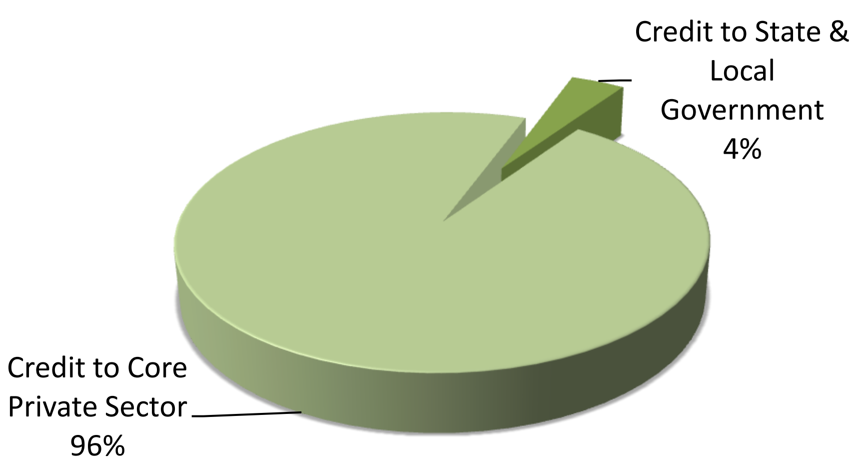
Maturity Structure of DMBs Assets and Liabilities

Assets (Loans and Advances)	Jun 10	Dec10	Jun 11	Dec 11	Jun 12
Tenor					
0-30 days	55.4	46.1	40.5	33.4	31.3
31-90 days	5.4	10.0	8.2	12.2	12.3
91-181 days	5.3	3.9	8.0	6.1	7.9
181-365 days	7.3	5.3	5.5	8.3	7.4
Short term	73.3	65.3	62.2	59.9	59.1
Medium Term (Above 1yr and below 3yrs)	12.6	14.6	14.6	15.2	14.8
Long-Term (3 Years and Above)	14.1	20.1	23.2	24.8	26.1
Liabilities					
0-30 days	77.9	76.3	73.3	76.5	77.3
31-90 days	13.4	14.4	14.5	12.6	11.5
91-181 days	4.4	3.4	5.2	4.5	4.8
181-365 days	2.9	2.8	3.6	4.2	3.9
Short term	98.6	96.9	96.6	97.8	97.6
Medium Term (Above 1yr and below 3yrs)	1.4	2.03	2.4	2.1	2.4
Long-Term (3 Years and Above)	0.005	1.07	1.02	0.09	0.012

Figure 30

Componentsof Private Sector Credit, End-June 2012

(per cent)

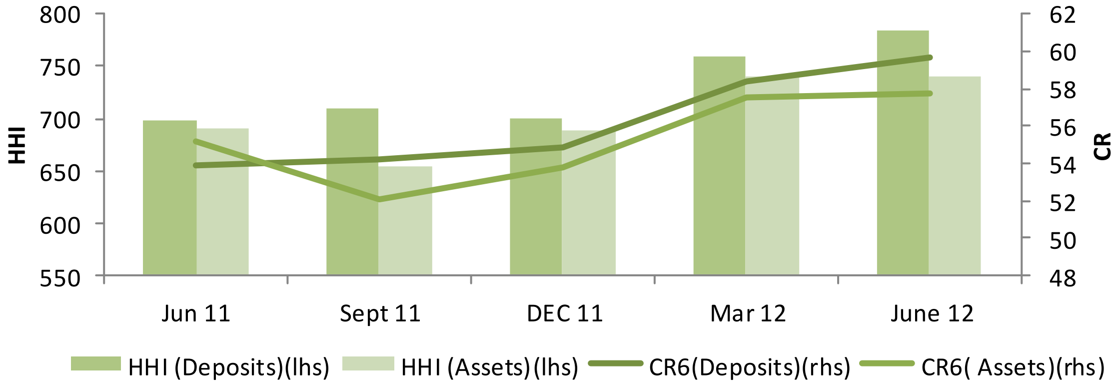


4.1.9 Market Structure of the Banking Industry

The oligopolistic nature of the banking industry persisted in the first half of 2012. On the basis of market share of total assets and deposits, the average concentration ratio (CR) of a quarter of the DMBs stood at 52.2 and 52.8 per cent, respectively, compared with 54.6 and 53.1 per cent at the end of the first half of 2011. The market share of the largest bank with respect to assets and deposits stood at 14.0 and 14.9 per cent, respectively, at end-June 2012, compared with 13.1 and 12.8 per cent at the end of the corresponding period of 2011. The average Herfindahl-Hirschman Indices (HHI) of 770.4 and 741.5 (on a scale of 1000) for total deposits and assets also confirmed the low competition in the industry.

Figure 31

Market Concentration Ratios of DMBs (Assets/Liabilities)



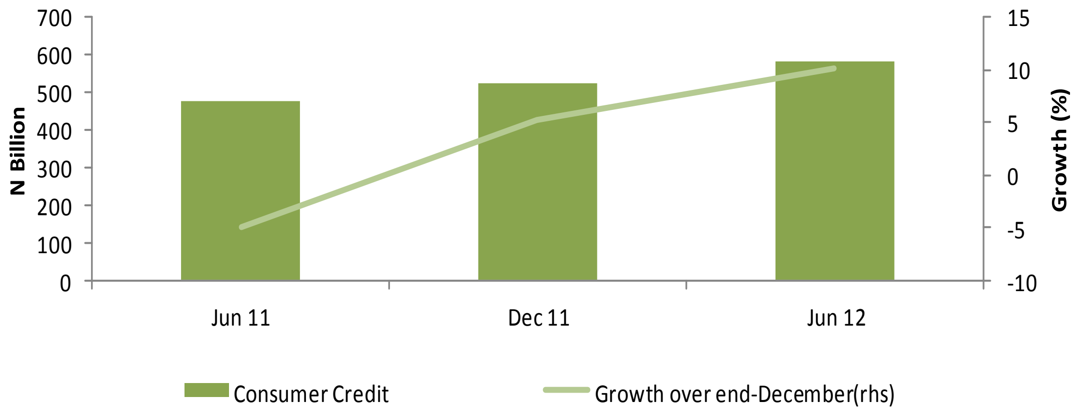
4.1.10 Consumer Credit

Consumer credit outstanding improved in the first half of 2012. At ₦580.25 billion, consumer credit rose by 10.2 per cent, relative to the level at end-December 2011, maintaining an upward trend during the review period. This was in contrast to the decline of 5.0 per cent at the end of the corresponding period of 2011. The rise in consumer credit reflected an increase in the size of private consumption required for production of goods and services. As a ratio of credit to the core private sector, consumer credit constituted 4.11 per cent, lower than the 5.0 per cent at end-June 2011.

Figure 32

Consumer Credit of DMBs

(Naira Billion)



4.1.11 Deposit Money Banks' Cost of Funds

Analysis of DMBs' cost of funds measured by the weighted effective average cost of funds (WEACF) increased marginally in the first half of 2012. At 15.2 per cent, WEACF of DMBs rose by 1.52 percentage points at end-June 2012. The computed DMBs' WEACF less overheads was 6.37 per cent, compared with 7.05 per cent at end-June 2011.

In terms of contribution to DMBs' WEACF, interest expenses accounted for 37.16 per cent, while overheads and deposit insurance accounted for 58.04 and 4.80 per cent, respectively, in the first half of 2012. Thus, overhead expenses were the major driver of banks' cost of funds in the review period.

Table 5

Weighted Effective Average Weighted Cost of DMBs Funds

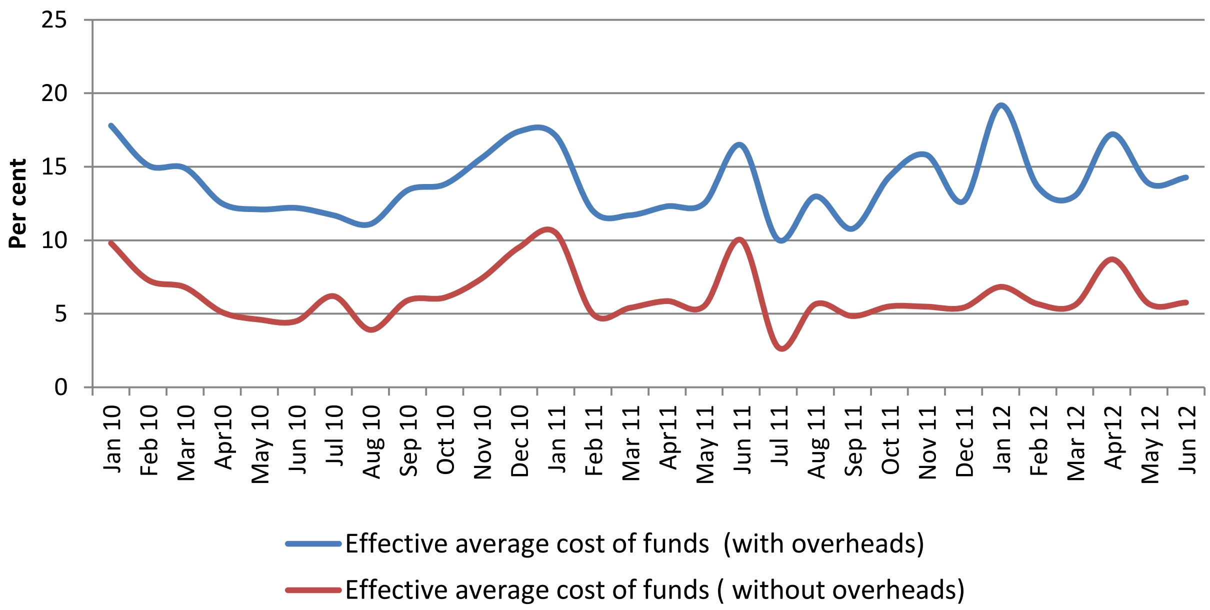
	June 2010	Dec 2010	June 2011	Dec 2011	June 2012
Effective Average Cost of Funds, including overheads	14.10	13.80	13.70	13.20	15.20
Effective average cost of funds less overheads	6.35	6.5	7.05	6.00	6.37

Composition (per cent)

	June 2010	Dec 2010	June 2011	Dec 2011	June 2012
Interest expense	39.92	41.40	44.91	39.10	37.16
Deposit insurance premium	4.33	5.03	5.40	5.30	4.80
Overhead cost	55.73	53.57	49.69	55.60	58.04
Total	100.0	100.0	100.0	100.0	100.0

Figure 33

Trends in Weighted Effective Average Cost of DMBs Funds



4.1.12Developments in the Money Market

Major developments in the money market from January to June 2012 included: commencement of the Cash-Less policy; adoption of a single-bid auction system at OMO auctions; review of the membership of Money Market Dealers (MMDs); review of the Guidelines for Repurchase Transactions; update of the list of Primary Dealer Market Makers (PDMMs) and the release of exposure drafts on Competency Framework, bank charges and financial literacy.

4.1.12.1 Cash-less Policy

The pilot-run of the cash-less policy commenced in Lagos on January 1, 2012. However, the implementation of the service charge component of the policy was deferred till April 1, 2012 for public sensitization and buy-in.

4.1.12.2 Adoption of Single-Bid System at OMO Auctions

The single-bid auction system was introduced to replace the multi-bid auction system at the OMO. The development required each Money Market Dealer (MMD) to submit only one bid per tenor at the OMO. A single bid system was expected to make for more effective OMO as speculative biddings would be reduced to the barest minimum.Consequently, the guideline on Money Market Dealership was reviewed for the appointment of all DMBs and DHs as MMDs effective, May 20, 2012.

4.1.12.3 Nigeria Master Repurchase Agreement (NMRA)

The Nigeria Master Repurchase Agreement (NMRA) was introduced on April 2, 2012 to cover the operations of the SLF and term repurchase transactions (Repo). Eligibility to the CBN window for SLF and term Repo was limited to DMBs and DHs that had executed the NMRA. The introduction of the NMRA to the market was in line with international best practice that features pricing, duration, custodianship and default resolution.

4.1.12.4 Update on Primary Dealer Market Makers (PDMMs)

The Debt Management Office (DMO) updated the list of Primary Dealer Market Makers (PDMMs) to reflect the recent developments in the banking sector. Two banks were dropped from the list, leaving 13 DMBs and five (5) DHs as PDMMs. PDMMs are given exclusive rights to purchase/underwrite Federal Government bonds issued for their own holding and/or for resale.

4.1.12.5 Release of Exposure Drafts on Competency Framework; Bank Charges; and Financial Literacy

Exposure drafts on the Competency Framework for the Nigerian Banking Industry, Financial Literacy Framework in Nigeria and Guide for Bank Charges were released to the DMBs and other stakeholders. The frameworks were in continuation of the banking sector reforms andwere to serve as part of the effort to promote a standard and level playing ground in the industry.

4.1.13 Money Market Developments

The tight monetary policy stance of the Bank largely influenced activities in the money market during the first half of 2012. Consequently, interest rates, were generally higher than in the corresponding period of 2011. Overall, the Banks' monetary policy measures delivered relative stability in the financial markets.

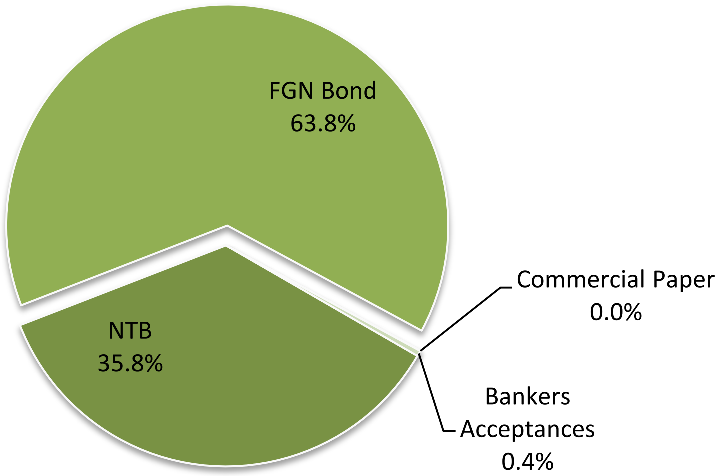
4.1.13.1 Money Market Assets Outstanding

Provisional data indicated that money market assets outstanding at end-June 2012 stood at ₦5,824.87 billion, showing an increase of 14.2 per cent above the level at end of the corresponding period of 2011. Relative to the level at end-December 2011, it showed anincrease of 5.0 per cent. The development reflected mainly, the increase of ₦438.44 billion (13.38 per cent) and ₦523.17 billion (33.51 per cent) in FGN Bonds and Treasury bills, respectively.

Figure 34

Money Market Assets Outstanding: End-June 2012

(per cent)

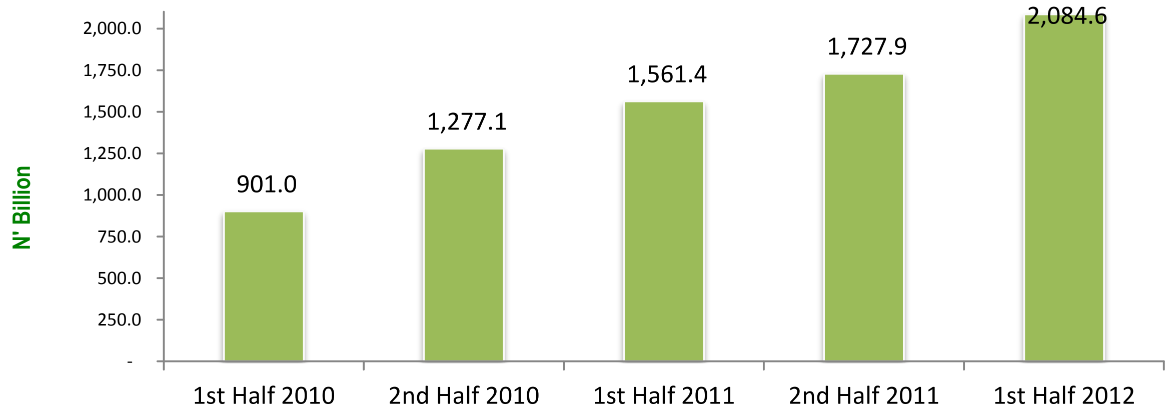


A breakdown of the money market assets outstanding at the end of the first half of 2012 showed that 63.8 per cent was held in FGN Bonds, while 35.8, 0.37 and 0.03 per cent were on NTBs, Bankers Acceptances and Commercial Paper, respectively.

4.1.13.2 Primary Market

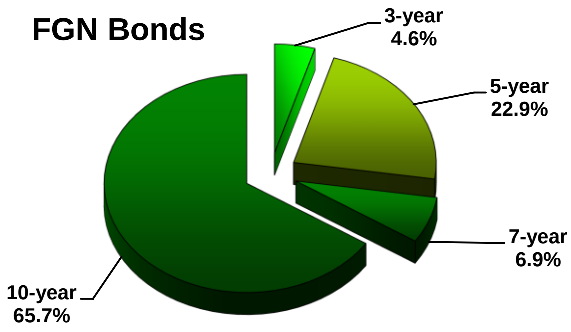
Nigerian Treasury Bills of 91-, 82- and 364-day tenors amounting to ₦1,918.27 billion were offered in the first half of 2012. The total amount subscribed and allotted for all the tenors were ₦4,466.58 billion and ₦1,777.97 billion, respectively. At end-June 2011, total offer, subscription and allotment for the same three tenors were N1,489.55 billion, ₦3,823.32 billion and ₦1,489.55 billion, respectively. The huge subscription was attributed to the growing demand for government securities in view of the positive real attractive yields as well as flight to safety strategy. Total NTB outstanding at end-June 2012 stood at ₦2,084.6 billion, showing an increase of 33.51 per cent over the ₦1, 561.42 billion at the end of the first half of 2011.

Figure 35
Treasury Bills Outstanding
(Naira Billion)



The CBN remained the registrar and issuing house for the Federal Government securities. During the review period, FGN Bonds of 3-, 5-, 7- and 10-year tenors were auctioned. Two tranches each of 5- and 7-year tenors and a tranche of 10-year tenor were offered, while others were re-opened. The term-to-maturity of the bonds ranged from 1 year 11 months to 10 years. Total FGN Bonds offered was ₦453.67 billion, while public subscription and sale stood at ₦849.62 billion and ₦437.57 billion, respectively. The high demand for the securities was attributed to the high level of liquidity in the banking system, the preference of investors for risk-free long-term instruments, and the attractive yield on the bonds. Analysis of the total value of bonds outstanding showed that ₦1,996.62 billion was held by DMBs and DHs, while brokers and non-bank public held ₦1, 717.93 billion.

Figure 36
Distribution of FGN Bonds by Tenor: End-June 2012
(per cent)



Thus, the total value of bonds outstanding at end-June 2012 stood at ₦3, 714.55 billion, compared with ₦3, 276.1 billion at end-June 2011, representing an increase of ₦438.4 billion or 13.38 per cent.

4.1.13.3 Open Market Operations (OMO)

In line with the Bank's monetary policy stance, Open Market Operations, complemented by discount window operations and reserve requirements were the instruments adopted to manage liquidity in the banking system.

OMO auctions were conducted throughout the first half of 2012 to deepen the secondary market and to mop-up the excess liquidity in the banking system. Total CBN bills worth₦2,760.00 billion were offered, while total subscription and sales amounted to ₦5,051.93 billion and ₦1,717.35 billion, respectively. The bid and stop rates ranged from 12.00 to 20.00 per cent and 13.24 to 17.59 per cent, respectively. In the corresponding period of 2011, the amount offered and sold were ₦480.00 billion and ₦332.84 billion, respectively, while total subscription was ₦768.73 billion. CBN bills valued at ₦1,130.00 billion matured and were repaid, with ₦2,120.00 billion outstanding at end-June, 2012.

4.1.13.4 The Two-Way Quote Trading in NTBs

There were no NTBs traded on the two-way quote trading platform in the review period. However, NTBs of 15-day maturity were traded on the two-way quote trading platform in the corresponding period of 2011.

4.1.13.5 Repurchase Transactions

During the first half of the year, the Bank entered into repurchase transactions on tenors ranging from 4 – 30 days with eligible DMBs and DHs to provide required liquidity. Total request for repo in the review period amounted to ₦1,601.56 billion with applicable rate of 15.0 per cent.

4.1.13.6 Central Bank of Nigeria (CBN) Standing Facilities

Some DMBs and DHs accessed the Standing Lending Facility (SLF) and Standing Deposit Facility (SDF) in the first half of 2012. The request for standing facilities mirrored the money market liquidity flows during the review period. Access to SDF was preponderant when major inflows, mostly through fiscal operations of government, permeated the banking system. However, the SLF requests increased whenever liquidity was tight. The applicable rates for SDF and SLF remained at 10.0 and 14.0 per cent, respectively, throughout the review period as the anchor rate (Monetary Policy Rate) remained at 12.0 per cent.

4.1.13.6.1 Standing Lending Facility (SLF)

The average daily request for SLF was ₦541.26 billion in the first half of 2012, compared with ₦974.79 billion, in the corresponding period of 2011. The tight liquidity in the system occasioned by thethe delay in the release of funds from the Federation Accounts, resulted in the increase in SLF requests between March and April 2012. However, there was a decline in requests for SLF in May 2012 following liquidity surfeit in the system. This development was attributed to the huge inflow from matured FGN Bonds and NTBs. The position, however, reverted in June 2012 as the market witnessed liquidity shortage, which gave rise to increased SLF requests.

4.1.13.6.2 Standing Deposit Facility (SDF)

The average daily request for the SDF was ₦174.77 billion in the first half of 2012, compared with ₦158.42 billion, in the corresponding period of 2011. In the preceding year, there was no request for the SDF from March-June 2011 when the reserve averaging system was in operation.

4.1.13.7 Inter-Bank Funds Market

The volume of Inter-bank transactions rose to ₦8.63 trillion in the first half of 2012 from ₦8.09 trillion in the first half of 2011. The development was attributed to the monetary policy tightening measures, which heightened pressure on the demand for SLF and inter-bank funds rate. At the Open-Buy-Back (OBB) segment, the trend reversed as OBB transactions declined to ₦ 3.42 trillion in the first half of 2012 from ₦4.87 trillion in the half year of 2011. The decline in the volume of transactions at the OBB segment was attributed to the dearth of government securities in the portfolio of operators. In addition, some banks had limits for collaterals that are acceptable from other counter-parties in the money market.

4.1.14 Interest Rate Developments

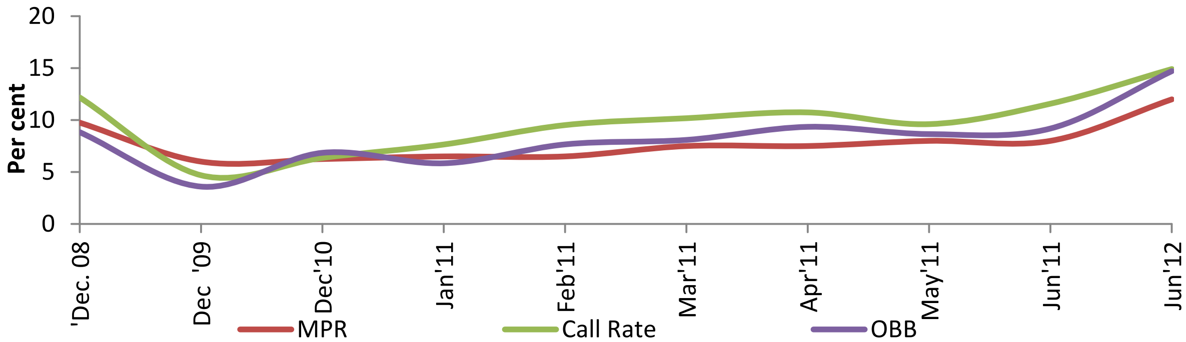
In the first half of 2012, short-term interest rates in all segments of the money market were much higher than their levels in the corresponding period of 2011 reflecting the upward adjustment of the MPR.Weighted average inter-bank rate in the first half of 2012 stood at 14.22 per cent up from 9.81per cent in the corresponding half of 2011. The OBB average rate rose to 14.14 per cent from 8.13 per cent in the corresponding period of 2011.

Table 6
Money Market Rates: First Half 2012
(Per cent)

	WEIGHTED AVERAGE				
Month	MPR	Call Rate	OBB	NIBOR 7-days	NIBOR 30-days
Jan-12	12.00	14.18	18.81	14.83	15.44
Feb-12	12.00	14.29	13.64	15.07	15.66
Mar-12	12.00	14.33	13.90	15.06	15.57
Apr-12	12.00	14.23	13.75	14.80	15.39
May-12	12.00	13.35	10.07	13.95	14.61
Jun-12	12.00	14.98	14.69	15.39	15.79
Average 2012	12.00	14.23	14.14	14.85	15.40
Average 2011	7.33	9.81	8.13	10.18	11.60

The weighted average of the Nigeria Inter-bank Offered Rate (NIBOR) for the 7- and 30-day tenors were 14.85 and 15.4 per cent, respectively, compared with 10.18 and 11.60 per cent in the corresponding half of 2011.

Figure 37
Money Market Rates
(per cent)



4.1.14.1 Money Market Rates

4.1.14.2 Deposit Rates

The average deposit ratewas high at the end of the first half of 2012. Average term deposit rate increased by 2.41 percentage points to 6.81 per cent, higher than the level in the corresponding half of 2011. Rates on deposits of various maturities rose from a range of 2.00 – 6.28 per cent in the first half of 2011 to a range of 4.13 – 8.06 per cent at the end of the first half of 2012. The developments in interest rates were attributed to the tight monetary policy stance of the Bank.

4.1.14.3 Lending Rates

In the first half of 2012, prime and maximum lending rates rose to 17.02 and 23.27 per cent, respectively, from 15.77 and 22.00 per cent in the corresponding half of 2011. The spread between DMBs' average term deposit and maximum lending rates narrowed to 16.46 percentage points in the first half of 2012 from 17.60 percentage points at end-June 2011. With the year-on-year inflation rate at 12.9 per cent in June 2012, all deposit rates were negative in real terms.

Figure 38
Nominal Interest Rates Movement
(per cent per annum)

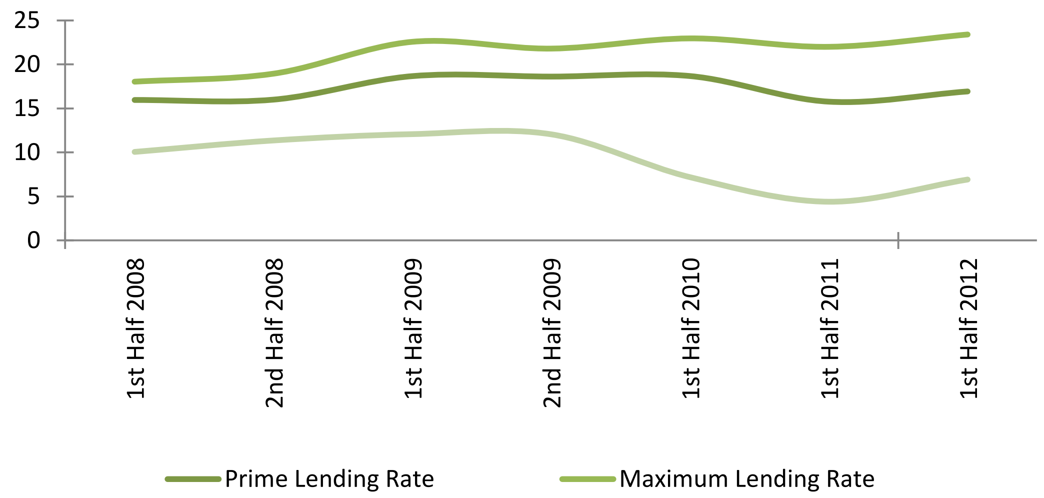


Table 7

Selected Interest Rates: First Half 2012

(Per cent)

Month	Savings	Average Term Deposit	Prime Lending	Maximum Lending
Jan-12	1.39	6.26	16.92	23.08
Feb-12	1.43	6.72	17.11	23.13
Mar-12	1.61	7.15	17.28	23.21
Apr-12	1.75	6.83	16.90	23.31
May-12	1.66	6.96	16.98	23.43
Jun-12	1.70	6.92	16.93	23.44
Average 2012 H2	1.59	6.81	17.02	23.27
Average 2011 H1	1.44	4.40	15.77	22.00

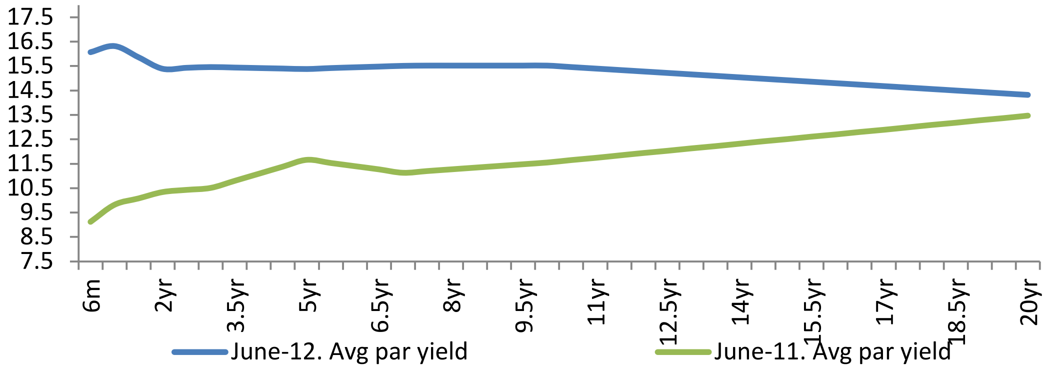
4.1.15 Yield on Fixed Income Securities

Analysis of the yield curve showed that the yield on shorter maturities were more volatile than the longer maturities in the first half of 2012. Yields were also generally higher than in the corresponding half year of 2011. There was a downward pull in the yield curve at the long-term segment (11–20 years), relative to the level in the first-half of 2011. Consequently, the yield curve was inverted with the spread at –1.75 in the first half of 2012 from 4.35 in the corresponding half of 2011. The inverted yield curve in the review period reflected investors' expectations of inflation risk.

Figure 39

Government Bonds Average Yield Curve

(per cent)



4.1.16 Institutional Savings

Aggregate institutional savings at end-June 2012 stood at ₦7,544.4 billion, indicating an increase of 10.0 per cent over the level at end-December 2011, but a decline of 11.5 per cent from the level at end-June 2011. The DMBs remained the dominant savings institution, accounting for 91.2 per cent of the total at end-June 2012, compared with 95.2 per cent at end-December 2011. Other institutions, including primary mortgage banks (PMBs), life insurance funds, the Nigerian Social Insurance Trust Fund (NSITF), and microfinance banks (MFBs) held the balance of 8.8 per cent. The ratio of institutional savings to first half 2012 GDP (at current basic prices) was 39.4 per cent, compared with 53.4 per cent in the corresponding period of 2011.

4.1.17Other Financial Institutions

4.1.17.1 Development Finance Institutions

Provisional data indicated that the total assets of the five (5) development finance institutions (DFIs), namely: Bank of Industry (BOI), Federal Mortgage Bank of Nigeria (FMBN), Nigerian Export Import Bank (NEXIM), Bank of Agriculture (BOA), and Infrastructure Bank (IB) increased by 5.8 per cent to ₦380.3 billion at end-June 2012. The paid-up share capital, deposits and loans/advances increased by 3.1, 28.7 and 25.0 per cent to ₦70.5 billion, ₦94.2 billion and ₦162.2 billion, respectively, at end-June

2012. Total shareholders' funds, however, declined by 8.1 per cent to ₦23.7 billion at end-June 2012. A disaggregation of the asset base of the institutions indicated that BOI, FMBN, NEXIM, BOA and IB accounted for 56.6, 18.2, 12.4, 10.0, and 2.8 per cent of the total, respectively. With the exception of the BOI, all the other DFIs were faced with dire operational challenges as evidenced in the increase in their aggregate losses from ₦42.6 billion at end-December 2011 to ₦47.1 billion at end-June 2012.

4.1.17.2 Microfinance Banks (MFBs)

Total assets/liabilities of the Microfinance Banks (MFBs)stood at ₦196.5 billion, representing an increase of 3.0 per cent above the level at end-December 2011. Similarly, the paid-up share capital, deposit liabilities and loans/advances increased by 8.1, 21.2 and 28.1 per cent, above the levels at end-December 2011, to ₦49.1 billion, ₦104.2 billion and ₦86.6 billion, respectively. However, aggregate reserves decreased from ₦2.0 billion at end-December 2011 to negative ₦1.6 billion at end-June 2012. Investible funds during the review period amounted to ₦53.3 billion. The funds were sourced mainly from increase in deposit liabilities (₦18.1billion), reduction in placements with banks (₦15.1 billion) and other liabilities (₦12.7billion). The funds were utilized mainly to redeem placements from banks (₦19.4 billion), increase loans/advances (₦18.9 billion) and short-term investments (₦5.4billion).

4.1.17.3 Discount Houses

Total assets/liabilities of the five (5) discount houses at end-June 2012 increased by 30.7 and 12.5 per cent to ₦361.0 billion, compared with ₦276.2 billion and ₦320.8 billion recorded in the corresponding period of 2011 and end-December 2011, respectively. The total funds sourced amounted to ₦46.2 billion, compared with ₦12.9 billion at end-June 2011. The funds were sourced mainly from claims on Federal Government (₦38.3 billion), increase in borrowings (₦3.5 billion) and other liabilities (₦4.4 billion). The funds were utilized mainly in the settlement of "money at call" (₦22.6 billion) and claims on banks (₦9.5 billion). Discount houses' investments in Federal Government securities of less than 91 days maturity amounted to ₦70.8 billion at end-June 2012, representing 25.5 per cent of their total deposit liabilities. This was 34.5 percentage points below the prescribed minimum of 60.0 per cent for fiscal 2012.

4.1.17.4 Finance Companies (FCs)

Total assets/liabilities of the finance companies (FCs) declined by 2.4 and 3.5 per cent to ₦113.5 billion at end-June 2012 from ₦116.3 billion and ₦117.6 billion at end-June 2011 and end-December 2011, respectively. Similarly, aggregate borrowing declined, by 14.0 and 14.7 per cent, to ₦67.8 billion, compared with ₦78.8 billion and ₦79.5 billion at end-December 2011 and end-June 2011, respectively. The paid-up capital and aggregate loans and advances of the sub-sector, however, increased by 1.0 and 0.3 per cent to ₦20.3 billion and ₦32.0 billion, respectively, in the review period. Investible funds accruing to the sub-sector amounted to ₦17.7 billion. The funds were sourced mainly from increase in other liabilities (₦7.0 billion) and a decrease in bank placements (₦10.3 billion) and were used mainly to settledebts (₦10.9 billion) and increase investments (₦4.3 billion) and other assets (₦1.7 billion).

4.1.17.5 Primary Mortgage Banks (PMBs)

Total assets/liabilities of the PMBs increased by 1.2 and 0.4 per cent to ₦361.4 billion at end-June 2012, compared with ₦357.1 billion and ₦360.0 billion recorded at end-December 2011 and the corresponding half of 2011, respectively. The paid-up capital and loans/advances increased by 5.7 and 9.6 per cent over the levels at end-December 2011 to ₦67.2 billion and ₦138.7billion, respectively, at end-June 2012. Deposit liabilities, fixed assets and other assets, however, declined by 2.8,23.4 and 17.9 per cent, respectively, to ₦177.8 billion, ₦18.0 billion and ₦50.3 billion at end-June 2012. Investible funds available to the PMBs, in the review period, amounted to ₦41.5 billion, compared with ₦23.1 billion at end-June 2011. The funds were sourced mainly from decrease in bank balances (₦12.1 billion), other assets

(₦11.0 billion), andfixed assets (₦5.5 billion). The funds were utilised mainly to increase investments (₦20.3 billion) and loans/advances (₦12.1 billion).

4.1.17.6 Asset Management Corporation of Nigeria (AMCON)

The Asset Management Corporation of Nigeria (AMCON) continued to play a significant role in resolving the banking sector crisis through the acquisition of the non-performing loans (NPLs) of the DMBs. At end-June 2012, the Corporation had issued bonds worth ₦5,397.0 billion since inception to purchase DMBs' toxic assets, provide financial accommodation to the recapitalized banks and acquire the bridge banks. Of the ₦3,275.0 billion acquired toxic assets as at June 2012, the sum of ₦253.6 billion involving 383 accounts had been restructured and were performing, and the sum of ₦52.8 billion had been recovered.

In line with the Memorandum of Understanding (MoU) signed between all the DMBs and the Bank, the Banking Sector Resolution Cost Sinking Fund was established. Based on the MoU, DMBs were required to make annual contribution of 30 basis points of their total asset based on their audited financial statement to the Fund over the next 10 years. In the event that the recoveries from the acquired toxic assets and the proceeds from the sale of the bridge banks are not enough to meet the repayment of the bonds, the Fund would be used to meet the shortfall without recourse to the Federal Government that guaranteed the bonds. AMCON's intervention coupled with improved risk management practices resulted in a sharp fall in the proportion of NPLs in the banking system from a mean of 10.4 per cent at end-June 2011 to 4.3 per cent at end-June 2012.

4.1.17.7 Bureaux-de-Change

4.1.18 Capital Market Developments

4.1.18.1 Institutional Developments

The Nigerian Stock Exchange (NSE) entered into an agreement with the NASDAQ OMX Group, Inc. to upgrade its cash equities trading platform to the NASDAQ OMX X-stream in order to enhance multi-asset trading. It was envisaged that the upgrade which would be rolled-out during the first half of 2013 would improve stakeholders' experiences on the Exchange through enhanced market flexibility, investors' awareness and adaptability. In addition, the Exchange launched its broker virtual private network (VPN) to facilitate high capacity and cost-efficient order management and execution of trades from broker-dealer offices.

The NSE reviewed its listing rules and requirements to enhance flexibility and attract smaller companies to the Exchange. A key element of the review was the reduction in the number of years for companies seeking listing on the main boards and Alternate Securities Market (Asen) must be in operation from five (5) and three (3) years to three (3) and two (years), respectively. The new listing rules and requirements became effective on April 1, 2012.

The NSE signed a Memorandum of Understanding with Lotus Capital for the development and management of a certified Shari'ah compliant index. The index known as "NSE Lotus Islamic Index" was developed to track the performance of Shari'ah compliant equities on the floor of the Nigerian Stock Exchange, thus further increasing the variety of investment classes in Nigeria.

As part of measures to enhance liquidity and improve the depth of the securities market, the Council of the Nigeria Stock Exchange appointed ten (10) primary market makers. The primary responsibility of market makers is to make a two-way price quote in each of the stocks in which they make markets.

In a public notice released on April 13, 2012, the Securities and Exchange Commission (SEC) directed that share certificates would be dematerialized by January 1, 2013. This involved the replacement of physical certificates and documents representing ownership of securities with an electronic process with the objective of facilitating a cost-efficient and effective processing of stock market transactions. All new stock market transactions, entered into, after the date of the public notice have, however, been dematerialized.

4.1.18.2 The Nigerian Stock Exchange (NSE)

The performance of the Nigeria Stock Exchange was mixed in the first half of 2012. In the primary market segment, 24.1 billion supplementary shares were listed, compared with 5.1 billion shares at end-June 2011. In the secondary segment of the market, the cumulative volume and value of securities traded declined by 8.6 and 15.0 per cent to close at 46.1 billion shares valued at ₦317.33 billion, in 444,951 deals, compared with 50.4 billion shares and ₦373.5 billion, in 733, 609 deals recorded in the corresponding period of 2011, respectively. The All-Share Index (ASI) and aggregate market capitalization rose by 4.2 and 20.4 per cent to close at 21,599.57 and ₦12.4 trillion, respectively compared with 20,730.6 and ₦10.3 trillion at end-December 2011.

4.1.18.3 New Issues Market

In the first half of 2012, there were twelve (12) and nine (9) new and supplementary listings, respectively, on the Exchange. The new issues comprised four (4) equities, five (5) corporate bonds, four (4) FGN Bonds and two (2) state government bonds. In addition, nine (9) companies were granted approval to conduct supplementary listings amounting to 24.1 billion shares.

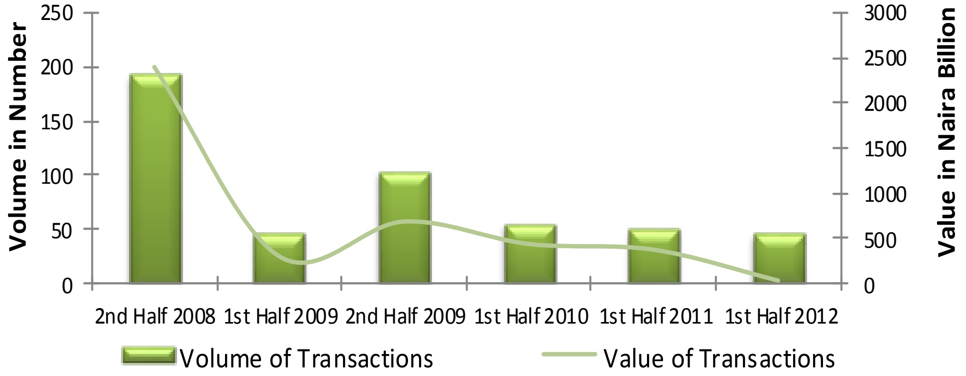
4.1.18.4 The Secondary Market

The cumulative volume and value of securities traded in the secondary segment of the market declined by 8.6 and 15.0 per cent to close at 46.1 billion shares valued at ₦317.33 billion, in 444,951 deals respectively, compared with 50.4 billion shares and ₦373.5 billion, in 733,609 deals recorded in the corresponding period of 2011. The equities sub-sector sustained its dominance in the secondary segment of the market as it accounted for 99.9 per cent of cumulative trade activities with the debt instrument accounting for the balance of 0.1 per cent. Listed equities accounted for 55.6 per cent of aggregate market capitalization, while the debt market accounted for the balance. Sectoral analysis of the developments in the market indicated that the banking sub-sector of the financial services sector remained the most active on the Exchange with a traded volume of 30.14 billion shares, valued at ₦182.48 billion in 217,364 deals at end-June 2012.

Cumulative transactions on the Over-the-Counter (OTC) bond segment of the market, indicated a turnover of 3.53 billion units worth ₦3.1 trillion in 23,279 deals in the first half of 2012, compared with a turnover of 6.1 billion units valued at ₦11.6 trillion in 30,753 deals in the corresponding period of 2011.

Figure 40

Volumes and Value of Transactions at the NSE

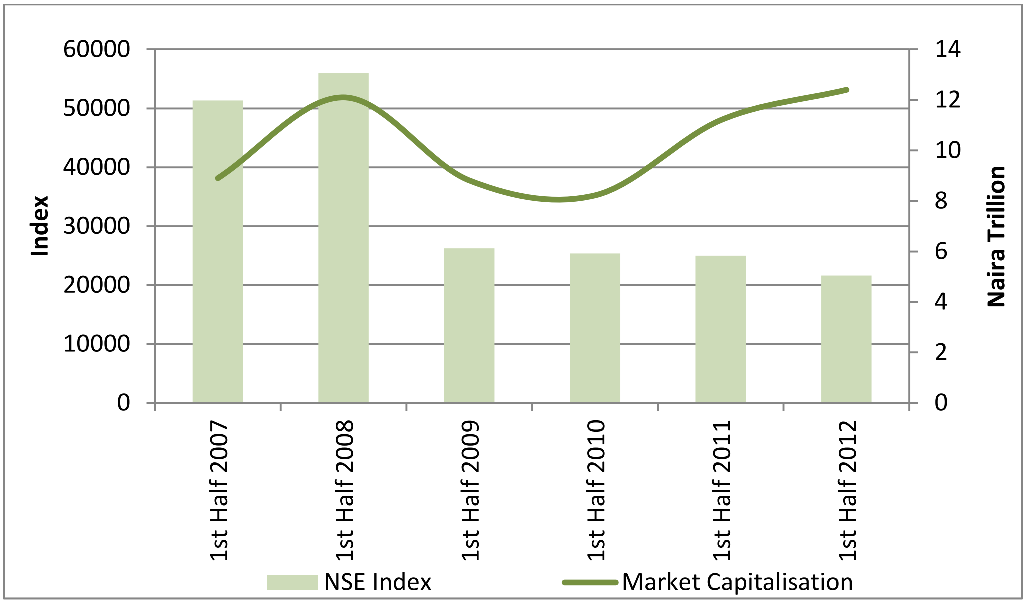


4.1.18.5 Value of All-Share Index

The All-Share Index (ASI) recorded improved performance relative to the level at end-December 2011. The NSE ASI increased by 4.2 per cent to 21,599.57 at end-June 2012, compared with 20,730.6 at end-December 2011. When compared with the level at end-June 2011, it, however, fell by 13.5 per cent. Aggregate market capitalization of all listed securities closed at ₦12.4 trillion, indicating an increase of 10.7 per cent over the level in the corresponding period of 2011. Listed equities accounted for 55.6 per cent (₦6.9 trillion), while the debt component accounted for the balance of 44.4 per cent (₦5.5 trillion) of the aggregate market capitalization. As a percentage of estimated nominal GDP, aggregate market capitalization stood at 64.8 per cent, compared with 73.2 per cent recorded at end-June 2011.

Figure 41

Market Capitalisation and NSE Value Index



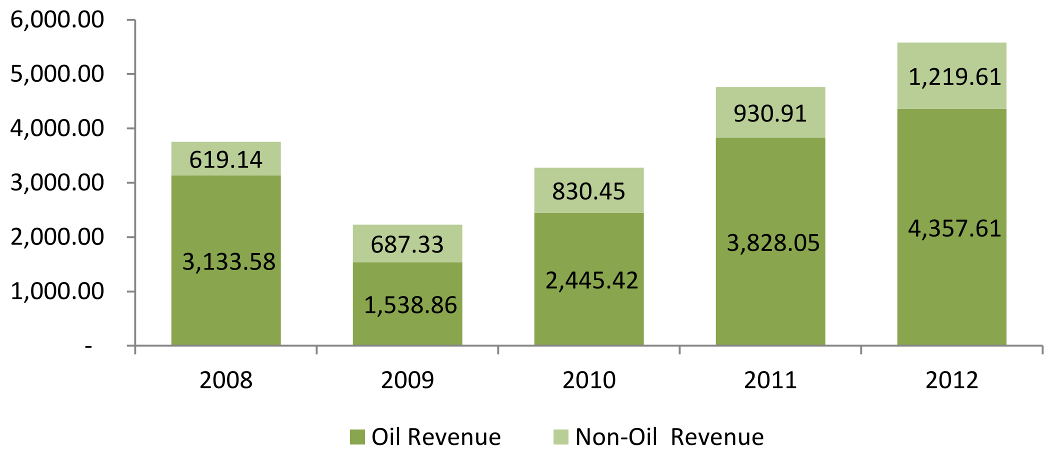
4.2 FISCAL OPERATIONS

4.2.1 Federation Accounts Operations

Provisional data indicated that total federally-collected revenue (gross) stood at ₦5,577.22 billion in the first half of 2012. At this level, it was higher than both the proportionate budget estimate and the actual revenue in the corresponding period of 2011 by 15.1 and 17.2 per cent, respectively. The increase in federally-collected revenue relative to the budget estimate was largely attributed to the rise in oil revenue arising from high crude oil prices which averaged US$115.05 per barrel in the international market. Further analysis indicated that oil-revenue constituted 78.1 per cent of the total, while non-oil revenue accounted for the balance of 21.9 per cent. At ₦4,357.61 billion, gross oil-revenue exceeded the proportionate budget estimate and the level in the corresponding period of 2011 by 31.3 and 13.8 per cent, respectively. The non-oil revenue, at ₦1,219.61 billion, was lower than the proportionate budget estimate, but higher than the actual revenue in the corresponding period of 2011 by 20.2 and 31.0 per cent, respectively.

Figure 42

Structure of Gross Federation Revenue, Half Year 2008-2012 (Naira Billion)



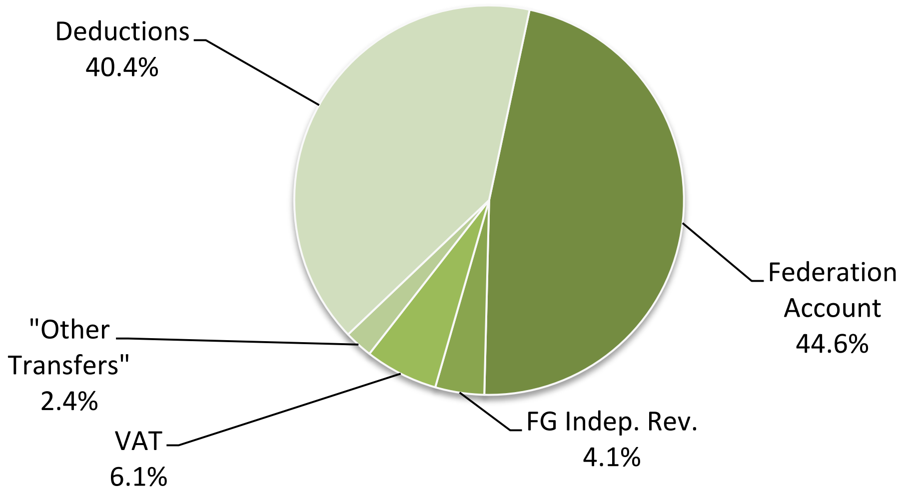
Of the total federally-collected revenue (gross), the sum of ₦2,624.68 billion or 47.1 per cent was transferred to the Federation Account; ₦226.70billion or

4.1 per cent to the FG Independent revenue, ₦338.64 billion or 6.1 per cent to VAT Pool Account and ₦131.37 billion or 2.4 per cent to other transfers (including Education Tax Fund, Customs Special Levies and National Information Technology Development Fund). Deductions from oil revenue in respect of the Joint Venture Cash Call, Excess Crude Oil, Excess PPT/Royalty, Domestic Subsidy and others accounted for ₦2,214.56 billion or 39.7 per cent, while the balance of ₦41.27 billion or 0.6 per cent was transferred as cost of revenue collection to the Federal Inland Revenue Service (FIRS) and the Nigerian Customs Service (NCS).

Figure 43

Breakdown of Federally-Collected Revenue: First Half, 2012

(per cent)



4.2.1.1 Federation Account Distribution

The sum of ₦2,624.68 billion was distributed to the three tiers of government from the Federation Account in the first half of 2012, indicating a shortfall of 13.61 per cent relative to the proportionate budget estimate, but exceeded the amount distributed in the corresponding period of 2011 by 23.7 per cent. The Federal Government received the sum of ₦1,235.92 billion, while the states and local governments collected ₦626.87 billion and ₦483.29 billion, respectively. The balance of ₦278.60 billion was allocated to the 13% Derivation Fund for distribution among the oil producing States.

Furthermore, the sums of ₦75.00 billion, ₦165.62 billion and ₦462.02 billion were distributed as share of Excess Crude Account, Subsidy Re-Investment and Empowerment Programme (SURE-P)/Exchange Rate Gain/NNPC Refund and revenue augmentation, respectively. This brought the total federation revenue distributed among the three tiers of government including the 13% Derivation Fund to ₦3,327.33 billion. A breakdown indicated that the Federal Government received ₦1,537.01 billion (including Special Funds); state governments, ₦802.04 billion; local governments, ₦618.34 billion; while the sum of ₦369.94 billion was allocated as 13% Derivation Fund.

4.2.1.2 VAT Pool Account

The sum of ₦338.64 billion accrued to the VAT Pool Account in the first half of 2012, representing a decline of 12.1 per cent from the proportionate budget estimate, but 14.9 per cent higher than the level in the corresponding period of 2011. The distribution among the three tiers of government indicated that the Federal Government received ₦50.80 billion, while the states and local governments shared ₦169.32 billion and ₦118.52 billion, respectively.

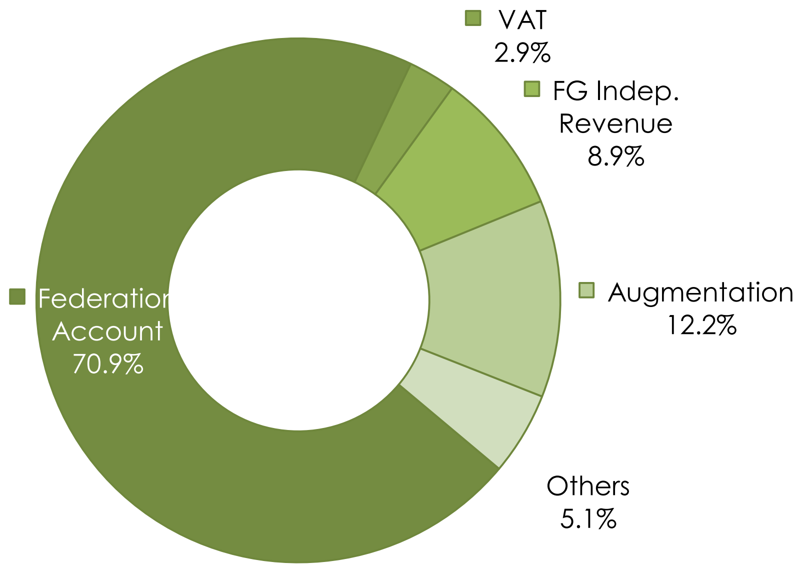
4.2.2 Federal Government Finances

4.2.2.1 Federal Government Retained Revenue

At ₦1,741.98 billion, the Federal Government's retained revenue was lower than the proportionate budget estimate by 12.4 per cent, but higher than the level in the corresponding period of 2011 by 33.2 per cent. The shortfall in the retained revenue relative to the proportionate budget estimate was largely attributed to the drop in the actual amount shared from both the Federation Account and SURE-P. Analysis of the retained revenue revealed that the share from the Federation Account was ₦1,235.92 billion or 70.9 per cent, VAT Pool Account ₦50.80 billion or 2.9 per cent, Federal Government Independent Revenue ₦154.17 billion or 8.9 per cent, share of excess crude account (including budget augmentation as well as SURE-P) amounted to₦278.71 billion or 16.0 per cent, while "others" accounted for ₦22.38 billion or 1.3 per cent.

Figure 44

Composition of Federal Government Retained Revenue, First Half 2012 (per cent)

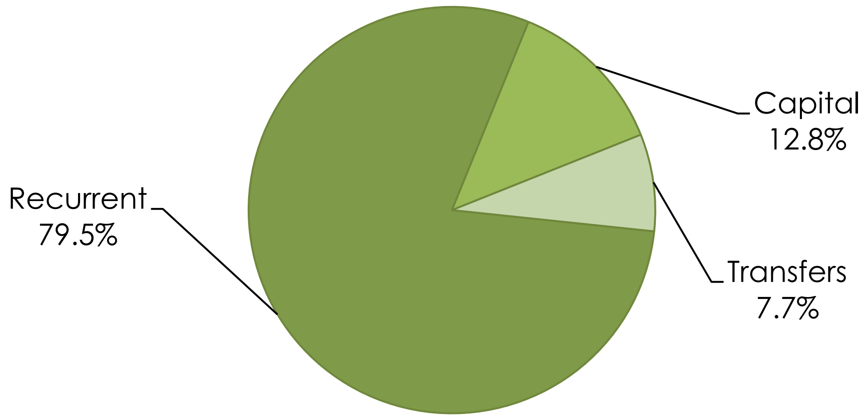


4.2.2.2 Total Expenditure of the Federal Government

Provisional data showed that aggregate expenditure of the Federal Government stood at ₦2,023.80billion or 10.6 per cent of GDP in the first half of 2012. This was 20.9 per cent lower than the proportionate budget estimate, but 3.3 per cent higher than the level in the corresponding period of 2011. The lower aggregate expenditure relative to the proportionate budget estimate largely reflected the delayed disbursement of capital outlays and transfers. Of the total amount disbursed, recurrent and capital expenditures accounted for 79.5 and 12.8 per cent, respectively, while transfers accounted for the balance of 7.7 per cent.

Figure 45

Composition of Federal Government Expenditure, First Half 2012 (per cent)

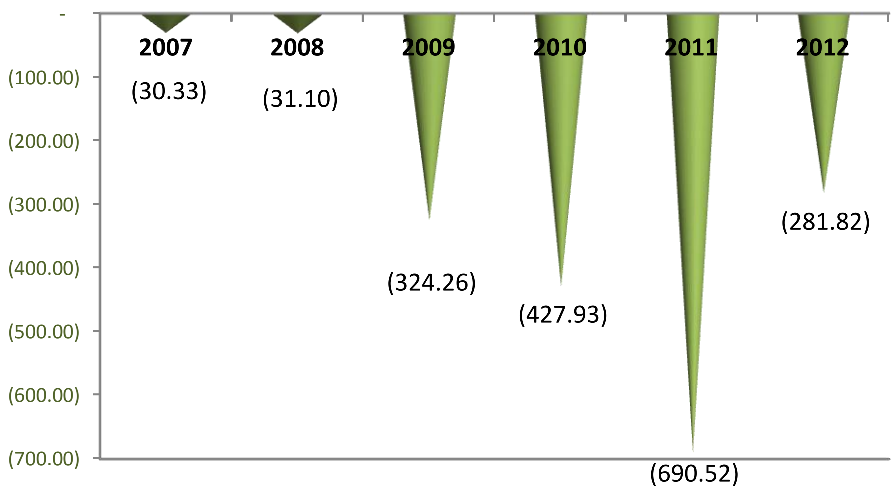


The economic classification of the recurrent expenditure showed that ₦1,194.31 billion or 6.2 per cent of GDP was expended on goods and services, ₦314.46 billion or 1.6 per cent of GDP on interest payments, while transfers appropriated ₦99.67 billion or 0.5 per cent of GDP. The expenditure on social and community services fell by 9.6 per cent to ₦259.56 billion or 1.4 per cent of GDP as against the ₦287.08 billion or 1.6 per cent of GDP recorded in the corresponding period of 2011. Similarly, the expenditure on economic services declined by 33.2 per cent to ₦130.46 billion or 0.7 per cent of GDP, from ₦195.35 billion or 1.1 per cent of GDP in the first-half of 2011.

Provisional data on the functional classification of the Federal Government's capital expenditure in the first-half of 2012 revealed that aggregate capital releases for economic services fell by 17.7 per cent below its level in the first half of 2011 to ₦97.82 billion or 0.5 per cent of GDP and accounted for 37.7 per cent of the total releases. Social and community services accounted for 15.3 per cent of the total but declined by 27.8 per cent from the level in the corresponding period of 2011 to ₦39.62 billion or 0.2 per cent of GDP in the first half of 2012. The outlay on administration accounted for 43.8 per cent of the total and decreased by 4.7 per cent to ₦113.61 billion or 0.6 per cent of GDP. Overall, total capital releases at ₦259.25 billion was 38.7 per cent of the proportionate budget estimate of ₦669.99 billion in the first-half of 2012.

The fiscal operations of the Federal Government in the first half of 2012 resulted in an overall notional deficit of ₦281.82 billion or 1.5 per cent of GDP as against the proportionate budget deficits of ₦568.10 billion or 3.0 per cent of GDP and the deficit of ₦650.23 billion or 3.7 per cent of GDP recorded in the corresponding period of 2011. The deficit was financed from domestic sources, mainly, the FGN Bonds.

Figure 46
Federal Government Fiscal Balance
(Naira Billion)



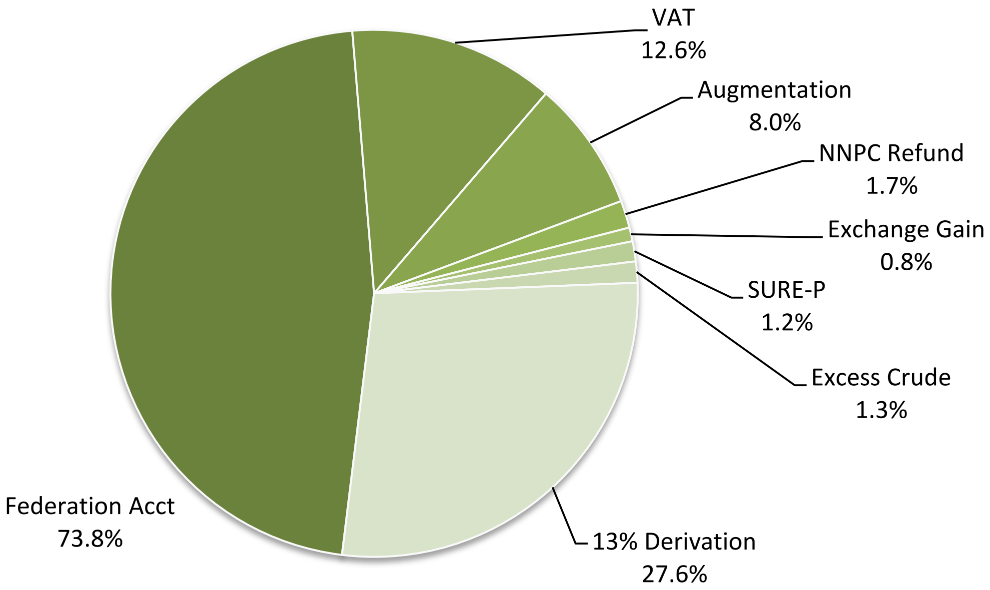
4.2.3 State Government Finances

Gross statutory allocation to state governments from the Federation Account in the first half of 2012 amounted to ₦1,341.30 billion which represented an increase of 35.9 per cent above the level in the corresponding period of 2011. However, the sum of ₦86.33 billion was deducted from the gross share, as state governments' commitment in respect of various contractual obligations, namely, contribution to external debt service fund, National Water Rehabilitation Projects, National Agricultural Technology Support Programme, Commercial Agricultural Credit Scheme (CACS), Payment for Fertilizer, National Programme for Food Security, State Bond Issuance Programmes and the National Fadama Project. This resulted in a net statutory allocation of ₦1,254.97 billion which represented an increase of 33.2 per cent from the level in the first half of 2011.

The net statutory allocation comprised: share of Federation Account, ₦626.86 billion; 13% Derivation Fund, ₦369.95 billion; VAT, ₦169.32 billion; NNPC refund, ₦22.45 billion; SURE-P, ₦16.53 billion; exchange gain, ₦11.35 billion; Excess Crude, ₦17.44 billion and revenue augmentation, ₦107.40 billion. The share of VAT increased by 14.9 per cent, while revenue augmentation declined by 4.1 per cent. In terms of contribution, the share from the Federation Account (including augmentation) was 86.5 per cent, while VAT contributed the balance of 13.5 per cent.

Figure 47

Composition of Total Allocations to State Governments, First Half 2012 (per cent)

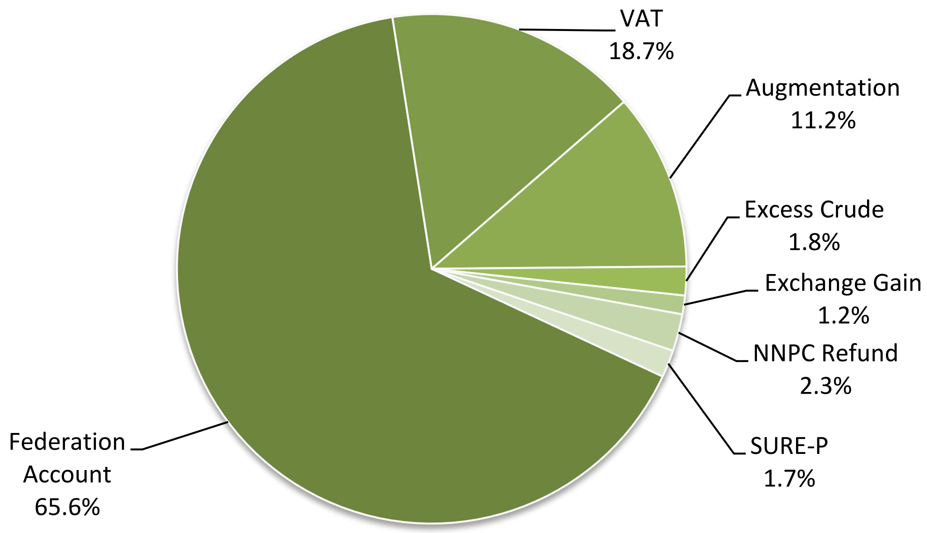


4.2.4 Local Government Finances

Aggregate statutory allocation to the 774 local governments from the Federation Account (including budget augmentation and others) and VAT Pool Account was ₦736.86 billion in the first half of 2012. This was higher than the total allocation in the corresponding period of 2011 by 33.9 per cent. The revenue comprised allocations from the Federation Account, ₦483.29 billion or 65.6 per cent; the share of Excess Crude Account, ₦13.44 billion or 1.8 per cent; share of revenue augmentation, ₦82.81 billion or 11.2 per cent; exchange gains, ₦8.75 billion or 1.2 per cent; NNPC Refunds, ₦17.31 billion or 2.3 per cent; SURE-P, ₦12.74 billion or 1.7 per cent and VAT Pool Account, ₦118.52 billion or 16.1 per cent.

Figure 48

Composition of Total Allocations to Local Governments, First Half 2012 (per cent)



4.2.5 Public Debt

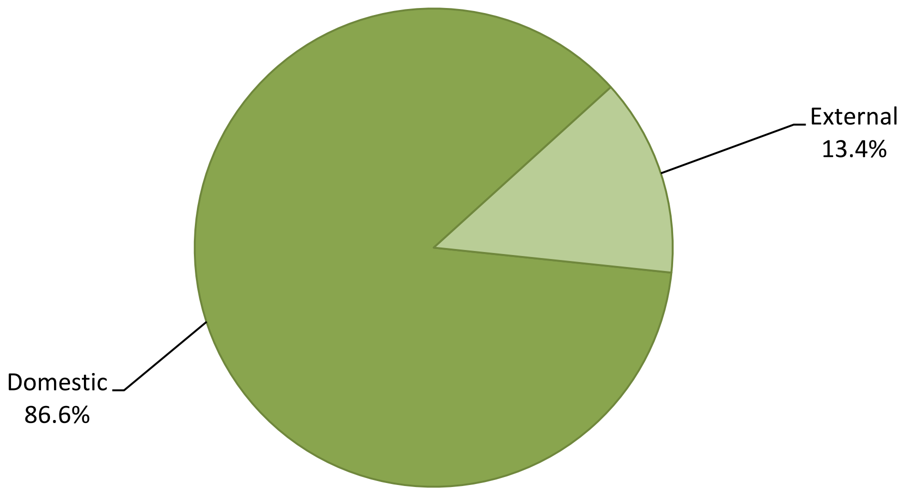
4.2.5.1 Consolidated Government Debt

The stock of Federal Government consolidated debt at end-June 2012 stood at ₦7,103.48 billion or 17.9 per cent of GDP. This represented an increase of 17.6 per cent over the level at end-June 2011. The breakdown showed that the domestic debt was ₦6,152.87 billion or 86.6 per cent, while the external debt amounted to ₦950.61 billion (US$6.04 billion) or 13.4 per cent of the total.

Figure 49

Composition of Federal Government Consolidated Debt, First Half 2012

(per cent)



4.2.5.2 Domestic Debt

The Federal Government's outstanding securitized domestic debt at end-June 2012 amounted to₦6,152.87 billion or 15.5 per cent of GDP, representing an increase of 18.1 per cent over the level in the corresponding period of 2011. The rise was due to the additional issuance of treasury bills and FGN Bonds to bridge the FGN's revenue shortfall during the review period. At ₦3,824.81 billion or 62.2 per cent of the total, the banking system remained the dominant holder of the total outstanding domestic debt instruments.The total holdings of the non-bank public during the period stood at ₦2,166.11 billion or 35.2 per cent, while the Sinking Fund accounted for the balance of ₦161.95 billion or 2.6 per cent.

4.2.5.3 External Debt

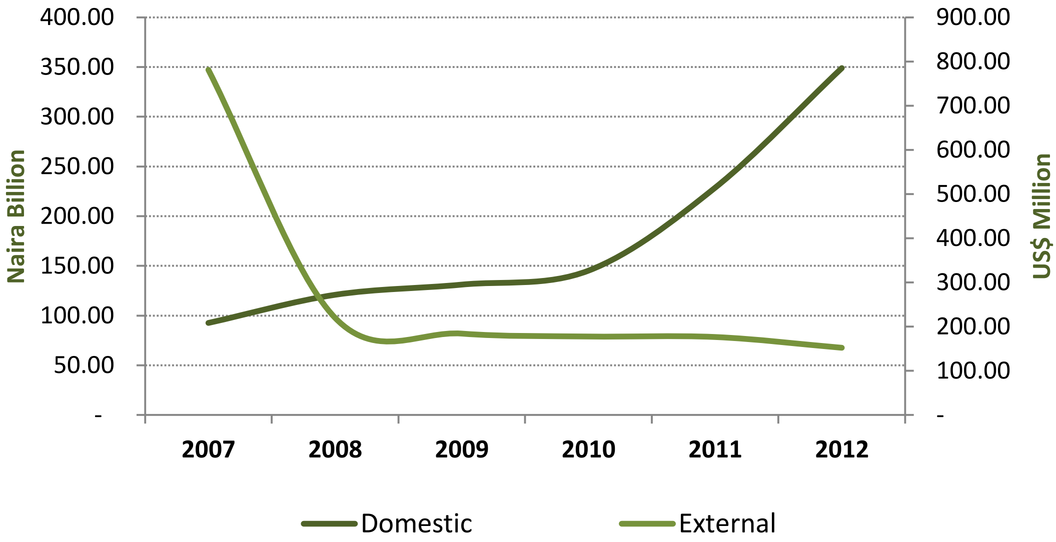
The Federal Government's stock of external debt at end-June 2012 was US$6.04 billion (₦950.61 billion) or 2.4 per cent of GDP. This represented an increase of 11.8 per cent from the level at end-June 2011. Further analysis indicated that 82.0 per cent was owed to the multilateral creditors, while the balance of 18.0 per cent went to non-Paris Club bilateral and commercial debts.

4.2.5.4 Total Debt Service Payments

The total debt service payment of the Federal Government in the first-half of 2012 stood at ₦372.89 billion or 1.9 per cent of GDP. This represented an increase of 45.9 per cent from the level recorded in the first-half of 2011. The breakdown showed that the domestic debt service was ₦348.90 billion or 93.6 per cent, while the external debt service amounted toN23.99 billion (US$0.15 billion) or 6.4 per cent of total.

Figure 50

Trends in Federal Government Debt Service, First Half 2007 - 2012



At ₦348.90 billion, domestic debt service payment was 52.6 per cent above the level at end-June2011. External debt service payments amounted to US$0.15 billion indicating a decline of 13.8 per cent from the level in the corresponding period of 2011. A breakdown of the external debt service payments showed that 41.9 per cent was paid to the multilateral institutions, while 'other creditors' including Euro Bond accounted for the balance of 58.1 per cent.

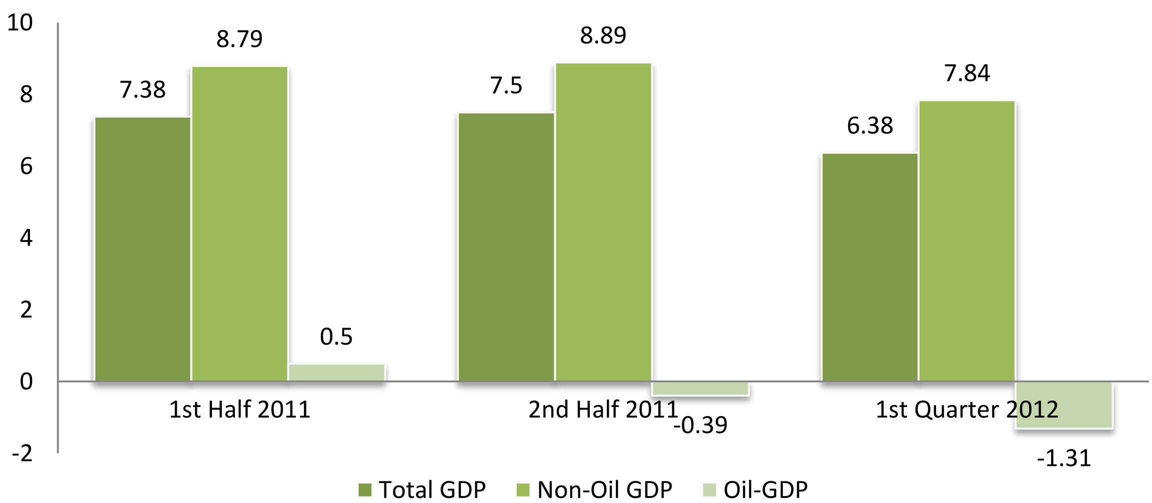
4.3 REAL SECTOR DEVELOPMENTS

Provisional data from the National Bureau of Statistics (NBS) indicated that the Gross Domestic Product (GDP) at 1990 constant basic prices grew by 6.4 per cent in the first half of 2012, compared with 7.4 per cent recorded in the first half of 2011. The growth was driven by the non-oil sector, which rose by 7.8 per cent. The oil sector fell by 1.3 per cent. The growth in the non-oil GDP was largely driven by improved activities in agriculture and services with respective growth rates of 4.1and 13.8 per cent. Wholesale and retail trade,and building and construction and industry grew by 8.4, 12.9 and 0.1 per cent, respectively. Services was the dominant sector in terms of contribution, with a relative contribution of 2.8 per cent to the GDP growth. It was followed by, wholesale and retail trade, agriculture, building and construction, with relative contributions of 1.7, 1.6, and 0.3 per cent, respectively. Thelow performance of the oil sector was largely as a result of the fall in crude oil production.

Figure 51

GDP Growth Rate

(per cent)



4.3.1 Agriculture

4.3.1.1 Agricultural Policies and Institutional Support

The Agricultural Transformation Action Plan (ATAP) attracted significant financial support from the international donor community in the first half of

2012. These support included: the World Bank (US$500 million), International Fund for Agricultural Development (US$80 million to facilitate the inclusion of 40 per cent cassava flour in bread initiative and US$500,000 as grant to support the agricultural value chain programme of the Government), China EXIM Bank (US$1.5billion), Ford Foundation (US$750,000), and Department for International Development (£130,000).

The Federal Government sustained efforts at creating an investment friendly environment in the agricultural sector through fiscal and trade policies. Pursuant to this, machineries and specified equipment for the sector were exempted from duty payments. The ban on importation of cassava flour became effective, while tariff on imported rice was raised by 9.0 per cent to protect domestic growers. As a further incentive to encourage the substitution of high quality cassava flour for wheat flour in bread, a corporate tax rebate of 12.0 per cent was instituted for bakers on attainment of 40.0 per cent cassava blend for 18 months.

The implementation of the Growth Enhancement Support (GES) schemethat would ensure that farmers obtained the necessary agricultural inputs to raise productivity and profitability, progressed. To this end, seventeen (17) major suppliers were selected to feed about 2,500 agro-dealers spread across the country. Furthermore, a total of 1,506.3 tonnes of improved cotton seed were distributed through nine (9) ginneries in the cotton-growing states of Katsina, Kano, Jigawa, Kebbi, Zamfara, Sokoto and Kaduna states.

The use of integrated mills as channels for seed distribution to rice farmer clusters around the mills commenced. Thus far, about 385.5 tonnes of improved variety of rice seeds were deposited with twelve large mills in Ebonyi, Taraba, Benue, Kano, Enugu, Cross River, Nasarawa, Jigawa, Bauchi and Zamfara states for free distribution to outgrowers. Also, eight (8) new high yielding fast maturing cocoa hybrids and four (4) high yielding sorghum varieties were distributed to revolutionize the production of these commodities. Furthermore, a national farmers' census aimed at producing a comprehensive database of farmers in the country was carried out, and a total of 4,500,000 farmers have been registered, thus far.

To promote the processing segment of the agricultural value chain, the government facilitated the procurement and installation of eighteen (18) large scale industrial processing plants with capacity of 1.3 million tonnes of high quality cassava flour. Government also supported the establishment of three (3) new rice processing mills in Ebonyi, Niger and Kebbi States with a combinedcapacity of 90,000 tonnes of milled rice.

Under the marketing component, government facilitated a two-year contract for the supply of 1.1 million tonnes of cassava chips with export revenues of US$136.0 million annually for Nigeria. In addition, government committed about ₦170 million to produce about 800,000 50kg capacity cotton cloth bags for distribution to farmers through nine (9) ginneries.

4.3.1.2 Agricultural Production and Prices

The growth in agricultural output observed in 2011 slowed marginally in the first half of 2012. At 250.7 (1990=100), the provisional aggregate index of agricultural production increased by 4.1 per cent, compared with 5.6 per cent in the first half of 2011. All the sub-sectors contributed to the observed growth. The output of staples and other crops increased by 4.1 and 4.0 per cent, compared with 5.6 and 5.5 per cent, respectively, in the corresponding period of 2011. The output of livestock, fisheries, and forestry rose by 6.1, 6.0, and 5.9 per cent, respectively, compared with their levels a year ago.

The development in agricultural production was attributed largely to good weather, particularly the adequate and well-distributed rainfall across the country. The several intervention measures of the government under the ATAP also boosted agricultural production.

The prices of most of Nigeria's major agricultural export commodities at the London commodities market declined in the first half of 2012. Four of the six commodities monitored, namely soya bean, cocoa, coffee and copra declined by 1.6, 28.0, 29.4 and 52.6 per cent, respectively. Consequently, at 331.2 (1990=100), the all-commodities price index, in dollar terms, declined by 26.2 per cent below the level in the first half of 2011. The price decline was as a result of reduced demand associated with the macroeconomic uncertainties arising from the eurozone sovereign debt crises and the slower-than expected growth in China and India. However, the indices of palm oil and cotton increased by 1.9 and 25.4 per cent, respectively, due to supply shortages occasioned by adverse weather condition in some producing countries.

4.3.2 Industry

4.3.2.1 Industrial Policy and Institutional Support

The government in its bid to increase the contribution of manufacturing to gross domestic product (GDP) and also create competitive advantage for Nigeria through industrial productivity, launched the Industrial Revolution Plan in the first half of 2012. The plan aimed at reviving and transforming the manufacturing sector to a virile and dynamic sector particularly in the areas that the country has comparative and competitive advantages e.g. agro and agro-allied sub-sector and mining and non-metallic mineral products sector. The strategy for the plan include development of industrial infrastructure through dedicated power supply to industrial clusters among others; increase innovation and development of appropriate technology particularly developing green technology for sustainable development; improvement in business environment through rationalization and simplification of business registration; and development of skills required to increase industrial productivity through the National Industrial Skills Development Project.

Pursuant to the reforms in the power sector, the Federal Government signed Memoranda of Understandings (MoUs) with several companies and countries to boost electricity generation capacity. The MoUs included: generation of 10,000 megawatts of electricity with a South Korean Company, Daewoo

Engineering and Construction Company Limited; Siemens of Germany for the provision of 10,000MW of power generation infrastructure and the US Exim Bank to provide US$1.5billion credit to the Nigerian power sector. There was also an MOU with two French companies (Electricite de France, EDF and Enterprise de Transporte et Distribution D'electricity, ETDE)) to expand the transmission network for about US$200 million. The companies would undertake a feasibility study for transmission upgrade, and thereafter, select and construct a high voltage transmission line and sub-stations. In addition, the Federal Government awarded the management of the Transmission Company of Nigeria to Manitoba Hydro International, Canada for three years in the first instance.

The Multi-Year Tariff Order II (MYTO II) regime took off in June with electricity tariff increasing by an average of 11.0 per cent. The new tariff structure was aimed at attaining cost-effective pricing that would attract private sector investment in the generation, distribution and transmission of power in the country.

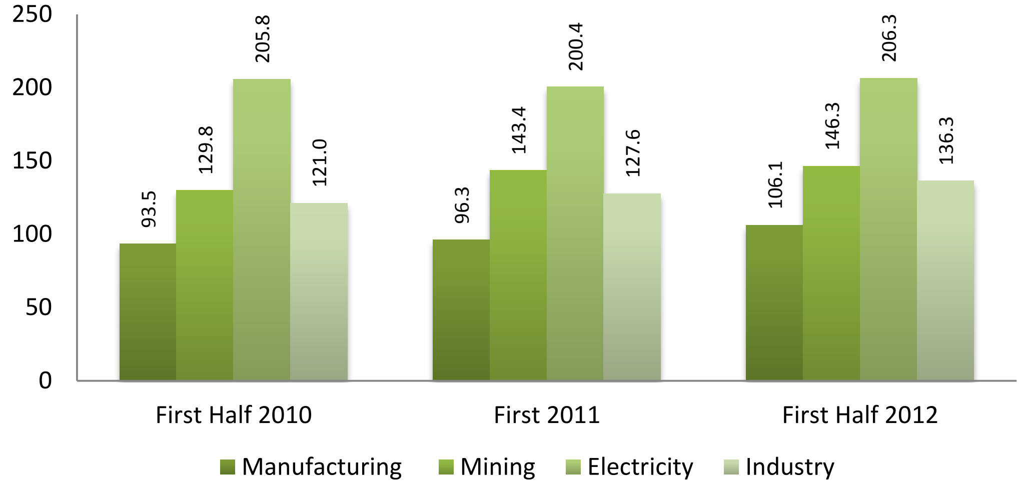
4.3.2.2 Industrial Production

Provisional data indicated improved performance in aggregate industrial output in the first half of 2012. The index of industrial production, at 136.3 (1990=100), rose by 5.8 per cent, compared with the level in the corresponding period of 2011. The increase in output was attributed to all the sub-sectors with manufacturing, mining and electricity consumption increasing by 7.3, 4.1, and 1.7 per cent, respectively.

Figure 52

Industrial Production Index, Half Year 2010 – 2012

(1990=100)



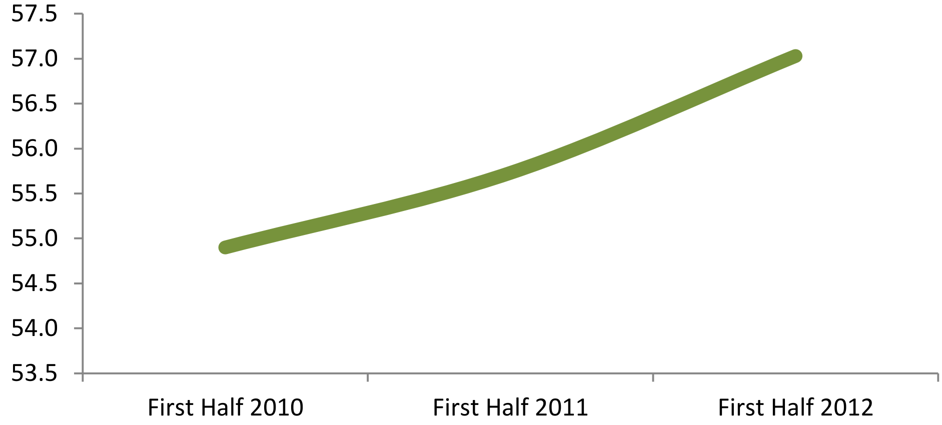
4.3.2.3 Manufacturing

At 106.1 (1990=100), the estimated index of manufacturing production rose by 7.3 per cent relative to the level in the corresponding period of 2011. The performance of the manufacturing sub-sector during the review period was attributed largely to increased aggregate demand. The average manufacturing capacity utilisation estimated at 57.0 per cent rose by 1.3 percentage points over the level attained in the corresponding period of 2011. The performance of the manufacturing sub-sector continued to be constrained by infrastructural deficiencies andcheap imports.

Figure 53

Average Manufacturing Capacity Utilisation, Half Year 2010 – 2012

(Per cent)

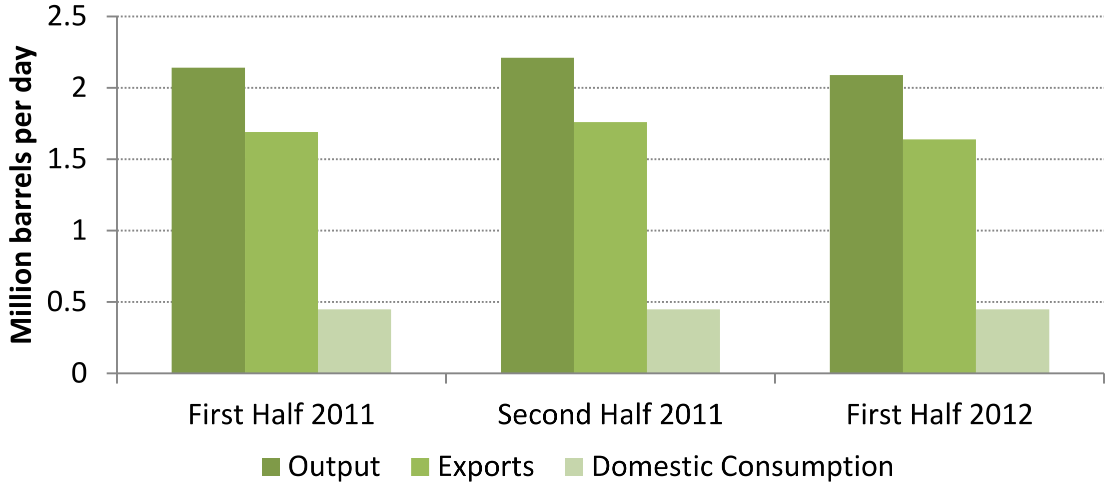


4.3.3 Crude Oil

4.3.3.1 Crude Oil Production

Nigeria's estimatedtotal crude oil production, including condensates averaged 2.09 mbd or 382.47 million barrels in the first half of 2012, representing a decline of 2.34 per cent below the average of 2.14 mbd or 389.48 million barrels recorded in the first half of 2011. The development was attributed to the increased vandalism of oil pipelines and crude oil theft in the Niger Delta region. Aggregate crude oil export for the period under review was estimated at 1.64 mbd or 300.12 million barrels compared with 1.69 mbd or 307.58 million barrels recorded in the corresponding half of 2011.

Figure 54
Crude Oil Production and Exports

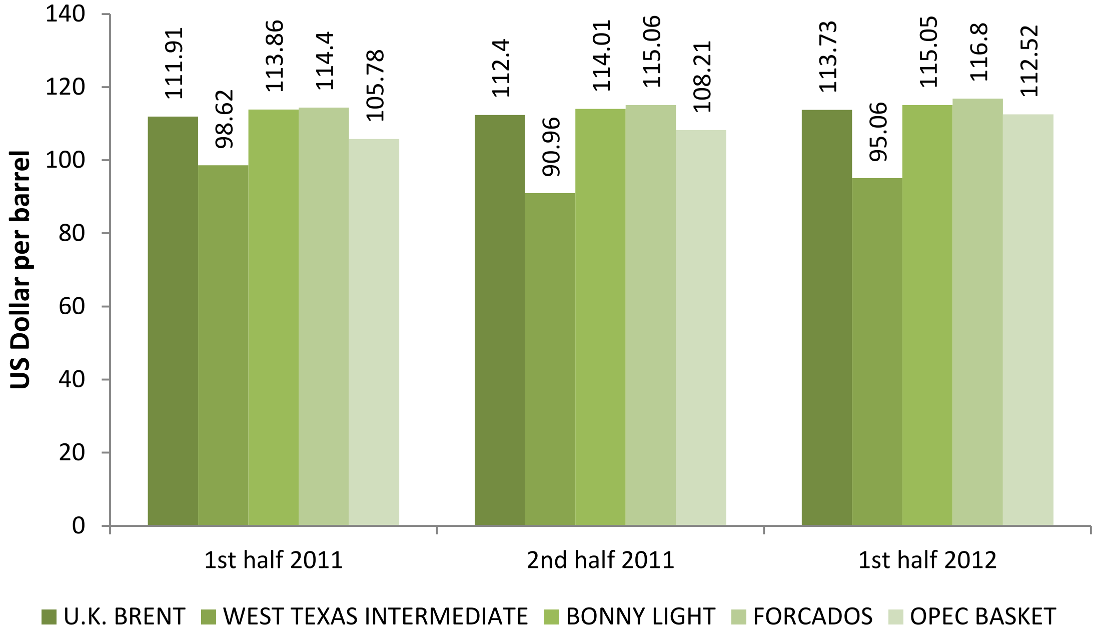


4.3.3.2 Crude Oil Prices

At the International oil market, the spot price of Nigeria's reference crude, the Bonny Light (37° API) increased by 1.0 per cent above its level in the first half of 2011 to US$115.05 per barrel. The average prices of the UK Brent and Forcados also increased by 1.6 and 2.1 per cent to US$113.73 per barrel and US$116.80 per barrel, respectively, compared with the level in the corresponding half of 2011. The development was attributed to the tension in the Middle East, especially the sanctions on Iranian oil imports and the threat by Iran to close the Strait of Hormuz, a major oil trading route. However, the price of West Texas Intermediate fell by 3.6 per cent to US$95.06 per barrel. Overall, average price of the OPEC Basket of twelve crude streams was US$112.52 per barrel in the first half of 2012, compared with US$105.78 per barrel recorded during the first half of 2011 and US$108.21 per barrel in the second half of 2011.

Figure 55

Average Spot Prices of Selected Crudes Traded in the International Oil Market



Source: Reuters

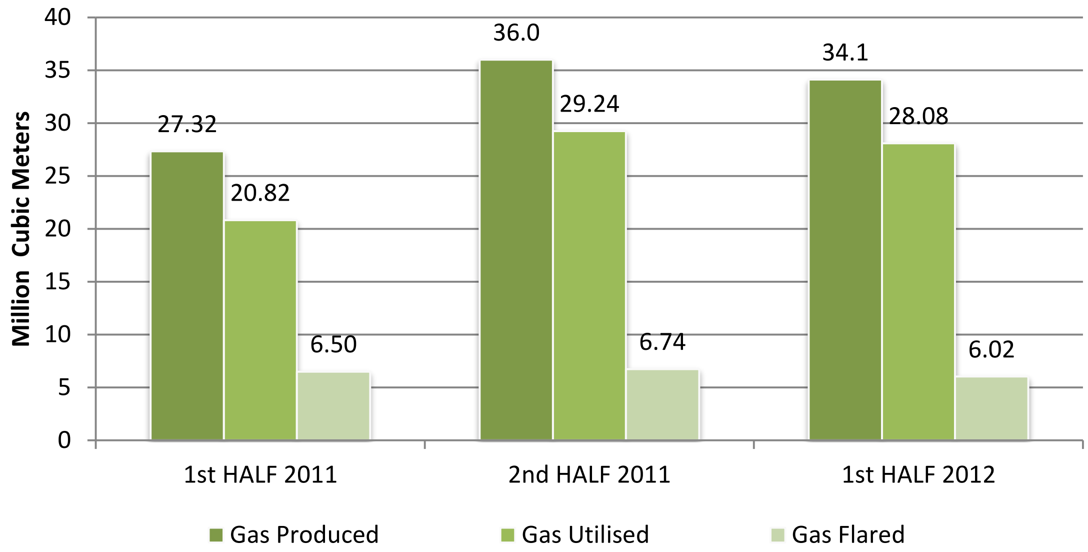
4.3.4 Gas

The Federal Government initiated some far-reaching measures to curb the persistent shortfall in gas supply to thermal power stations. The measures included: the declaration of a 12-month emergency on supply of gas to power plants across the country and the restructuring of the Gas Aggregation Company of Nigeria Limited (GACN) to meet up with the increasing demand for gas to power plants.

Total associated gas produced during the review period was estimated at 34.10 million cubic metres (MMm^3), indicating an increase of 24.82 per cent from the level in the corresponding period of 2011. Total volume of gas utilized was 28.08 MMm^3, while total gas flared was estimated at 6.02 MMm^3 indicating a decrease of 7.38 per cent from the level in the first half of 2011.

Figure 56

Gas Production and Utilisation

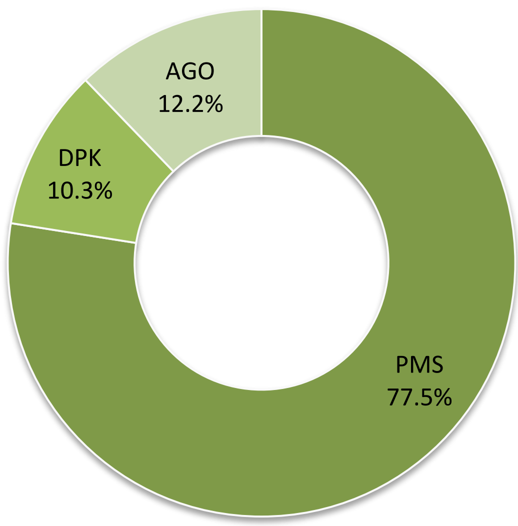


4.3.5 Petroleum Products

The estimated quantity of petroleum products distributedduring the review period by the major and independent marketing companies was put at 3,288.10 million litres made up of 2,467.15 million litres of Premium motor spirit (PMS), 366.69 million litres of household kerosene (HHK) or dual purpose kerosene (DPK) and 454,26 million litres of automotive gas oil (AGO).

Figure 57

Consumption of Petroleum Products, First Half of 2012



4.3.6 Solid Minerals

Provisional data from the Federal Ministry of Mines and Steel Development showed that solid minerals production increased by 27.8 per cent to 12.9 million tonnes in the first half of 2012 relative to the level in the corresponding period of 2011. Increased output of some principal minerals such as marble aggregates, limestone, clay, shale, columbite and iron ore accounted for the growth.

4.3.7 Electricity Generation

At 3,262.9 megawatts per hour (Mw/h), average total electricity generation rose by 14.2 per cent above the 2,800.0 Mw/h attained in the same period of 2011. The improvement was attributed to the commissioning of three newly-completed power stations in Sapele, Olorunsogo and Omotosho with a combined capacity of 1,025 Mw/h. The completion of maintenance works in some stations and increased gas supply to the thermal plants also contributed to the increase in power generation.

4.3.8 Electricity Consumption

Provisional data showed that at 2,202.08 Mw/h, average total electricity consumption in the country fell by 21.4 per cent below the level in the first half of 2011. The decline in electricity consumption was attributed to inefficiencies in transmission and distribution infrastructure, which culminated in energy loss along the transmission and distribution channels.

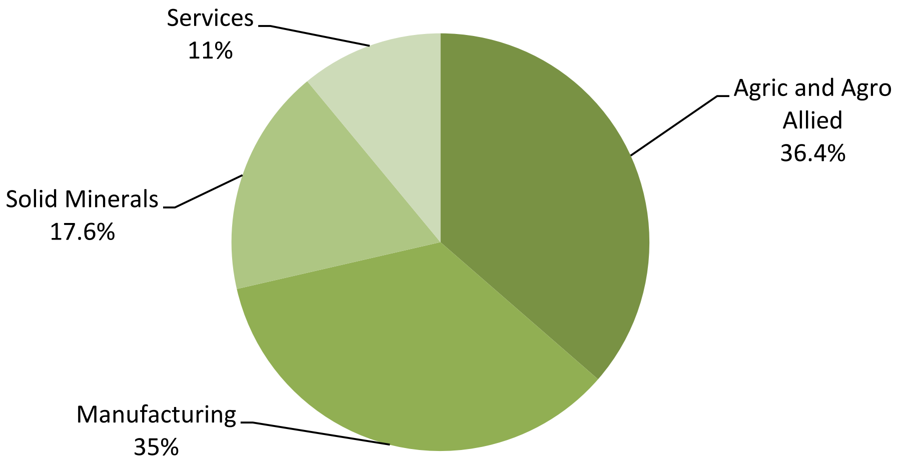
4.3.9 Industrial Financing

4.3.9.1 NEXIM

Total disbursement by Nigeria Export Import Bank (NEXIM) at end-June, 2012, stood at ₦4,457.3 million, representing a 3.1 per cent decline when compared with the corresponding period of 2011. Of this amount, ₦3,707.3 million, and ₦750.0 millionwere disbursed under the Direct Lending Facilities and Stocking Facility, respectively.A sectoral breakdown ofthe disbursement indicated that agriculture and agro-allied sector benefited most from export credit accounting for 36.4 per cent of the total, followed by manufacturing, solid mineral and the services sectors which received 35.0, 17.6, and 11.0 per cent, respectively.

Figure 58

Sectoral Disbursement of NEXIM Loans, First Half 2012



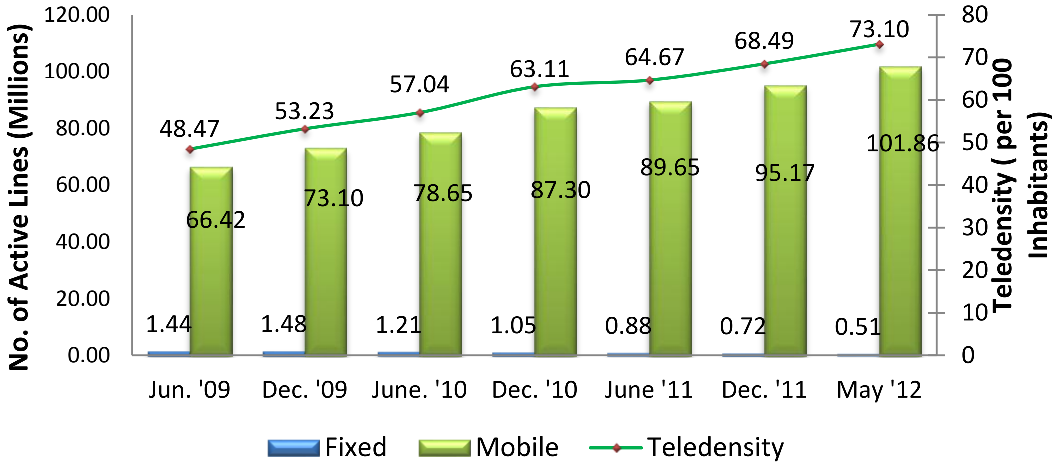
Source: NEXIM Bank

4.3.10 Telecommunications

The growth observed in the telecommunications sub-sector 2011 was sustained in the first half of 2012. Available data from the Nigerian Communications Commission (NCC) indicated that the total number of active telephone lines grew by 13.1 per cent from 90.5 million lines at end-June 2011 to 102.4 million lines at end-June 2012. Consequently,the teledensity rose from 64.7per 100 inhabitants in June 2011 to 73.1 per 100 inhabitants at end-June 2012. The growth in the sector was driven largely by activities in the mobile telephony sub-sector where the number of active lines increased by 13.6 per cent to 101.9 million active lines as at end-June 2012. Increased competition, product and service innovation, as well as relatively cheaper call tariffs were the major factors which propelled growth in the Nigerian telecommunications environment.

Figure 59

Total Connected Lines and Teledensity



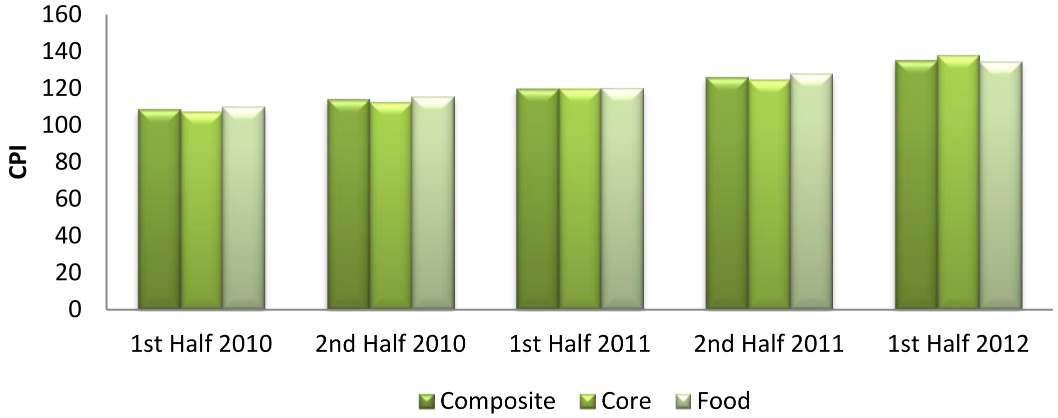
4.3.11 Consumer Prices

The increase in the general price level which persisted through the first and second halves of 2011, continued in the first half of 2012. The all-items composite Consumer Price Index (CPI) stood at 135.3 (November 2009 = 100) at end-June 2012, compared with 119.9 and 126.0 atend-June and end-December, 2011, respectively. The all-items less Farm Produce CPI stood at 138.0 at end-June 2012 compared with 119.8 and 124.8 at end-June and end-December, 2011, respectively, while Food Index stood at 134.5 at end-June 2012 in comparison with 120.1 at end-June 2011 and 128.1 at end-December 2011.

Figure 60

Consumer Price Indices

(November 2009 = 100)



4.3.11.1 Headline Inflation

The year-on-year headline inflation (Composite CPI, All-Items) fluctuated in the first half of 2012 and stood at 12.9 per cent by end-June 2012, compared with 10.2 and 10.3 per cent at end-June and end-December 2011, respectively. However, the 12-month moving average inflation rate in the first half of 2012, trended downwards to 11.3 per cent from 12.3 per cent at end-June 2011. The increase in headline inflation was attributed to the acceleration in food inflation and the impact of the partial removal of fuel subsidy on the prices of goods and services.

4.3.11.2 Core Inflation

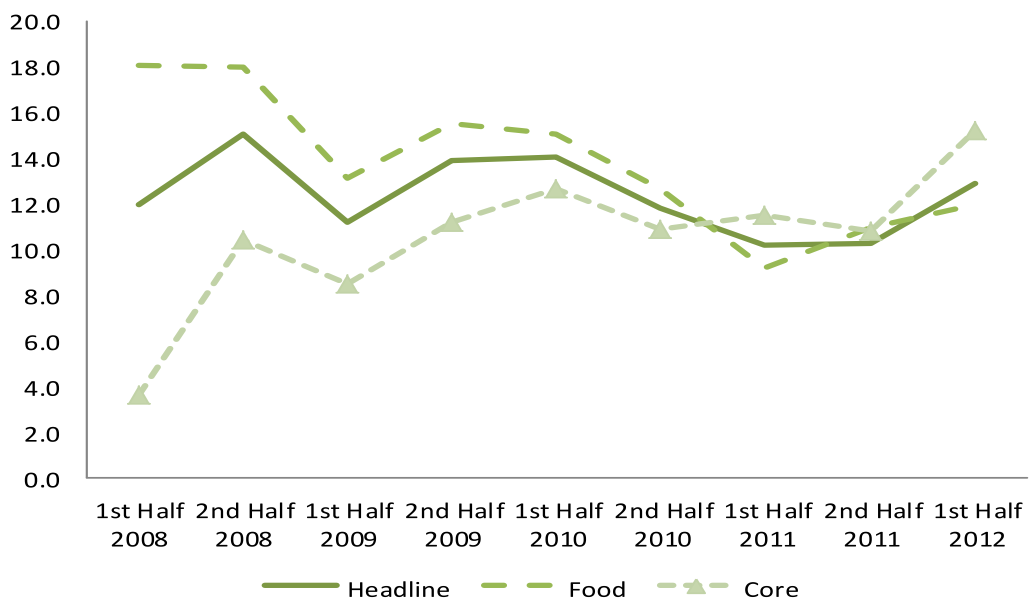
The core inflation, that is, all items less farm produce, on a year-on-year basis, also fluctuated in the first half of 2012 and stood at 15.2 per cent by end-June 2012, compared with 11.5 and 10.8 per cent at end-June and end-December 2011, respectively. On a 12-month moving average basis, core inflation was 12.7 per cent at end-June 2012 compared with 12.1 per cent at end-June 2011 and 11.7 per cent at end-December 2011. The rise in core inflation in the review period was accountedlargelyby the effect of the partial removal of subsidy on the pump price of Premium Motor Spirit (PMS) on the prices of non-food components of the consumer price index.

4.3.11.3 Food Inflation

Food inflation(Farm Produce + Processed Food) on year-on-year basis exhibited the same trend as the headline inflation in the review period. It stood at 12.0 per cent by end-June 2012, compared with 9.2 and 11.0 per cent at end-June and end-December 2011, respectively. Food inflation on a 12-month moving average basis stood 10.6 per cent at end-June 2012 in comparison with 12.7 and 10.3 per cent, respectively, at end-June and end-December, 2011. The rise in food inflation was attributed largely to the slower growth in output of staples and the impact of the partial removal of fuel subsidy on the prices of goods and services.

Figure 61

Inflation Rate (Year-on-Year), November 2009=100



4.3.11.4Urban and Rural Consumer Price Indices and Inflation Rates

The all-item Urban CPI at end-June 2012 stood at 134.1, compared with 116.6 and 122.3 at end-June and end-December, 2011, respectively, thus posting a double digit inflation rate (year-on-year) of 15.0 percent, at the end of the first half of 2012, compared with single digit inflation rates of 8.3 and 9.0 percent in the corresponding period of 2011 and second half of 2011, respectively. Similarly, the all-item Rural CPI trended upwards, from 122.6 and

129.0 at end-June and end-December 2011, respectively, to 136.5 at the end of June 2012, culminating in an inflation rate of 11.4 percent compared with respective 11.8 and 11.3 percent at end-June and end-December 2011. Unlike in the past when rural headline inflation was consistently higher than its urban counterpart, the reverse has been observed since the beginning of 2012. This may not be unconnected with the partial removal of the subsidy on PMS on January 1, 2012, which may have impacted prices in the urban centres more than it did in the rural areas.

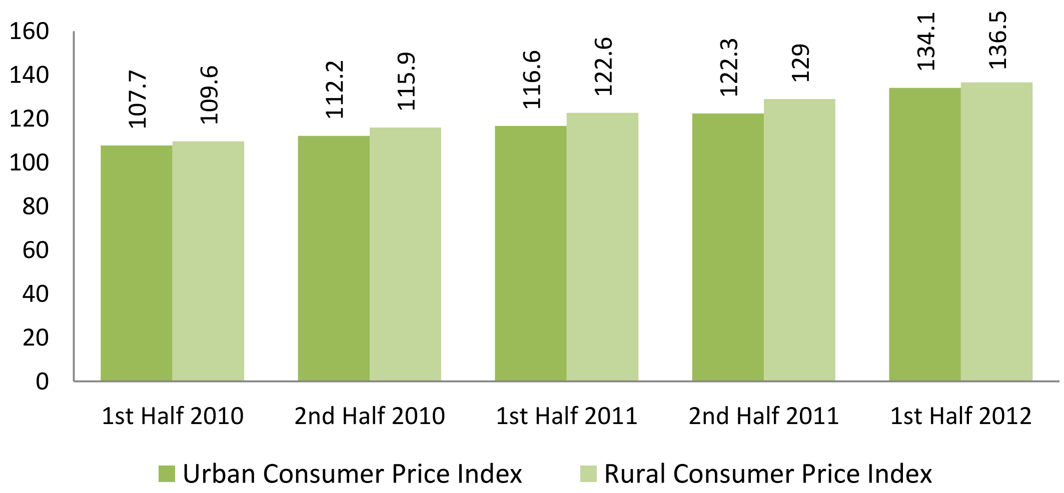
Urban core inflation rate rose sharply from 9.0 and 9.7 percent at end-June and end-December 2011, respectively, to 16.5 percent at end-June 2012. A similar trend was recorded in respect of the urban food inflation rate which stood at 11.4 percent during the first half of 2012 compared with 8.8 and 9.8 percent during the first and second halves of 2011, respectively.

Rural core inflation rate stood at 14.2 percent at the end of the first half of 2012 compared with 13.5 and 11.7 percent at end-June and end-December 2011, respectively. Rural food inflation rate at the end of June 2012 was 12.7 percent, an increase of 3.1 and 0.7 percent, when compared with the levels at end-June 2011 and end-December 2011, respectively.

Figure 62

Urban and Rural Consumer Price Indices, Half year 2012

(November 2009 = 100)



4.3.12 Education

The implementation of the Education Transformation Programme received further boost in the first half of 2012. The Federal Government awarded a contract worth over ₦5 billion for the implementation of the second phase of the Almajiri Schools Initiative aimed atproviding free primary education for about 9.5 million almajiris. It also signed a US$98.0 million loan agreementwith the Islamic Development Bank (IDB) to help Nigeria boost almajiri and girl-child education. Furthermore, the DFID supported the National Primary and Junior Secondary Education project with ₦46.2 billion towards improving learning outcomes for children.

4.3.13 Health

In the health services sector, the Federal Government continued with implementation of initiatives aimed at improving the Human Development Index (HDI) in the first half of 2012. About US$15.0 million was disbursed for polio eradication in addition to the distribution of about 24 million treated mosquito nets under the on-going Malaria Control Programme. Infant and maternal mortality rates fell by about 5 and 69 per cent per 1,000 and 100,000 live births, respectively, in the period under review.

4.3.14 Aviation Services

Efforts at transforming infrastructure and facilities in the country's aviation sub-sector continued in the first half of 2012.Pursuant to this, the rehabilitation of eleven airports across the nation progressed significantly.

The first half of 2012 also witnessed a significant development with the transition from terrestrial air navigation to satellite based air navigation system – Performance Based Navigation (PBN). The operation of the new system,which was endorsed by the International Civil Aviation Organization (ICAO), will save cost for the airlines as they would burn less fuel during take-off and landing, reduce carbon dioxide emission and air traffic controllers' workload. The new system will also allow pilots to experience more situational awareness, closer flight separation procedures, and continuous descent landings, all of which will enhance operational safety.

4.3.14.1 Domestic and International Operations

The operations of airlines on both domestic and international routes witnessed improvements in the first half of 2012. The number of passengers airlifted both locally and internationally stood at 4.41 million as at April 2012, with 78,982 aircraft movements.

4.3.15 Maritime Services

Provisional data indicated that vehicular and container traffic at the ports increased marginally in the first half of 2012. Container throughput stood at 83,044 Twenty-foot Equivalent Units (TEUs) at end-May 2012, representing a 9.4 per cent increase over the 75,875 TEUs recorded in the corresponding period of 2011. Empty container throughput stood at 56,923 TEUs, indicating a rise of 13.5 per cent over the corresponding period of 2011. Also, vehicular traffic in May 2012 stood at 23,445 units, a growth of 0.6 per cent over 23,305 units in May 2011.

A total of 452,355 metric tons of various commodities valuedat₦83.1 billion, were exported through the Apapa Port in the first half of 2012. In addition, diversification of maritime services by the Federal Government continued with the construction of a number of inland water ports including the Onitsha River Port, Baro Port, the Oguta Port and Yamata Port in Anambra, Niger, Imo and Kogi States, respectively.

4.4. EXTERNAL SECTOR DEVELOPMENTS

The performance of the external sector improved in the first half of 2012 with an estimated overall balance of payments surplus of ₦438.93 billion or 2.3 per cent of gross domestic product (GDP) compared with a deficit of ₦86.10 billion in the first half of 2011. The current account recorded an estimated surplus of ₦1,468.22 billion or 7.7 per cent of GDP owing largely to the sustained high crude oil price, which rose from an average price of US$113.86 per barrel in the first half of 2011 to US$115.05. The estimated capital and financial account deficit widened from ₦364.21 billion or 2.0 per cent of GDP in the first half of 2011 to ₦432.58 billion or 2.3 per cent of GDP. The level of external debt stock stood at US$6.04 billion compared with US$5.40 billion in the first half of 2011 and remained sustainable. The stock of external reserves increased by US$2.8 billion to US$35.4 billion at end-June, 2012 relative to end-June 2011 and could finance 7.6 months of current imports commitments. The foreign exchange market remained stable as the market premium between the official and bureau de change (BDC) rates was within the threshold of 5.0 per cent. The external sector viabilityduring the first half of 2012 continued to be challenged by the rising external debt and the slow pace of economic diversification.

4.4.1 Current Account

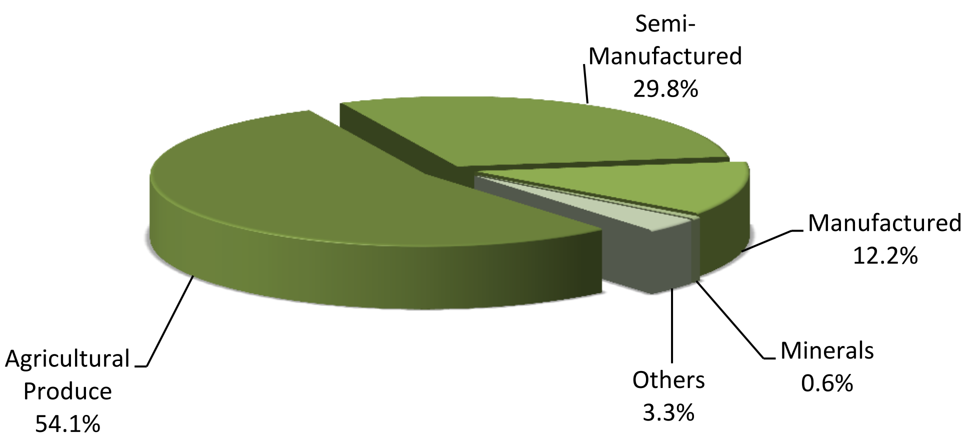
4.4.1.1 Trade

Total trade (value of exports and imports) for the first half of 2012 grew by 3.4 per cent and represented 60.5 per cent of GDP compared with the corresponding period of 2011. Aggregate exports at N7,429.8 billion grew by 3.2 per cent (representing 38.1 per cent of GDP), reflecting the substantial earnings from crude oil exports driven largely by the sustained upsurge in global crude oil prices. The dominance of oil sector exports continued as it accounted for 96.7 per cent of total exports, while non-oil exports accounted for the balance.

Figure 63
Exports, Imports and Trade Balance
(Naira Billion)

A breakdown of the non-oil exports by product showed that agricultural produce, semi-manufactured goods, manufactured goods, "others" and solid minerals accounted for 54.1, 29.8, 12.2, 3.3 and 0.6 per cent, respectively.

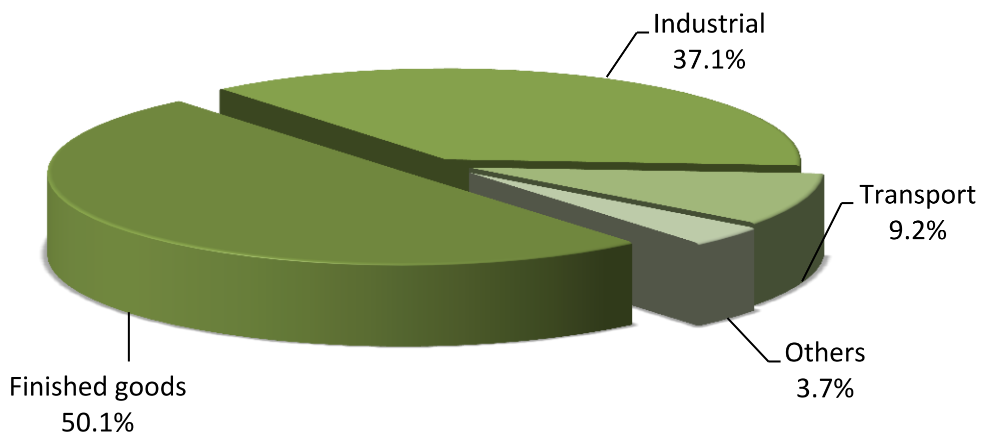
Figure 64
Non-Oil Exports by Products, First Half 2012
(per cent)



At ₦4,373.02 billion, estimated aggregate imports fell by 17.0 per cent compared with the second half of 2011 and represented 22.4 per cent of the

GDP. The share of non-oil imports constituted 68.1 per cent of total, while oil sector imports accounted for 31.9 per cent. The sectoral breakdown of non-oil imports during the period revealed that, finished goods (food and manufactured products) accounted for 50.1per cent, industrial sector 37.1 per cent, transport sector 9.2 per cent, while "Others" accounted for 3.7 per cent of the total.

Figure 65
Non-Oil Imports by Sectors, First Half 2012
(per cent)



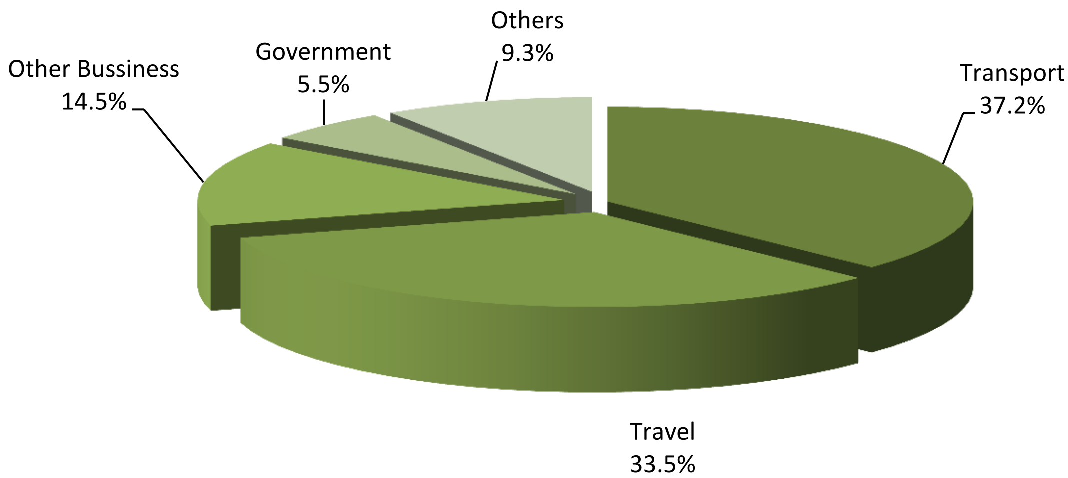
4.4.1.2 Services

The deficit in the services account (net) narrowed by 24.4 per cent from ₦1,926.21 billion in the second half of 2011 to ₦1,455.84 billion. The deficit position equivalent to 7.4 per cent of GDP, was driven largely by out-payments in respect of transportation (₦630.96 billion), travels (₦567.74 billion), other business services (₦246.71 billion) as well as government services (₦93.87 billion).

Figure 66

Share of Services Out-Payments, First Half 2012

(per cent)



4.4.1.3 Income

The deficit in the income account (net) widened by 2.3 per cent and represented 9.2 per cent of GDP as against 9.9 per cent in the corresponding period in 2011. This development was due to the increased out-payments on dividends and distributed branch profits.

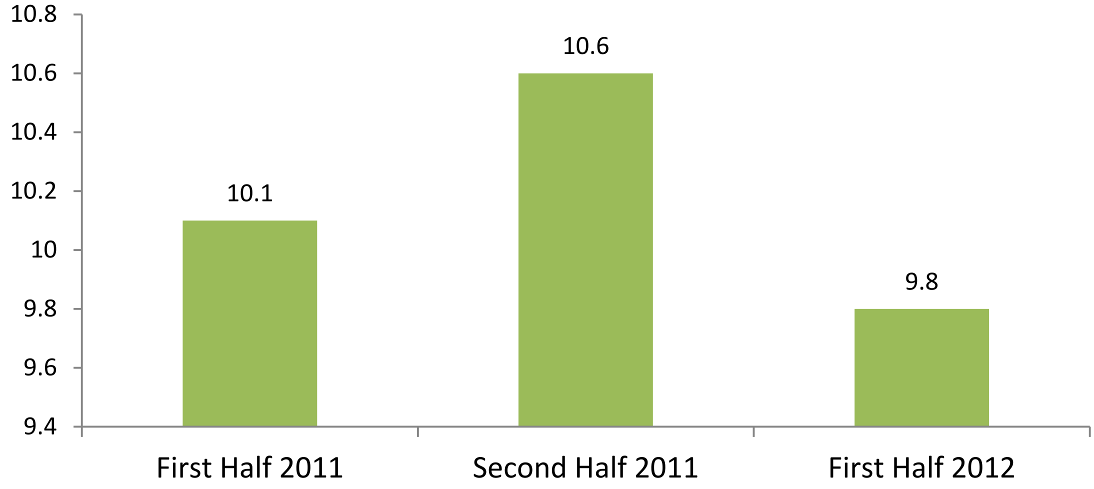
4.4.1.4 Current Transfers

The current transfers (net) declined by 5.0 and 1.9 per cent when compared with the second half of 2011 and the corresponding period of 2011, respectively. Inward transfers, which mirrored movements in personal home remittances by non-resident Nigerians declined by 2.3 per cent from US$10.1billion in the corresponding period in 2011 to US$9.8 billion, reflecting the continued fragility of the global economy. General government transfers, which included expenses on foreign embassies, payments to international organizations as well as the remittances of foreigners resident in the country, declined by marginally 0.9 per cent when compared with the first half of 2011.

Figure 67

Private Home Remittances

(US$ billion)



4.4.2 Capital and Financial Account

4.4.2.1 Foreign Direct Investment

Estimated data on foreign direct investment (FDI) inflows, which comprised mainly equity capital, re-invested earnings and other capital inflows declined sharply by 44.7 per cent from ₦710.83 billion in the first half of 2011 to ₦393.37 billion in the review period. The development was attributable to increased security concerns prompted by terrorist attacks in some parts of Nigeria, the non-passage of the Petroleum Industry Bill (PIB), the continued slow recovery of the global economy occasioned by the weak economic performance in the United States of America, China,and the United Kingdom as well as the lingering eurozone debt crisis. After adjusting for gross outflows due mainly to the repayments of loans, net FDI at 1.7 per cent of GDP declined significantly below its level in the first half of 2011.

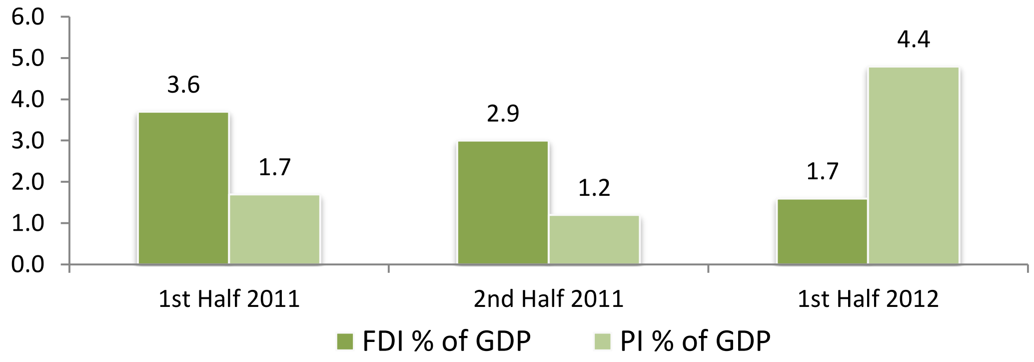
4.4.2.2 Portfolio Investment

Estimated portfolio investment inflow increased significantly by 145.2 per cent. The development was underpinned largely by the general improvement in the policy environment to attract capital inflows and the relatively high return on investment.Portfolio investment outflows in the same veinincreased by36.8 per cent from its level in the first half of 2011. Consequently, the net portfolio investment as a percentage of GDP increased by 2.7 percentage points to 4.4 per cent from its level in the corresponding period in 2011.

Figure 68

Net FDI and Portfolio Investment Flows

(per cent of GDP)



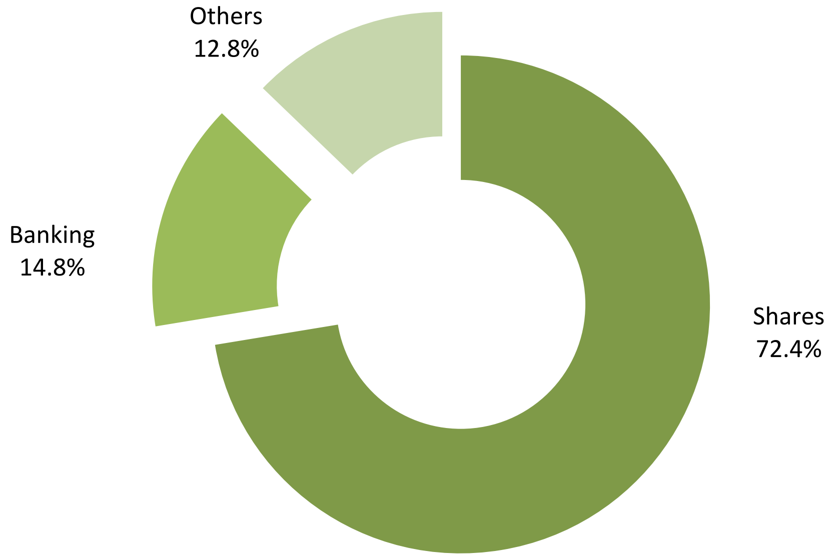
4.4.3 Capital Importation by Sector

New capital imported into the economy as captured by the DMBs database amounted to US$6.4 billion in the first half of 2012. Analysis of the new capital imports by sectors showed that the capital market (shares) accounted for the bulk with a share of 72.4 per cent, while the banking sector and "Other" sectors accounted for 14.8 and 12.8 per cent, respectively.

Figure 69

Capital Importation by Sector, First Half 2012

(per cent of GDP)



4.4.4 Reserve Assets

The stock of external reserves at end-June 2012 stood at US$35.41 billion, compared with US$31.89 billion and US$32.64 billion in corresponding period of 2011 and end-December 2011, respectively. The observed accretion to reserves during the first half of 2012 was due mainly to increased receipts from crude oil and gas exports as well as royalties paid by oil companies. The price of Bonny Light rose from US$113.69 per barrel in January 2012 to US$120.38 per barrel in February and peaked at US$128.79 per barrel in March 2012.

Following a downturn in the oil market, prices fell consistently from its peak in March to US$122.45, US$111.56 and US$93.94 per barrel in April, May and June 2012, respectively. This resulted in the depletion of the external reserves to US$35.41 billion at end-June 2012. Besides the fall in oil prices, the funding of the wDas spot and BDC segments to maintain exchange rate stability contributed to the depletion of the external reserves.

A total of US$0.09 billion was earned on the external reserves portfolio from January to June 2012 showing a decline of 20.8 per cent when compared with the corresponding period of 2011.

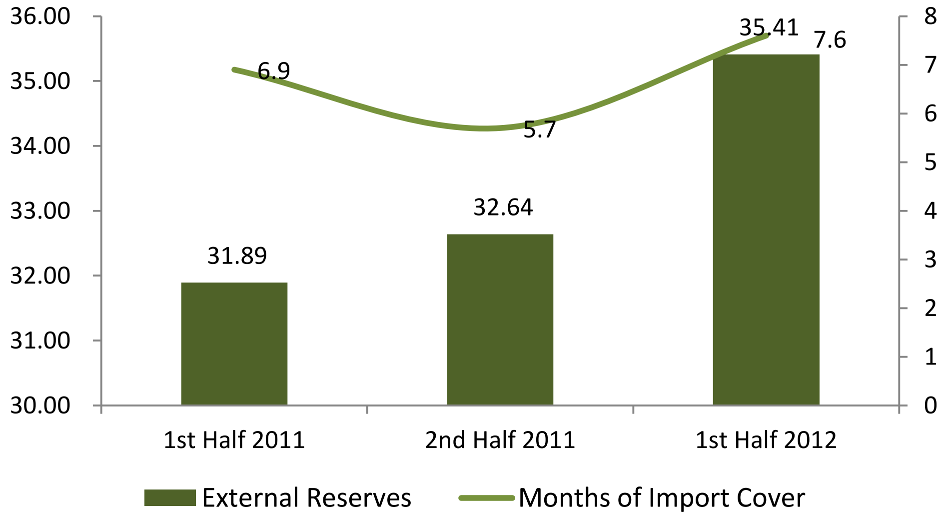
Analysis of currencies composition of the external reserves at end-June 2012 showed that the US dollar remained the major currency and accounted for 82.2 per cent of total. Standard Drawing Rights (SDR) and the euro constituted 7.2 and 6.9 per cent, respectively. The British pounds and the Chinese yuan 2.2 and 1.4 per cent of total, respectively, while other reserves currencies comprised Japanese yen and Swiss franc constituted 0.2 per cent of total.

A breakdown by composition of the external reserves at end-June showed that federation reserves was US$6.56 billion (18.5%), Federal Government reserves, US$2.99 billion (8.5%); and the CBN reserves US$25.86 billion (73.0%) of total. The reserves could finance 7.6 months of import cover.

Figure 70

External Reserves Stock

(US$ Billion)

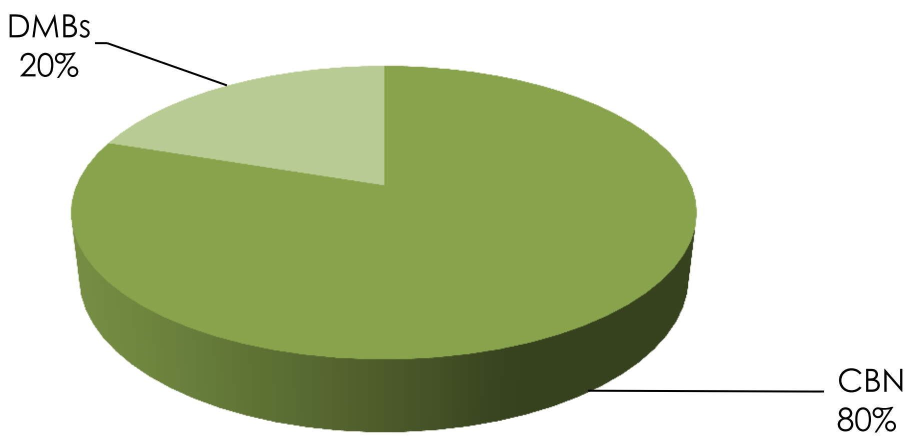


4.4.5 External Assetsof Financial Institutions

Provisional data on the total external assets of the banking system (the CBN and DMBs) in the first half of 2012 stood at N7,526.88 billion, compared with

N6,535.45 billion in the corresponding period of 2011. Of the total, CBN's holdings grew by 20.5 per cent to N6,029.97 billion and accounted for 80.0 per cent of the total compared with 76.6 per cent in the corresponding period of 2011. DMBs holdings of foreign assets however, declined by 2.2 per cent to N1,496.92 billion and accounted for 20.0 per cent compared with 15.8 per cent, at end-June 2011.

Figure 71
Nigeria's Total External Assets, First Half of 2012
(per cent of Total)



5.0 INTERNATIONAL ECONOMIC RELATIONS

5.1 Regional Institutions

5.1.1 African Development Bank (AfDB) Annual Meetings

The Annual Meetings of the Board of Governors of the African Development Bank Group (AfDB) was held in Arusha, Tanzania from May 26 to June 1, 2012. The Board identified, among others, low access to finance as a major bottleneck to growth. In that regard, the Board launched a market-friendly guarantee scheme, the African Guarantee Fund (AGF) to provide financial guarantees to financial institutions to encourage the financing of SMEs and ease youth unemployment. Funding of the AGF would be provided by the AfDB in partnership with the governments of Denmark and Spain.

In order to enter into cross-currency swap transactions aimed at facilitating local currency lending and bond issuance in Africa, the IFC signed an International Swaps and Derivatives Association (ISDA) Master Agreement. The purpose of ISDA is to enable the IFC and the AfDB to collaborate and enhance their local currency funding capacity for development projects, provision of long-term local currency finance for projects, hedge against foreign exchange risks and accelerate local capital market development.

5.1.2 African Union (AU) Meetings

The 18th African Union (AU) Heads of State and Government Summit was held from January 29 to 30, 2012 in Addis Ababa, Ethiopia. The Summit discussed the theme, "Boosting Intra-African Trade". The AU Heads of State and Government agreed to:

- Set up an ad-hoc committee to examine the issues that will facilitate election into vacant positions at the AU Commission at the next AU Summit scheduled for June 2012. This was against the backdrop that none of the candidates for the chair received two-thirds of the votes as stipulated in the AU constitution;

- Extend the mandate of the present Commission until the next AU Summit; and
- Establish a continental free trade area by 2017, in order to promote the economic development and integration of the continent.

5.1.3 Association of African Central Banks (AACB)

The 36th Meeting of the Bureau of the Association of African Central Banks (AACB) was held on February 29, 2012 at the Central Bank of Nigeria, Abuja, Nigeria. The Bureau noted the signs of economic recovery in some AACB's member countries. It, however, observed some deterioration in the economic performances under the African Monetary Corporation Programme (AMCP) primary convergence criteria due to the impact of the global financial crisis on the economies in the region. Consequently, the Bureau encouraged member states to intensify efforts aimed at improving their macroeconomic indicators.

The AACB held its 2012 Continental Seminar in Douala, Cameroun, during May 7 – 9, 2012 on the theme, "Design and Implementation of Macro-Prudential Policy Instruments in Africa". Key recommendations were to:

- Encourage the establishment of a Financial Stability Board in each country on the continent and strengthen the supervision of systemic institutions based on local peculiarities;
- Establish efficient high-frequency data collection mechanisms to facilitate supervision on a broad range of the financial sector, businesses and households; and
- Develop macro-prudential policy instruments according to the temporal or cross-cutting nature of systemic risk and strengthen interactions in the formulation of monetary policy.

5.1.4 Economic Community of West African States (ECOWAS)

The ECOWAS-WAMI Joint Task Force on Mechanisms to Boost Regional Trade agreed on a template for studies intended at improving the implementation of the ECOWAS Trade Liberalization Scheme (ETLS). The studies encompass the capacity of Member States to implement trade integration obligations; the benefits and costs of implementing the ETLS; and a sanction regime against Member States, which default in their obligations under trade instruments. The studies will enable ECOWAS and WAMI to prepare a position paper on trade in services in the region for Ministers of Trade of the West African Monetary Zone (WAMZ), ahead of the next Doha Round of negotiations.

The ECOWAS Commission and the West African Insurance Companies Association (WAICA) held a workshop in Abuja during May 22 – 23, 2012 to validate a feasibility study for the establishment of an ECOWAS Investment Guarantee/Reinsurance Agency. The meeting observed that getting a buy-in of the scheme from the Governments of ECOWAS member countries and the potential anchor and partner institutions require a formal high-level discussion on the relevance, and operations of the proposed institutions.

The meeting of the National Coordinating Committees (NCCs) on ECOWAS Multilateral Surveillance Mechanism was held in Dakar, Senegal from May 17 to 18, 2012. The purpose of the meeting was to acquaint the NCC members with the amendments to the Guide to Presenting Macroeconomic Convergence Report, changes to the ECOMAC database and share in the experience of Senegal on medium- to long-term forecasting of economic indicators. Member states were:

- Encouraged to ensure consistency in their macroeconomic accounts and statistics;
- Urged to bring to the attention of the ECOWAS Commission any changes or updates to the data entered on the ECOMAC database; and
- Urged to query and validate the ECOMAC database on time in order to ensure its credibility;

Member states requested ECOWAS Commission to:

- Set up an electronic warning system that will instantly inform database Administrators of changes to the ECOMAC database; and
- Organise a practical session on the analysis of the multi-year convergence programme by the NCCs.

Member states implored

- WAMA to continue its efforts in finding an appropriate methodology for calculating the real exchange rate.

5.1.5 Inter-Governmental Action Group Against Money Laundering (GIABA)

The 17th Technical Commission/Plenary meeting of GIABA was held in Abidjan, Cote D'Ivoire during May 2 – 4, 2012. The aim of the meeting was to examine the progress made by member countries with respect to combating money laundering and terrorist activities; follow-up on the core and key recommendations made during the previous meeting; and appraise the implementation of the recommendations by countries that were rated Partially Compliant (PC) and Non-Compliant (NC) at previous meetings.

Nigeria was commended for strengthening its AML/CFT framework through the enactment of the Money Laundering (Prohibition) Act 2011 and Terrorism Act 2011. Also, that Nigeria had issued and gazetted Terrorism Prevention Regulations (freezing of international terrorist funds and other related measures) in September 2011 to implement the United Nations Security Council Resolutions (UNSCRs) 1267 and 1373. The GIABA also noted the effort of the CBN in developing the AML/CFT regulations (2009) as amended and AML/CFT Risk-Based Supervision (RBS) Framework in 2011.

5.1.6 Bi-lateral Commissions

5.1.6.1 Nigeria – Niger Joint Commission

Expert meeting of the three Local Bilateral Committees of the Nigeria – Niger Joint Commission was held in Katsina, Nigeria during March 19–24, 2012. The meeting examined issues of common interest to both countries and agreed to:

- adopt the 2011/2014 secondary roads programme approved during the 36th Session of the Council of Ministers on October 10, 2011 in BirninKebbi, Nigeria;
- recommend reconnaissance missions to these roads to be organized by the Joint Commission, in collaboration with the Authorities in both countries;
- urge the institutions supervising the national boundary commissions in both countries to provide them with necessary resources required for the completion of the exercise;
- enlighten traders on the registration of food and drug related products to ensure conformity with stipulated standards; and
- Invite the chambers of commerce in both countries and their supervisory ministries to give new impetus to their activities by modernizing border markets in order to promote trade, establish trade free zones and cluster industries and organizing periodic trade fairs.

5.1.6.2 Nigeria –Iran Joint Commission

The 4th Session of the Nigeria - Iran Joint Commission was held in Tehran, Islamic Republic of Iran, from April 16to 20, 2012. The purpose of the meeting was to further deepen trade and bilateral relations and cooperation between both countries. The two countries signed an MoU on a range of issues among others to:

- Introduce and encourage some of their banks to cooperate with each other in order to establish correspondent banking relationships. The Central Bank of Iran requested for the designation of 4 commercial banks in Nigeria to serve as correspondent banks for Iranian banks;
- Facilitate money transfer meant for the implementation of technical and engineering projects launched by Iranian companies in Nigeria in accordance with prevailing laws and regulations in Nigeria; and
- Settle commercial transactions between the two countries in conformity with international banking best practices.

5.2 Multilateral Economic and Financial Institutions

5.2.1 World Economic Forum Annual Meeting

The World Economic Forum Annual Meeting was held from January 25 to 29, 2012 at Davos-Klosters, Switzerland. The theme for 2012 was "The Great Transformation: Shaping New Models". The forum underscored debt sustainability and social equity issues as some of the challenges facing the society and noted that no country was immune from the Eurozone's problems; and that fiscal discipline, fiscal union and firewalls were needed to resolve the crisis.

5.2.2 The World Bank/IMF Spring Meetings

The 2012 Spring Meetings of the Board of Governors of the World Bank Group and the International Monetary Fund (IMF) were held in Washington D.C., USA from April 16 to 22, 2012. The Ministers of the Inter-governmental Group of 24, the International Monetary and Finance Committee and the Development Committee held discussions on issues relating to the global financial and economic situation, infrastructure, sustainable development and surveillance, amongst others.

The meetings noted recent improvements but expressed concern about the fragility of the global economic recovery. While recent policy actions have reduced immediate threats arising from the Euro area crisis, downside risks remained high, including possible renewed tensions in the Euro area and high and volatile oil prices. The meetings observed that the pace of global growth remained subdued and uncertain, with adverse impact on growth in many emerging markets and developing countries (EMDCs). The meetings called for immediate and concerted actions to restore confidence and boost global growth through mutually consistent policies while taking into account the spillovers.

The meetings reaffirmed the urgency of making the 2010 quota and governance reforms effective by the 2012 Annual Meetings, to enhance the

Fund's legitimacy and credibility. It urged members to ratify the reforms expeditiously and called on the Fund to monitor progress transparently and more frequently. The G24 Ministers called for a third chair for Sub-Saharan Africa to replace a chair held by an advanced country.

The meetings called for a steep increase in investment in infrastructure over the next few decades in order to realize the growth potential of developing economies. It was believed that enhanced public private partnerships could make an important contribution and therefore called on the IFC to support greater private sector involvement.

The Development Committee noted that higher and more volatile food prices threatened poverty reduction and the attainment of other Millennium Development Goals (MDGs), especially reducing hunger and child and maternal mortality. The Committee urged the World Bank Group to continue to pursue multi-sectoral solutions to food insecurity and malnutrition through instruments such as the Global Agriculture and Food Security Programme.

5.2.3 International Monetary Fund (IMF) Article IV Report on Nigeria

The Board of the IMF released discussions on its staff report on Article IV Mission to Nigeria on February 22, 2012. The IMF Executive Directors commended the Nigerian authorities for countercyclical policies that had supported economic activities in challenging circumstances. The IMF welcomed the strategy to rebuild fiscal buffers through a better prioritization of public expenditure, continued subsidy reform, and improved tax administration. Effort in these areas would provide the necessary resources for targeted social programmes and needed infrastructure. In addition, the IMF endorsed the use of conservative oil price assumptions in the preparation of the budget, but noted that only a comprehensive tax reform would reduce the country's dependence on oil revenues over the medium term.
Among the key decisions taken by the IMF Board in the Article IV report were:

- The importance of improving public financial management, including a stronger framework for managing Nigeria's oil wealth through the establishment of a Sovereign Wealth Fund (SWF) and that a rule-based oil reference price would strengthen the budgetary process and the operations of the SWF;
- Recommended that outlays from the SWF's infrastructure fund be integrated into the medium-term expenditure plans of the government;
- Welcomed the authorities' initiatives to improve the business climate and reform sectors with high employment potential, particularly agriculture;
- Encouraged the authorities to sustain planned reforms in the energy sector under appropriate social reforms; and
- Emphasized the need for continued policies to safeguard macroeconomic stability, diversify the economy, and make growth more inclusive.

5.2.4 Group of 8 (G-8)Summit

The G8 Summit was held in Camp David, Maryland, United States, from May 18 during19, 2012. The main objective of the summit was to address the European sovereign debt crisis.

The G8 agreed that all member governments need to take actions to boost confidence and nurture recovery including reforms to raise productivity, growth and demand within a sustainable, credible and non-inflationary macroeconomic framework. Leaders emphasized commitment and support for sound and sustainable fiscal consolidation policies that take into account countries' evolving economic conditions.

The G8 leaders also held a consensus view that a strong and cohesive Eurozone was important for global stability and recovery, and affirmed their support for Greece to remain in the Eurozone while respecting its commitments. Noting that significant headwinds still persist in the path of global economic recovery, the G8 agreed to take necessary steps to strengthen and reinvigorate their economies and combat financial stresses, recognizing that the right measures are different for each country.

The G8 also committed itself to a "New Alliance for Food Security and Nutrition" with African leaders and the private sector aimed at lifting 50 million people from poverty within 10 years.By this alliance, the G8 want to accelerate the flow of private capital to African agriculture, new technologies and other innovations that could increase sustainable agricultural productivity, and reduce the risk borne by vulnerable economies and communities.

5.2.5 Group of 20 (G-20) Summit

The G20 Summit was held in Los Cabos, Mexico during June 18 – 19, 2012. The meeting was attended by G20 members and heads of international organizations. The following were the major highlights of the meeting:

- The Los Cabos Action Plan for Growth and Employment was signed. The plan established commitments to deal with the Eurozone crisis, strengthen demand, economic growth and financial systems, ensure the fiscal consolidation of advanced economies, reinforce solid, sustainable growth in emerging economies and maintain trade liberalization.
- The IMF's financial resources were increased to over $450 billion which will increase its capacity to provide support and loans for coping with economic crises. This constitutes the greatest capitalization in the history of the Fund.
- Agreements were reached with the Global Alliance for Financial Inclusion to assess the progress in the extension of financial services to populations with least resources. In addition, greater financial education would be promoted and protective measures increased for the users of financial services for savings, credits and insurance.

- With regard to food security, the G20 agreed to promote greater public and private investment in order to promote agriculture, develop technology and increase the productivity of the sector.

6.0 OUTLOOK FOR THE SECOND HALF OF 2012

The outlook for the economy in the second half of 2012 is positive. Growth in agricultural output is expected to be sustained despite the damages from flooding in some parts of the country. Government's commitment to fixing power and other economic and social infrastructure has started manifesting positively with increased power generation. However, the hike in electricity tariff and lingering challenges in the distribution of petroleum products would impact negatively on cost of production particularly, in the manufacturing sub-sector. Nonetheless, the improved power supply across the country, favourable agricultural outlook, increased activity in the solid mineral sub-sector and sustained crude oil production was expected to bolster real GDP growth rate. Inflation would likely moderate, but still close the year above the single digit mark.

The slow global economic recovery occasioned by the weak demand in some industrialized and emerging market economies, as well as the lingering Eurozone debt crisis would no doubt pose a challenge to the external sector. However, this would likely be off-set by the projected highprice of crude oil in the internationalmarket. Thus, Nigeria's balance of payments position is likely to remain favourable for the remaining part of 2012. The expected high inflow of foreign exchange based on projected crude oil price and export volume, would boost government revenue, impact positively on foreign exchange reserves and engender stability in the foreign exchange market. The pressure to fast-track the implementation of the 2012 Budget would constitute a pressure point on domestic monetary conditions. However, with the sustained commitment of the monetary authority to taking proactive measures in monetary management, growth in monetary aggregates was not expected to deviate too largely from their projected threshold.

The key policy challenges in the second half of 2012 would be to manage inflation and exchange rate expectations and sustain the build-up of external reserves to insure against rising global uncertainties. It is also imperative to keep real interest rate positive to attract foreign investment and retain domestic investment. In this regard, current efforts at containing the security situation in parts of the country which has degenerated to the extent of bombing economic infrastructure should be sustained

Table 8
Open Market Operations (OMO) Sessions

Period	Total Bids (N' Million)	Amount Sold (N' Million)	Average Tenor (Days)	Average Yield (%)
2008				
January	0.0	148,300.0	229	8.90
February	0.0	174,770.0	265	9.30
March	0.0	210,400.0	206	8.90
April	10,000.0	291,700.0	160	8.70
May	24,000.0	205,000.0	168	8.90
June	0.0	439,200.0	160	9.40
Total	**34,000.0**	**1,469,370.0**		
Average	**5,666.7**	**244,895.0**	**198**	**9.02**
July	0.0	760,080.0	169	9.00
August	0.0	101,460.0	191	9.50
September	0.0	0.0	0	8.60
October	0.0	0.0	0	8.80
November	0.0	0.0	0	0.00
December	0.0	0.0	0	0.00
Total	**0.0**	**861,540.0**		
Average	**0.0**	**430,770.0**	**180**	**8.98**
2009				
January	68,540.0	20,290.0	90	2.00
February	0.0	0.0	0	0.00
March	71,000.0	42,000.0	116	2.60
April	128,150.0	95,150.0	165	4.30
May	77,100.0	39,250.0	305	4.00
June	126,850.0	57,800.0	176	5.10
Total	**471,640.0**	**254,490.0**		
Average	**94,328.0**	**50,898.0**	**170**	**3.60**
July	0.0	0.0	0	0.00
August	0.0	0.0	0	0.00
September	0.0	0.0	0	0.00
October	0.0	0.0	0	0.00
November	0.0	0.0	0	0.00
December	0.0	0.0	0	0.00
Total	**0.0**	**0.0**		
Average	**0.0**	**0.0**	**0**	**0.00**
2010				
January	0.0	0.0	0	0.00
February	0.0	0.0	0	0.00
March	0.0	0.0	0	0.00
April	275,500.0	120,000.0	186	2.41
May	116,942.0	40,000.0	130	2.45
June	0.0	0.0	0	0.00
Total	**392,442.0**	**160,000.0**		
Average	**196,221.0**	**80,000.0**	**158**	**2.43**
July	0.0	0.0	0	0.00
August	0.0	0.0	0	0.00
September	70,250.0	24,000.0	79	5.10
October	2,000.0	2,000.0	181	8.60
November	47,250.0	29,500.0	240	10.00
December	99,181.0	53,250.0	148	7.40
Total	**218,681.0**	**108,750.0**		
Average	**54,670.3**	**27,187.5**	**162.0**	**7.78**
2011				
January	255939.22	140539.22	146	9.30
February	0.00	0.00	0.00	0.00
March	123421.18	69918.18	33	6.78
April	142516.59	23387.18	37	9.27
May	119335.12	48607.55	150	9.61
June	80,450.0	25,470.0	157	9.08
Total	**721,662.1**	**307,922.1**		
Average	**120277**	**51320**	**105**	**8.81**
July	227418.5	97815.50	258	8.55
August	590156.17	351676.17	207.00	8.91
September	327028.16	170997.21	43	10.90
October	652222.53	465381.71	159	16.25
November	811607.10	343676.63	132	16.58
December	731097.91	428815.76	202	18.03
Total	**3,339,530.4**	**1,858,363.0**		
Average	**556,588.4**	**309,727.2**	**167**	**13.20**
2012				
January	323,961.3	116,136.4	162	18.01
February	926,911.1	297,697.1	268	18.13
March	1,150,239.6	495,590.4	297	17.64
April	973,643.8	304,177.2	289	16.53
May	866,016.0	363,127.4	70	14.38
June	17,315.3	5,302.2	48	14.67
Total	**4,258,087.1**	**1,582,030.7**		
Average	**709,681.2**	**263,671.8**	**189**	**16.56**

Source: Central Bank of Nigeria

Table 9
Treasury Bills: Issues and Subscriptions
(Naira Million)

Period	Issues	Central Bank	Allotment to Subscriber	
			Deposit Money Banks	Non-Bank Public
2008				
June	75,356.17	2.27	19,756.86	55,597.04
December	70,000.00	0.00	45,871.99	24,128.01
Annual Total	**916,281.59**	**7,584.33**	**383,668.91**	**525,028.36**
Annual Average	**76,356.80**		**31,972.41**	**43,752.36**
2009				
June	120,000.00	0.00	73,320.00	46,680.00
December	162,560.00	0.00	122,490.00	40,070.00
Annual Total	**1,392,420.00**	**30.00**	**876,380.00**	**516,010.00**
Annual Average	**116,035.00**		**73,031.67**	**43,000.83**
2010				
June	158,700.00	0.00	114,343.96	44,356.04
December	297,909.82	0.00	222,498.29	75,411.53
Annual Total	**2,003,952.93**	**24,485.00**	**1,378,658.34**	**600,809.59**
Annual Average	**166,996.08**		**114,888.19**	**50,067.47**
2011				
June	340,233.10	0.00	206,187.59	134,045.51
December	317,714.17	0.00	172,438.46	145,275.72
Annual Total	**3,046,262.94**		**1,999,006.25**	**1,047,256.69**
Annual Average	**253,855.24**		**166,583.85**	**87,271.39**
2012				
January	316,296.66	163,857.24	91,231.01	61,208.41
February	298,924.18	0.00	176,640.77	122,283.42
March	332,230.48	0.00	217,646.74	114,583.74
April	324,269.40	0.00	223,661.25	100,608.14
May	273,388.72	0.00	180,817.32	92,571.40
June	373,163.33	0.00	249,117.86	124,045.48
Half Year Total	**1,918,272.77**	**163,857.24**	**1,139,114.94**	**615,300.58**
Half Year Average	**319,712.13**	**27,309.54**	**189,852.49**	**102,550.10**

Table 10
Monetary and Credit Developments
(N' Million)

Item	Jun 2008	Dec 2008	Jun 2009	Dec 2009	Jun 2010	Dec 2010	Jun 2011	Dec 2011	Jun 2012 /3
(1) Domestic Credit (Net)	**4,038,236.28**	**4,951,860.33**	**5,406,926.52**	**7,917,041.43**	**8,612,939.99**	**8,708,545.45**	**8,889,638.55**	**13,686,730.20**	**13,313,081.75**
(a) Claims on Federal Government (Net)	**-2,716,445.31**	**-3,107,688.59**	**-3,150,018.13**	**-2,302,294.68**	**-1,489,877.51**	**-1,121,798.63**	**-1,068,311.33**	**-496,861.62**	**-1,380,529.18**
By Central Bank	-4,413,045.05	-4,532,113.63	-4,348,811.29	-3,731,603.83	-3,272,806.06	-2,884,013.44	-2,733,579.77	-3,514,447.09	-3,969,909.85
By Banks	1,696,599.74	1,424,425.04	1,198,793.15	1,429,309.15	1,782,928.55	1,762,214.81	1,665,268.44	3,017,585.48	2,584,468.21
By Non Interest Banks									4,912.46
(b) Claims on Private Sector	**6,754,681.59**	**8,059,548.92**	**8,556,944.65**	**10,219,336.11**	**10,102,817.50**	**9,830,344.08**	**9,957,949.88**	**14,183,591.82**	**14,693,610.93**
By Central Bank	114,037.13	260,148.80	336,124.95	551,459.43	396,545.27	632,171.02	726,392.50	4,569,146.02	4,645,202.92
By Banks	6,640,644.46	7,799,400.11	8,220,819.70	9,667,876.68	9,706,272.23	9,198,173.06	9,231,557.39	9,614,445.80	10,048,406.52
By Non Interest Banks							0.00	0.00	1.50
(i) Claims on State and Local Govts	99,399.91	149,765.14	251,661.16	310,324.27	319,167.11	369,809.82	420,237.95	513,218.66	586,273.65
By Central Bank	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
By Banks	99,399.91	149,765.14	251,661.16	310,324.27	319,167.11	369,809.82	420,237.95	513,218.66	586,273.65
By Non Interest Banks									0.00
(ii) Claims on Non-Financial Public Ent's	0.00	0.00	0.00	13,249.36	0.00	0.00	0.00	0.00	0.00
By Central Bank	0.00	0.00	0.00	13,249.36	0.00	0.00	0.00	0.00	0.00
By Banks									
By Non Interest Banks									
(iii) Claims on Other Private Sector	6,655,281.68	7,909,783.78	8,305,283.49	9,895,762.48	9,783,650.39	9,460,534.26	9,537,711.94	13,670,373.16	14,107,337.28
By Central Bank	114,037.13	260,148.80	336,124.95	538,210.07	396,545.27	632,171.02	726,392.50	4,569,146.02	4,645,202.92
By Banks	6,541,244.55	7,649,634.97	7,969,158.53	9,357,552.41	9,387,105.12	8,828,363.23	8,811,319.44	9,101,227.14	9,462,132.86
By Non Interest Banks									1.50
(2) Foreign Assets (Net)	**8,316,237.22**	**8,550,430.31**	**7,643,607.13**	**7,593,321.82**	**6,484,759.01**	**6,506,618.59**	**6,453,690.26**	**7,138,672.78**	**7,525,208.08**
By Central Bank	7,446,508.90	7,270,807.42	6,642,638.99	6,522,239.52	5,401,021.13	5,372,285.81	4,922,626.64	5,823,794.26	6,028,289.89
By Banks	869,728.33	1,279,622.89	1,000,968.14	1,071,082.30	1,083,737.87	1,134,332.78	1,531,063.63	1,314,878.51	1,496,918.19
By Non Interest Banks									0.00
(3) Other Assets (Net)	**-4,406,104.65**	**-4,335,455.34**	**-3,973,507.12**	**-4,729,736.10**	**-4,252,200.90**	**-3,689,633.70**	**-3,171,232.11**	**-7,521,908.48**	**-7,354,929.18**
Total Monetary Assets	**7,948,368.85**	**9,166,835.31**	**9,077,026.53**	**10,780,627.14**	**10,845,498.10**	**11,525,530.34**	**12,172,096.71**	**13,303,494.50**	**13,483,360.65**
Quasi-Money /1	**3,619,857.18**	**4,309,523.06**	**4,592,410.80**	**5,763,511.22**	**5,927,508.17**	**5,954,260.45**	**6,534,832.17**	**6,531,913.01**	**6,883,664.88**
Money Supply	**4,328,511.66**	**4,857,312.25**	**4,484,615.73**	**5,017,115.93**	**4,917,989.92**	**5,571,269.89**	**5,637,264.54**	**6,771,581.49**	**6,599,695.77**
Currency Outside Banks	673,055.41	892,675.59	746,463.82	927,236.44	795,412.07	1,082,295.07	1,016,449.92	1,245,135.35	1,088,325.98
Demand Deposits /2	3,655,456.26	3,964,636.66	3,738,151.91	4,089,879.48	4,122,577.85	4,488,974.82	4,620,814.62	5,526,446.14	5,511,369.80
Total Monetary Liabilities	**7,948,368.85**	**9,166,835.31**	**9,077,026.53**	**10,780,627.14**	**10,845,498.10**	**11,525,530.34**	**12,172,096.71**	**13,303,494.50**	**13,483,360.65**
GROWTH RATE OVER THE PRECEDING DECEMBER (In Percentages)									
Credit to the Domestic Economy (Net)	50.22	84.20	9.19	59.88	8.79	10.00	2.08	57.16	-2.73
Credit to the Private Sector	33.58	59.38	6.17	26.80	-1.14	-3.81	1.30	44.28	3.60
Claims on Federal Government (Net)	-14.69	-31.21	-1.36	25.92	35.29	51.27	4.77	55.71	-177.85
By Central Bank	86.32	91.35	39.94	20.08	12.29	22.71	5.22	21.86	12.96
Claims on State and Local Governments	13.27	70.67	68.04	107.21	2.85	19.17	13.64	38.78	14.23
Claims on Non-Financial Public Enterprises									
Claims on Other Private Sector	33.94	59.18	5.00	25.11	-1.13	-4.40	0.82	44.50	3.20
Foreign Assets (Net)	14.45	17.67	-10.61	-11.19	-14.60	-14.31	-0.81	9.71	5.41
Quasi-Money	34.39	59.99	6.56	33.74	2.85	3.31	9.75	9.70	5.39
Money Supply (M1)	38.90	55.87	-7.67	3.29	-1.98	11.05	1.18	21.54	-2.54
Broad Money (M2)	36.81	57.78	-0.98	17.60	0.60	6.91	5.61	15.43	1.35
Other Assets (Net)	-6.30	-4.60	8.35	-9.09	10.10	21.99	14.05	-103.87	2.22

Source: Central Bank of Nigeria

/1 Quasi-Money consists of Time, Savings and Foreign Currency Deposits of Deposit Money Banks excluding takings from Discount Houses.

/2 Demand Deposits consist of state and local government as well as parastatals deposits at the CBN on the one hand and state and local government and private sector deposits as well as demand deposits of non-financial public enterprises at the Deposit Money Banks.

Table 11
Value of Money Market Assets
(Naira Million)

Instrument	2008		2009		2010		2011		2012 1/
	June	Dec	June	Dec	June	Dec	June	Dec	June
Treasury Bills	574,929.40	471,929.40	641,930.00	797,482.00	901,016.62	1,277,101.60	1,561,424.00	1,727,910.00	2,084,590.38
Treasury Certificates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Development Stocks	520.00	520.00	520.00	520.00	220.00	220.00	0.00	0.00	0.00
Certificates of Deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Commercial Papers	653,101.00	822,700.90	602,465.90	509,079.12	188,204.28	189,216.42	199,469.24	203,008.29	2,039.06
Bankers' Acceptances	169,800.10	66,398.70	74,215.70	62,243.63	41,312.04	79,172.31	62,258.27	73,406.10	23,722.34
FGN Bonds	1,361,254.70	1,445,599.00	1,778,300.00	1,974,930.00	2,408,426.59	2,901,600.30	3,276,111.00	3,541,200.00	3,714,553.86
Total	**2,759,605.20**	**2,807,148.00**	**3,097,431.60**	**3,344,254.75**	**3,539,179.53**	**4,447,310.63**	**5,099,262.52**	**5,545,524.39**	**5,824,905.64**
Percentage Change Over Preceding December									
Treasury Bills	0.01	-17.91	36.02	68.98	12.98	60.14	22.26	35.30	20.64
Treasury Certificates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Eligible Development Stocks	-16.13	-16.13	0.00	0.00	-57.69	-57.69	-100.00	-100.00	0.00
Certificates of Deposits	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Commercial Papers	79.73	126.41	-26.77	-38.12	-63.03	-62.83	5.42	7.29	-99.00
Bankers' Acceptances	107.49	-18.86	11.77	-6.26	-33.63	27.20	-21.36	-7.28	-67.68
FGN Bonds	14.76	21.87	23.01	36.62	21.95	46.92	12.91	22.04	4.90
Percentage Change of Total	**25.04**	**27.20**	**10.34**	**19.13**	**5.83**	**32.98**	**14.66**	**24.69**	**14.23**

Source: Central Bank of Nigeria
1/ Provisional

Table 12
Selected Interest Rates
(End-Period Rate)

	2007		2008		2009		2010		2011		2012
	Jun	Dec	Jun	Dec	Jun	Dec	Jun	Dec	Jun	Dec	Jun
Monetary Policy Rate	8.00	9.50	10.25	9.75	8.00	6.00	6.00	6.25	8.00	12.00	12.00
Treasury Bills Issue Rate	6.37	7.78	8.61	5.46	3.32	3.77	2.29	7.47	8.35	14.23	14.08
Deposit Money Banks (DMBs)											
Savings Deposit Rate	3.78	3.19	2.79	2.92	2.67	3.33	1.95	1.51	1.40	1.41	1.70
Time Deposit Rate (3 months)	10.24	10.29	11.96	12.26	12.63	13.15	4.98	4.63	5.14	6.80	7.80
Prime Lending Rate	16.92	16.46	15.17	15.26	19.08	19.55	17.65	15.74	15.76	16.75	16.93
Maximum Lending Rate	18.74	18.21	18.03	21.15	22.67	23.77	22.03	21.86	22.02	23.21	23.44
Inter-bank Call Rate	12.29	10.24	7.46	13.99	20.96	2.89	1.56	8.73	10.92	13.88	15.26
Open Buy Back (OBB)	8.23	8.09	8.77	8.83	7.59	2.89	2.29	8.25	9.59	14.06	14.72
NIBOR 7-days	8.94	8.93	10.79	13.35	15.97	9.50	5.41	9.67	12.39	16.3	15.37
NIBOR 30-days	11.61	12.89	12.88	15.85	17.15	15.79	8.51	12.17	13.15	16.74	15.75

Sources: Financial Market Dealers Association (FMDA) and Central Bank of Nigeria

Table 13
Federation Account Operations
(N' Billion)

	2008 1st Half	2009 1st Half	2010 1st Half	2011 1st Half	2012 1st Half	2012 2/ 1st Half Budget
Total Revenue (Gross)	**3,752.73**	**2,226.20**	**3,255.68**	**4,758.96**	**5,577.22**	**4,846.25**
Oil Revenue (Gross)	**3,133.58**	**1,538.86**	**2,445.42**	**3,828.05**	**4,357.61**	**3,318.26**
Crude oil / Gas Exports	1,083.24	539.97	834.31	1,007.66	959.01	1,846.51
PPT and Royalties etc.	1,303.81	512.22	813.25	1,698.91	2,160.16	1,262.42
Domestic Crude Oil / Gas Sales	744.30	484.55	793.74	1,119.63	1,190.62	206.10
Other Oil Revenue	2.23	2.12	4.13	1.86	47.82	3.23
Less:						
Deductions	**1,545.77**	**425.75**	**1,141.34**	**2,136.53**	**2,214.56**	**1,014.81**
Oil Revenue (Net)	**1,587.81**	**1,113.11**	**1,304.08**	**1,691.53**	**2,143.05**	**2,303.45**
Non-oil Revenue	**619.14**	**687.33**	**810.26**	**930.91**	**1,219.61**	**1,527.99**
Companies Income Tax & Other Taxes	161.85	203.62	261.50	243.26	281.82	414.09
Customs & Excise Duties	134.61	126.81	140.70	210.57	226.97	300.29
Value-Added Tax (VAT)	196.56	222.21	282.38	307.11	352.75	401.43
Independent Revenue of Fed. Govt.	75.53	54.28	42.44	92.93	226.70	223.39
Education Tax	12.64	37.57	33.46	14.57	48.71	48.42
Customs Levies	37.96	38.67	45.46	61.82	79.10	58.04
National Information Technology Development Fund (NITDF)	0.00	4.18	4.31	0.64	3.57	4.56
Other Non-oil Revenue	0.00	0.00	0.00	0.00	0.00	77.78
Less:						
Cost of Collection	**23.77**	**25.92**	**31.60**	**36.27**	**41.27**	**67.67**
Non-Oil Revenue (Net)	**595.38**	**661.41**	**778.65**	**894.64**	**1,178.34**	**1,460.32**
Estmiated Balances in Special Accounts for the previous year	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**6.22**
Federally-collected revenue (Net)	**2,183.19**	**1,774.52**	**2,082.73**	**2,586.16**	**3,321.39**	**3,770.00**
Federation Account Allocation:	**2,183.19**	**1,774.53**	**2,082.73**	**2,586.16**	**3,321.39**	**3,770.00**
Transfer to Federal Govt. Ind. Revenue	75.53	54.28	42.44	92.93	226.70	223.39
Transfer to VAT Pool Account	188.70	213.32	271.08	294.82	338.64	385.37
Other Tranfers 3/	50.60	80.42	83.23	77.03	131.37	123.19
Distributable Amount						
Amount Distributed	**1,868.36**	**1,426.51**	**1,685.98**	**2,121.38**	**2,624.68**	**3,038.04**
Federal Government	875.51	675.26	795.99	1,001.70	1,235.92	1,442.69
State Government	444.07	342.50	403.74	508.08	626.87	731.75
Local Government	342.36	264.05	311.26	391.70	483.29	564.15
13% Derivation	206.42	144.70	174.99	219.90	278.60	299.45
Vat Pool Account	**188.70**	**213.29**	**271.08**	**294.82**	**338.64**	**385.37**
Federal Government	28.30	32.00	40.66	44.22	50.79	57.81
State Government	94.35	106.66	135.54	147.41	169.32	192.69
Local Government	66.05	74.63	94.88	103.19	118.52	134.88
Special Funds (FGN)	**91.98**	**52.01**	**61.60**	**77.80**	**99.67**	**68.25**
Federal Capital Territory	22.01	12.44	14.74	18.61	23.04	27.39
Ecology	22.00	12.44	14.74	18.61	23.04	27.39
Statutory Stabilization	11.00	6.22	7.37	9.31	11.52	12.61
Natural Resources	36.97	20.91	24.76	31.27	38.70	0.87
FCT VAT				2.95	3.39	3.85
Overall Balance	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Memorandum Items						
Deductions	**1,545.77**	**425.75**	**1,141.34**	**2,136.53**	**2,168.86**	**1,014.81**
JVC Cash calls	285.25	363.50	488.82	499.35	510.83	415.88
Excess Crude Proceeds	831.30	49.90	391.64	548.29	454.35	0.00
Excess PPT & Royalty	429.22	12.35	27.24	819.83	886.33	0.00
Domestic Subsidy					260.00	444.05
Others	0.00	0.00	233.64	269.07	57.34	154.87
Distribution from Excess Crude	**1,106.94**	**219.76**	**442.82**	**0.00**	**75.00**	**0.00**
Federal Government	249.27	58.65	202.95	0.00	34.37	0.00
State Government	395.71	93.16	102.94	0.00	17.44	0.00
Local Government	391.25	39.39	79.36	0.00	13.44	0.00
13% Derivation	70.71	28.57	57.57	0.00	9.75	0.00
Share of Diff.Btw. Provisional Distribution and Actual Budget/ Exchange rate Gain/NNPC Refund/SURE-P	**67.84**	**119.09**	**39.87**	**162.90**	**165.62**	**0.00**
Federal Government	31.09	54.58	18.27	74.66	54.96	0.00
State Government	15.77	27.68	9.27	37.87	50.33	0.00
Local Government	12.16	21.34	7.15	29.20	38.80	0.00
13% Derivation	8.82	15.48	5.18	21.18	21.53	0.00
Federation Revenue Augmentation	**87.87**	**300.65**	**414.22**	**145.95**	**462.02**	**0.00**
Federal Government	40.27	137.79	189.84	66.89	211.75	0.00
State Government	20.43	69.89	96.29	33.93	107.40	0.00
Local Government	15.75	53.88	74.24	26.16	82.80	0.00
13% Derivation	11.42	39.08	53.85	18.97	60.06	0.00
Total Statutory Revenue and VAT Distribution 3/	**3,319.71**	**2,279.30**	**2,853.97**	**2,725.06**	**3,665.96**	**3,423.42**
Federal Government	1,224.45	958.28	1,247.72	1,187.48	1,587.80	1,500.50
State Government	970.33	639.89	747.78	727.29	971.36	924.44
Local Government	827.57	453.30	566.89	550.25	736.86	699.03
13% Derivation	297.37	227.84	291.59	260.05	369.94	299.45
Total Excluding VAT	**0.00**	**2,915.57**	**2,582.88**	**2,430.23**	**3,327.33**	**3,038.04**
Federal Government	0.00	1,247.72	1,207.06	1,143.25	1,537.01	1,442.69
State Government	0.00	747.78	612.23	579.87	802.04	731.75
Local Government	0.00	566.89	472.01	447.06	618.34	564.15
13% Derivation	0.00	353.19	291.59	260.05	369.94	299.45

Source: Office of the Accountant-General of the Federation (OAGF)
1/ Revised
2/ Provisional
3/ Includes Education Tax, Customs Levies and NITDF

Table 14
Summary of Federal Government Finances
(N' Billion)

	2008 First Half	2009 First Half	2010 First Half	2011 First Half	2012 First Half	2012 First Half Budget 2/
Total Federal Government Retained Reve	**1,373.10**	**1,266.73**	**1,390.24**	**1,308.10**	**1,741.98**	**1,988.83**
Share of Federation Account (Gross)	875.51	675.26	795.99	1,001.70	1,235.92	1,442.69
Share of VAT Pool Account	28.31	32.00	40.66	44.22	50.80	57.81
Federal Government Independent Rev	75.53	54.28	65.20	92.93	154.17	223.39
Share of Excess Crude Account	320.64	251.03	289.26	141.55	34.37	-
Revenue Augmentation				-	211.75	-
SURE-P				-	32.59	90.00
Others 3/	73.12	254.18	199.12	27.70	22.37	174.94
Total Expenditure	**1,404.20**	**1,590.99**	**1,818.16**	**1,958.34**	**2,023.80**	**2,556.93**
Recurrent Expenditure	**948.30**	**1,017.30**	**1,297.22**	**1,546.61**	**1,608.43**	**1,700.64**
Goods and Services	**700.19**	**822.92**	**1,062.35**	**1,235.19**	**1,194.31**	**1,348.74**
Personnel Cost	432.07	452.12	540.21	832.42	891.54	829.37
Pension	65.59	87.16	97.73	54.76	79.12	73.35
Overhead Cost	202.54	283.63	424.40	348.01	162.98	132.90
Others	-	-	-	-	60.66	313.13
Interest Payments	**154.24**	**120.32**	170.56	225.15	**314.46**	**279.79**
Foreign	36.88	19.72	19.62	20.90	25.87	23.80
Domestic 4/	117.36	100.60	150.95	204.25	288.59	255.99
Transfers	**93.87**	**74.06**	**64.31**	**86.28**	**99.67**	**72.11**
FCT & Others (Special Funds)	93.87	74.06	64.31	86.28	99.67	72.11
Transfer to Financing	-	-	-	-	-	-
Capital Expenditure & Net Lending 5/	**366.26**	**474.79**	**445.11**	**303.62**	**259.25**	**669.99**
Domestic Financed Budgets	**366.26**	**474.79**	445.11	303.62	**259.25**	**669.99**
Budgetary	366.26	474.79	445.11	303.62	259.25	669.99
Transfers	**89.64**	**98.90**	**75.83**	**108.10**	**156.11**	**186.30**
NDDC	29.64	12.83	-	28.04	-	24.34
NJC	39.00	58.50	45.50	47.50	39.17	37.50
UBE	21.00	19.65	22.16	23.04	31.80	31.56
Refund of Signature Bonuses/Others	-	7.92	8.17	9.52	85.15	92.90
Balance Of Revenue And Expenditure						
Primary Surplus (+)/Deficit (-)	**123.14**	**(203.94)**	**(257.36)**	**(425.09)**	**32.63**	**(288.31)**
Current Surplus(+)/Deficit(-)	**424.80**	**249.43**	**93.02**	**(238.51)**	**133.55**	**288.19**
Overall Surplus(+)/Deficit(-)	**(31.10)**	**(324.26)**	**(427.93)**	**(650.23)**	**(281.82)**	**(568.10)**
Financing:	**8.95**	**324.26**	**427.93**	**650.23**	**281.82**	**568.10**
Foreign(Net)	**-**	**-**	**75.03**	**73.33**	**-**	**-**
Domestic(Net)	**-**	**-**	**352.90**	**576.90**	**281.82**	**568.10**
Banking System	-	-	-	-	-	-
CBN	-	-	-	-	-	-
DMBs	-	-	-	-	-	-
Non Bank Public	-	-	366.87	476.00	-	372.22
Privatization Proceeds	-	-	-	-	3.50	5.00
Excess Crude	-	-	-	-	-	153.38
Other Funds	8.95	324.26	(13.97)	100.90	278.32	37.50

Source: Office of the Accountant-General of the Federation (OAGF)

1/ Provisional

2/ Includes FG's share of Federation Revenue Augmentation and Share of Difference between Provisonal and Approved

3/ Includes Loan Refunds, Operating Surplus Redemption & Transfer (from closure)

4/ Include Ways and Means Advances

5/ Includes net deductions for loans on lent to State,local governments and Federal parastatals/companies.

Table 15
Functional Classification of Federal Government Capital Expenditure 1/
(Naira Billion)

	First Half 2008	First Half 2009	First Half 2010	First Half 2011	First Half 2012
ADMINISTRATION	**94.16**	**116.16**	**114.16**	**119.27**	**113.61**
General Administration	64.61	70.55	69.12	75.05	68.16
National Assembly	7.83	4.15	3.10	3.15	3.23
Defence	18.61	18.59	18.09	15.99	16.45
Internal Security	3.12	22.86	23.85	25.09	25.77
				-	-
ECONOMIC SERVICES	**203.89**	**286.32**	**249.50**	**118.89**	**97.82**
Agriculture & Natural Resources	55.60	46.66	35.67	19.30	20.79
Manuf., Mining & Quarrying	4.01	11.39	10.35	7.81	5.72
Transport & Communications	75.91	32.05	41.99	28.21	29.21
Housing	-	-	-	-	-
Roads & Construction	-	130.83	72.01	36.08	36.38
National Priority Projects	-	-	-	-	-
JVC Calls/NNPC Priority Projects	-	-	-	-	-
PTF	-	-	-	-	-
Counterpart Funding	2.00	-	-	-	-
NDDC	-	-	22.58	-	-
Others	66.38	65.39	66.91	27.50	5.72
				-	-
SOCIAL & COMMUNITY SERVICES	**68.13**	**72.14**	**62.98**	**54.85**	**39.62**
Education	26.06	29.09	20.76	17.90	19.57
Health	27.08	18.18	17.15	14.97	15.68
Others	14.98	24.87	25.06	21.98	4.37
				-	-
TRANSFERS 2/	**0.08**	**0.17**	**18.47**	**10.60**	**8.19**
Financial Obligations	-	-	-	-	-
Capital Repayments	-	-	-	-	-
Domestic	-	-	-	-	-
Foreign	-	-	-	-	-
External Obligations	-	-	-	-	-
Contingencies	-	-	-	-	-
Capital Supplementation	-	0.17	18.47	10.60	8.19
Net Lending to States/L.G.s/Parast.	-	-	-	-	-
Grants to States	-	-	-	-	-
Others	0.08	-	-	-	-
TOTAL	**366.26**	**474.79**	**445.11**	**303.62**	**259.25**

Sources: Federal Ministry of Finance and Central Bank of Nigeria
1/ Provisional
2/ Excludes statutory transfers to NDDC, NJC and UBE

Table 16
Functional Classification of Federal Government Recurrent Expenditure 1/
(Naira Billion)

	2008 First Half	2009 First Half	2010 First Half	2011 First Half	2012 First Half
ADMINISTRATION	**360.86**	**437.46**	**615.65**	**698.01**	**725.16**
General Administration	201.85	203.36	305.45	281.14	285.15
National Assembly	27.32	61.40	69.54	97.02	102.38
Defence	35.26	66.23	98.80	109.47	114.20
Internal Security	96.42	106.47	141.86	210.38	223.42
				-	-
ECONOMIC SERVICES	**124.96**	**88.58**	**155.62**	**195.35**	**130.46**
Agriculture	22.37	19.16	13.37	15.99	16.55
Roads & Construction	39.25	10.06	17.89	20.57	18.86
Transport & Communications	6.83	32.70	35.96	43.33	40.73
Others	56.51	26.66	88.41	115.46	54.33
				-	-
SOCIAL & COMMUNITY SERVICES	**155.92**	**189.43**	**240.99**	**287.08**	**259.56**
Education	67.88	102.47	107.17	130.42	132.38
Health	50.46	62.01	48.76	57.63	62.82
Others	37.58	24.95	85.07	99.02	64.36
				-	-
TRANSFERS 2/	**306.56**	**281.55**	**320.97**	**366.19**	**493.25**
Public Debt Charges (Int)	150.12	120.32	170.56	225.15	314.46
Domestic	113.24	100.60	150.95	204.25	288.59
Foreign	36.88	19.72	19.62	20.90	25.87
Pensions & Gratuities	62.57	87.16	69.58	54.76	79.12
FCT & Others	93.87	74.06	80.83	86.28	99.67
Contingencies (Others)	-	-	-	-	-
External Obligations	-	-	-	-	-
Extra-Budgetary Expenditure	-	-	-	-	-
Deferred Custom Duties	-	-	-	-	-
Unspecified Expenditure	-	-	-	-	-
Others 2/	-	-	-	-	-
TOTAL	**948.30**	**997.02**	**1,333.23**	**1,546.61**	**1,608.43**

Sources: Federal Ministry of Finance, Office of Accountant General of the Federation and Central Bank of Nig

1/ Provisional

2/ Excludes statutory transfers to NDDC, NJC and UBE

Table 17
Summary of Statutory & VAT Revenue Allocation to State Governments
(Naira Billion)

S/N	STATES	First Half 2008 Gross Stat. Alloc.	2008 13% Derivation	2008 Augmentation	2008 Excess Crude 2/	2008 VAT	2008 Total Alloc.	First Half 2009 Gross Stat. Alloc.	2009 13% Derivation	2009 Augmentation	2009 Excess Crude 2/	2009 VAT	2009 Total Alloc.
1	ABIA	10.79	2.30	3.29	1.66	2.11	**20.15**	8.26	1.91	3.21	0.39	2.22	**15.98**
2	ADAMAWA	12.04	-	2.92	1.48	2.00	**18.44**	9.22	-	2.63	1.37	2.27	**15.49**
3	AKWA IBOM	12.06	47.61	16.96	8.43	2.35	**87.41**	9.32	36.60	18.02	18.51	2.45	**84.91**
4	ANAMBRA	12.12	-	2.95	1.48	2.27	**18.82**	9.31	-	2.65	1.39	2.59	**15.94**
5	BAUCHI	13.88	-	3.42	1.67	2.31	**21.28**	10.80	-	3.08	1.61	2.65	**18.13**
6	BAYELSA	9.49	31.91	11.73	5.82	1.80	**60.75**	7.39	19.86	8.38	6.27	1.94	**43.84**
7	BENUE	13.00	-	3.16	1.60	2.23	**19.98**	9.95	-	2.84	1.48	2.55	**16.82**
8	BORNO	14.11	-	3.48	1.70	2.18	**21.46**	10.98	-	3.13	1.64	2.49	**18.23**
9	CROSS RIVER	11.30	4.17	3.97	2.00	1.99	**23.42**	8.65	1.62	2.44	2.45	2.24	**17.40**
10	DELTA	12.12	28.64	11.38	5.67	2.62	**60.44**	9.32	26.91	16.11	5.77	2.66	**60.75**
11	EBONYI	10.07	-	2.42	1.25	1.81	**15.55**	7.64	-	2.18	1.14	2.12	**13.08**
12	EDO	11.64	0.49	2.90	1.54	2.05	**18.62**	8.70	1.35	3.48	0.68	2.36	**16.57**
13	EKITI	10.10	-	2.44	1.25	1.84	**15.63**	7.71	-	2.20	1.15	2.21	**13.26**
14	ENUGU	11.30	-	2.76	1.38	2.44	**17.87**	8.70	-	2.48	0.65	2.43	**14.25**
15	GOMBE	10.52	-	2.59	1.27	1.81	**16.19**	8.17	-	2.33	1.22	2.11	**13.83**
16	IMO	12.02	3.26	3.90	1.94	2.19	**23.32**	9.28	2.26	3.48	2.16	2.45	**19.64**
17	JIGAWA	13.27	-	3.23	1.62	2.27	**20.40**	10.20	-	2.90	1.52	2.60	**17.22**
18	KADUNA	15.00	-	3.68	1.82	2.71	**23.21**	11.62	-	3.31	1.73	3.02	**19.68**
19	KANO	18.56	-	4.62	2.21	3.76	**29.14**	14.56	-	4.15	2.17	4.25	**25.13**
20	KATSINA	14.30	-	3.51	1.73	2.54	**22.08**	11.08	-	3.16	1.65	2.97	**18.86**
21	KEBBI	11.93	-	2.94	1.44	1.99	**18.31**	9.26	-	2.64	1.38	2.33	**15.62**
22	KOGI	11.95	-	2.93	1.44	2.04	**18.36**	9.24	-	2.63	1.38	2.32	**15.57**
23	KWARA	10.87	-	2.67	1.31	1.84	**16.70**	8.42	-	2.40	1.26	2.16	**14.24**
24	LAGOS	17.10	-	4.17	2.09	15.37	**38.73**	13.16	-	3.75	1.96	19.25	**38.12**
25	NASARAWA	10.23	-	2.50	1.24	1.99	**15.96**	7.89	-	2.25	1.18	1.99	**13.30**
26	NIGER	13.87	-	3.42	1.67	2.13	**21.09**	10.78	-	3.07	1.61	2.45	**17.91**
27	OGUN	11.63	-	2.86	1.41	2.28	**18.18**	9.01	-	2.57	1.34	2.47	**15.39**
28	ONDO	11.28	11.96	6.26	3.14	2.11	**34.73**	8.64	8.27	5.52	5.31	2.45	**30.19**
29	OSUN	11.19	-	2.71	1.35	2.05	**17.31**	8.54	-	2.43	0.71	2.36	**14.05**
30	OYO	13.92	-	3.41	1.69	2.67	**21.70**	10.76	-	3.07	1.61	3.14	**18.57**
31	PLATEAU	11.78	-	2.87	1.44	2.01	**18.09**	9.04	-	2.58	1.35	2.29	**15.25**
32	RIVERS	13.04	76.09	25.59	12.73	4.33	**131.79**	10.10	45.93	16.61	29.08	3.88	**105.61**
33	SOKOTO	12.49	-	3.05	1.53	2.11	**19.17**	9.61	-	2.74	1.43	2.61	**16.39**
34	TARABA	11.76	-	2.89	1.43	2.06	**18.13**	9.10	-	2.59	1.36	2.07	**15.12**
35	YOBE	11.57	-	2.86	1.39	2.08	**17.90**	9.03	-	2.57	1.35	2.05	**15.00**
36	ZAMFARA	11.77	-	2.87	1.44	2.02	**18.10**	9.06	-	2.58	1.35	2.28	**15.27**
37	Disputed Deriv.	-	-		-	-	**-**						**-**
	Rivers/Akwa Disputed	-			-	-	**-**						**-**
	TOTAL	**444.07**	**206.41**	**169.32**	**84.26**	**94.35**	**998.42**	**342.50**	**144.70**	**152.14**	**108.62**	**106.66**	**854.62**

S/N	STATES	First Half 2010 Gross Stat. Alloc.	2010 13% Derivation	2010 Total Net Stat. Alloc.	2010 Augmentation	2010 Exchange Gain	2010 Excess Crude 2/	2010 VAT	2010 Total Gross Allocation	2010 Total Net Alloc.
1	ABIA	9.73	2.75	11.95	3.17	0.30	3.28	2.79	22.02	**21.49**
2	ADAMAWA	10.86	-	9.86	2.59	0.25	2.65	2.92	19.28	**18.27**
3	AKWA IBOM	10.99	49.09	58.82	17.73	1.71	18.84	3.53	101.88	**100.62**
4	ANAMBRA	10.97	-	10.65	2.62	0.25	2.68	3.24	19.76	**19.44**
5	BAUCHI	12.73	-	11.86	3.04	0.29	3.11	3.33	22.49	**21.62**
6	BAYELSA	8.72	20.27	23.15	8.32	0.80	8.80	2.51	49.41	**43.58**
7	BENUE	11.73	-	10.96	2.80	0.27	2.87	3.18	20.84	**20.07**
8	BORNO	12.94	-	12.83	3.09	0.30	3.16	3.23	22.72	**22.61**
9	CROSS RIVER	10.20	-	7.91	2.43	0.23	2.49	2.83	18.18	**15.89**
10	DELTA	10.98	42.74	51.49	15.77	1.52	16.74	3.80	91.56	**89.32**
11	EBONYI	9.01	-	8.78	2.15	0.21	2.20	2.63	16.20	**15.97**
12	EDO	10.25	3.15	12.45	3.42	0.33	3.54	3.22	23.91	**22.96**
13	EKITI	9.08	-	8.90	2.17	0.21	2.22	2.65	16.33	**16.15**
14	ENUGU	10.25	-	9.78	2.44	0.24	2.50	2.95	18.39	**17.91**
15	GOMBE	9.64	-	8.97	2.30	0.22	2.35	2.68	17.18	**16.52**
16	IMO	10.94	2.69	10.87	3.44	0.33	3.56	3.11	24.07	**21.31**
17	JIGAWA	12.02	-	11.20	2.87	0.28	2.94	3.28	21.38	**20.56**
18	KADUNA	13.70	-	12.83	3.27	0.31	3.35	3.86	24.49	**23.62**
19	KANO	17.17	-	16.65	4.09	0.39	4.20	5.32	31.18	**30.66**
20	KATSINA	13.06	-	12.29	3.11	0.30	3.19	3.72	23.38	**22.62**
21	KEBBI	10.92	-	9.34	2.60	0.25	2.67	2.94	19.39	**17.80**
22	KOGI	10.89	-	10.13	2.60	0.25	2.66	3.14	19.54	**18.78**
23	KWARA	9.93	-	9.74	2.37	0.23	2.43	2.71	17.66	**17.48**
24	LAGOS	15.51	-	11.76	3.70	0.36	3.79	23.74	47.09	**43.34**
25	NASARAWA	9.30	-	8.67	2.22	0.21	2.27	2.50	16.50	**15.87**
26	NIGER	12.70	-	11.14	3.03	0.29	3.10	3.15	22.28	**20.71**
27	OGUN	10.62	-	10.41	2.53	0.24	2.59	3.08	19.07	**18.86**
28	ONDO	10.18	9.83	19.59	5.45	0.52	5.72	3.05	34.76	**34.34**
29	OSUN	10.07	-	9.59	2.40	0.23	2.46	3.00	18.17	**17.69**
30	OYO	12.69	-	11.23	3.03	0.29	3.10	3.84	22.95	**21.49**
31	PLATEAU	10.65	-	9.65	2.54	0.24	2.60	2.94	18.99	**17.98**
32	RIVERS	11.91	44.47	55.76	16.52	1.59	17.54	5.42	97.45	**96.83**
33	SOKOTO	11.33	-	11.18	2.70	0.26	2.77	3.05	20.11	**19.96**
34	TARABA	10.73	-	10.66	2.56	0.25	2.62	2.63	18.78	**18.71**
35	YOBE	10.65	-	10.43	2.54	0.24	2.60	2.66	18.69	**18.47**
36	ZAMFARA	10.68	-	9.96	2.55	0.25	2.61	2.90	18.98	**18.26**
37	Disputed Deriv.			-					-	**-**
	Rivers/Akwa Disputed			-					-	**-**
	TOTAL	**403.74**	**174.99**	**541.43**	**150.14**	**14.45**	**156.22**	**135.54**	**1,035.08**	**997.79**

S/N	STATES	First Half 2011 Gross Stat. Alloc.	2011 13% Derivation	2011 Total Net Stat. Alloc.	2011 Augmentation	2011 Exchange Gain	2011 Excess Crude 2/	2011 VAT	2011 Total Gross Alloc.	2011 Total Net Alloc.
1	ABIA	12.25	2.29	14.29	2.14			3.01	19.67	**19.43**
2	ADAMAWA	13.67	-	12.96	1.93			3.17	18.77	**18.06**
3	AKWA IBOM	13.83	55.39	70.09	11.08			4.08	84.38	**85.25**
4	ANAMBRA	13.81	-	13.51	1.95			3.53	19.29	**18.99**
5	BAUCHI	16.02	-	14.63	2.26			3.62	21.90	**20.51**
6	BAYELSA	10.97	42.77	41.26	9.12			2.78	65.64	**53.16**
7	BENUE	14.76	-	12.58	2.09			3.47	20.32	**18.14**
8	BORNO	16.29	-	16.21	2.30			3.50	22.09	**22.02**
9	CROSS RIVER	12.83	2.27	14.71	2.20			3.05	20.35	**19.96**
10	DELTA	13.82	44.56	56.35	10.79			4.09	73.26	**71.23**
11	EBONYI	11.33	-	7.84	1.60			2.90	15.83	**12.34**
12	EDO	12.90	3.88	15.82	2.65			3.38	22.81	**21.85**
13	EKITI	11.43	-	11.29	1.62			2.89	15.94	**15.79**
14	ENUGU	12.90	-	12.73	1.82			3.23	17.95	**17.78**
15	GOMBE	12.13	-	11.70	1.71			2.90	16.74	**16.31**
16	IMO	13.77	2.51	13.16	2.36			3.42	22.06	**18.95**
17	JIGAWA	15.13	-	14.98	2.14			3.63	20.90	**20.75**
18	KADUNA	17.24	-	15.43	2.44			4.20	23.87	**22.07**
19	KANO	21.61	-	21.17	3.05			5.62	30.28	**29.84**
20	KATSINA	16.43	-	15.76	2.32			4.03	22.78	**22.11**
21	KEBBI	13.74	-	13.51	1.94			3.21	18.89	**18.66**
22	KOGI	13.71	-	12.80	1.94			3.30	18.95	**18.04**
23	KWARA	12.49	-	12.39	1.77			2.93	17.19	**17.09**
24	LAGOS	19.52	-	15.89	2.76			26.34	48.62	**44.99**
25	NASARAWA	11.71	-	10.22	1.65			2.69	16.05	**14.56**
26	NIGER	15.99	-	13.82	2.26			3.39	21.63	**19.46**
27	OGUN	13.36	-	13.10	1.89			3.39	18.64	**18.39**
28	ONDO	12.81	7.52	19.55	3.25			3.27	26.85	**26.06**
29	OSUN	12.67	-	12.41	1.79			3.25	17.71	**17.45**
30	OYO	15.97	-	14.88	2.26			4.17	22.39	**21.30**
31	PLATEAU	13.41	-	12.80	1.89			3.18	18.49	**17.88**
32	RIVERS	14.99	55.98	68.81	12.03			5.46	88.47	**86.30**
33	SOKOTO	14.25	-	14.12	2.01			3.41	19.68	**19.54**
34	TARABA	13.50	-	13.45	1.91			2.86	18.27	**18.22**
35	YOBE	13.40	-	13.17	1.89			2.95	18.24	**18.01**
36	ZAMFARA	13.44	-	12.51	1.90			3.12	18.46	**17.53**
37	Disputed Deriv.		-	-	-				-	**-**
	Rivers/Akwa Disputed		2.73	2.73	1.24				3.97	**3.97**
	TOTAL	**508.08**	**219.90**	**682.63**	**111.95**	**-**	**-**	**147.41**	**987.33**	**941.99**

S/N	STATES	First Half 2012 Gross Stat. Alloc.	2012 Deduction	2012 13% Derivation	2012 Total Net Stat. Alloc.	2012 Augmentation	2012 Exchange Gain	2012 Excess Crude 2/	2012 NNPC Refund	2012 SURE-P	2012 VAT	2012 Total Gross Alloc.	2012 Total Net Alloc.
1	ABIA	15.11	0.30	2.30	17.11	2.59	0.27	0.42	0.55	0.40	3.48	25.12	**24.82**
2	ADAMAWA	16.87	1.97	-	14.90	2.89	0.31	0.47	0.62	0.44	3.63	25.22	**23.25**
3	AKWA IBOM	17.06	6.17	99.61	110.50	2.92	0.31	0.47	0.61	0.45	4.44	125.88	**119.70**
4	ANAMBRA	17.04	0.10	-	16.93	2.92	0.31	0.47	0.62	0.45	4.04	25.84	**25.74**
5	BAUCHI	19.76	2.45	-	17.31	3.39	0.36	0.55	0.69	0.52	4.13	29.40	**26.94**
6	BAYELSA	13.52	14.53	69.26	68.26	2.32	0.24	0.38	0.48	0.36	3.29	89.85	**75.32**
7	BENUE	18.21	2.31	-	15.90	3.12	0.33	0.51	0.66	0.48	4.08	27.40	**25.09**
8	BORNO	20.10	1.37	-	18.73	3.44	0.36	0.56	0.70	0.53	4.05	29.75	**28.39**
9	CROSS RIVER	15.83	1.60	2.86	17.10	2.71	0.29	0.44	0.58	0.42	3.54	26.67	**25.07**
10	DELTA	17.05	9.51	80.23	87.77	2.92	0.31	0.47	0.62	0.45	4.99	107.05	**97.54**
11	EBONYI	13.98	3.65	-	10.34	1.92	0.25	0.39	0.52	0.37	3.34	20.77	**17.13**
12	EDO	15.92	3.98	6.90	18.84	3.20	0.29	0.44	0.61	0.42	4.01	31.79	**27.81**
13	EKITI	14.11	2.94	-	11.17	2.42	0.26	0.39	0.52	0.37	3.35	21.41	**18.47**
14	ENUGU	15.91	0.62	-	15.30	2.73	0.29	0.44	0.57	0.42	3.72	24.08	**23.47**
15	GOMBE	14.96	3.14	-	11.82	2.30	0.27	0.42	0.53	0.39	3.35	22.22	**19.07**
16	IMO	16.99	2.75	4.04	18.28	3.17	0.31	0.47	0.61	0.45	3.93	29.97	**27.22**
17	JIGAWA	18.66	1.04	-	17.63	3.20	0.34	0.52	0.67	0.49	4.10	27.98	**26.95**
18	KADUNA	21.27	1.82	-	19.45	3.64	0.39	0.59	0.75	0.56	4.97	32.18	**30.36**
19	KANO	26.66	1.95	-	24.71	4.57	0.48	0.74	0.92	0.70	6.47	40.54	**38.59**
20	KATSINA	20.27	0.22	-	20.05	3.47	0.37	0.56	0.72	0.53	4.63	30.56	**30.34**
21	KEBBI	16.96	2.02	-	14.93	2.91	0.31	0.47	0.60	0.45	3.73	25.41	**23.39**
22	KOGI	16.92	1.21	-	15.71	2.90	0.31	0.47	0.60	0.45	3.82	25.46	**24.25**
23	KWARA	15.41	0.09	-	15.32	2.64	0.28	0.43	0.55	0.41	3.35	23.07	**22.98**
24	LAGOS	24.08	3.77	-	20.31	4.13	0.44	0.67	0.87	0.63	30.01	60.82	**57.06**
25	NASARAWA	14.44	2.17	-	12.27	2.47	0.26	0.40	0.52	0.38	3.07	21.55	**19.38**
26	NIGER	19.73	2.99	-	16.74	3.38	0.36	0.55	0.70	0.52	3.91	29.13	**26.15**
27	OGUN	16.49	0.13	-	16.36	2.82	0.30	0.46	0.59	0.43	3.95	25.04	**24.91**
28	ONDO	15.81	3.32	13.50	25.99	2.71	0.29	0.44	0.58	0.42	3.88	37.62	**34.30**
29	OSUN	15.64	0.36	-	15.28	2.68	0.28	0.43	0.56	0.41	3.73	23.74	**23.38**
30	OYO	19.70	0.64	-	19.05	3.38	0.36	0.55	0.70	0.52	4.60	29.80	**29.16**
31	PLATEAU	16.54	0.40	2.20	18.34	2.83	0.30	0.46	0.60	0.44	3.71	27.08	**26.68**
32	RIVERS	18.49	1.58	88.99	105.89	3.17	0.33	0.51	0.66	0.49	5.74	118.38	**116.79**
33	SOKOTO	17.59	1.03	-	16.56	3.01	0.32	0.49	0.63	0.46	3.88	26.39	**25.36**
34	TARABA	16.66	0.03	-	16.63	2.85	0.30	0.46	0.59	0.44	3.33	24.64	**24.61**
35	YOBE	16.53	0.57	-	15.96	2.83	0.30	0.46	0.58	0.44	3.37	24.51	**23.94**
36	ZAMFARA	16.58	3.59	-	12.99	2.84	0.30	0.46	0.60	0.44	3.70	24.91	**21.32**
37	Disputed Deriv.	-	-	0.05	0.05						-	0.05	**0.05**
	Rivers/Akwa Disputed	-	-	0.01	0.01						-	0.01	**0.01**
	TOTAL	**626.86**	**86.33**	**369.95**	**910.48**	**107.40**	**11.35**	**17.44**	**22.45**	**16.53**	**169.32**	**1,341.30**	**1,254.97**

Source: Federation Account Allocation, Federal Ministry of Finance

1/ Provisional

2/ Includes the share of Oil-producing states from the excess crude

Table 18

Allocation to Local Governments from the Federation and VAT Pools Accounts (Naira Billion)

S/N	State	First Half 2008						First Half 2009					
		Fed. Acct	Excess Crude	Budget Augmentation	Exchange Gain	VAT	Total	Fed. Acct	Excess Crude	Budget Augmentation	Exchange Gain	VAT	Total
1	Abia	7.26	0.90	1.75	-	1.3	**11.2**	5.85	0.82	1.57	-	1.3	**9.6**
2	Adamawa	9.18	1.12	2.25	-	1.4	**13.9**	6.74	1.06	2.02	-	1.6	**11.4**
3	Akwa-Ibom	11.96	1.42	2.96	-	2.0	**18.4**	9.34	1.39	2.66	-	2.2	**15.6**
4	Anambra	9.18	1.12	2.23	-	1.6	**14.1**	7.02	1.05	2.00	-	1.8	**11.8**
5	Bauchi	10.41	1.25	2.58	-	1.5	**15.8**	8.12	1.21	2.31	-	1.8	**13.4**
6	Bayelsa	3.93	0.49	0.95	-	0.7	**6.0**	2.99	0.45	0.85	-	0.7	**5.0**
7	Benue	10.65	1.29	2.62	-	1.6	**16.2**	8.26	1.23	2.35	-	1.8	**13.7**
8	Borno	12.01	1.43	3.01	-	1.7	**18.2**	9.49	1.42	2.70	-	2.0	**15.6**
9	Cross-River	7.74	0.96	1.87	-	1.2	**11.8**	5.90	0.88	1.68	-	1.4	**9.8**
10	Delta	10.19	1.25	2.47	-	1.9	**15.8**	7.80	1.16	2.22	-	2.0	**13.2**
11	Ebonyi	5.46	0.66	1.33	-	0.9	**8.4**	4.20	0.63	1.20	-	1.1	**7.1**
12	Edo	7.85	0.99	1.87	-	1.3	**12.0**	5.90	0.88	1.68	-	1.5	**9.9**
13	Ekiti	6.34	0.78	1.52	-	1.0	**9.7**	4.80	0.72	1.37	-	1.3	**8.2**
14	Enugu	7.41	0.90	1.80	-	1.5	**11.6**	5.69	0.85	1.62	-	1.5	**9.6**
15	Gombe	5.30	0.63	1.32	-	0.8	**8.1**	4.15	0.62	1.18	-	1.0	**6.9**
16	Imo	10.68	1.29	2.61	-	1.8	**16.3**	8.24	1.23	2.35	-	2.0	**13.8**
17	Jigawa	11.35	1.40	2.74	-	1.8	**17.3**	8.65	1.29	2.46	-	2.1	**14.5**
18	Kaduna	12.02	1.47	2.94	-	1.9	**18.4**	9.27	1.38	2.64	-	2.2	**15.5**
19	Kano	19.82	2.42	4.82	-	3.5	**30.6**	15.22	2.27	4.34	-	4.0	**25.8**
20	Katsina	14.45	1.76	3.53	-	2.3	**22.0**	11.13	1.66	3.17	-	2.7	**18.6**
21	Kebbi	8.99	1.10	2.19	-	1.4	**13.7**	6.91	1.03	1.97	-	1.6	**11.5**
22	Kogi	9.25	1.12	2.27	-	1.4	**14.0**	7.16	1.07	2.04	-	1.6	**11.9**
23	Kwara	7.10	0.86	1.74	-	1.0	**10.8**	5.50	0.82	1.57	-	1.2	**9.1**
24	Lagos	12.06	1.47	2.93	-	9.2	**25.7**	9.24	1.38	2.63	-	12.0	**25.3**
25	Nassarawa	5.68	0.69	1.40	-	1.0	**8.8**	4.40	0.66	1.25	-	1.0	**7.3**
26	Niger	11.47	1.39	2.83	-	1.6	**17.3**	8.92	1.33	2.54	-	1.9	**14.7**
27	Ogun	8.53	1.03	2.09	-	1.5	**13.2**	6.60	0.98	1.88	-	1.6	**11.1**
28	Ondo	7.95	0.97	1.93	-	1.3	**12.2**	6.09	0.91	1.74	-	1.5	**10.3**
29	Osun	10.88	1.33	2.63	-	1.8	**16.6**	8.30	1.24	2.37	-	2.0	**14.0**
30	Oyo	13.76	1.67	3.37	-	2.3	**21.1**	10.62	1.58	3.03	-	2.7	**17.9**
31	Plateau	7.87	0.96	1.93	-	1.2	**12.0**	6.08	0.91	1.73	-	1.4	**10.1**
32	Rivers	10.36	1.26	2.52	-	2.8	**17.0**	7.96	1.19	2.27	-	2.7	**14.1**
33	Sokoto	9.92	1.21	2.42	-	1.5	**15.1**	7.63	1.14	2.17	-	1.9	**12.8**
34	Taraba	7.84	0.96	1.93	-	1.2	**11.9**	6.07	0.91	1.73	-	1.2	**9.9**
35	Yobe	7.56	0.92	1.87	-	1.2	**11.6**	5.89	0.88	1.68	-	1.2	**9.7**
36	Zamfara	7.17	0.88	1.75	-	1.1	**10.9**	5.53	0.82	1.57	-	1.2	**9.2**
37	FCT Abuja	2.77	0.29	0.75	-	2.7	**6.5**	2.35	0.35	0.67	-	2.4	**5.7**
	TOTAL	**342.4**	**41.7**	**83.7**	**-**	**66.0**	**533.8**	**264.1**	**39.4**	**75.2**	**-**	**74.7**	**453.3**

S/N	State	First Half 2010						First Half 2011					
		Fed. Acct	Excess Crude	Budget Augmentation	Exchange Gain	VAT	Total	Fed. Acct	Excess Crude	Budget Augmentation	Exchange Gain	VAT	Total
1	Abia	6.8	3.8	1.5	0.1	1.7	**13.9**	8.17	-	1.15	-	1.79	**11.11**
2	Adamawa	8.1	4.8	2.0	0.2	2.0	**17.1**	10.51	-	1.49	-	2.16	**14.16**
3	Akwa-Ibom	11.0	6.4	2.6	0.3	3.0	**23.3**	13.86	-	1.96	-	3.39	**19.21**
4	Anambra	8.3	4.8	2.0	0.2	2.2	**17.5**	10.42	-	1.47	-	2.41	**14.30**
5	Bauchi	9.6	5.6	2.3	0.2	2.2	**19.9**	12.05	-	1.70	-	2.41	**16.17**
6	Bayelsa	3.5	2.0	0.8	0.1	0.9	**7.4**	4.43	-	0.63	-	1.02	**6.08**
7	Benue	9.7	5.6	2.3	0.2	2.3	**20.2**	12.25	-	1.73	-	2.51	**16.50**
8	Borno	11.2	6.5	2.7	0.3	2.6	**23.2**	14.08	-	1.99	-	2.79	**18.86**
9	Cross-River	7.0	4.0	1.7	0.2	1.7	**14.6**	8.75	-	1.24	-	1.88	**11.87**
10	Delta	9.2	5.3	2.2	0.2	2.8	**19.7**	11.57	-	1.63	-	2.98	**16.18**
11	Ebonyi	5.0	2.9	1.2	0.1	1.3	**10.4**	6.24	-	0.88	-	1.44	**8.55**
12	Edo	7.0	4.0	1.7	0.2	2.0	**14.8**	8.76	-	1.24	-	2.08	**12.08**
13	Ekiti	5.7	3.3	1.4	0.1	1.5	**11.9**	7.13	-	1.01	-	1.64	**9.77**
14	Enugu	6.7	3.9	1.6	0.2	1.8	**14.1**	8.44	-	1.19	-	1.93	**11.57**
15	Gombe	4.9	2.8	1.2	0.1	1.2	**10.2**	6.16	-	0.87	-	1.31	**8.34**
16	Imo	9.7	5.6	2.3	0.2	2.5	**20.4**	12.22	-	1.73	-	2.74	**16.69**
17	Jigawa	10.2	5.9	2.4	0.2	2.6	**21.4**	12.82	-	1.81	-	2.87	**17.51**
18	Kaduna	10.9	6.3	2.6	0.3	2.8	**22.9**	13.76	-	1.94	-	3.00	**18.69**
19	Kano	17.9	10.4	4.3	0.4	5.0	**38.0**	22.57	-	3.19	-	5.34	**31.10**
20	Katsina	13.1	7.6	3.1	0.3	3.3	**27.5**	16.50	-	2.33	-	3.62	**22.46**
21	Kebbi	8.1	4.7	1.9	0.2	2.0	**17.0**	10.25	-	1.45	-	2.19	**13.89**
22	Kogi	8.4	4.9	2.0	0.2	2.1	**17.7**	10.63	-	1.50	-	2.24	**14.37**
23	Kwara	6.5	3.8	1.5	0.1	1.5	**13.5**	8.16	-	1.15	-	1.66	**10.98**
24	Lagos	10.9	6.3	2.6	0.3	14.2	**34.3**	13.71	-	1.94	-	15.40	**31.05**
25	Nassarawa	5.2	3.0	1.2	0.1	1.2	**10.8**	6.53	-	0.92	-	1.30	**8.76**
26	Niger	10.5	6.1	2.5	0.2	2.4	**21.8**	13.23	-	1.87	-	2.59	**17.69**
27	Ogun	7.8	4.5	1.9	0.2	2.0	**16.4**	9.79	-	1.38	-	2.25	**13.42**
28	Ondo	7.2	4.2	1.7	0.2	1.9	**15.1**	9.04	-	1.28	-	2.03	**12.34**
29	Osun	9.8	5.7	2.3	0.2	2.6	**20.6**	12.32	-	1.74	-	2.82	**16.88**
30	Oyo	12.5	7.3	3.0	0.3	3.3	**26.4**	15.75	-	2.23	-	3.63	**21.60**
31	Plateau	7.2	4.2	1.7	0.2	1.8	**15.0**	9.02	-	1.27	-	1.91	**12.20**
32	Rivers	9.4	5.4	2.2	0.2	3.6	**20.9**	11.81	-	1.67	-	3.68	**17.15**
33	Sokoto	9.0	5.2	2.1	0.2	2.2	**18.8**	11.32	-	1.60	-	2.45	**15.37**
34	Taraba	7.2	4.2	1.7	0.2	1.5	**14.7**	9.01	-	1.27	-	1.62	**11.91**
35	Yobe	6.9	4.0	1.7	0.2	1.6	**14.4**	8.74	-	1.23	-	1.74	**11.71**
36	Zamfara	6.5	3.8	1.6	0.1	1.6	**13.6**	8.20	-	1.16	-	1.67	**11.03**
37	FCT Abuja	2.8	1.6	0.7	0.1	3.9	**9.0**	3.49	-	0.49	-	4.70	**8.68**
	TOTAL	**311.3**	**180.5**	**74.2**	**7.1**	**94.9**	**668.0**	**391.70**	**0.00**	**55.35**	**0.00**	**103.19**	**550.25**

S/N	State	First Half 2012 1/							
		Fed. Acct.	Excess Crude	Budget Augmentation	Exchange Gain	NNPC Refunds	SURE-P	VAT	Total
1	Abia	10.08	0.28	1.73	0.18	0.36	0.27	2.07	14.96
2	Adamawa	12.97	0.36	2.22	0.23	0.48	0.34	2.47	19.08
3	Akwa-Ibom	17.10	0.48	2.93	0.31	0.58	0.45	3.74	25.60
4	Anambra	12.86	0.36	2.20	0.23	0.50	0.34	2.76	19.25
5	Bauchi	14.87	0.41	2.55	0.27	0.49	0.39	2.75	21.74
6	Bayelsa	5.47	0.15	0.94	0.10	0.19	0.14	1.22	8.22
7	Benue	15.12	0.42	2.59	0.27	0.55	0.40	2.94	22.30
8	Borno	17.38	0.48	2.98	0.31	0.61	0.46	3.23	25.44
9	Cross-River	10.80	0.30	1.85	0.20	0.40	0.28	2.19	16.02
10	Delta	14.27	0.40	2.45	0.26	0.53	0.38	3.61	21.90
11	Ebonyi	7.69	0.21	1.32	0.14	0.28	0.20	1.65	11.50
12	Edo	10.81	0.30	1.85	0.20	0.43	0.28	2.47	16.34
13	Ekiti	8.79	0.24	1.51	0.16	0.32	0.23	1.90	13.15
14	Enugu	10.42	0.29	1.78	0.19	0.37	0.27	2.23	15.55
15	Gombe	7.60	0.21	1.30	0.14	0.26	0.20	1.51	11.23
16	Imo	15.08	0.42	2.58	0.27	0.52	0.40	3.15	22.42
17	Jigawa	15.82	0.44	2.71	0.29	0.56	0.42	3.26	23.49
18	Kaduna	16.97	0.47	2.91	0.31	0.61	0.45	3.53	25.25
19	Kano	27.85	0.77	4.77	0.50	0.97	0.73	6.14	41.75
20	Katsina	20.36	0.57	3.49	0.37	0.73	0.54	4.16	30.21
21	Kebbi	12.65	0.35	2.17	0.23	0.45	0.33	2.54	18.72
22	Kogi	13.11	0.36	2.25	0.24	0.45	0.35	2.59	19.34
23	Kwara	10.07	0.28	1.73	0.18	0.37	0.27	1.90	14.79
24	Lagos	16.92	0.47	2.90	0.31	0.65	0.45	17.82	39.51
25	Nassarawa	8.06	0.22	1.38	0.15	0.29	0.21	1.49	11.80
26	Niger	16.33	0.45	2.80	0.30	0.58	0.43	2.98	23.87
27	Ogun	12.08	0.34	2.07	0.22	0.44	0.32	2.61	18.08
28	Ondo	11.15	0.31	1.91	0.20	0.40	0.29	2.41	16.68
29	Osun	15.20	0.42	2.60	0.28	0.58	0.40	3.24	22.72
30	Oyo	19.43	0.54	3.33	0.35	0.70	0.51	4.06	28.93
31	Plateau	11.12	0.31	1.91	0.20	0.39	0.29	2.22	16.45
32	Rivers	14.57	0.41	2.50	0.26	0.51	0.38	3.94	22.57
33	Sokoto	13.96	0.39	2.39	0.25	0.50	0.37	2.80	20.67
34	Taraba	11.12	0.31	1.90	0.20	0.39	0.29	1.89	16.11
35	Yobe	10.78	0.30	1.85	0.20	0.39	0.28	1.99	15.78
36	Zamfara	10.12	0.28	1.73	0.18	0.34	0.27	1.98	14.91
37	FCT Abuja	4.31	0.12	0.74	0.08	0.14	0.11	5.07	10.56
	TOTAL	483.29	13.44	82.81	8.75	17.31	12.74	118.52	736.86

Source: Federation Account Allocation, Federal Ministry of Finance

1/ Provisional

VAT: Value Added Tax

LGA: Local Governments Areas

Table 19
Domestic Debt of the Federal Government
(Naira Billion)

	First Half 2008	First Half 2009	First Half 2010	First Half 2011	First Half 2012 1/
1. Composition of Debt					
i Treasury Bills	574.93	641.93	901.02	1,561.42	2,084.59
ii Treasury Bonds	402.26	392.07	392.07	372.90	353.73
iii Development Stocks	0.52	0.52	0.22	-	0.00
iv FGN Bonds	1,361.25	1,778.27	2,408.43	3,276.11	3,714.55
v Promissory Note	-	-	63.03	-	0.00
Total	**2,338.96**	**2,812.79**	**3,764.76**	**5,210.44**	**6,152.87**
2. Holders					
i Banking System	1,922.70	1,984.14	2,662.82	3,914.99	3,824.81
a. Central Bank	288.39	286.95	440.37	310.93	439.62
b. Deposit Money Banks	1,634.31	1,697.19	2,222.45	3,604.06	3,385.19
ii Non-Bank Public	296.03	699.69	931.38	1,141.75	2,166.11
iii Sinking Fund	120.23	128.96	170.57	153.70	161.95
Total Debt Outstanding	**2,338.96**	**2,812.79**	**3,764.76**	**5,210.44**	**6,152.87**

Source: Debt Management Office

1/ Provisional

Table 20
Domestic Debt Service Payments of the Federal Government By Instruments (Naira Billion)

	1st Half 2008	1st Half 2009	1st Half 2010	1st Half 2011	1st Half 2012 1/
i Treasury Bills	23.50	16.29	14.23	73.38	173.60
ii Treasury Bonds	24.99	29.22	18.75	18.75	18.75
iv Development Stocks	0.14	0.03	0.33	0.23	-
v FGN Bonds	72.25	85.60	111.87	136.24	156.55
Total	**120.88**	**131.14**	**145.18**	**228.61**	**348.90**

Source: Debt Management Office

1/ Provisional

NB: Debt Service excludes sinking fund charges

Table 21
External Debt Outstanding
(US$ Million)

Holders	First Half 2008	First Half 2009	First Half 2010	First Half 2011	First Half 2012 1/
1. Multilateral	3,191.50	3,219.65	3,860.68	4,563.39	4,950.66
2. Paris Club	-	-	-	-	-
3. London Club	-	-	-	-	-
4. Promissory Notes	-	-	-	-	-
5. Others 2/	563.60	499.59	409.03	834.65	1,085.00
Total Debt Outstanding	**3,755.10**	**3,719.24**	**4,269.71**	**5,398.04**	**6,035.66**

Source: Debt Management Office (DMO)

1/ Provisional Debt Position as at end-June 2012

2/ Includes Non-Paris Bilateral and Commercial debts and euro bond

Table 22
External Debt Service Payments
(US$ Billion)

	First Half 2008	First Half 2009	First Half 2010	First Half 2011	First Half 2012 1/
London Club	-	-	-	-	-
Paris Club	-	-	-	-	-
Multilateral	**211.26**	**157.73**	**133.88**	**116.37**	**63.81**
(i) I. B. R.D.	56.64	55.26	46.92	27.82	6.89
(ii) E. I. B.	-	-	1.59	-	-
(iii) A.D.B. & Others	154.62	102.47	85.37	88.55	56.92
Promissory Notes	-	-	-	-	-
Others 2/	8.66	26.47	43.72	60.10	88.35
Total	**219.92**	**184.20**	**177.60**	**176.47**	**152.16**

Source: Debt Management Office
1/ Provisional
2/ Includes Non-Paris Bilateral and Non-Paris Commercial Debts

Table 23
Consolidated Debt Outstanding
(Naira Billion)

Holders	First Half 2008	First Half 2009	First Half 2010	First Half 2011	First Half 2012 1/
External Debt	442.34	551.26	640.41	827.56	950.61
Domestic Debt	2,338.96	2,812.79	3,764.76	5,210.44	6,152.87
Total Consolidated Debt	**2,781.30**	**3,364.05**	**4,405.18**	**6,038.00**	**7,103.48**

Source: Debt Management Office (DMO)

1/ Provisional

Table 24
Selected Debt Indicators
(in Per cent)

	First Half 2008	First Half 2009	First Half 2010	First Half 2011 1/	First Half 2012 1/
External Debt/GDP	1.5	4.4	4.9	6.0	2.4
Domestic Debt/GDP	7.8	22.7	28.8	38.6	15.5
Total Debt/GDP	9.3	27.1	33.7	44.5	17.7
External Debt/Export	10.8	10.2	11.9	12.8	12.3
Total Debt/FG. Retained Revenue	202.6	242.0	221.5	357.2	407.8
Domestic Debt Service/Revenue	8.5	9.4	7.3	11.5	20.0
Total Debt Service/GDP	0.5	1.3	1.3	1.6	0.9
Total Debt Service/FG-Retained Rev.	10.4	11.4	8.6	12.7	21.4
Domestic Debt Service/GDP		1.1	1.1	1.4	93.6
External Debt Service/GDP		0.2	0.2	0.1	2.0
Domestic Debt Stock/FG Retained Rev.		202.3	189.3	309.4	353.2
Nominal GDP		**12,397.12**	**13,061.11**	**15,955.63**	**40,246.79**

1/ Provisional

Table 25
Gross Domestic Product at 1990 Constant Basic Prices
(Naira Billion unless otherwise stated)

Activity Sector	First Half 2010 1/	First Half 2011 2/	First Half 2012 2/	Share of Total GDP (Per Cent)		
				First Half 2010 1/	First Half 2011 2/	First Half 2012 2/
1. Agriculture	**130.93**	**138.48**	**144.11**	**39.10**	**38.51**	**37.67**
(a) Crop Production	113.87	120.33	124.86	34.01	33.47	32.64
(b) Livestock	9.98	10.65	11.30	2.98	2.96	2.95
(c) Forestry	2.00	2.12	2.24	0.60	0.59	0.59
(d) Fishing	5.08	5.39	5.71	1.52	1.50	1.49
2. Industry	**66.82**	**67.86**	**67.93**	**19.96**	**18.87**	**17.76**
(a) Crude Petroleum	57.08	57.37	56.61	17.05	15.95	14.80
(b) Mining & Quarrying	1.07	1.20	1.34	0.32	0.33	0.35
(c) Manufacturing	8.68	9.29	9.97	2.59	2.58	2.61
3. Building & Construction	**7.78**	**8.77**	**9.91**	**2.32**	**2.44**	**2.59**
4. Wholesale & Retail Trade	**63.96**	**70.82**	**76.78**	**19.10**	**19.69**	**20.07**
5. Services	**65.36**	**73.64**	**83.79**	**19.52**	**20.48**	**21.91**
(a) Transport	9.84	10.44	11.09	2.94	2.90	2.90
(b) Communication	15.88	21.21	28.18	4.74	5.90	7.37
(c) Utilities	9.95	10.25	10.57	2.97	2.85	2.76
(d) Hotel & Restaurant	1.89	2.12	2.38	0.56	0.59	0.62
(e) Finance & Insurance	14.14	14.76	15.38	4.22	4.10	4.02
(f) Real Estate & Business Services	6.85	7.51	8.29	2.05	2.09	2.17
(h) Producers of Govt. Services	3.47	3.67	3.87	1.04	1.02	1.01
(I) Comm., Social & Pers. Services	3.33	3.68	4.05	1.00	1.02	1.06
TOTAL (GDP)	**334.85**	**359.57**	**382.52**	**100.00**	**100.00**	**100.00**
NON-OIL (GDP)	**277.77**	**302.20**	**325.91**	**82.95**	**84.05**	**85.20**
TOTAL GDP GROWTH RATE (%)	**7.57**	**7.38**	**6.38**			
OIL GDP GROWTH RATE (%)	**4.50**	**0.50**	**(1.31)**			
NON-OIL GDP GROWTH RATE (%)	**8.22**	**8.79**	**7.84**			
Of which: Agriculture (%)	5.58	5.77	4.06			
Industry (%)	4.93	1.55	0.11			
Building & Construction (%)	12.50	12.78	12.94			
Wholesale & Retail Trade (%)	10.36	10.72	8.43			
Services (%)	11.27	12.67	13.79			
Source: National Bureau of Statistics						
1/ Revised						
2/ Provisional						

Table 26
Gross Domestic Product at Current Basic Prices
(Naira Billion unless otherwise stated)

Activity Sector	First Half 2010 1/	First Half 2011 2/	First Half 2012 2/	Share of Total GDP (Per Cent)		
				First Half 2010 1/	First Half 2011 2/	First Half 2012 2/
1. Agriculture	**4,328.35**	**4,939.62**	**5,448.75**	**27.98**	**28.26**	**28.48**
(a) Crop Production	3,796.52	4,321.05	4,754.10	24.54	24.72	24.85
(b) Livestock	306.48	357.42	401.76	1.98	2.04	2.10
(c) Forestry	59.36	66.57	74.24	0.38	0.38	0.39
(d) Fishing	165.98	194.58	218.65	1.07	1.11	1.14
2. Industry	**6,971.50**	**7,631.31**	**8,019.35**	**45.07**	**43.65**	**41.92**
(a) Crude Petroleum	6,769.83	7,400.35	7,760.58	43.76	42.33	40.56
(b) Mining & Quarrying	20.67	24.29	26.30	0.13	0.14	0.14
(c) Manufacturing	181.00	206.68	232.47	1.17	1.18	1.22
3. Building & Construction	**199.20**	**236.12**	**274.27**	**1.29**	**1.35**	**1.43**
4. Wholesale & Retail Trade	**2,339.45**	**2,804.66**	**3,231.47**	**15.12**	**16.04**	**16.89**
5. Services	**1,631.21**	**1,869.61**	**2,157.54**	**10.54**	**10.69**	**11.28**
(a) Transport	244.30	267.82	310.30	1.58	1.53	1.62
(b) Communication	126.48	154.73	183.65	0.82	0.89	0.96
(c) Utilities	33.27	39.24	43.70	0.22	0.22	0.23
(d) Hotel & Restaurant	53.73	62.11	70.71	0.35	0.36	0.37
(e) Finance & Insurance	258.75	294.18	327.73	1.67	1.68	1.71
(f) Real Estate & Business Services	610.45	702.72	820.09	3.95	4.02	4.29
(h) Producers of Govt. Services	144.28	164.25	183.21	0.93	0.94	0.96
(I) Comm., Social & Pers. Services	159.96	184.56	218.14	1.03	1.06	1.14
TOTAL (GDP)	**15,469.72**	**17,481.32**	**19,131.38**	**100.00**	**100.00**	**100.00**
NON-OIL (GDP)	**8,699.89**	**10,080.98**	**11,370.80**	**56.24**	**57.67**	**59.44**
TOTAL GDP GROWTH RATE (%)	**36.50**	**13.00**	**9.44**			
OIL GDP GROWTH RATE (%)	**86.90**	**9.31**	**4.87**			
NON-OIL GDP GROWTH RATE (%)	**12.82**	**15.87**	**12.79**			
Of which: Agriculture (%)	12.50	14.12	10.31			
Industry (%)	82.92	9.46	5.08			
Building & Construction (%)	13.74	18.53	16.16			
Wholesale & Retail Trade (%)	14.40	19.89	15.22			
Services (%)	12.15	14.61	15.40			

Source: National Bureau of Statistics

1/ Revised

2/ Provisional

Table 27
Selected Real Sector Indicators
(Per cent, except otherwise indicated)

Item	2008 First Half	2009 First Half	2010 First Half	2011 First Half	2012/1 First Half
Agricultural Production Index (1990=100)					
Aggregate	204.2	215.3	228.0	240.8	250.7
Crops	239.7	252.8	267.5	282.2	292.9
Staples	260.5	274.7	290.9	307.2	319.8
Other Crops	178.4	188.1	198.9	209.8	218.2
Livestock	143.3	151.1	160.7	171.1	181.5
Fishery	95.5	100.7	109.3	115.9	122.9
Forestry	156.1	164.6	171.6	181.0	191.7
Indices of Average World Prices of Nigeria's Major Agricultural Export Commodities (1990=100) (Dollar Based)					
All Commodities	372.0	346.6	435.9	448.8	331.2
Cocoa	379.8	373.8	470.8	464.3	334.5
Coffee	202.3	190.6	235.3	396.6	280.0
Cotton	92.6	69.3	103.5	235.5	295.2
Palm Oil	343.4	195.6	240.6	362.3	369.3
Copra	418.5	208.5	258.7	591.2	280.0
Soya Bean	201.7	153.9	142.3	203.9	200.5
GROWTH RATE OVER THE PRECEEDING PERIOD (%)					
Agricultural Production Index (1990=100)					
Aggregate	4.8	5.4	5.9	5.6	4.1
Crops	4.7	5.5	5.8	5.5	3.8
Staples	4.9	5.5	5.9	5.6	4.1
Other Crops	5.3	5.4	5.7	5.5	4.0
Livestock	5.8	5.5	6.4	6.4	6.1
Fishery	4.1	5.5	8.5	6.1	6.0
Forestry	1.2	5.4	4.2	5.5	5.9
Indices of Average World Prices of Nigeria's Major Agricultural Export Commodities (1990=100) (Dollar Based)					
All Commodities	2.4	-6.8	25.7	3.0	-26.2
Cocoa	2.0	-1.6	26.0	-1.4	-28.0
Coffee	1.6	-5.8	23.5	68.5	-29.4
Cotton	1.3	-25.2	49.3	127.6	25.4
Palm Oil	0.9	-43.0	23.0	50.6	1.9
Copra	0.5	-50.2	24.1	128.5	-52.6
Soya Bean	0.1	-23.7	-7.5	43.3	-1.6
Industrial Production Index (1990 = 100)					
Industrial Production Index	**118.7**	**117.4**	**121.0**	**128.8**	**136.5**
Manufacturing Production Index	90.9	91.9	93.5	98.9	106.1
Mining Production Index	130.2	126.8	129.8	140.6	146.7
Electricity Production Index	196.6	194.3	205.8	202.7	206.1
Capacity Utilization Rate (%)	54.2	53.8	54.9	57.0	57.0
Inflation Rate (12-Month Moving Average)	7.0	13.7	13.1	12.3	11.3
Inflation Rate (Year-on-Year)	12.0	11.2	14.1	10.2	12.9
Food Inflation Rate (Year-on-Year)	18.1	13.1	15.1	9.2	12.0
Non-Food Inflation Rate (Year-on-Year)	3.6	8.5	12.7	11.5	12.7

1/Provisional

Table 27 cont'd
Selected Real Sector Indicators
(Per cent, except otherwise indicated)

Item	2010 First Half	2010 Second Half	2011 1/ First Half (1)	2011 1/ Second Half (2)	2012 2/ First Half (3)	Absolute Change Between (1) & (3)	Absolute Change Between (2) & (3)	Percentage Change Between (1) & (3)	Percentage Change Between (2) & (3)
World Crude Oil Production									
million barrels per day (mbd)									
OPEC	33.87	34.09	34.40	35.55	37.04	2.64	1.49	7.67	4.19
Crudes	29.18	29.20	29.20	30.13	31.49	2.29	1.36	7.84	4.51
NGLs and condensates	4.69	4.90	5.20	5.42	5.55	0.35	0.13	6.73	2.40
Total non-OPEC	51.88	52.36	52.76	52.46	52.97	0.21	0.51	0.40	0.97
Total World Supply	85.75	86.45	87.16	88.01	90.01	2.85	2.00	3.27	2.27
Demand									
OECD	45.14	45.92	45.75	45.85	45.08	-0.67	-0.77	-1.46	-1.68
Non-OECD	39.65	40.66	41.35	42.75	42.57	1.22	-0.18	2.95	-0.42
Total World Demand	84.79	86.58	87.10	88.60	87.65	0.55	-0.95	0.63	-1.07
Nigeria									
Output	2.06	2.18	2.14	2.21	2.09	-0.05	-0.12	-2.34	-5.43
Exports	1.61	1.73	1.69	1.76	1.64	-0.05	-0.12	-2.96	-6.82
Domestic Consumption	0.45	0.45	0.45	0.45	0.45	0.00	0.00	0.00	0.00
Average Spot Price of Selected Crude Oil at the International Oil Market (US$)									
UK Brent	78.35	82.30	111.91	112.40	113.73	1.82	1.33	1.63	1.18
Arab Light									
West Texas Intermediate (WTI)	78.70	81.25	98.62	90.96	95.06	-3.56	4.10	-3.61	4.51
Bonny Light	79.47	83.02	113.86	114.01	115.05	1.19	1.04	1.05	0.91
Forcados	79.09	83.63	114.40	115.06	116.80	2.40	1.74	2.10	1.51
OPEC Basket	75.99	78.78	105.78	108.21	112.52	6.74	4.31	6.37	3.98
Gas Activities									
(MMm^3)									
Gas Produced	50.22	32.83	27.32	35.98	34.10	6.78	-1.88	24.82	-5.23
Gas sold to Industries									
Gas sold for LNG									
Gas used as Fuel									
Gas Reinjected									
Gas Lift									
Gas Converted to NGLs									
Total Gas Utilised	41.64	24.20	20.82	29.24	28.08	7.26	-1.16	34.87	-3.97
Gas Utilised as % of Gas Produced	82.92	73.71	76.21	81.27	82.35	6.14	1.08	8.05	1.33
Gas Flared	6.12	8.58	6.50	6.74	6.02	-0.48	-0.72	-7.38	-10.68
Gas Flared as % Gas Produced	12.28	26.14	23.79	18.73	17.65	-6.14	-1.08	-25.80	-5.76

Sources: OPEC, NNPC, Reuters & CBN Estimates

1/ Revised

2/ Provisional

Table 28
Composite Consumer Price Index
(November 2009=1000

	All Item (Headline)				All Items less Farm Produce (Core)			Food		
	Monthly Index	Inflation, y-o-y(%)	12-month Average Index	Inflation 12-month Average(%)	Monthly Index	Inflation y-o-y(%)	Inflation 12-month Average (%)	Monthly Index	Inflation y-o-y(%)	Inflation 12-month Average (%)
2008										
January	79.1	8.6	76.8	5.5	84.4	2.5	7.9	75.5	12.6	2.9
February	79.3	8.0	77.3	5.5	85.5	6.4	7.5	75.2	8.7	3.3
March	79.9	7.8	77.8	5.8	82.2	0.5	6.8	78.2	12.4	4.2
April	81.1	8.2	78.3	6.1	83.5	1.2	6.4	79.4	13.1	5.1
May	82.7	9.7	78.9	6.5	85.7	3.3	6.3	80.8	14.7	6.1
June	85.7	12.0	79.6	7.0	87.9	3.6	5.8	84.5	18.1	7.4
July	87.6	14.0	80.5	7.8	89.4	4.8	5.4	86.7	20.9	9.0
August	88.6	12.4	81.3	8.5	90.0	3.9	4.8	87.7	18.8	10.7
September	89.6	13.0	82.2	9.2	91.3	6.9	4.5	88.5	17.1	12.3
October	89.0	14.7	83.2	10.1	90.8	7.9	4.3	88.0	19.2	14.0
November	89.0	14.8	84.1	10.9	90.3	9.3	4.5	88.1	18.1	15.3
December	89.7	15.1	85.1	11.6	91.2	10.4	5.1	88.6	18.0	16.1
2009										
January	90.2	14.0	86.0	12.0	91.1	8.0	5.5	89.5	18.4	16.5
February	90.8	14.6	87.0	12.6	91.7	7.2	5.6	90.2	20.0	17.5
March	91.4	14.4	87.9	13.1	92.0	11.8	6.5	90.9	16.2	17.7
April	91.9	13.3	88.8	13.5	92.5	10.9	7.3	91.6	15.3	17.9
May	93.6	13.2	89.8	13.8	94.2	9.9	7.8	93.5	15.7	17.9
June	95.3	11.2	90.6	13.7	95.3	8.5	8.3	95.6	13.1	17.5
July	97.3	11.1	91.4	13.4	96.8	8.3	8.6	97.9	12.9	16.8
August	98.4	11.0	92.2	13.3	97.3	8.0	8.9	98.9	12.7	16.3
September	98.9	10.4	93.0	13.1	98.1	7.4	8.9	99.5	12.5	15.9
October	99.4	11.6	93.8	12.8	98.9	8.9	9.0	99.9	13.5	15.4
November	100.0	12.4	94.7	12.6	100.0	10.7	9.1	100.0	13.5	15.0
December	102.2	13.9	95.8	12.5	101.5	11.2	9.2	102.4	15.5	14.8
2010										
January	103.1	14.4	96.9	12.6	102.1	12.1	9.6	103.7	15.9	14.7
February	105.0	15.6	98.0	12.7	104.5	14.0	10.1	104.8	16.2	14.4
March	104.9	14.8	99.2	12.8	104.1	13.2	10.3	105.3	15.8	14.4
April	105.7	15.0	100.3	12.9	104.4	12.8	10.4	106.6	16.3	14.5
May	105.7	12.9	101.3	12.9	105.2	11.7	10.6	105.7	13.0	14.3
June	108.8	14.1	102.4	13.1	107.4	12.7	10.9	110.0	15.1	14.4
July	109.9	13.0	103.5	13.3	107.7	11.3	11.2	111.6	14.0	14.5
August	111.9	13.7	104.6	13.5	109.3	12.4	11.5	113.8	15.1	14.7
September	112.4	13.6	105.7	13.8	110.7	12.8	12.0	114.0	14.6	14.9
October	112.7	13.4	106.9	13.9	111.9	13.2	12.3	114.0	14.1	14.9
November	112.8	12.8	107.9	13.9	111.7	11.7	12.4	114.4	14.4	15.0
December	114.2	11.8	108.9	13.7	112.6	10.9	12.4	115.4	12.7	14.7
2011										
January	115.6	12.1	110.0	13.5	114.5	12.1	12.4	114.3	10.3	14.2
February	116.7	11.1	110.9	13.2	115.5	10.6	12.1	117.7	12.2	13.9
March	118.3	12.8	112.1	13.0	117.5	12.8	12.1	118.1	12.2	13.6
April	117.7	11.3	113.0	12.7	117.9	12.9	12.1	119.0	11.6	13.2
May	118.7	12.4	114.1	12.6	118.9	13.0	12.2	118.5	12.2	13.2
June	119.9	10.2	115.1	12.3	119.8	11.5	12.1	120.1	9.2	12.7
July	120.3	9.4	115.9	12.0	120.1	11.5	12.1	120.4	7.9	12.1
August	122.3	9.3	116.8	11.6	121.2	10.9	12.0	123.7	8.7	11.6
September	124.0	10.3	117.8	11.4	123.5	11.6	11.9	124.8	9.5	11.2
October	124.6	10.5	118.8	11.1	124.8	11.5	11.7	125.0	9.7	10.8
November	124.7	10.5	119.7	11.0	124.6	11.5	11.7	125.4	9.6	10.4
December	126.0	10.3	120.7	10.8	124.8	10.8	11.7	128.1	11.0	10.3
2012										
January	130.2	12.6	121.9	10.9	129.1	12.7	11.8	129.3	13.1	10.5
February	130.5	11.9	123.1	11.0	129.3	11.9	11.9	129.1	9.7	10.3
March	132.6	12.1	124.3	10.9	135.1	15.0	12.1	132.1	11.8	10.3
April	132.8	12.9	125.5	11.1	135.2	14.7	12.2	132.3	11.2	10.3
May	133.8	12.7	126.8	11.1	136.7	14.9	12.4	133.9	12.9	10.4
June	135.3	12.9	128.1	11.3	138.0	15.2	12.7	134.5	12.0	10.6

Source: National Bureau of Statistics (NBS)

Table 29
Urban and Rural Consumer Price Index
(November 2009=1000

	Urban						Rural					
	All-Items (Headline)	Headline Inflation y-o-y(%)	All Items *less* Farm Produce (Core)	Core Inflation y-o-y(%)	Food	Food Inflation y-o-y(%)	All-Items (Headline)	Headline Inflation, y-o-y(%)	All Items *less* Farm Produce (Core)	Core Inflation y-o-y(%)	Food	Food Inflation y-o-y(%)
2008												
January	84.0	12.7	89.9	12.0	80.8	12.9	76.7	6.5	81.7	-1.8	73.7	12.5
February	85.2	13.1	90.9	13.2	82.1	12.5	76.4	5.5	83.0	3.1	72.7	7.2
March	85.4	10.1	91.2	10.6	82.3	9.7	77.2	6.6	78.0	-4.3	76.8	13.4
April	86.9	11.1	92.5	12.1	83.9	10.6	78.4	6.7	79.2	-3.9	77.9	14.1
May	87.3	10.3	92.8	8.0	84.6	12.3	80.4	9.4	82.3	1.0	79.5	15.7
June	89.1	11.5	94.7	10.5	86.2	12.8	84.1	12.3	84.6	0.1	83.9	20.0
July	90.4	12.9	96.6	10.1	87.3	15.6	86.2	14.5	85.9	2.0	86.5	22.9
August	91.9	12.1	98.2	10.6	88.5	13.9	87.0	12.5	86.1	0.5	87.4	20.6
September	92.3	13.5	97.9	10.6	89.2	16.0	88.3	12.8	88.2	5.0	88.2	17.6
October	92.1	13.8	97.8	10.5	88.9	16.4	87.6	15.2	87.4	6.6	87.7	20.1
November	91.9	12.0	96.8	8.3	89.3	14.9	87.6	16.3	87.3	10.1	87.7	19.3
December	92.8	11.4	97.8	7.8	89.6	13.6	88.2	17.0	88.1	11.8	88.3	19.6
2009												
January	92.8	10.4	96.6	7.5	90.5	12.0	88.9	15.9	88.5	8.3	89.1	20.9
February	93.6	9.8	96.3	5.9	92.0	12.1	89.5	17.2	89.5	7.8	89.6	23.2
March	93.9	9.9	96.5	5.8	92.4	12.3	90.2	16.7	89.8	15.1	90.5	17.8
April	94.3	8.6	97.4	5.3	92.5	10.3	90.7	15.7	90.2	13.9	91.3	17.2
May	95.7	9.5	98.2	5.8	94.1	11.2	92.6	15.1	92.3	12.2	93.3	17.4
June	97.2	9.2	98.8	4.3	96.3	11.7	94.4	12.2	93.7	10.8	95.4	13.7
July	98.9	9.3	99.5	3.0	98.4	12.7	96.5	12.0	95.5	11.2	97.7	12.9
August	99.6	8.4	99.7	1.5	99.3	12.2	97.8	12.4	96.1	11.6	98.8	13.0
September	99.8	8.1	99.5	1.6	99.8	11.9	98.5	11.5	97.4	10.4	99.4	12.7
October	99.8	8.3	99.9	2.1	99.6	12.0	99.2	13.2	98.4	12.6	100.0	14.0
November	100.0	8.8	100.0	3.3	100.0	12.0	100.0	14.2	100.0	14.5	100.0	14.0
December	101.4	9.3	101.3	3.6	101.6	13.4	102.8	16.6	101.7	15.4	103.1	16.8
2010												
January	102.6	10.5	102.5	6.1	102.8	13.6	103.6	16.5	101.9	15.1	104.4	17.2
February	104.4	11.6	105.4	9.4	102.9	11.8	105.6	17.9	103.8	16.0	106.4	18.8
March	106.0	12.9	105.7	9.5	106.1	14.8	104.0	15.3	102.8	14.5	104.6	15.6
April	105.9	12.2	105.4	8.2	106.3	14.9	105.6	16.4	103.6	14.9	106.8	17.0
May	103.8	8.5	103.7	5.6	103.8	10.3	107.2	15.8	106.5	15.4	107.2	14.9
June	107.7	10.8	107.0	8.3	108.5	12.7	109.6	16.1	107.8	15.0	111.2	16.6
July	109.1	10.3	107.9	8.4	110.4	12.2	110.7	14.6	107.6	12.7	112.6	15.3
August	110.5	10.9	109.0	9.3	112.8	13.6	113.0	15.6	109.6	14.0	114.7	16.1
September	110.6	10.9	109.4	9.9	112.6	12.8	113.8	15.6	111.7	14.7	115.1	15.8
October	111.2	11.5	110.0	10.1	113.5	14.0	114.0	15.0	113.5	15.3	114.4	14.4
November	111.7	11.7	111.3	11.3	112.8	12.8	113.6	13.6	112.1	12.1	115.7	15.7
December	112.2	10.7	111.2	9.8	113.4	11.6	115.9	12.7	113.8	11.9	117.1	13.6
2011												
January	110.7	7.9	108.5	5.9	111.7	8.7	119.7	15.6	119.5	17.3	116.5	14.4
February	114.2	9.4	114.1	8.3	115.5	12.2	118.8	12.5	116.7	12.4	119.4	12.7
March	115.0	8.5	114.9	8.7	116.0	9.3	121.1	16.4	119.6	16.3	119.9	14.6
April	115.5	9.1	116.3	10.3	116.4	9.5	119.4	13.1	119.2	15.1	121.1	13.4
May	115.8	11.5	116.8	12.6	116.7	12.4	121.2	13.0	120.6	13.2	120.1	12.0
June	116.6	8.3	116.6	9.0	118.0	8.8	122.6	11.8	122.4	13.5	121.9	9.6
July	116.3	6.6	116.8	8.2	118.0	6.9	123.6	11.7	122.8	14.1	122.4	8.7
August	118.3	7.1	118.7	8.9	119.9	6.3	125.6	11.1	123.3	12.5	126.9	10.6
September	120.0	8.4	121.3	10.9	120.7	7.2	127.4	11.9	125.3	12.2	128.2	11.4
October	119.9	7.8	121.2	10.2	120.9	6.5	128.6	12.8	127.8	12.6	128.4	12.2
November	120.0	7.4	121.1	8.8	120.8	7.1	128.6	13.1	127.4	13.6	129.1	11.6
December	122.3	9.0	122.0	9.7	124.5	9.8	129.0	11.3	127.1	11.7	131.1	12.0
2012												
January	128.9	16.4	128.2	18.2	125.5	12.4	131.3	9.7	129.9	8.7	132.4	10.9
February	129.2	13.1	128.4	12.5	126.3	9.4	131.6	10.9	130.0	11.4	131.8	9.9
March	130.7	13.7	132.6	15.4	129.1	11.3	134.4	11.0	137.1	14.6	134.9	11.4
April	131.1	13.4	133.0	14.4	129.4	11.2	134.4	12.5	137.0	14.9	135.0	11.5
May	132.1	14.1	134.0	14.7	131.1	12.3	135.4	11.7	138.9	15.2	136.5	13.7
June	134.1	15.0	135.8	16.5	131.4	11.4	136.5	11.4	139.8	14.2	137.4	12.7

Source: National Bureau of Statistics (NBS)

Table 30
Balance of Payments Analytic Presentation
(US$ Million)

	First Half 2011 /2	Second Half 2011 /	First Half 2012/1
CURRENT ACCOUNT	**10,130.86**	**-1,370.07**	**9,381.41**
Goods	**19,627.24**	**11,478.35**	**19,537.18**
Exports (fob)	47,372.10	45,894.89	47,496.44
Oil and Gas	45,653.02	44,433.88	45,948.25
Non-oil	1,719.08	1,461.01	1,548.19
Imports (fob)	-27,744.86	-34,416.54	-27,959.26
Oil	-7,997.74	-11,351.80	-8,914.27
Non-oil	-19,747.11	-23,064.73	-19,044.99
Unrecorded(TPAdj)	-	-	-
Services(net)	**-8,793.00**	**-12,568.20**	**-9,305.99**
Credit	1,752.80	1,662.01	1,541.22
Transportation	823.84	776.83	768.59
Travel	339.34	289.06	313.41
Insurance Services	1.36	0.30	1.02
Communication Services	24.19	26.21	23.33
Construction Services	-	-	-
Financial Services	9.46	6.65	4.01
Computer & information Services	-	-	-
Royalties and License Fees	-	-	-
Government Services	540.77	540.77	404.56
Personal, cultural & recreational services	-	-	-
Other Bussiness Services	13.85	22.18	26.32
Debit	-10,545.80	-14,230.21	-10,847.21
Transportation	-3,998.24	-4,123.72	-4,033.69
Travel	-2,133.52	-4,519.96	-3,629.36
Insurance Services	-310.76	-398.53	-381.46
Communication Services	-89.36	-141.98	-178.51
Construction Services	-38.98	-50.45	-35.44
Financial Services	-34.69	-285.66	-168.38
Computer & information Services	-58.85	-107.43	-90.75
Royalties and License Fees	-116.61	-98.37	-126.42
Government Services	-855.48	-1,262.79	-600.04
Personal, cultural & recreational services	-19.84	-59.90	-26.72
Other Bussiness Services	-2,889.46	-3,181.41	-1,576.44
Income(net)	**-11,525.31**	**-11,447.02**	**-11,461.72**
Credit	462.52	442.50	467.41
Investment Income	368.09	354.98	368.48
Compensation of employees	94.44	87.52	98.92
Debit	-11,987.84	-11,889.52	-11,929.12
Investment Income	-11,977.48	-11,856.24	-11,922.80
Compensation of employees	-10.35	-33.28	-6.32
Current transfers(net)	**10,821.93**	**11,166.79**	**10,611.93**
Credit	11,024.91	11,439.63	10,801.92
General Government	964.98	883.18	973.76
Other Sectors	10,059.93	10,556.46	9,828.16
Workers Remittance	10,052.23	10,554.76	9,822.39
Debit	-202.99	-272.84	-189.99
General Government	-37.27	-80.59	0.00
Other Sectors	-165.72	-192.25	-189.99
Workers Remittance	-17.86	-14.65	-12.49
CAPITAL AND FINANCIAL ACCOUNT	**-2,327.25**	**-3,121.43**	**-2,775.61**
Capital account(net)	**-**	**-**	**-**
Credit	-	-	-
Capital Transfers(Debt Forgiveness)	-	-	-
Debit	-	-	-
Capital Transfers	-	-	-
Financial account(net)	**-2,327.25**	**-3,121.43**	**-2,775.61**
Assets	**-10,613.74**	**-9,678.89**	**-10,085.74**
Direct investment (Abroad)	-446.15	-377.44	-379.96
Portfolio investment	-729.74	-893.17	-970.79
Other investment	-9,987.34	-7,550.36	-5,932.58
Change in Reserve	549.48	-857.92	-2,802.41
Liabilities	**8,286.49**	**6,557.46**	**7,310.13**
Direct Invesment in reporting economy	4,676.94	4,237.96	2,513.35
Portfolio Investment	2,706.27	2,486.54	6,453.34
Other investment liabilities	903.29	-167.04	-1,656.56
NET ERRORS AND OMISSIONS	**-7,803.61**	**4,491.50**	**-6,605.80**

Memorandum Items	**First Half 2011 /2**	**Second Half 2011 /**	**First Half 2012/1**
Current Account Balance as % of G.D.P	**8.81**	**-1.05**	**7.67**
Capital and Financial Account Balance as % of G.D.P	**-2.02**	**-2.38**	**-2.27**
Overall Balance as % of G.D.P	**-0.48**	**0.66**	**2.29**
External Reserves - Stock (US $ million)	**31,890.91**	**32,639.78**	**35,412.50**
Number of Months of Imports Equivalent	**6.90**	**5.69**	**7.60**
External Debt Stock (US$ million)	**5,398.04**	**5,666.58**	**6,035.66**
Debt Service Due as % of Exports of Goods Non Factor S	**0.00**	**0.00**	**0.00**
Effective Central Exchange Rate (N/$)	**151.95**	**153.23**	**156.37**
Average Exchange Rate (N/$)	**152.17**	**153.72**	**156.34**
End-Period Exchange Rate (N/$)	**153.31**	**158.27**	**153.31**

Source: Central Bank of Nigeria
1/ Provisional
2/ Revised

Table 31
Balance of Payments Analytic Presentation
(N' Million)

	First Half 2011 /2	Second Half 2011 /2	First Half 2012/1
CURRENT ACCOUNT	**1,540,202.77**	**-202,215.29**	**1,468,216.59**
Goods	**2,984,377.00**	**1,765,367.08**	**3,056,821.11**
Exports (fob)	7,200,751.10	7,033,424.95	7,429,841.43
Oil and Gas	6,939,739.29	6,809,369.00	7,187,687.56
Non-oil	261,011.81	224,055.96	242,153.87
Imports (fob)	-4,216,374.10	-5,268,057.87	-4,373,020.32
Oil	-1,218,279.16	-1,735,448.15	-1,394,256.70
Non-oil	-2,998,094.93	-3,532,609.72	-2,978,763.62
Unrecorded(TPAdj)	-	-	-
Services(net)	**-1,335,853.37**	**-1,926,214.47**	**-1,455,837.54**
Credit	266,384.26	254,530.13	241,045.54
Transportation	125,237.98	118,904.91	120,228.94
Travel	51,546.15	44,277.59	49,022.46
Insurance Services	206.44	45.64	159.30
Communication Services	3,678.35	4,018.26	3,648.58
Construction Services	-	-	-
Financial Services	1,443.61	1,023.30	625.87
Computer & information Services	-	-	-
Royalties and License Fees	-	-	-
Government Services	82,168.90	82,861.55	63,244.43
Personal, cultural & recreational services	-	-	-
Other Bussiness Services	2,102.83	3,398.88	4,115.95
Debit	-1,602,237.63	-2,180,744.60	-1,696,883.08
Transportation	-607,349.89	-631,849.13	-630,958.50
Travel	-324,523.03	-692,885.52	-567,735.36
Insurance Services	-47,269.41	-61,005.24	-59,667.71
Communication Services	-13,591.98	-21,796.49	-27,927.43
Construction Services	-5,912.44	-7,736.17	-5,543.56
Financial Services	-5,266.72	-43,705.98	-26,329.31
Computer & information Services	-8,978.68	-16,445.81	-14,198.46
Royalties and License Fees	-17,723.58	-15,069.78	-19,774.13
Government Services	-129,690.28	-194,045.96	-93,867.52
Personal, cultural & recreational services	-3,012.01	-9,238.48	-4,173.64
Other Bussiness Services	-438,919.61	-486,966.05	-246,707.44
Income(net)	**-1,752,884.98**	**-1,752,806.80**	**-1,792,626.96**
Credit	70,358.55	67,729.69	73,108.05
Investment Income	56,000.99	54,327.03	57,636.96
Compensation of employees	14,357.56	13,402.66	15,471.09
Debit	-1,823,243.53	-1,820,536.49	-1,865,735.01
Investment Income	-1,821,676.20	-1,815,405.04	-1,864,744.74
Compensation of employees	-1,567.33	-5,131.45	-990.28
Current transfers(net)	**1,644,564.12**	**1,711,438.89**	**1,659,859.98**
Credit	1,675,421.66	1,753,179.71	1,689,576.37
General Government	146,701.98	135,252.48	152,293.59
Other Sectors	1,528,719.68	1,617,927.23	1,537,282.78
Workers Remittance	1,527,549.88	1,617,668.63	1,536,380.06
Debit	-30,857.55	-41,740.81	-29,716.39
General Government	-5,658.54	-12,288.10	0.00
Other Sectors	-25,199.00	-29,452.71	-29,716.39
Workers Remittance	-2,720.14	-2,246.94	-1,953.98
CAPITAL AND FINANCIAL ACCOUNT	**-364,206.94**	**-477,084.34**	**-432,575.85**
Capital account(net)	**-**	**-**	**-**
Credit	-	-	-
Capital Transfers(Debt Forgiveness)	-	-	-
Debit	-	-	-
Capital Transfers	-	-	-
Financial account(net)	**-364,206.94**	**-477,084.34**	**-432,575.85**
Assets	**-1,622,887.32**	**-1,483,592.36**	**-1,576,234.02**
Direct investment (Abroad)	-67,656.35	-58,546.53	-59,226.85
Portfolio investment	-110,914.94	-136,798.89	-151,692.40
Other investment	-1,530,419.46	-1,155,539.10	-926,389.31
Change in Reserve	86,103.44	-132,707.85	-438,925.46
Liabilities	**1,258,680.38**	**1,006,508.03**	**1,143,658.17**
Direct Invesment in reporting economy	710,838.15	649,399.28	393,365.33
Portfolio Investment	411,736.74	381,284.46	1,009,709.88
Other investment liabilities	136,105.49	-24,175.72	-259,417.04
NET ERRORS AND OMISSIONS	**-1,175,995.83**	**679,299.63**	**-1,035,640.74**

Memorandum Items	First Half 2011 /2	Second Half 2011 /2	First Half 2012/1
Current Account Balance as % of G.D.P	**8.81**	**-1.05**	**7.67**
Capital and Financial Account Balance as % of G	**-2.02**	**-2.38**	**-2.27**
Overall Balance as % of G.D.P	**-0.48**	**0.66**	**2.29**
External Reserves - Stock (US $ million)	**31,890.91**	**32,639.78**	**35,412.50**
Number of Months of Imports Equivalent	**6.90**	**5.69**	**7.60**
External Debt Stock (US$ million)	**5,398.04**	**5,666.58**	**6,035.66**
Debt Service Due as % of Exports of Goods Non Fa	**0.00**	**0.00**	**0.00**
Effective Central Exchange Rate (N/$)	**151.95**	**153.23**	**156.37**
Average Exchange Rate (N/$)	**152.17**	**153.72**	**156.34**
End-Period Exchange Rate (N/$)	**153.31**	**158.27**	**153.31**

Source: Central Bank of Nigeria
1/ Provisional
2/ Revised

Table 32
Foreign Exchange Flows Through the Economy
(US$ Million)

CATEGORY	2008	2009	2010	2011 /2	2012 /3
INFLOW	**54,503.01**	**30,812.91**	**39,297.43**	**50,257.07**	**55,663.17**
A. Through the Central Bank	**23,970.18**	**11,084.16**	**12,982.08**	**19,574.33**	**22,140.75**
1. Oil	20,998.24	7,482.62	12,159.31	18,140.18	21,298.36
2.Non-oil	2,971.94	3,601.54	822.77	1,434.14	842.38
(i) Drawings on Loans/Grants	0.00	0.00	0.00	0.00	0.00
(ii) RDAS/WDAS Purchases	750.00	2,381.03	9.30	0.00	0.00
(iii) Swaps	945.00	0.00	0.00	0.00	0.00
(iv) Interest on Reserves & Investments	875.99	192.95	375.98	112.56	89.19
(v) Interest Repatriated from overseas			0.00	0.00	0.72
(v) Refund on World Bank/IBRD/IMF Loans/SDR Allocation			0.00	0.00	0.00
(vi) Other official Receipts	400.95	1,027.56	437.49	1,321.59	752.47
			0.00	0.00	0.00
			0.00	0.00	0.00
B. Through Autonomous Sources	**30,532.83**	**19,728.75**	**26,315.35**	**30,682.74**	**33,522.42**
1. Non-oil exports	816.40	652.34	977.56	1,355.60	2,007.62
2. Capital Inflow	98.27	15.31	30.06	9.83	110.57
3. Invisibles	29,618.16	19,061.10	25,307.73	29,317.31	31,404.23
			0.00	0.00	0.00
			0.00	0.00	0.00
OUTFLOW	**16,797.19**	**20,809.60**	**17,594.67**	**21,402.28**	**20,221.77**
A. Through the Central Bank	**16,214.64**	**20,390.76**	**17,027.91**	**20,530.52**	**19,372.63**
1. WDAS/RDAS Utilisation	**14,060.52**	**17,722.01**	**14,146.35**	**17,002.27**	**16,689.14**
(i) WDAS/RDAS Sales	1,315.29	12,861.03	11,715.11	14,638.04	10,414.10
(ii) WDAS Forward			0.00	536.51	681.52
(iii) BDC Sales	4,826.46	2,250.34	2,431.24	1,827.72	3,455.82
(iv) Inter-bank Sales	7,918.77	2,610.64	0.00	0.00	1,612.70
(v) Swaps	0.00	0.00	0.00	0.00	525.00
(vi) Invisibles IFEM	0.00	0.00	0.00	0.00	0.00
2. Drawings on L/C	**259.14**	**568.96**	**406.83**	**902.43**	**291.63**
3. External Debt Service	**228.84**	**183.29**	**178.71**	**176.46**	**152.16**
(i) Principal	173.13	133.71	137.42	127.63	118.26
(ii) Interest	22.63	15.58	2.80	8.49	5.38
(iii) Others 1/	33.03	34.00	38.49	40.34	28.52
4. Professional fees/Commission			0.00	0.00	0.06
5. Contributions, Grants & Equities Invests. (AFC Equity Participation)			0.00	0.00	0.00
6. National Priority Projects (Niger-Delta Payments)	**0.00**	**0.00**	**0.00**	**35.85**	**50.64**
7. Other Official Payments	**1,666.14**	**1,916.50**	**2,296.01**	**2,413.51**	**2,188.99**
(i) Int'l Organisations & Embassies /4	205.82	313.29	280.45	244.32	126.47
(ii) Parastatals & Estacode	272.07	345.27	195.80	592.42	393.43
(iii) NNPC/JV Cash Calls	1,165.40	1,233.94	1,789.14	1,475.16	1,628.69
(iv) Miscellaneous(CBN Uses)	22.85	24.00	30.62	101.61	40.40
			0.00	0.00	0.00
B. Through Autonomous Sources	**582.55**	**418.84**	**566.76**	**871.76**	**849.14**
1. Imports	576.92	403.35	498.00	847.53	837.48
2. Invisibles	5.63	15.49	1.61	24.24	11.66
			0.00	0.00	0.00
NETFLOW THROUGH THE CBN	**7,755.54**	**(9,306.60)**	**(4,045.82)**	**(956.19)**	**2,768.12**
NETFLOW	**37,705.82**	**10,003.31**	**21,702.77**	**28,854.79**	**35,441.40**

Source: Central Bank of Nigeria
1/ Includes penalty and service charges
2/ Revised
3/ Provisional
4/ Includes IMF (SDR charges)

Table 33
Nigeria's Gross External Reserves
(US$ Million)

Month	2008	2009	2010	2011	2012
January	54,215.79	50,108.65	42,075.67	33,131.83	34,136.57
February	56,908.42	48,113.06	41,410.10	33,246.07	33,857.37
March	59,756.51	47,081.96	40,667.03	33,221.80	35,197.44
April	60,815.85	45,914.47	40,322.01	32,835.33	36,660.89
May	59,180.14	44,836.40	38,815.79	32,100.81	36,839.53
June	59,157.15	43,462.74	37,468.44	31,890.91	35,412.50
July	60,342.13	43,351.39	37,155.19	32,521.71	
August	60,201.74	41,754.31	36,769.65	32,914.97	
September	62,081.86	43,343.33	34,589.01	31,740.23	
October	58,534.15	43,054.77	33,597.02	32,594.69	
November	57,480.50	43,024.68	33,059.30	32,125.22	
December	53,000.36	42,382.49	32,339.25	32,639.78	

Source: Central Bank of Nigeria

Table 34
Nigeria Foreign Exchange Cross Rates
Naira per Unit of Foreign Currency (Monthly Average)

Mar	207.92	191.33	0.29	147.72	174.32
Apr	214.27	192.23	0.29	147.23	180.27
May	225.42	199.60	0.30	147.84	180.63
Jun	239.91	205.65	0.31	148.20	166.14
1st Half Average	217.31	194.10	0.29	147.32	168.03
Jul	239.59	207.14	0.32	148.59	155.13
Aug	248.60	214.48	0.36	151.86	158.95
Sep	247.26	219.71	0.33	152.30	158.00
Oct	239.18	219.18	0.33	149.36	153.05
Nov	248.29	222.99	0.34	150.85	152.95
Dec	240.98	216.82	0.33	149.69	153.48
2nd Half Average	243.98	216.72	0.33	150.44	155.26
2010	**Pounds**	**Euro**	**CFAFr**	**US$ (DAS/WDAS)**	**US$ (BDC)**
Jan	239.96	211.72	0.32	149.78	153.55
Feb	232.66	203.67	0.31	150.22	152.08
Mar	223.26	201.38	0.31	149.83	151.85
Apr	227.55	199.09	0.30	149.89	152.00
May	217.36	186.52	0.28	150.31	153.26
Jun	219.42	181.65	0.28	150.19	153.87
1st Half Average	226.70	197.34	0.30	150.04	152.77
Jul	227.02	189.83	0.29	150.10	152.41
Aug	233.10	192.01	0.29	150.27	152.23
Sep	232.86	195.91	0.30	151.03	153.85
Oct	237.51	208.34	0.32	151.25	153.98
Nov	237.62	203.64	0.31	150.22	153.13
Dec	232.78	197.27	0.30	150.48	154.57
2nd Half Average	233.48	197.83	0.30	150.56	153.36
2011	**Pounds**	**Euro**	**CFAFr**	**US$ (DAS/WDAS)**	**US$ (BDC)**
Jan	236.92	200.57	0.30	151.55	156.13
Feb	242.81	205.58	0.31	151.94	155.11
Mar	243.95	211.17	0.32	152.51	157.09
Apr	249.16	220.08	0.33	153.97	157.05
May	250.11	219.66	0.33	154.80	158.05
Jun	248.13	220.21	0.34	154.50	158.32
1st Half Average	245.18	212.88	0.32	153.21	156.95
Jul	242.51	216.08	0.33	151.86	163.71
Aug	247.53	216.79	0.33	152.72	163.10
Sep	242.88	211.73	0.32	155.26	158.23
Oct	239.15	208.22	0.32	153.26	161.25
Nov	243.45	208.78	0.32	155.77	160.35
Dec	244.53	206.52	0.31	158.21	163.30
2nd Half Average	243.34	211.35	0.32	154.51	161.66
2012	**Pounds**	**Euro**	**CFAFr**	**US$ (DAS/WDAS)**	**US$ (BDC)**
Jan	243.27	202.52	0.31	158.39	164.62
Feb	246.98	206.71	0.31	157.87	160.85
Mar	246.92	206.05	0.31	157.59	159.41
Apr	249.34	205.00	0.31	157.33	159.37
May	248.03	199.42	0.30	157.28	159.67
Jun	242.42	193.92	0.30	157.44	163.43
1st Half Average	246.16	202.27	0.31	157.65	161.22

Source: Central Bank of Nigeria

Table 35
Monthly Average Exchange Rate Movements
(N/US$ 1.00)

2010	WDAS	Interbank	BDC
Jan	149.78	150.33	153.55
Feb	150.22	150.97	152.08
Mar	149.83	150.08	151.85
Apr	149.89	150.38	152.00
May	150.31	151.49	153.26
Jun	150.19	151.28	153.87
1st Half	**150.04**	**150.75**	**152.77**
End-Period	**149.99**	**150.00**	**153.50**
Jul	150.10	150.27	152.41
Aug	150.27	150.70	152.23
Sep	151.03	152.62	153.85
Oct	151.25	151.78	153.98
Nov	150.22	150.55	153.13
Dec	150.48	152.63	154.57
2nd Half	**150.56**	**151.42**	**153.36**
End-Period	**150.66**	**152.00**	**156.00**
2011	**WDAS**	**Interbank**	**BDC**
Jan	151.55	152.47	156.13
Feb	151.94	152.86	155.11
Mar	152.51	155.21	157.09
Apr	153.97	154.60	157.05
May	154.80	156.17	158.05
Jun	154.50	155.65	158.32
1st Half	**153.21**	**154.49**	**156.95**
End-Period	**153.31**	**152.52**	**159.00**
Jul	151.86	152.41	163.71
Aug	152.72	153.79	163.10
Sep	155.26	156.70	158.23
Oct	153.26	159.82	161.25
Nov	155.77	158.83	160.35
Dec	158.21	162.17	163.30
2nd Half	**154.51**	**157.29**	**161.66**
End-Period	**158.27**	**159.70**	**165.00**
2012	**WDAS**	**Interbank**	**BDC**
Jan	158.39	161.31	164.62
Feb	157.87	158.59	160.85
Mar	157.59	157.72	159.41
Apr	157.33	157.44	159.37
May	157.28	158.46	159.67
Jun	157.44	162.33	163.43
1st Half	**157.65**	**159.31**	**161.22**
End-Period	**157.50**	**162.85**	**164.00**
Source: Central Bank of Nigeria			

Table 36
Demand and Supply of Foreign Exchange
(US$Million)

Year/Month	2011								2012							
	WDAS Demand	BDC Demand	WDAS - Forward Demand	Total Demand	WDAS Sales	BDC Sales	WDAS - Forward ment on	Total Supply	WDAS Demand	BDC Demand	WDAS - Forward Demand	Total Demand	WDAS Sales	BDC Sales	WDAS - Forward ment on	Total Supply
January	2,800.42	135.54	0.0	2,935.96	2,000.00	135.54	0.00	2,135.54	2,134.00	365.73	177.42	2,677.15	1,640.65	365.73	296.67	2,303.05
February	2,041.09	300.04	0.0	2,341.13	1,794.85	300.04	0.00	2,094.89	1,891.96	720.59	56.88	2,669.43	1,942.18	720.59	187.03	2,849.80
March	4,080.28	330.53	269.4	4,680.17	3,274.38	330.53	0.00	3,604.91	1,426.45	698.16	106.99	2,231.60	1,452.75	698.16	36.85	2,187.76
April	2,780.41	322.26	265.1	3,367.75	2,375.58	322.26	10.00	2,707.84	1,052.88	492.76	128.46	1,674.10	891.52	492.76	43.97	1,428.25
May	2,878.43	392.03	281.3	3,551.71	2,549.89	392.03	275.30	3,217.22	1,681.26	633.77	52.62	2,367.65	1,487.00	633.77	114.21	2,234.98
June	3,325.53	347.32	419.2	4,092.04	2,643.34	347.32	251.21	3,241.87	2,777.62	544.81	48.37	3,370.80	3,000.00	544.81	2.79	3,547.60
First Half	**17,906.16**	**1,827.72**	**1,234.88**	**20,968.76**	**14,638.04**	**1,827.72**	**536.51**	**17,002.26**	**10,964.17**	**3,455.82**	**570.74**	**14,990.73**	**10,414.10**	**3,455.82**	**681.52**	**14,551.44**
July	3,065.41	398.15	127.4	3,590.95	2,643.34	398.15	252.17	3,293.66								
August	4,504.49	504.28	588.1	5,596.82	2,899.05	504.28	273.64	3,676.97								
September	4,081.18	995.65	660.8	5,737.66	3,850.00	995.65	339.05	5,184.70								
October	3,899.58	716.76	1130.3	5,746.68	2,607.00	716.76	397.71	3,721.47								
November	3,054.43	795.37	349.3	4,199.06	1,749.62	795.37	547.04	3,092.03								
December	1,415.28	675.65	266.6	2,357.54	1,397.86	675.65	446.44	2,519.95								
Second Half	**20,020.37**	**4,085.86**	**3,122.48**	**27,228.71**	**15,146.87**	**4,085.86**	**2,256.05**	**21,488.78**								

Source: Central Bank of Nigeria
Total supply* includes WDAS sales (spot and forward), BDC and Interbank sales as well as Swaps.
Total supply** includes WDAS spot sales, WDAS forward disbursement at maturity, BDC and Interbank sales as well as Swaps.

Table 37
Sectoral Utilization of Foreign Exchange
(US Dollar)

SECTORS	1st Half 2010	2nd Half 2010/1	1st Half 2011/1	2nd Half 2011/2	1st Half 2012/2	Absolute Change		Percentage Change	
			(1)	(2)	(3)	(1) & (3)	(2) & (3)	(1) & (3)	(2) & (3)
A. Imports	**11,368,596,110.78**	**12,974,828,213.66**	**13,789,767,057.00**	**18,122,986,448.22**	**15,875,545,750.19**	**2,085,778,693.19**	**-2,247,440,698.03**	**15.13**	**-12.40**
Industrial Sector	2,757,993,568.82	3,544,284,988.42	3,387,445,543.86	4,199,447,095.87	4,015,241,332.71	627,795,788.85	-184,205,763.16	18.53	-4.39
Food Products	1,969,111,792.18	2,510,488,537.32	2,439,736,295.41	2,810,279,890.71	2,991,855,972.79	552,119,677.38	181,576,082.08	22.63	6.46
Manufactured Products	2,828,125,742.16	2,582,284,852.43	2,189,483,500.42	2,441,338,428.28	2,471,045,752.23	281,562,251.81	29,707,323.95	12.86	1.22
Transport Sector	723,637,045.86	780,902,251.68	779,950,960.75	988,627,376.67	1,000,772,043.78	220,821,083.03	12,144,667.11	28.31	1.23
Agricultural Sector	85,294,677.27	236,318,040.44	239,365,695.29	113,840,504.00	145,610,478.23	-93,755,217.06	31,769,974.23	-39.17	27.91
Minerals	102,692,520.70	81,055,503.30	223,505,651.76	1,180,688,771.02	253,016,835.36	29,511,183.60	-927,671,935.66	13.20	-78.57
Oil Sector	2,901,740,763.79	3,239,494,040.07	4,530,279,409.51	6,388,764,381.67	4,998,003,335.09	467,723,925.58	-1,390,761,046.58	10.32	-21.77
B. Invisibles	**4,272,828,593.85**	**5,385,085,643.81**	**4,273,802,389.75**	**11,030,499,080.73**	**6,262,782,385.93**	**1,988,979,996.18**	**-4,767,716,694.80**	**46.54**	**-43.22**
Business Services	753,319,043.42	654,839,443.76	565,749,600.92	685,720,938.43	563,635,086.06	-2,114,514.86	-122,085,852.37	-0.37	-17.80
Communication Services	114,800,443.61	173,155,220.96	83,647,622.38	121,337,779.86	178,507,891.40	94,860,269.02	57,170,111.54	113.40	47.12
Construction and Engineering	39,449,159.39	89,794,676.19	37,275,484.70	50,599,752.87	35,443,834.65	-1,831,650.05	-15,155,918.22	-4.91	-29.95
Distribution Services	26,041,875.22	36,531,404.22	15,272,441.69	35,250,560.68	24,035,583.92	8,763,142.23	-11,214,976.76	57.38	-31.82
Educational Services	58,228,406.28	105,294,737.70	56,110,122.34	109,827,245.24	89,844,605.08	33,734,482.74	-19,982,640.16	60.12	-18.19
Environmental Services	81,409.89	26,267.87	0.00	1,331,422,725.30	0.00	0.00	-1,331,422,725.30	#DIV/0!	-100.00
Financial Services	2,848,452,932.38	3,840,511,151.51	3,102,974,620.82	3,676,165,962.63	4,830,889,757.49	1,727,915,136.67	1,154,723,794.86	55.69	31.41
Health Related and Social Services	7,918,770.46	365,734.38	499,941.67	1,298,702.60	1,273,521.80	773,580.13	-25,180.80	154.73	-1.94
Tourism and Travel Related Services	32,623,301.46	20,269,169.68	19,849,334.39	58,036,815.02	26,649,479.86	6,800,145.47	-31,387,335.16	34.26	-54.08
Recreational, Cultural and Sporting Services	46,300.00	116,839.00	0.00	82,062,686.13	66,597.50	66,597.50	-81,996,088.63	#DIV/0!	-99.92
Transport Services	363,113,242.86	424,039,238.93	340,299,417.04	484,684,366.79	427,729,919.69	87,430,502.65	-56,954,447.10	25.69	-11.75
Other Services not Included Elsewhere	28,753,708.88	40,141,759.61	52,123,803.80	4,394,091,545.18	84,706,108.48	32,582,304.68	-4,309,385,436.70	62.51	-98.07
TOTAL (A+B)	**15,641,424,704.63**	**18,359,913,857.47**	**18,063,569,446.75**	**29,153,485,528.95**	**22,138,328,136.12**	4,074,758,689.37	-7,015,157,392.83	22.56	-24.06

Source: Central Bank of Nigeria
1/ Revised
2/ Provisional

Table 38
Total External Assets of Financial Institutions
(Naira Million)

	First Half 2011 1/	First Half 2012 2/
1. Monetary Authorities	**5,004,384.37**	**6,029,965.62**
Foreign Assets	**5,004,384.37**	**6,029,965.62**
Gold	19.01	19.01
IMF Tranche	22.62	22.62
Foreign Currencies	37,535.54	159,495.88
Demand Deposits at Foreign Banks	4,561,201.36	5,475,254.33
of which: Domicilliary Accounts	362,708.50	487,506.33
Treasury Bills of Foreign Governments	1.02	1.05
SDR Holdings	405,604.81	395,172.73
2. Semi Official Institutions	-	-
i) BOI	-	-
ii) Others	-	-
3. Deposit Money Banks (Net)	**1,531,063.63**	**1,496,918.19**
Total Assets	**6,535,447.99**	**7,526,883.81**
Total Assets (US$' Million)	42,629.56	47,789.92
Exchange Rate (End-period)	**153.31**	**157.50**

Source: Central Bank of Nigeria
1/ Revised
2/ Provisional