



**CENTRAL BANK OF NIGERIA**

***ECONOMIC REPORT  
THIRD QUARTER 2013***

The Central Bank of Nigeria Quarterly Economic Report is designed for the dissemination of financial and economic information on the Nigerian economy on current basis. The Report analyses developments in the financial, fiscal, real and external sectors of the economy, as well as international economic issues of interest. The Report is directed at a wide spectrum of readers including economists and financial analysts in government and the private sector, as well as general readers.

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## 1.0 Summary

Available data from the National Bureau of Statistics (NBS) showed that gross domestic product (GDP) was estimated to have grown by 6.9 per cent in the third quarter of 2013, compared with 6.2 per cent in the preceding quarter. The development was attributed, largely, to the increase in the contribution of the non-oil sector.

Broad money supply, ( $M_2$ ), fell by 7.8 per cent at the end of the third quarter, compared with the decline of 0.5 per cent at the end of the preceding quarter, but contrasted with the increase of 4.3 per cent recorded at the end of the corresponding period of 2012. The development, relative to the preceding quarter reflected largely the 1.5 and 13.9 per cent fall in domestic credit (net) and other asset (net) of the banking system, respectively. Similarly, narrow money supply, ( $M_1$ ), fell by 9.3 per cent, in contrast to the growth of 0.02 per cent at the end of the preceding quarter. Reserve money (RM) rose at the end of the third quarter of 2013.

Available data indicated mixed developments in banks' deposit and lending rates. The spread between the weighted average term deposit and maximum lending rates narrowed by 0.20 percentage point during the review quarter. Similarly, the margin between the average savings deposit and the maximum lending rates narrowed by 0.76 per centage point. The weighted average inter-bank call rate rose by 2.34 percentage points in the third quarter of 2013, reflecting the liquidity condition in the inter-bank funds market.

Provisional data indicated that the value of money market assets outstanding at the end of the third quarter of 2013 increased by 0.34 per cent to N6,569.5 billion, compared with the increase of 5.96 per cent at the end of the preceding quarter. The development was attributed to the 94.13 and 53.15 per cent increase in Commercial Paper and Banker's Acceptances outstanding. Activities on the Nigerian Stock Exchange (NSE) in the third quarter 2013 indicated mixed developments.

Total federally-collected revenue at the end of the third quarter of 2013 declined by 4.2 per cent below the quarterly budget estimate, but was 14.4 per cent above the level in the corresponding quarter of 2012. Oil receipts, which constituted 59.7 per cent of the total, declined below the budget estimate and receipts in the preceding quarter by 16.1 and 10.5 per cent, respectively. The decrease in oil receipts was attributed to the fall in all components of oil revenue except crude oil and gas exports during the review quarter.

Non-oil receipts was above the budget estimate and receipts in the

preceding quarter by 21.3 and 95.3 per cent, respectively. Federal Government retained revenue was ₦964.86 billion, while total expenditure was ₦1,078.91 billion. Thus, the fiscal operations of the Federal Government resulted in an estimated deficit of N114.05 billion or 0.95 per cent of estimated nominal GDP for third quarter 2013, compared with the quarterly budget deficit of N221.77 billion or 1.9 per cent of estimated GDP.

Stable and widespread rainfall was a major driver of agricultural activities in most parts of the country in the third quarter of 2013. Activities in the sector was dominated by harvesting of maize, yam and vegetables. Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at an average of 1.89 million barrels per day (mbd) or 173.88 million barrels for the quarter. Crude oil export stood at 1.44 mbd or 132.48 million barrels for the quarter, while deliveries to the refineries for domestic consumption remained at 0.45 mbd or 41.40 million barrels. The average price of Nigeria's reference crude, the Bonny Light (37° API) rose by 7.4 per cent above the level in the preceding quarter.

The end-period headline inflation rate (year-on-year) was 8.0 per cent, compared with 8.4 and 11.3 per cent recorded at the end of the preceding quarter and the corresponding quarter of 2012, respectively. Inflation rate on a twelve-month moving average basis was 9.5 per cent, compared with 10.4 and 11.9 per cent in the preceding quarter and the corresponding quarter of 2012, respectively.

Foreign exchange inflow and outflow through the Central Bank of Nigeria (CBN) amounted to US\$12.01 billion and US\$12.65 billion, respectively, resulting in a net outflow of US\$0.64 billion during the review quarter. Foreign exchange sales by the CBN to the authorized dealers amounted to US\$10.771 billion, compared with US\$10.772 billion in the preceding quarter. The average exchange rate of the Naira vis-à-vis the US dollar at the wDAS window was ₦157.32 per US dollar, compared with ₦157.30 and ₦157.39 per US dollar in the preceding and the corresponding period of 2012, respectively. In the bureau-de-change and the interbank segments of the market, the Naira depreciated by 1.5 and 1.7 per cent, respectively, compared with their levels in the preceding quarter.

Available data showed that global growth remained low, averaging 2.5 per cent during the first half of 2013. While growth in advanced economies recently gained some speed, it slowed in emerging economies. Inflation continued to decelerate in advanced

economies, while it moderated in emerging markets.

World crude oil demand in the third quarter of 2013 increased by 1.4 per cent above the level recorded in the preceeding quarter. Similarly, world crude oil output increased by 0.2 per cent over the level recorded in the preceeding quarter. The increase in demand was attributed to improvement in the US economy and higher oil demand from the Chinese economy. The OPEC reference basket price of eleven selected crude streams rose by 6.0 and 0.2 per cent above its levels in the preceding quarter and the corresponding quarter of 2012, respectively. The prices of the UK Brent, the WTI and the Forcados also exhibited similar trend.

Other major international economic developments and meetings of importance to the domestic economy during the review quarter included: the meeting of the African Caucus comprising African Governors of the International Monetary Fund and the World Bank in Khartoum, Sudan from August 21 – 22, 2013. Also, the 7<sup>th</sup> Annual Micro Small and Medium Enterprises (MSMEs) Conference of the Central Bank of Nigeria (CBN), adjoined with the D-8 Workshop on Microfinance for SMEs, was held in Abuja, Nigeria from August 15 -16, 2013.

The ECOWAS-WAMA-WAMI Joint Multilateral Surveillance Mission to Nigeria was conducted from August 26 to September 2, 2013, in compliance with the decision of the Convergence Council of Ministers and Governors of the Central Banks of the ECOWAS Member States in 2009. The purpose of the Mission was to assess the country's performance on the macroeconomic convergence criteria and policy harmonisation as well as institutional frameworks for the establishment of economic and monetary union in the ECOWAS region in 2013.

Moreover, the meetings of the West African Monetary Zone (WAMZ), the West African Monetary Agency (WAMA) and the West African Institute for Financial and Economic Management (WAIFEM) was held in Accra, Ghana, from July 17 – 26, 2013. Finally, the 6<sup>th</sup> Meeting of the Inter-Institutional Technical Sub-Committee on the Road Map for the ECOWAS Single Currency Programme was held in Accra, Ghana from July 29 – 30, 2013.



## 2.0 Financial Sector Developments

### 2.1 Monetary and Credit Developments

*Provisional data indicated that the major monetary aggregate declined at the end of the third quarter of 2013. Banks' deposit and lending rates generally exhibited mixed developments during the review quarter. The value of money market assets outstanding increased, due largely, to the increase in Commercial Paper and Bankers' Acceptances outstanding. Developments on the Nigerian Stock Exchange (NSE) were mixed during the review quarter.*

Growth in key monetary aggregates fell during Q3 2013.

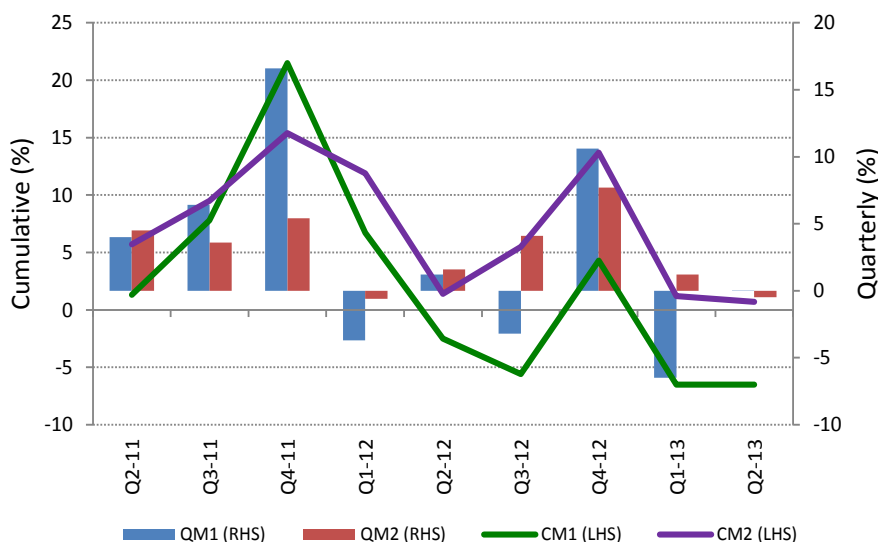
Provisional data indicated that the major monetary aggregate declined at the end of the third quarter of 2013 relative to the level at the end of the preceding quarter. Broad money supply, (M<sub>2</sub>), fell by 7.84 per cent to ₦14,371.4 billion at end-September 2013, compared with the decline of 0.48 per cent at the end of the preceding quarter. The development, however, contrasted with the 4.32 per cent growth recorded at the end of the corresponding period of 2012 and reflected largely the 1.45 and 13.97 per cent fall in domestic credit (net) and other assets (net) of the banking system. Over the level at end-December 2012, growth in M<sub>2</sub> decelerated by 7.18 per cent, owing largely to the decline in other assets (net), which more than offset the effect of the increase in net domestic credit.

At ₦6,296.1 billion, narrow money supply fell by 9.27 per cent at the end of the third quarter of 2013, in contrast to the increase of 0.02 per cent at the end of the preceding quarter. The development was attributed wholly to the 11.75 per cent decline in its demand deposit component. Similarly, over the level at end-December 2012, narrow money supply (M<sub>1</sub>) contracted by 15.16 per cent, due to the decline of 10.30 and 16.19 per cent in its currency and demand deposit components, respectively.

Quasi money, at ₦8,075.3 billion, fell by 6.68 per cent, compared with the decline of 0.88 per cent at the end of the preceding quarter, but contrasted with the 11.46 per cent increase recorded at the end of the corresponding period of 2012. The development, relative to the preceding quarter was attributed to the decline in time and savings deposits in banks. Relative to the level at end-December 2012, quasi money

grew by 0.15 per cent (Fig. 1, Table 1).

**Figure 1: Growth Rate of Narrow Money ( $M_1$ ) and Broad Money ( $M_2$ )<sup>1</sup>**



At ₦13,101.6 billion, aggregate banking system's credit (net) to the domestic economy, fell by 1.45 per cent at the end of the third quarter of 2013, in contrast to the increase of 4.34 per cent at the end of the preceding quarter. The development relative to the preceding quarter was due largely, to the 33.08 per cent decline in claims on the Federal Government, which more than offset the effect of the 3.83 per cent rise in claims on private sector. Over the level at end-December 2012, aggregate banking system's credit (net) to the domestic economy, rose by 3.18 per cent, due largely to the 7.5 per cent increase in claims on the private sector.

Banking system credit to the federal government fell at the end of the third quarter of 2013.

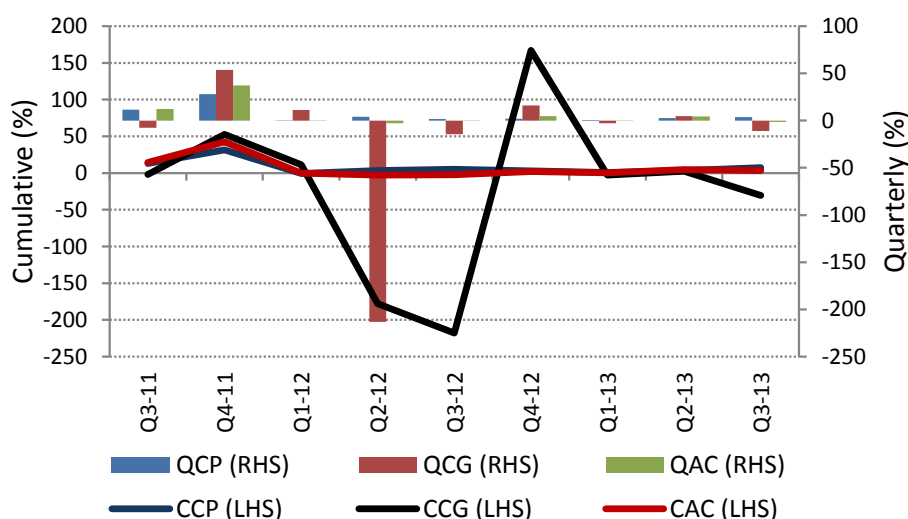
Banking system's credit (net) to the Federal Government, at the end of the review quarter, fell by 33.08 per cent to negative ₦3,190.7 billion, compared with the decline of 21.52 per cent in the corresponding period of 2012. This contrasted with the growth of 4.9 per cent recorded at the end of the preceding quarter. The development relative to the

<sup>1</sup> QM1 and QM2 represent quarter-on-quarter changes, while CM1 and CM2 represent cumulative changes (year-to-date).

preceding quarter was accounted for, largely, by the 120.48 per cent decline in holdings of treasury instruments by the banking system. Over the level at end-December 2012, credit (net) to the Federal Government fell by 30.04 per cent, reflecting largely the decline in banking system's holding of Federal Government securities.

At the end of third quarter of 2013, banking system's credit to the private sector rose by 3.8 per cent to ₦16,292.3 billion, compared with the increase of 2.8 and 0.4 per cent at the end of the preceding quarter and the corresponding period of 2012, respectively. The development, relative to the preceding quarter reflected the increase in claims on both the core private sector and State and Local Government. Relative to the level at end-December 2012, banking system's credit to the private sector rose by 7.5 per cent (Fig. 2, Table 1).

**Figure 2: Growth Rate of Aggregate Domestic Credit to the Economy<sup>2</sup>**



At ₦8,926.6 billion, foreign assets (net) of the banking system fell by 1.0 per cent at the end of the review quarter, compared with the decline of 6.9 per cent at the end of the preceding quarter, but contrasted with the 10.4 per cent

Foreign assets (net) of the banking system fell at the end of the review quarter.

<sup>2</sup> QCP, QCG and QAC represent quarter-on-quarter changes in credit to private sector, credit to government (net) and aggregate credit (net) to the domestic economy, respectively, while CCP, CCG and CAC, represent the cumulative changes (year-to-date).

increase recorded in the corresponding period of 2012. The development, relative to the preceding quarter was attributed, largely, to the 3.2 per cent decline in CBN's holdings of foreign assets. Over the level at end-December 2012, foreign assets (net) of the banking system fell by 1.3 per cent.

At the end of the review quarter, other assets (net) of the banking system fell by 13.9 per cent to negative ₦7,656.8 billion, compared with the decline of 0.08 per cent at the end of the corresponding period of 2012, but contrasted with the 0.6 per cent growth recorded at the end of the preceding quarter. The decline, relative to the preceding quarter, reflected, largely, the fall in unclassified assets of both the CBN and the DMBs during the review period. Over the level at end-December 2012, other assets (net) of the banking system fell by 22.4 per cent.

**Table 1: Growth in Monetary and Credit Aggregates (Percent) Over Preceding Quarter**

	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13
Domestic Credit (Net)	0.2	-2.7	0.4	4.4	0.3	4.3	-1.5
Claims on Federal Government (Net)	9.9	-213.2	-13.3	15.1	-2.7	4.9	-11.1
Claims on Private Sector	-0.1	4.1	1.6	2.3	0.7	2.8	3.8
Claims on Other Private Sector	-0.3	3.9	1.6	2.0	0.8	3.0	3.7
Foreign Assets (Net)	2.3	3.0	9.9	10.1	-7.1	-6.9	-1.0
Other Assets (Net)	-3.0	4.7	-3.0	4.7	8.0	0.6	-14.0
Broad Money Supply (M2)	-0.2	1.6	4.3	7.6	1.2	0.5	-7.8
Quasi-Money	3.3	2.0	11.5	5.1	8.3	-0.9	-6.7
Narrow Money Supply (M1)	-3.7	1.2	-3.2	10.6	-6.5	0.0	-9.3
<i>Memorandum Items:</i>							
Reserve Money (RM)	-9.2	-0.6	24.1	13.3	5.6	-17.3	43.7

## 2.2 Currency-in-circulation (CIC) and Deposits at the CBN

At ₦1,474.1 billion, currency-in-circulation rose by 3.4 per cent at the end of the third quarter of 2013, in contrast to the decline of 5.5 and 1.1 per cent at the end of the preceding quarter and corresponding period of 2012, respectively. The development, relative to the preceding quarter was attributed, largely, to the 3.5 per cent increase in currency outside the banks.

Total deposits at the CBN increased by 14.8 per cent to ₦7,016.3 billion, in contrast to the decline of 10.2 per cent at the end of the preceding quarter. The development reflected largely, the 75.4 per cent rise in banks' deposit, which more that offset the 32.5 and 8.0 per cent decline in the deposits of 'others' and Federal Government, respectively. Of the total deposits, the shares of the Federal Government, banks and 'Others' were ₦3,516.1 billion (50.1 per cent), ₦3,175.9 billion (45.3 per cent) and ₦323.7 billion (4.6 per cent), respectively.

Reserve money (RM), at ₦4,649.9 billion, rose by 43.7 per cent, in contrast to the 17.3 per cent decline recorded in the preceding quarter. The development, relative to preceding quarter, was attributed to the increase in currency-in-circulation and banks' deposit with the CBN.

Reserve money (RM) rose at the end of the third quarter of 2013.

### 2.3 Money Market Developments

Money market rates were influenced by the liquidity condition in the banking system arising from the introduction of the 50.00 per cent CRR on all public sector deposits, coupled with the delay in the release of fiscal allocation. Monetary Policy stance remained largely restrictive as the Monetary Policy Rate (MPR) was maintained at 12.0 per cent during the review quarter. The Liquidity Ratio (L/R), Cash Reserve Ratio (CRR) and the Net Open Position were also retained at their preceding quarter's levels of 30.0, 12.0 and 1.0 per cent, respectively. Open market operations were conducted for various maturities for liquidity management. The Bank's discount window also remained open to authorized dealers to access both the standing deposit facility (SDF) and standing lending facility (SLF). Overall, developments in money market indicators were mixed in the review quarter.

Developments in the money market were mixed during the review period.

Provisional data indicated that the value of money market assets outstanding at the end of the third quarter of 2013 stood at ₦6,569.5 billion, showing an increase of 0.34 per cent, compared with the increase of 5.96 per cent at the end of the preceding quarter. The development was attributed, to the 94.13 and 53.15 per cent increase in banks' investments in Commercial Paper and Banker's Acceptances outstanding during the review period.

### 2.3.1 Interest Rate Developments

Available data indicated mixed developments in banks' deposit and lending rates during the third quarter of 2013. With the exception of the average savings deposit rate, which rose to 2.44 per cent from 2.04 per cent in the second quarter of 2013, all other rates on deposits of various maturities fell from a range of 5.69 – 7.72 per cent to a range of 4.92 - 7.55 per cent in the third quarter of 2013. Similarly, at 6.42 per cent, the average term deposit rate fell by 0.15 percentage point below the level in the preceding quarter. The prime and maximum lending rates fell by 0.01 and 0.35 percentage points to 16.61 and 24.21 per cent, respectively, in the third quarter of 2013. Consequently, the spread between the weighted average term deposit and maximum lending rates narrowed by 0.20 percentage point to 17.79 per cent from 17.98 per cent in the preceding quarter. The margin between the average savings deposit and the maximum lending rates, also narrowed by 0.76 percentage point to 21.77 per cent from 22.52 per cent. With the headline inflation rate at 8.0 per cent at end-September 2013, all rates, with the exception of the lending rates, were negative in real terms.

The spread between the weighted – average term deposit and maximum lending rates narrowed during the review

Interbank call rate increased in Q3 2013.

At the interbank funds segment, the weighted average inter-bank call rate, which stood at 11.69 per cent at the end of the second quarter of 2013, rose by 2.34 percentage points to 14.03 per cent in the third quarter of 2013, reflecting the liquidity condition in the banking system. Similarly, the weighted average rate at the Open Buy Back (OBB) segment rose to 14.14 per cent at the end of the review quarter from 11.27 per cent in the preceding quarter. The Nigeria Inter-bank Offered Rate (NIBOR) for the 7-day and 30-day tenors rose to 13.79 and 13.95 per cent from 12.19 and 12.46 per cent, respectively, in the preceding quarter (Fig. 3, Table 2).

Figure 3: Selected DMBs Interest Rates (Average)

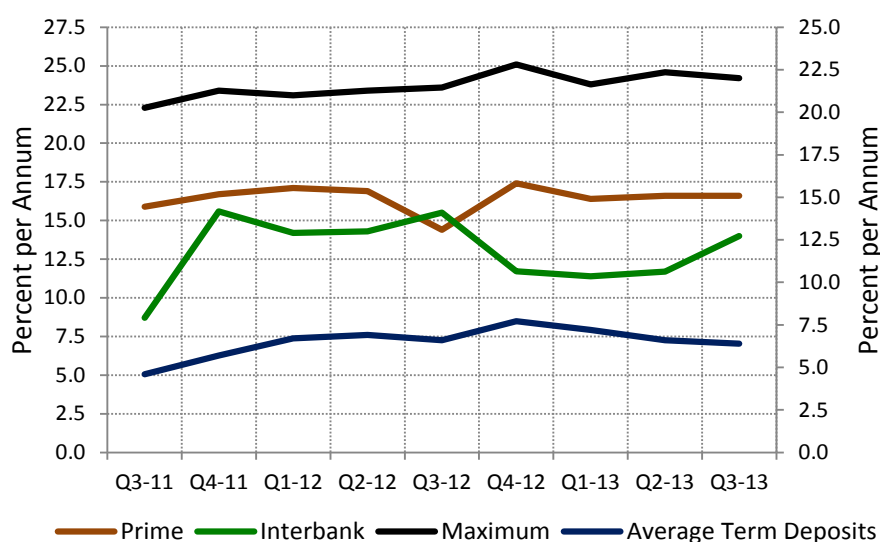


Table 2: Selected Interest Rates (Percent, Averages)

	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13	Q3-13
Average Term Deposits	4.6	5.7	6.7	6.9	7.3	7.7	7.2	6.6	6.4
Prime Lending	15.9	16.7	17.1	16.9	16.6	17.4	16.4	16.6	16.6
Interbank	8.7	15.3	14.2	14.3	15.5	11.7	11.4	11.7	14.0
Maximum Lending	22.3	23.4	23.1	23.4	23.6	25.1	23.8	24.6	24.2

### 2.3.2 Commercial Paper (CP)

The value of Commercial Paper (CP) held by the banks rose by 94.1 per cent to ₦29.1 billion at the end of the third quarter of 2013, compared with ₦15.0 billion at the end of the preceding quarter. The development was due to the increase in holding of CP by the banks during the review period. Thus, CP constituted 0.44 per cent of the total value of money market assets outstanding, compared with 0.23 per cent at the end of the preceding quarter.

Investment in CP by banks rose in the third quarter of 2013.

### 2.3.3 Bankers' Acceptances (BAs)

The value of BAs held by DMBs increased by 53.2 per cent to ₦24.5 billion at the end of the review quarter, compared with the increase of 58.1 per cent at the end of the preceding quarter. The development reflected increase in investments in BAs by the banks. Consequently, BAs accounted for 0.37 per cent of the total value of money market assets outstanding at the end of the review quarter, compared with 0.24 per cent at the end of the preceding quarter.

Banks' holdings of BAs increased during Q3 of 2013.

### 2.3.4 Open Market Operations

Bills of various maturities, ranging from 55 - 227 days, were used for liquidity management during the review period. Total sales in the third quarter of 2013 amounted to ₦750.98 billion, while total subscription was ₦1,512.42 billion, compared with ₦2,726.04 billion and ₦4,210.29 billion allotted and subscribed to, respectively, in the preceding quarter. The bid rates ranged from 11.50 – 14.00 per cent, while the stop rates ranged from 12.00 – 13.20 per cent, compared with 11.500-13.299 per cent in the preceding quarter. Matured bills worth ₦1,529.38 billion were repaid during the period, resulting in a net injection of ₦778.40 billion.

### 2.3.5 Primary Market

At the primary market segment, NTBs of 91-, 182- and 364-day tenors, amounting to ₦739.37 billion, ₦1,867.04 billion and ₦739.37 billion, were offered, subscribed to and allotted, respectively, in the third quarter of 2013, compared with the respective sums of N1,000.0 billion, N1,752.99 billion and N1,000.0 billion in the preceding quarter. The bid rates ranged from 10.000 - 17.019, 10.000 - 19.999 and 10.500 - 20.000 per cent, for the 91-, 182- and 364-day tenor, respectively, while the stop rates ranged from 10.85 – 13.34 per cent.

### 2.3.6 Bonds Market

Subscription for FGN Bonds of various maturities declined during the third quarter of 2013.

FGN Bonds of 3-, 5-, and 20-year tranches were re-opened and auctioned during the third quarter of 2013. The total amount offered, subscribed to and allotted for the three tranches were ₦195.00 billion, ₦388.51 billion, and ₦182.73 billion, respectively, compared with ₦299.80 billion, ₦517.89 billion and ₦235.61 billion recorded in the preceding quarter. The marginal rates ranged between 13.050 – 13.799 per cent for all the tenors, compared with the range of 11.19 – 13.50 per cent obtained in the preceding quarter. The amount sold showed a further decline of 22.4 per cent, compared with a decline of 17.3 per cent recorded in the preceding quarter.

### 2.3.7 CBN Standing Facilities

The total Standing Lending Facility (SLF) granted during the review period was ₦5,747.88 billion, compared with ₦2,561.69 billion in the preceding quarter. This indicated an increase of 124.4 per cent over the level in the preceding quarter. The total Standing Deposit Facility (SDF) was ₦14,368.61 billion

during the third quarter of 2013, representing an increase of 135.1 per cent over the level in the preceding quarter. The significant increase in activities in the standing facilities window was attributed, mainly, to the banks' preference for depositing their overnight balances at the discount window rather than placing at the interbank.

## 2.4 Deposit Money Banks' Activities

Available data indicated that the total assets and liabilities of the DMBs stood at ₦23,301.4 billion at the end of the third quarter of 2013, representing an increase of 3.4 per cent over the level at the end of the preceding quarter. The funds, which were sourced, largely, from increased mobilization of demand deposit and unclassified liabilities, were used for accretion to reserves, extension of credit and acquisition of foreign and unclassified assets.

At ₦11,272.0 billion, banks' credit to the domestic economy, declined by 5.8 per cent below the level in the preceding quarter. The development was attributed, largely, to the 125.8 per cent decline in claims on the Federal Government.

Central Bank's credit to the banks rose by 1.5 per cent to ₦233.4 billion at the end of the review quarter, reflecting the decline in overdrafts to banks, while total specified liquid assets of the DMBs stood at ₦5,992.8 billion, representing 37.7 per cent of their total current liabilities. At that level, the liquidity ratio, fell by 18.4 percentage points below the level in the preceding quarter, but was 7.7 percentage points above the stipulated minimum ratio of 30.0 per cent. The loans-to-deposit ratio, at 33.4 per cent, was 10.5 and 46.6 percentage points below the levels at the end of the preceding quarter and the prescribed maximum ratio of 80.0 per cent, respectively.

At 37.7 per cent, the liquidity ratio in Q3 2013 was 7.7 percentage points above the stipulated minimum ratio, while the Loan-to-deposit ratio fell below the prescribed maximum of 80 per cent by 46.6 percentage points.

## 2.5 Discount Houses' Activities

Total assets/liabilities of the discount houses stood at ₦202.83 billion at the end of the third quarter of 2013, indicating a decline of 41.1 and 30.3 per cent below the levels at the end of the preceding quarter and the corresponding quarter of 2012, respectively. The fall in assets relative to the preceding

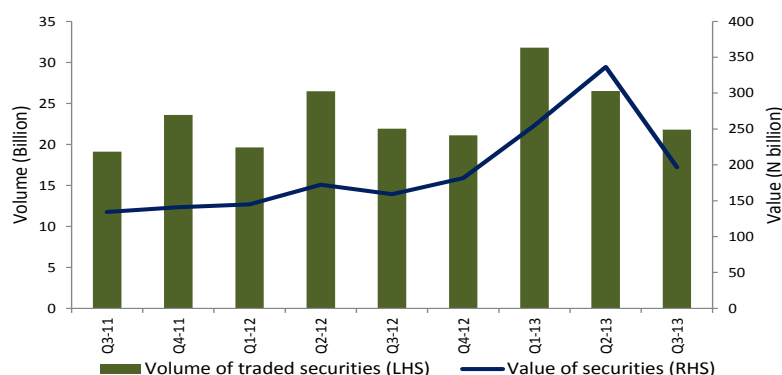
quarter was accounted for, largely, by the significant decrease in claims on “Federal Government” “Banks” and “Others Assets”, which more than offset the effect of the marginal rise in claims on the State Governments and Fixed Assets. Correspondingly, the fall in total liabilities was attributed to the decrease in money at call, other amount owed and other liabilities, which exceeded the increase in capital and reserves.

Discount houses’ investment in Federal Government securities of less than 91-day maturity declined significantly by 77.5 per cent to ₦33.4 billion and represented 22.6 per cent of their total deposit liabilities. At this level, discount houses’ investment was 37.4 percentage points below the prescribed minimum level of 60.0 per cent for fiscal 2013. Total borrowing by the discount houses was ₦41.7 billion, while their capital and reserves stood at ₦41.9 billion. This resulted in a gearing ratio of 1.0:1, compared with the stipulated maximum of 50:1 for fiscal 2013.

## 2.6 Capital Market Developments

### 2.6.1 Secondary Market

Activities on the Nigerian Stock Exchange (NSE) were mixed during the third quarter of 2013. Available data indicated that the volume and value of traded securities declined by 17.6 and 41.5 per cent to 21.8 billion shares, valued at ₦196.8 billion, respectively, in 325,742 deals. The financial services sector led the activity chart as the most active on the Exchange (measured by turnover volume) with a traded volume of 12.6 billion shares, valued at ₦104.8 billion in 176,601 deals, compared with 18.4 billion shares, valued at ₦148.7 billion in 195,767 deals recorded in the preceding quarter. This was followed by the conglomerates sector. The Banking subsector of the Financial Services sector was the most active subsector on the quarter’s activity chart.

**Figure 4: Volume and Value of Traded Securities****Table 3: Traded Securities on the Nigerian Stock Exchange (NSE)**

	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13	Q3-13
Volume (Billion)	19.1	23.6	19.6	26.5	21.9	21.1	31.8	26.5	21.8
Value (N Billion)	134.4	140.9	145.1	172.2	159.2	181.4	255.0	336.6	196.8

### 2.6.2 Over-the-Counter (OTC) Bonds Market

At the end of the third quarter of 2013, provisional data indicated that transactions in the Over-the-Counter (OTC) bond market, recorded a turnover of 1.67 billion units, worth N1.76 trillion, in 10,321 deals, compared with 2.22 billion units, worth N2.63 trillion, in 13,396 deals recorded in the preceding quarter.

### 2.6.3 New Issues Market

There was one (1) new and five (5) supplementary listings in the review quarter (see table below).

**Table 4: New and Supplementary Listings on the Nigeria Stock Exchange**

S/N	Company	Additional Shares (Units)	Reasons	Listing
1	Courteville Buisness Solutions	592 million shares	Bonus Issue	Supplementary
2	UPDC Real Estate Investment and Trust	2.668 billion shares	New Issue	New
3	Transnational Corporation of Nigeria Plc	12.907 billion shares	Rights Issue	Supplementary
4	African Paints Nigeria Plc	108 million shares	Rights Issue	Supplementary
5	Ecobank Transnational Incorporated	3.125 billion shares	placing	Supplementary
6	Wapic Insurance Plc	5.444 billion shares	rights Issue	Supplementary

Total Market capitalization and All-Share Index increased during Q3 2013.

#### 2.6.4 Market Capitalization

The total market capitalization of all the listed securities (equities and debt) stood at ₦17.73 trillion at the end of the review quarter, indicating an increase of 12.4 per cent over the level in the preceding quarter. Similarly, market capitalization for the listed equities stood at ₦11.4 trillion, representing an increase of 2.3 per cent over the level at the end of the preceding quarter. The equities sub-sector, accounted for 65.7 per cent of the aggregate market capitalization on the Exchange, compared with 72.4 per cent in the preceding quarter.

#### 2.6.5 NSE All-Share Index

The All-Share Index, which opened at 36,164.31 at the beginning of the quarter, closed at 36,585, representing an increase of 1.2 per cent over the level at the end of the preceding quarter. At end-September 2013, four of the seven (7) sectoral indices appreciated. The NSE Consumer Goods, NSE Oil/Gas, NSE Lotus Islamic and NSE Industrial Goods indices rose by 1.4, 6.5, 2.3 and 5.5 per cent, to close at 1,032.6, 182.8, 2,574.9 and 2,209.2, respectively, at the end of the review period. However, the NSE Banking, NSE ASeM and NSE Insurance indices depreciated by 3.3, 1.4 and 0.3 per cent, respectively, to close at 389.2, 962.3 and 138.1 at the end of the third quarter.

Figure 5: Market Capitalization and All-Share Index

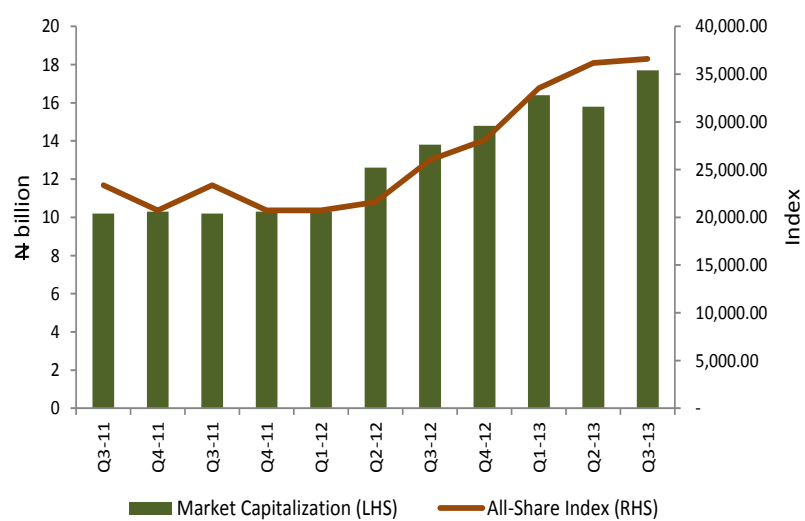


Table 5: Market Capitalization and All Share Index (NSE)

	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13	Q3-13
Market Capitalization (₦ trillion)	10.2	10.3	12.0	12.4	13.8	14.8	16.4	15.8	17.7
All-Share Index (Equities)	23,373.00	20,730.60	29,652.50	21,599.60	26,022.60	28,078.80	33,336.25	36,164.31	36,585.08



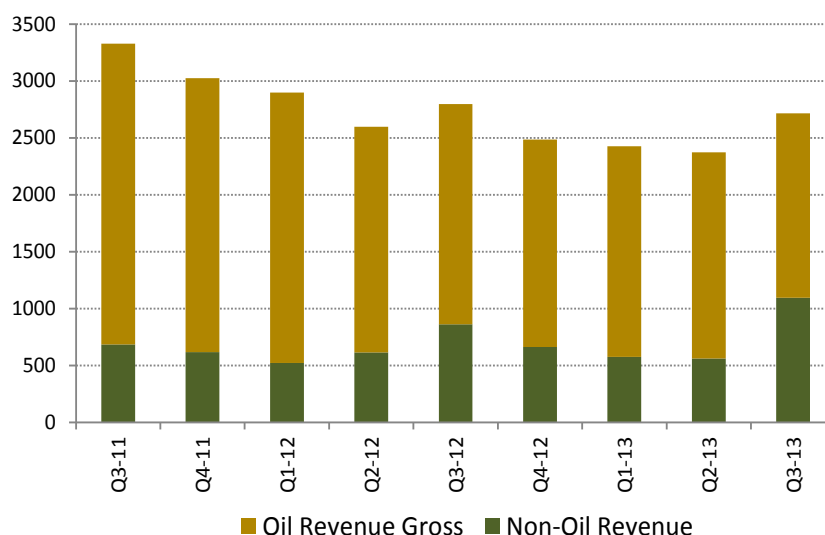
### 3.0 Fiscal Operations

#### 3.1 Federation Account Operations

Available data showed that total federally-collected revenue during the third quarter of 2013 stood at ₦2,716.43 billion, representing a decline of 4.2 and 1.58 per cent below the quarterly budget estimate and the level in the corresponding quarter of 2012, respectively. However, relative to the level in the preceding quarter, total federally-collected revenue rose by 14.4 per cent (Fig. 6, Table 6).

Gross federally collected revenue rose by 14.4 per cent above the level in the preceding quarter.

**Figure 6: Components of Gross Federally Collected Revenue**



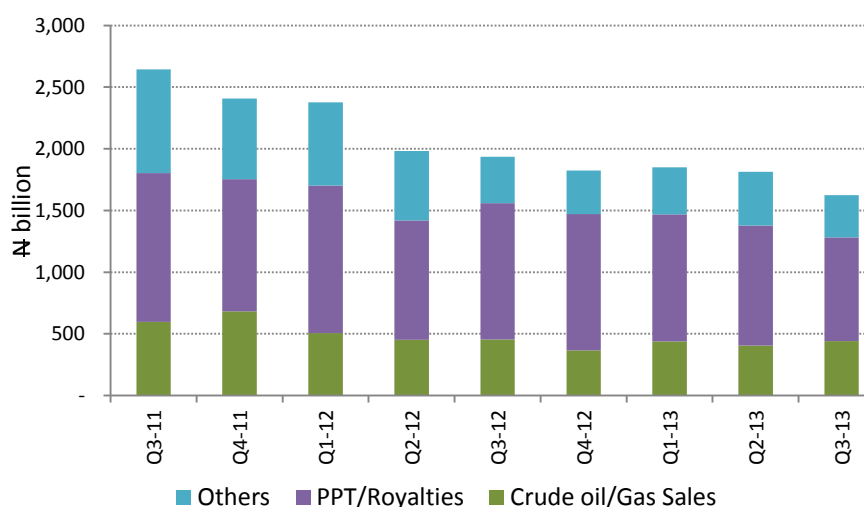
**Table 6: Gross Federation Account Revenue (₦ billion)**

	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13	Q3-13
Federally-collected revenue (Gross)	3327.8	3025.1	2955.4	2596.2	2783.0	484.1	2425.3	2373.7	2716.4
Oil Revenue	2642.8	2408.1	2376.0	1981.6	1936.2	1823.6	1849.5	1813.8	1622.8
Non-Oil Revenue	685.0	617.0	579.4	614.6	666.1	660.5	575.8	560.0	1093.6

At ₦1,622.79 billion, gross oil receipts, which constituted 59.7 per cent of the total, declined below the proportionate budget estimate and the level in the preceding quarter by 16.1 and 10.5 per cent, respectively. The development relative to the preceding quarter was attributed to the decline in most of the components of oil revenue during the review quarter

(Fig. 7, Table 7).

**Figure 7: Gross Oil Revenue and Its Components**



**Table 7: Components of Gross Oil Revenue (N billion)**

	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13	Q3-13
Oil Revenue	2642.8	2408.1	2376.0	1958.7	1936.2	1823.6	1849.5	1813.8	1622.8
Crude oil/Gas Sales	596.9	683.4	506.5	452.5	455.2	366.7	439.1	403.8	440.1
PPT/Royalties	1206.5	1070.9	1194.0	966.1	1103.5	1103.9	1030.2	973.1	840.4
Others	839.4	653.8	675.5	562.9	377.4	353.1	380.1	436.9	342.3

Non-oil receipts (gross), at ₦1,093.64 billion (40.3 per cent of the total), was above the proportionate budget estimate and the level in the preceding quarter by 21.3 and 95.3 per cent, respectively. The increase in non-oil revenue relative to the preceding quarter reflected, largely, the rise in receipts from corporate tax, independent revenue of the Federal Government, education tax and customs levies (Fig. 8, Table 8).

As a percentage of projected third quarter 2013 nominal GDP, oil and non-oil revenue were 13.6 and 9.2 per cent, respectively.

Figure 8: Gross Non-Oil Revenue and its Components

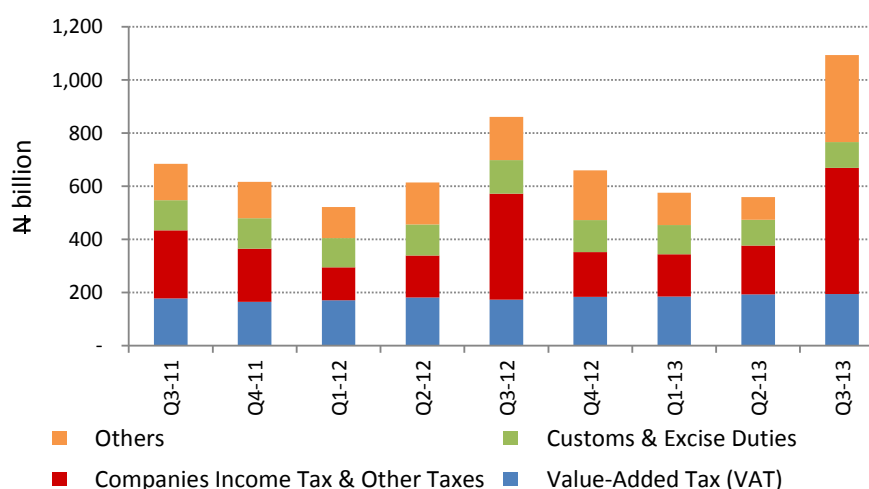


Table 8 Components of Gross Non-Oil Revenue (₦ billion)

	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13	Q3-13
Non-Oil Revenue	667.3	617.0	579.4	542.1	861.4	660.5	575.8	560.0	1093.6
Value-Added Tax (VAT)	177.7	164.7	171.0	181.8	173.6	183.8	185.5	193.6	194.4
Companies Income Tax & Other Taxes	257.0	200.3	124.4	157.4	398.7	168.1	158.3	183.0	475.1
Customs & Excise Duties	112.9	114.9	109.3	117.7	50.1	121.0	109.9	97.3	97.4
Others	119.8	176.6	174.7	157.7	238.9	187.6	122.0	86.1	326.7

Of the gross federally-collected revenue during the review quarter, the sum of ₦1,611.55 billion (after accounting for all deductions and transfers) was transferred to the Federation Account for distribution among the three tiers of government and the 13.0% Derivation Fund. The Federal Government received ₦769.83 billion, while the states and local governments received ₦390.47 billion and ₦301.03 billion, respectively. The balance of ₦150.22 billion went to the 13.0% Derivation Fund for distribution to the oil-producing states. Also, the Federal Government received ₦27.99 billion from the VAT Pool Account, while the states and local governments received ₦93.31 billion and ₦65.32 billion, respectively.

The sum of ₦106.65 billion was also distributed as the Subsidy Re-Investment and Empowerment Programme (SURE-P) among the three tiers of government and the 13% Derivation Fund as follows: Federal Government (₦48.88 billion), State Governments (₦24.79 billion), Local Governments (₦19.11 billion) and 13% Derivation Fund (₦13.86 billion).

The sum of ₦1,611.55 billion out of the federally collected revenue was set aside for distribution by the three tiers of government and the 13.0 % Derivation Fund for oil producing states.

In addition, the sum of ₦22.85 billion from NNPC Refund was shared by the sub-national governments and 13% Derivation Fund as follows: State Governments (₦11.23 billion), Local Governments (₦8.65 billion) and 13% Derivation Fund (₦2.97 billion). Thus, the total allocation to the three tiers of government in the third quarter of 2013 amounted to ₦1,927.68 billion. This was below the 2013 quarterly budget estimate by 7.0 per cent.

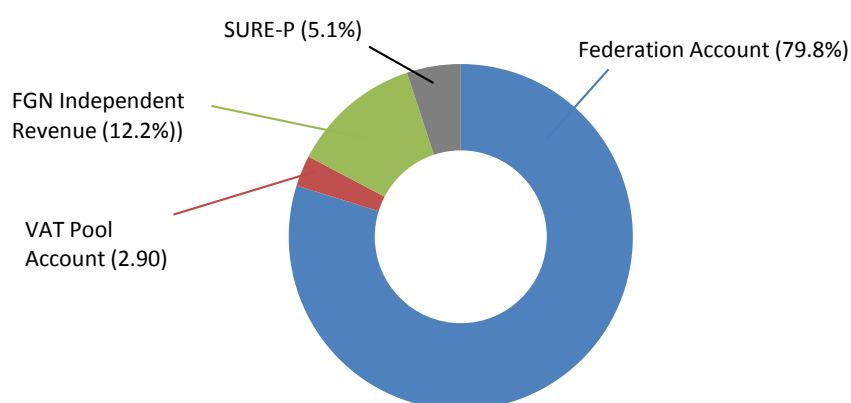
## 3.2 The Fiscal Operations of the Three Tiers of Government

### 3.2.1 The Federal Government

Federal government estimated retained revenue and total expenditure were lower than the proportionate budget estimate for the quarter.

At ₦964.86 billion, the Federal Government retained revenue for the third quarter of 2013 was lower than the proportionate budget estimate by 21.3 per cent, but exceeded the receipts in the preceding quarter and the corresponding quarter of 2012 by 9.0 and 9.2 per cent, respectively. Of this amount, the Federal Government share from the Federation Account, VAT Pool Account, FGN Independent Revenue and Sure-P were ₦769.83 billion, ₦27.99 billion, ₦118.16 billion and ₦48.88 billion, respectively (Fig. 9, Table 9).

**Figure 9: Federal Government Retained Revenue**



**Table 9: Federal Government Fiscal Operations (₦ billion)**

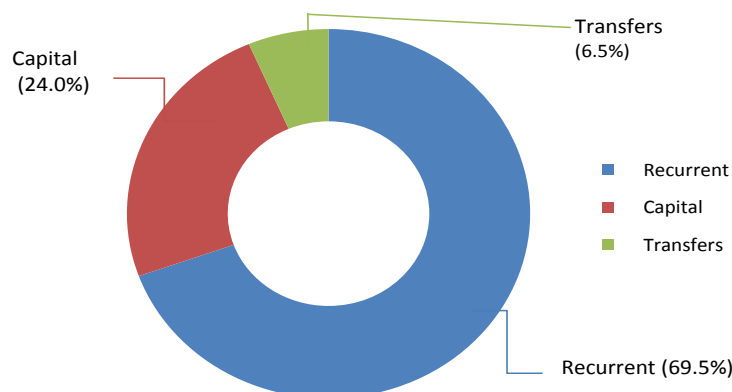
	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13	Q3-13
Retained Revenue	1184.2	587.7	1015.7	852.0	883.6	923.0	908.1	885.5	964.9
Expenditure	1345.3	952.8	1101.4	1063.8	1422.1	1130.3	1192.9	1149.4	1078.9
Overall Balance: Surplus(+)/Deficit(-)	-161.1	-365.1	-85.7	-192.2	-538.4	-207.3	-284.8	-263.9	-114.1

Total estimated expenditure for the third quarter 2013 stood at ₦1,078.91 billion, indicating a decline of 25.5 and 6.1 per cent below the quarterly budget estimate and the the level in the preceding quarter, respectively. The development relative to the quarterly budget estimate was attributed to the decline in both recurrent and capital components during the period. A breakdown of the total expenditure showed that the recurrent component accounted for 69.5 per cent, while capital and statutory transfers components accounted for 24.0 and 6.5 per cent, respectively (Fig. 10). Further breakdown of the recurrent expenditure showed that the non-debt component accounted for 79.0 per cent, while debt service payments accounted for the balance of 21.0 per cent.

Thus, the fiscal operations of the Federal Government resulted in an estimated deficit of ₦114.05 billion or 0.95 per cent of GDP, compared with a proportionate budget deficit of ₦221.77 billion or 1.9 per cent of GDP for the third quarter 2013.

The fiscal operations of the FG resulted in an estimated deficit of ₦114.05 billion in Q3 2013.

**Figure10: Federal Government Expenditure**



### 3.2.2 Statutory Allocations to State Governments

Total allocation to state governments (including the Federation Account, 13.0% Derivation Fund and VAT) stood at ₦686.86 billion during the review quarter. This represented a decline of 4.1 per cent below the level in the preceding quarter, but an increase of 14.2 per cent over the level in the corresponding quarter of 2012.

Further breakdown showed that, at ₦593.54 billion, receipts from the Federation Account constituted 86.4 per cent of the total, indicating a decline of 4.8 per cent below the level in the preceding quarter, but an increase of 14.5 per cent above the level in the corresponding quarter of 2012. At ₦93.31 billion, receipts from the VAT Pool Account, constituted 13.5 per cent of the total, indicating an increase of 0.4 and 12.0 per cent relative to the levels in the preceding quarter and the corresponding quarter of 2012, respectively. On a monthly basis, the sum of ₦243.55 billion, ₦213.80 billion and ₦229.51 billion was allocated as statutory allocations and VAT receipts to the 36 state governments in July, August and September 2013, respectively.

### 3.2.3 *Statutory Allocations to Local Government Councils*

Total receipts by the local governments from the Federation and VAT Pool Accounts during the third quarter of 2013, stood at ₦394.12 billion. This amount was below the level in the preceding quarter by 6.7 per cent, but exceeded the level in the corresponding quarter of 2012 by 15.2 per cent. Of the total amount, allocation from the Federation Account was ₦328.0 billion (83.4 per cent), while VAT Pool Account accounted for the balance of ₦65.32 billion (16.6 per cent). On a monthly basis, the sum of ₦141.43 billion, ₦123.15 billion and ₦129.54 billion was allocated to the 774 local governments in July, August and September 2013, respectively.

## 4.0 Domestic Economic Conditions

*Provisional data showed that aggregate output measured by real gross domestic product (GDP) grew by 6.9 per cent, compared with 6.2 per cent in the preceding quarter. The development was driven, largely, by the growth in the non-oil sector. Crude oil production was estimated at 1.89 million barrels per day (mbd) or 173.88 million barrels for the quarter. The end-period inflation rate for the third quarter of 2013, on year-on-year basis, was 8.0 per cent, compared with 8.4 and 11.3 per cent at the end of the preceding quarter and the corresponding quarter of 2012, respectively. The inflation rate on a 12-month moving average basis was 9.5 per cent, compared with 10.4 and 11.9 per cent in the preceding quarter and the corresponding period of 2012, respectively.*

### 4.1 Aggregate Output

Provisional data showed that in the third quarter of 2013, output measured by real gross domestic product (GDP), grew by 6.9 per cent, compared with the 6.2 per cent recorded in the preceding quarter. The development was attributed largely to the growth in the contribution of the non-oil sector. Real non-oil GDP grew at 8.0 per cent and accounted for 87.4 per cent of total GDP in the review quarter. Real oil GDP, comprising crude petroleum and natural gas, grew by 0.1 per cent and accounted for 12.6 per cent of GDP, in contrast to the decline of 1.2 per cent recorded in the preceding quarter of 2013 (Fig. 11, Table 10).

Figure 11: Real GDP Growth Rate and Share of Oil and Non-oil in GDP

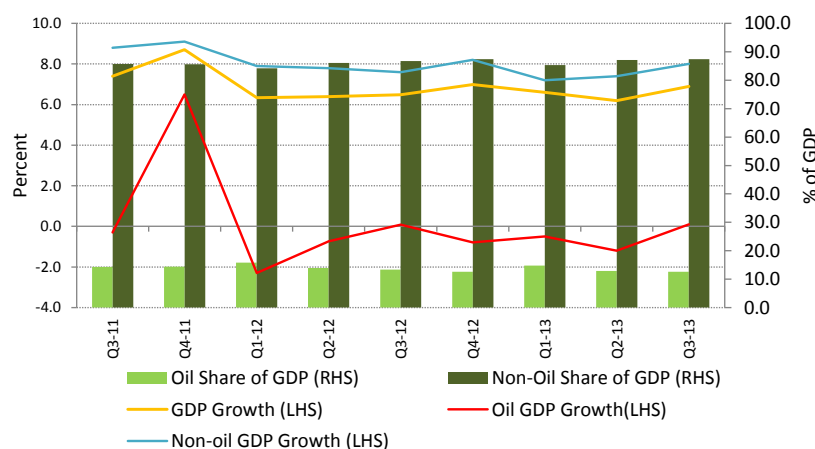


Table 10: Growth Rate of Real GDP and Sectoral Shares (Percent)

	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13	Q3-13
<b>Growth Rate (%)</b>									
Real GDP	7.4	8.7	6.3	6.4	6.5	7.0	6.6	6.2	6.9
Oil (Crude Petroleum/Natural Gas)	-0.3	6.5	-2.3	-0.7	0.1	-0.8	-0.5	-1.2	0.1
Non-oil	8.8	9.1	8.1	7.6	7.6	8.2	7.2	7.4	8.0
<b>Share in Real GDP (%)</b>									
Real GDP	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Oil (Crude Petroleum/Natural Gas)	14.3	14.4	15.8	13.9	13.4	12.6	14.8	12.9	12.6
Non-Oil	85.7	85.6	84.2	86.1	86.7	87.4	85.2	87.1	87.4

## 4.2 Agricultural Sector

Available data indicated that stable and widespread rainfall in the third quarter of 2013 provided a major boost to agricultural activities in most parts of the country. Activities in the sector was dominated by harvesting of maize, yam and vegetables. In the livestock sub-sector, farmers intensified the clearing and disinfesting of broiler houses to minimize the incidence of diseases associated with the wet season.

A total of ₦2,923.6 million was guaranteed to 16,349 farmers under the Agricultural Credit Guarantee Scheme (ACGS) in the third quarter of 2013. This represented an increase of 213.5 above the level in the preceding quarter, but indicated a

decline of 27.5 per cent below the level in the corresponding quarter of 2012.

A sub-sectoral analysis of the loans guaranteed indicated that the food crops sub-sector received the largest share of ₦1,708.7 million (58.4 per cent) for 10,969 beneficiaries, while the livestock sub-sector got ₦458.9 million (15.7 per cent) for 3,192 beneficiaries. Fisheries sub-sector obtained ₦130.3 million (4.5 per cent) for 410 beneficiaries; while cash crop sub-sector received ₦47.8 million (1.6 per cent) guaranteed to 120 beneficiaries. Mixed crops obtained ₦540.4 million (18.5 per cent) guaranteed to 1,438 beneficiaries, while 'Others' sub-sector obtained ₦37.5 million (1.3 per cent) guaranteed to 220 beneficiaries. Further analysis showed that 35 states benefited from the scheme during the quarter, with the highest and lowest sums of ₦48.4 million (16.6 per cent) and ₦2.9 million (0.1 per cent) guaranteed to farmers in Delta and Ekiti states, respectively.

At end-September 2013, the total amount released by the CBN under the Commercial Agriculture Credit Scheme (CACS) to the participating banks for disbursement stood at ₦221.9 billion for 294 (two hundred and ninety four) projects. The beneficiaries included thirty state governments (Table 11).

**Table 11: Disbursement of Credit Under the Commercial Agriculture Credit Scheme (CACS)**

S/N	Participating Banks	Amount Disbursed (₦ billion)	Number of Projects/State Governments
1	United Bank for Africa (UBA) Plc	41.8	35
2	Zenith Bank	33.9	22
3	First Bank of Nigeria Plc	24.8	65
4	Unity Bank Plc	22.3	25
5	Union Bank Nigeria PLC	18.2	21
6	Stanbic IBTC Bank	12.0	24
7	Access Bank Plc	11.10	13
8	Skye Bank Plc	9.2	7
9	Fidelity Bank Plc	10.90	10
10	Sterling Bank Plc	12.30	19
11	GTBank Plc	5.80	9
12	FCMB Plc.	4.90	8
13	ECOBANK	3.80	7
14	Citibank Plc	3.00	2
15	Diamond Bank Plc	2.70	12
16	Mainstreet Bank Plc	2.00	1
17	Keystone Bank	2.00	3
18	Wema Bank Plc	0.70	5
19	Enterprise Bank PLC	0.50	6
	<b>TOTAL</b>	<b>221.9</b>	<b>294</b>

### 4.3 Industrial Production

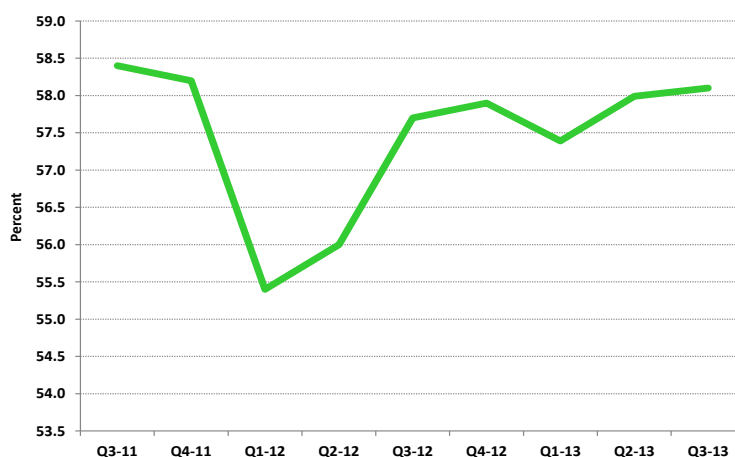
Industrial activities improved relative to the preceding quarter due to increased manufacturing activities during Q3 2013.

Industrial activities improved during the third quarter of 2013 relative to the level in the preceding quarter. At 138.99 (1990=100), the estimated index of industrial production rose by 0.22 and 1.1 per cent above the levels in the preceding quarter and the corresponding period of 2012, respectively. The development was attributed to the increase in the manufacturing activities during the period.

Actual industrial capacity utilization increased by 0.2 percentage point relative to the level in the preceding quarter.

The estimated index of manufacturing production, at 110.87 (1990=100), rose marginally by 0.3 and 3.9 per cent above the levels in the preceding quarter and the corresponding period of 2012, respectively. The estimated capacity utilization also rose marginally by 0.2 percentage point to 58.1 per cent during the review period. The development was attributed to the increased manufacturing activities (Fig.12, Table 11).

**Figure 12: Capacity Utilization Rate**



At 147.0 (1990=100), the index of mining production rose by 0.2 and 0.03 per cent, compared with the level attained in the preceding quarter and the corresponding period of 2012, respectively. The increase in mining production during the review quarter was accounted for by improved quarrying and other mining activities, despite the fall in domestic crude oil

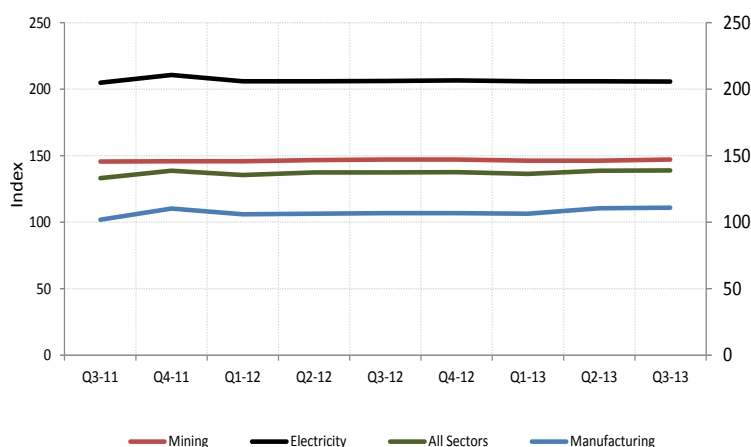
and gas production.

At 3,167.0 MW/h, estimated average electricity generation fell by 1.7 per cent, compared with the level attained in the preceding quarter. The development was attributable largely to the series of system collapse and shortages in gas supply to the thermal plants.

Average electricity generation and consumption declined during the quarter under review.

At 2,567.6 MW/h, estimated average electricity consumption declined by 4.2 per cent, compared with the level attained in the preceding quarter. The development was attributed to the fall in power supply, transmission and distribution (Fig. 13, Table 12).

**Figure 13: Index of Industrial Production (1990=100)**



**Table 12: Index of Industrial Production and Manufacturing Capacity Utilization Rate**

	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13	Q3-13
All Sectors (1990=100)	133.0	138.8	135.4	137.3	137.5	137.6	136.4	138.7	139.0
Manufacturing	101.8	110.3	105.9	106.3	106.7	106.8	106.4	110.6	110.9
Mining	145.7	145.8	145.9	146.7	147.0	147.1	146.2	146.3	147.0
Electricity	204.8	210.6	205.9	205.9	206.1	206.6	206.6	206.2	206.4
Capacity Utilization (%)	58.4	58.2	55.4	56.0	57.7	57.9	57.4	58.0	58.1

## 4.4 Petroleum Sector

Crude oil and natural gas production decreased by 2.1 per cent during Q3 2013.

Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at 1.89 million barrels per day (mbd) or 173.88 million barrels, compared with 1.93 mbd or (175.63 million barrels) in the preceding quarter. This represented a decline of 0.04 mbd or 2.1 per cent below the level in the preceding quarter. Consequently, crude oil export was estimated at 1.44 mbd or (132.48 million barrels) in the review period, compared with 1.48 mbd or 134.68 in the preceding quarter, thus representing a decline of 2.7 per cent. The development was attributed to the incessant crude oil theft in the Niger Delta. Allocation of crude oil for domestic consumption was 0.45 mbd or 41.4 million barrels during the period under review.

Crude oil export recorded a decrease in Q3 2013.

Average crude oil prices, including Nigeria's Bony Light (37o API), rose in the international crude oil market in Q3 2013.

At an estimated average of US\$113.05 per barrel, the price of Nigeria's reference crude, the Bonny Light (37° API), rose by 7.4 per cent over the level in the preceding quarter. The average prices of other competing crudes, namely the U.K Brent, the West Texas Intermediate and the Forcados also rose to US\$112.17, US\$105.93 and US\$114.71 per barrel from US\$103.14, US\$93.97 and US\$106.46 per barrel, respectively, recorded in the preceding quarter. At US\$106.92 per barrel, the average price of OPEC's basket of eleven crude streams rose by 6.0 and 0.2 per cent, above the US\$100.90 and US\$106.72 per barrel recorded in the preceding quarter and the corresponding quarter of 2012, respectively. The rise in prices was attributed to increased demand, especially from the OECD America and OECD Europe, resulting from general improvements in economic activities in the regions (Fig. 14, Table 13).

Figure 14: Trends in Crude Oil Prices

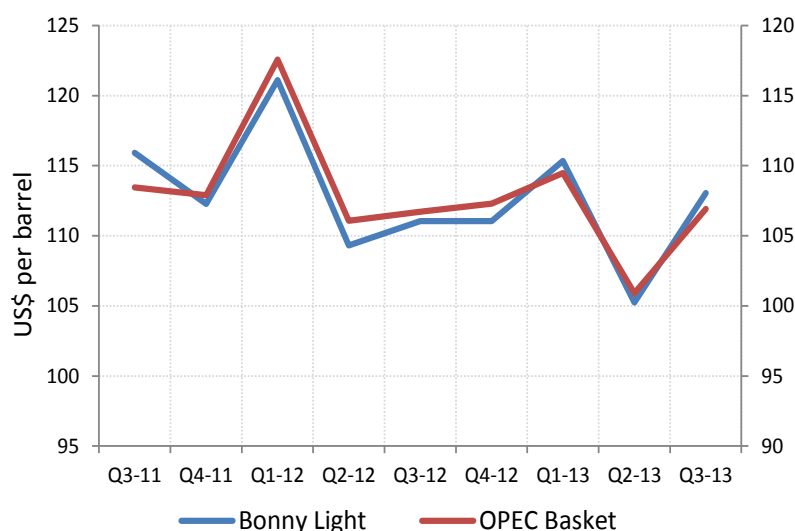


Table 13: Average Crude Oil Prices in the International Oil Market

	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13	Q3-13
Bonny Light	115.92	112.28	121.10	109.32	111.04	111.04	115.34	105.24	113.05
OPEC Basket	108.44	107.90	117.58	106.08	106.72	107.29	109.48	100.90	106.92

## 4.5 Consumer Prices<sup>3</sup>

Available data showed that the all-items composite Consumer Price Index (CPI) at the end of the third quarter of 2013, was 148.9 (November 2009=100), representing an increase of 1.6 and 7.9 per cent over the levels in the preceding quarter and the corresponding quarter of 2012, respectively. The development reflected the slower rate of increase in food prices and the effect of price increase across various class of items, including actual and imputed rental prices, books and stationaries as a result of the start of new school year and accommodation services.

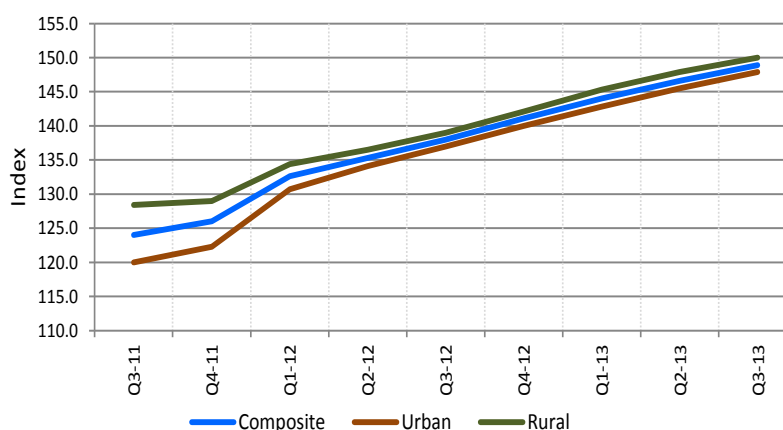
The general price level rose in Q3 2013 on account of the increase in the prices of food items, books and stationaries education and accommodation services.

The urban all-items CPI at the end of the third quarter of 2013, was 147.9 (November 2009=100), indicating an increase of 1.7

<sup>3</sup> New CPI with November 2009 = 100 as base and new weight based on the 2003/2004 Nigeria Living Standard Survey (NLSS) was released by the National Bureau of Statistics (NBS) on 18<sup>th</sup> October 2010.

and 0.6 per cent over the levels in the preceding quarter and the corresponding quarter of 2012, respectively. Similarly, the rural all-items CPI at the end of the quarter, at 150.0 (November 2009=100), represented an increase of 1.4 and 7.9 per cent over the levels in the preceding quarter and the corresponding quarter of 2012, respectively (Fig. 15, Table 14).

**Figure 15: Consumer Price Index**



**Table 14: Consumer Price Index (November 2009=100)**

	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13	Q3-13
Composite	124.0	126.0	132.6	135.3	138.0	141.1	144.0	146.6	148.9
Urban	120.0	122.3	130.7	134.1	137.0	140.0	142.8	145.5	147.9
Rural	128.4	129.0	134.4	136.5	139.0	142.1	145.3	147.9	150.0

The headline inflation (y-o-y) decreased by 0.2 per cent in Q3 2013.

The end-period inflation rate for the third quarter of 2013, on a year-on-year basis stood at 8.0 per cent, compared with 8.4 per cent at the end of the preceding quarter. This indicated a decline of 0.4 and 3.3 percentage points below the levels in the preceding quarter and the corresponding quarter of 2012, respectively. The inflation rate on a twelve-month moving average basis was 9.5 per cent, compared with 10.4 and 11.9 per cent in the preceding quarter and the corresponding quarter of 2012, respectively (Fig. 16, Table 15).

Figure 16: Inflation Rate

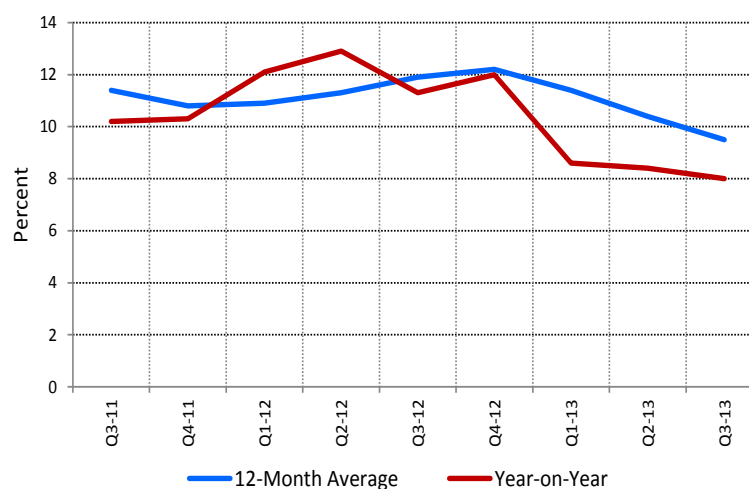


Table 15: Headline Inflation Rate (%)

	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13	Q3-13
12-Month Moving Average	11.4	10.8	10.9	11.3	11.0	12.2	11.4	10.4	9.5
Year-on-Year	10.2	10.3	12.1	12.9	11.3	12.0	8.6	8.4	8.0



## 5.0 External Sector Developments

*Provisional data indicated that foreign exchange inflow through the CBN in the third quarter of 2013 rose by 27.2 per cent above the level in the preceding quarter, but declined by 10.7 per cent below the level in the corresponding quarter of 2012. Outflow through the Bank, however, increased by 1.2 and 56.5 per cent over the levels in the preceding quarter and the corresponding quarter of 2012, respectively. Total non-oil export receipts by banks increased by 236.4 and 362.0 per cent above the levels in the preceding quarter and the corresponding quarter of 2012, respectively. Relative to the preceding quarter, the average Naira exchange rate at the wDAS vis-à-vis the US dollar, depreciated marginally to ₦157.32 per US dollar. In the BDC segment of the market, the average naira exchange rate, at ₦162.62 vis-à-vis the dollar, depreciated by 1.5 per cent relative to the level in the preceding quarter. Similarly, at the interbank segment, the average Naira exchange rate relative to the preceding quarter depreciated to ₦161.43 per dollar. The gross external reserves fell by 1.9 per cent to US\$44.10 billion from the preceding quarter's level.*

### 5.1 Foreign Exchange Flows

Provisional data indicated that foreign exchange inflow through the CBN in the third quarter of 2013 amounted to US\$12.01 billion, representing an increase of 27.2 per cent above the level in the preceding quarter, but showed a decline of 10.7 per cent below the level in the corresponding quarter of 2012. The rise in inflow relative to the preceding quarter was attributed to the significant increase in non-oil component due largely to proceeds from Eurobond and other official receipts. Outflow amounted to US\$12.65 billion, showing an increase of 1.2 and 56.5 per cent above the levels in the preceding quarter and the corresponding quarter of 2012, respectively. This resulted in a net outflow of US\$0.64 billion, compared with a net outflow of US\$3.06 billion recorded in the preceding quarter but was in contrast to the net inflow of US\$5.36 billion in the corresponding quarter of 2012. The rise in outflow was attributed to the increase in national priority projects, external debt service payments and Nigeria Sovereign Investment Authority (NSIA) transfers (Fig.17, Table 16).

Foreign exchange inflow and outflow through the CBN rose by 27.2 and 1.2 per cent, resulting in a net outflow of US\$0.64 billion during Q3 of 2013.

Figure 17: Foreign Exchange Flows Through the CBN

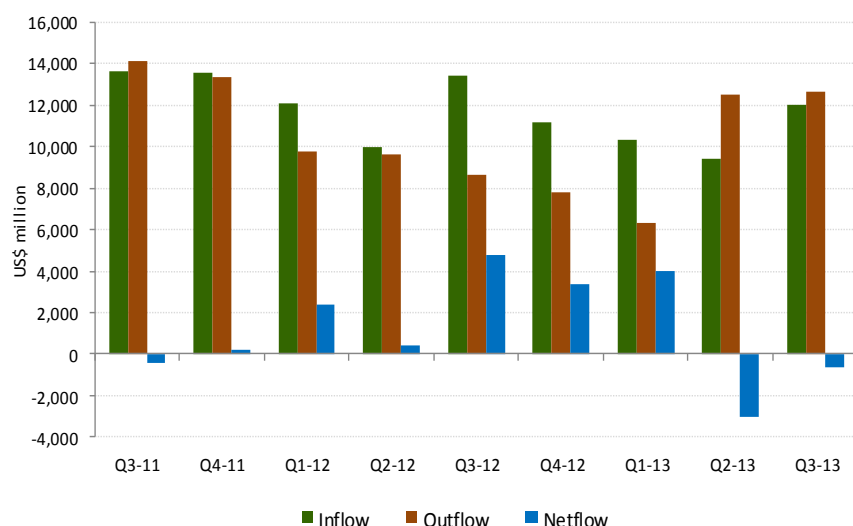


Table 16: Foreign Exchange Flows Through the CBN (US\$ million)

	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13	Q3-13
Inflow	13,673.10	13,603.64	12,119.80	10,050.94	13,444.07	11,168.38	10,304.46	9,442.91	12,011.86
Outflow	14,121.60	13,395.68	9,760.50	10,118.35	8,668.74	7,817.12	6,313.04	12,500.11	12,648.46
Netflow	(448.50)	207.96	2,359.30	(67.41)	4,775.33	3,351.26	3,991.42	(3,057.20)	(636.60)

Provisional data on aggregate foreign exchange flows through the economy indicated that total inflow amounted to US\$38.65 billion, representing an increase of 1.6 and 24.6 per cent above the levels in the preceding quarter and the corresponding quarter of 2012, respectively. Oil sector receipts, which accounted for 24.8 per cent of the total, stood at US\$9.57 billion, compared with the US\$9.20 billion and US\$11.16 billion achieved in the preceding quarter and the corresponding quarter of 2012, respectively.

Non-oil public sector inflow, at US\$2.43 billion, accounted for 6.3 per cent of the total and rose by 907.06 and 6.7 per cent above the levels in the preceding and corresponding quarters, respectively, while autonomous inflow, which accounted for 68.9 per cent, declined by 6.8 per cent below the preceding quarter's level.

At US\$13.34 billion, aggregate foreign exchange outflows from the economy increased by 5.8 and 53.9 per cent above the

Autonomous inflows into the economy fell by 6.8 per cent in Q3 2013 relative to the preceding quarter.

levels in the preceding quarter and the corresponding quarter of 2012, respectively. The increase, relative to the preceding quarter, was accounted for, mainly, by the significant increase in outflow through autonomous sources and NSIA transfers.

## 5.2 Non-Oil Export Earnings by Exporters

Total non-oil export earnings by Nigerian exporters during the third quarter of 2013 stood at US\$2.64 billion. This indicated an increase of 236.4 and 362.0 per cent above the levels in the preceding quarter and the corresponding quarter of 2012, respectively. The development was attributed, largely, to the 55.9 and 187.4 per cent increase in the proceeds of industrial and manufacturing sectors, respectively, as well as the significant increase in proceeds from primary agricultural and other products. A breakdown of the proceeds showed that agricultural products, manufactured products, industrial, minerals and food products earned US\$1.3 billion, US\$738.7 million, US\$522.7 million, US\$47.5 million, and US\$27.4 million, respectively.

Total non-oil export earnings by exporters rose significantly during the third quarter of 2013.

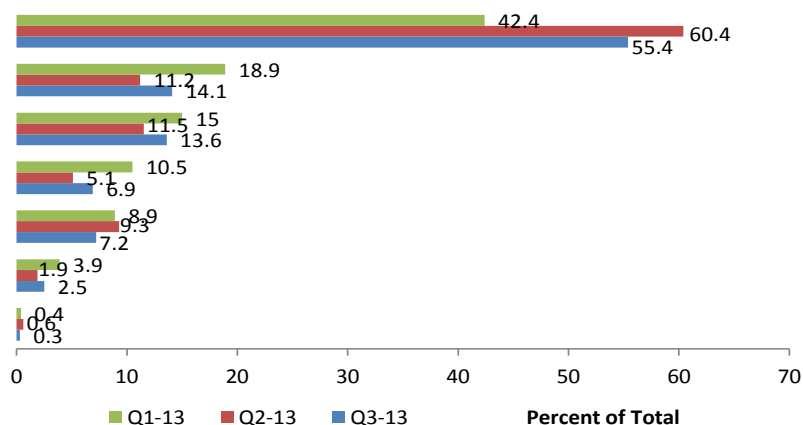
The shares of agricultural products, manufactured products, industrial, minerals and food products in non-oil export proceeds were 49.3, 28.0, 19.8, 1.8 and 1.1 per cent, respectively.

## 5.3 Sectoral Utilisation of Foreign Exchange

Available data indicated that the invisible sector accounted for the bulk (55.4 per cent) of total foreign exchange disbursed in the third quarter of 2013, followed by mineral and oil sector (13.6 per cent). Other beneficiary sectors, in a descending order included: industrial sector (14.1 per cent), food products (7.2 per cent), manufactured products (6.9 per cent), transport sector (2.5 per cent) and agricultural products (0.3 per cent) (Fig.18).

The invisible sector accounted for the bulk of the total foreign exchange disbursed during Q3 2013.

Figure 18: Sectoral Utilisation of Foreign Exchange



## 5.4 Foreign Exchange Market Developments

Demand for foreign exchange by authorized dealers rose while Supply delined marginally during Q3 2013.

Foreign exchange demand by the authorized dealers for the review period was estimated at US\$10.12 billion, indicating an increase of 24.4 and 53.1 per cent above the levels in the preceding quarter and the corresponding period of 2012, respectively. The sum of US\$10.77 was sold by the CBN during the review period, indicating a marginal decline of 0.01 per cent below the level in the preceding quarter, but an increase of 61.1 per cent above the level in the corresponding quarter of 2012 (Fig. 19, Table 17).

Figure 19: Demand for and Supply of Foreign Exchange

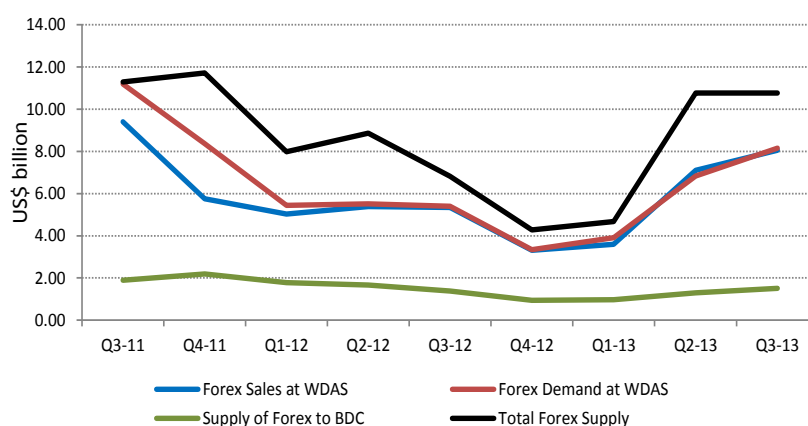


Table 17: Demand for and Supply of Foreign Exchange (US\$ billion)

	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13	Q3-13
Forex Sales at WDAS	5.0	5.4	5.3	3.3	3.6	7.1	8.1
Forex Demand at WDAS	5.5	5.5	5.4	3.3	3.9	6.8	8.2
Supply of Forex to BDC	1.6	1.3	1.4	0.9	0.9	1.3	1.5
Total Forex Supply(BDC and WDAS)	7.9	8.6	6.8	4.3	4.7	10.8	10.8

Under the wDAS, the average exchange rate of the Naira vis-à-vis the US dollar was ₦157.32 per US dollar, indicating a marginal depreciation of 0.01 per cent relative to the level in the preceding quarter. It, however, appreciated by 0.04 per cent relative to the level in the corresponding quarter of 2012. In the bureau-de-change segment of the market, the naira traded at an average of ₦162.62 per US dollar, indicating a depreciation of 1.5 and 0.5 per cent relative to the levels in the preceding quarter and the corresponding quarter of 2012, respectively. At the interbank segment, the Naira exchanged at an average of ₦161.43 to the US dollar, indicating a depreciation of 1.7 and 1.3 per cent relative to its respective levels in the preceding quarter and the corresponding period of 2012. The rates at the wDAS-Forwards segment for 1-month, 2-month and 3-month tenors stood at ₦155.77 per US dollar in the review period (Fig. 20, Table 18).

The average Naira exchange rate vis-à-vis the US dollar depreciated in all the market segments during Q3 2013.

The premium between the wDAS and the bureau-de-change rates widened from 1.8 per cent in the preceding quarter to 3.4 per cent in the review period. Similarly, the premium between the wDAS and interbank widened from 0.9 per cent in the preceding quarter to 2.6 per cent in the review period (Fig. 21, Table 18).

The premium between the wDAS and the BDC rates as well as that between wDAS and interbank widened in the review period.

Figure 20: Average Exchange Rate Movements

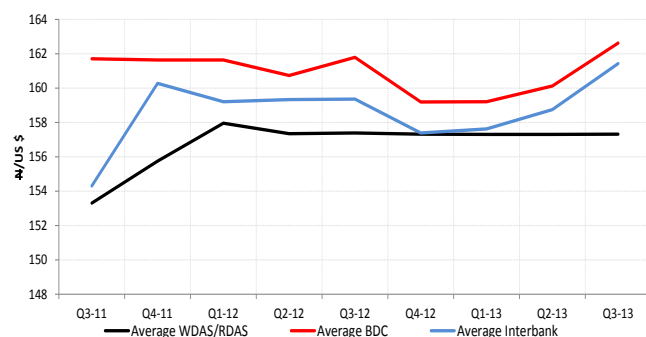
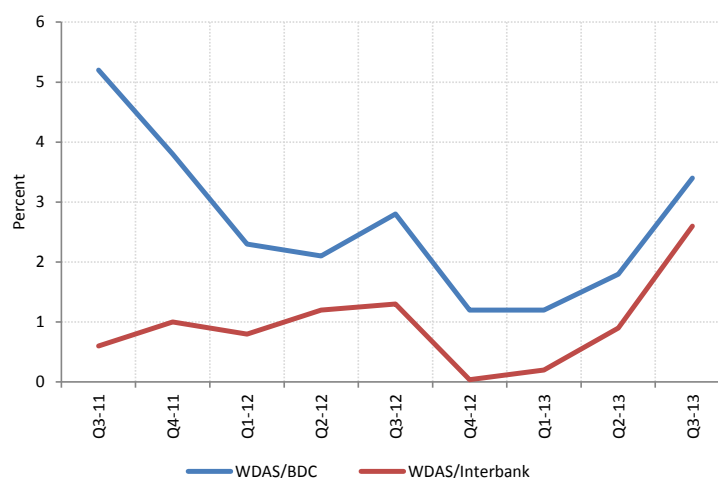


Table 18: Exchange Rate Movements and Exchange Rate Premium

	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13	Q3-13
<b>Average Exchange Rate (N/US\$)</b>									
WDAS/RDAS	153.3	155.9	158.0	157.4	157.3	157.3	157.3	157.3	157.3
BDC	161.7	161.6	161.6	160.7	159.0	159.2	159.2	160.1	162.6
Interbank	154.3	160.3	159.2	159.3	157.2	157.4	157.6	158.8	161.4
<b>Premium (%)</b>									
WDAS/BDC	5.2	3.7	2.3	2.1	2.8	1.2	1.2	1.8	3.4
WDAS/Interbank	0.6	2.8	0.8	1.2	1.3	0.04	0.2	0.9	2.6

Figure 21: Exchange Rate Premium

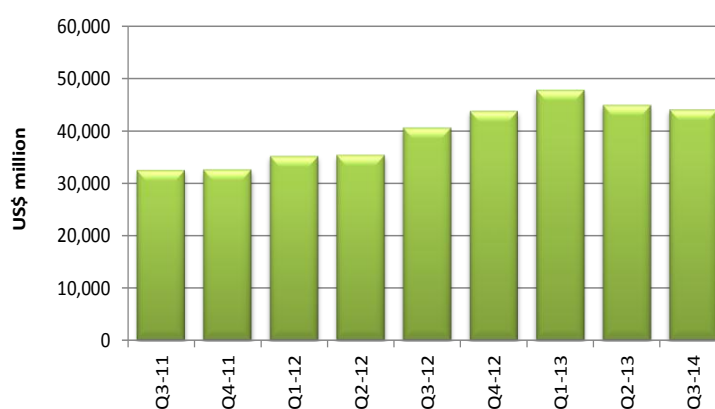


## 5.5 Gross External Reserves

Gross external reserves at the end of the third quarter of 2013 stood at US\$44.10 billion, indicating a decline of 1.95 per cent below the US\$44.96 billion recorded at the end of the preceding quarter. A breakdown of the reserves showed that CBN reserves stood at US\$35.96 billion (81.6) per cent), Federation reserves was US\$5.63 billion (12.7 per cent) and the Federal Government reserves was US\$2.51 billion (5.7 per cent) (Fig. 22, Table 18).

Gross external reserves declined during the third quarter of 2013.

**Figure 22: Gross External Reserves**



**Table 19: Gross External Reserves (US\$ million)**

	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13	Q3-13
External Reserves	31,890.5	31,740.2	35,190.8	35,412.5	40,636.8	43,830.4	47,884.1	44,957.0	44,100.5



## 6.0 *Global Economic Conditions*

### 6.1 **Global Output**

Available data showed that global growth remained low, averaging 2.5 per cent during the first half of 2013. While growth in advanced economies recently gained some speed, it slowed in the emerging economies. The emerging markets, however, continue to account for the bulk of global growth.

Data from the Commerce Department indicated that the US GDP grew at annual rate of 2.7 per cent higher than the 2.0 per cent earlier reported. September's Purchasing Managers Index (PMI) in the US climbed to 56.6 per cent, the highest in 2013 and showed an increase of 0.5 percentage point over its level in August 2013. The improvement was attributed to the rising inventories, robust federal spending and strong exports. Preliminary data indicated an increase in the pace of recovery in the Eurozone. The Markit Eurozone PMI Composite Output Index rose to a 27-month high in September, rounding off the strongest quarterly expansion since second quarter 2011. Data from the Office for National Statistics indicated that the seasonally adjusted Markit/CIPS Purchasing Manager's Index (PMI) hit a two-and-a-half year high of 57.2 in August, indicating expansion for five successive months.

In Japan, the seasonally adjusted annual rate of growth in the nation's economy was upwardly revised to 3.8 per cent from 2.6 percent, following the indication of solid improvement in business conditions in August as output and new order growth accelerated. In China, the GDP was estimated to have grown by 7.8 per cent over the previous year's third quarter level. Though, official data showed that the sub-index for small firms dropped to 48.4, from 48.8 in August, while that for large companies rose to 52.1 from 51.8 in the previous month, overall new orders sub-index rose to 52.8 in September, from 52.4 in August.

The 2013 African Economic Outlook (AEO) report published by the African Development Bank (AfDB) showed that Africa's economic growth was projected at 4.8 per cent in 2013 and 5.3 per cent in 2014, respectively. The report indicated that West Africa would continue its rapid economic growth with

rates of 6.7 per cent in 2013 and 7.4 per cent in 2014. The growth in West Africa would be driven by oil and mineral sectors; agriculture and services; consumption and investment.

North Africa was projected to grow at 3.9 per cent in 2013 and 4.3 per cent in 2014 while East Africa, was projected to grow at 5.2 per cent in 2013 and 5.6 per cent in 2014. Furthermore, Central Africa was projected to grow by 5.7 per cent in 2013 and 5.4 per cent in 2014, while Southern Africa was expected to grow by 4.0 per cent in 2013 and 4.6 per cent in 2014.

## 6.2 Global Inflation

Inflation continued to decelerate in advanced economies, while it moderated in emerging markets. In the United States, the consumer price index fell to 1.5 per cent in August 2013, compared with 2.0 per cent in July 2013. Similarly, inflation in the Eurozone fell to 1.1 per cent in September, from 1.3 per cent in August, which was below the European Central Bank's target of 2.0 per cent. The UK rate of consumer price index (CPI) inflation moderated to 2.7 per cent in September, down from 2.9 per cent in June. However, in emerging markets, there was a mixed trend in inflationary pressures. In Brazil, the CPI fell to 5.86 per cent in September from 6.09 per cent in August, while the consumer price index in India moderated to 10.75 per cent in August from 10.85 per cent recorded in July. However, China's CPI increased to 3.1 per cent in September, from 2.6 per cent in August.

## 6.3 Global Commodity Demand and Prices

World crude oil demand was estimated at 90.22 mbd in the third quarter of 2013, representing an increase of 1.4 per cent above the level recorded in the preceeding quarter. Similarly, world crude oil supply was estimated at an average of 90.24 mbd, representing an increase of 0.2 per cent above the level recorded in the preceeding quarter. The development was attributed to improvement in the US economy, intermittent recovery of the Eurozone and higher demand for oil in the Chinese economy.

The OPEC Reference Basket price of eleven selected crude streams stood at \$106.92 per barrel in the third quarter of 2013 from US\$100.90/b in the second quarter of 2013. The rise in

price was, however, moderated by prospects of improved supply from the MENA region and Sudan, along with assurances by major suppliers and international oil agencies that the market would be well-supplied.

The prices of the UK Brent, the West Texas Intermediate and the Forcados also rose to close at US\$112.17, US\$105.93 and US\$114.71 per barrel, respectively.

#### **6.4 Other International Economic Developments and Meetings**

Other major international economic developments and meetings of importance to the domestic economy during the review quarter included: the meeting of the African Governors of the International Monetary Fund and World Bank held in Khartoum, Sudan from August 21-22, 2013. At the end of the meeting, the African Governors issued declaration that the World Bank Group should partner with other donors; step up in assisting national and regional institutions to undertake more capital market deepening programmes; and increase financial resources to support the development of infrastuctures. The meeting also called on the IMF to, among others, enhance Africa's voice and representation on the Funds executive board .

Also, the 7<sup>th</sup> Annual Micro Small and Medium Enterprises (MSMEs) conference of the Central Bnak of Nigeria, adjoined with the D-8 workshop on Microfinance for SMEs was held in Abuja between August 15-16, 2013. The Governor of the CBN launched the N220 Billion MSMEs Microfinance Development Fund designed to further enhance access to finance by MSMEs with major objectives to, among others, provide wholesale financing windows for participating financial instittutions (PFIs) at reduced cost; improve access of NGOs/MFIs to finance; and improve capacity of the PFIs to meet credit needs of MSMEs.

Furthermore, the ECOWAS-WAMA-WAMI Joint Multilateral Surveillance Mission to Nigeria was conducted from August 26 to September 2, 2013, in compliance with the decision of the Convergence Council of Ministers and Governors of the Central Banks of the ECOWAS Member States. The Mission

assessed the country's performance on the macroeconomic convergence criteria and policy harmonisation as well as institutional frameworks for the establishment of economic and monetary union in the ECOWAS region during the first half of 2013. Some of the challenges identified by the Mission included high and increasing proportion of recurrent expenditure; inaccurate estimation of the country's budget deficit-to-GDP ratio; conflict in implementation of the regional and domestic trade policies; and inadequate synergy among government blueprints. The Mission recommended, among others, that states should be encouraged to provide information on tax revenue and expenditure profile during Joint Tax Board and Federal Allocation Committee meetings; and effective coordination and collaboration of MDAs planning and budgeting.

The meetings of the West African Monetary Zone (WAMZ), the West African Monetary Agency (WAMA) and the West African Institute for Financial and Economic Management (WAIFEM) was held in Accra, Ghana, from July 17 – 26, 2013. The meeting discussed the proposed restructuring of WAMI and activities of WAMA, while WAIFEM briefed the meeting on the training and capacity building programmes it had executed and presented a draft training programme for consideration.

Finally, the 6<sup>th</sup> Meeting of the Inter-Institutional Technical Sub-Committee on the Road Map for the ECOWAS Single Currency Programme was held in Accra, Ghana from July 29 – 30, 2013. The Meeting was presented with the status of the implementation of roadmap activities by the ECOWAS Commission, the WAMA, the WAMI and the WABA. Each of the institutions informed the Meeting of various workshops and projects which they had organized to harmonize and to meet the convergence criteria. Some of the actionable decisions included: that meetings of the Inter-Institutional Technical Sub-Committee be held before the statutory meetings; all regional institutions were to continue with responsibilities assigned to them in the roadmap activities; and that decisions of the Inter-Institutional Technical Sub-Committee should form part of the regional institutions comprehensive status report on the roadmap activities.

## APPENDIX TABLES



Table A1: Money and Credit Aggregates

	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13
	N billion					
<b>Domestic Credit (Net)</b>	<b>13567.4</b>	<b>13371.3</b>	<b>12698.2</b>	<b>12741.0</b>	<b>13294.5</b>	<b>13101.6</b>
Claims on Federal Government (Net)	-1133.6	-1564.0	-2453.6	-2521.0	-2397.5	-3190.6
Central Bank (Net)	-3723.0	-3598.6	3574.4	3375.9	3374.8	-2990.5
Banks	2589.4	2034.7	1120.8	854.9	977.3	-2000.9
Claims on Private Sector	14701.1	14935.3	15151.8	15261.9	15692.0	16292.3
Central Bank	4652.7	4659.5	4708.3	4754.8	4703.3	4820.2
Banks	10048.4	10275.8	9777.6	9845.2	10988.7	11472.1
Claims on Other Private Sector	14114.8	14336.2	14485.9	14599.9	15031.0	15587.4
Central Bank	4652.7	4659.5	4708.3	4754.8	4703.3	4820.2
Banks	9462.1	9670.0	9777.6	9845.2	10327.7	10767.2
Claims on State and Local Government	586.3	599.0	665.9	662.0	661.0	704.9
Central Bank	--	--	--	--	--	--
DMBs and Non Interest Banks	586.3	599.0	665.9	662.0	661.0	704.9
Claims on Non-financial Public Enterprises	--	--	--	--	--	--
Central Bank	--	--	--	--	--	--
DMBs and Non Interest Banks	--	--	--	--	--	--
<b>Foreign Assets (Net)</b>	<b>7522.2</b>	<b>8267.4</b>	<b>9043.7</b>	<b>9685.9</b>	<b>9016.9</b>	<b>8926.6</b>
Central Bank	6025.3	6388.6	7393.6	7991.8	7413.7	7177.6
DMBs and Non Interest Banks	1496.9	1878.8	1650.1	1694.1	1603.2	1748.9
<b>Other Assets (Net)</b>	<b>-7606.6</b>	<b>-7574.4</b>	<b>-6258.0</b>	<b>-6757.7</b>	<b>-6718.2</b>	<b>-7656.8</b>
<b>Total Monetary Assets (M2)</b>	<b>13483.1</b>	<b>14064.2</b>	<b>15483.8</b>	<b>15669.2</b>	<b>15593.3</b>	<b>14371.4</b>
<b>Quasi-Money 1/</b>	<b>6883.7</b>	<b>7672.8</b>	<b>8062.9</b>	<b>8730.6</b>	<b>8653.6</b>	<b>8075.3</b>
<b>Money Supply (M1)</b>	<b>6599.4</b>	<b>6391.4</b>	<b>7421.0</b>	<b>6938.5</b>	<b>6939.6</b>	<b>6296.9</b>
Currency Outside Banks	1088.3	1070.2	1301.2	1242.6	1127.8	11671.6
Demand Deposits 2/	5511.1	5321.2	6119.8	5695.9	5811.8	5128.9
<b>Total Monetary Liabilities (M2)</b>	<b>13483.1</b>	<b>14064.2</b>	<b>15483.8</b>	<b>15669.2</b>	<b>15593.3</b>	<b>14371.4</b>
<u>Memorandum Items:</u>						
Reserve Money (RM)	2511.9	3117.1	3704.5	3911.5	3236.0	4649.9
Currency in Circulation (CIC)	1363.7	1348.8	1631.7	1508.5	1425.4	147401.0
Banks' Deposit with CBN	1148.2	1768.3	2072.8	2403.0	1810.6	3175.9

1/ Quasi money consist of Time, Savings and Foreign Currency Deposit at Deposit Money Banks excluding Taking from Discount Houses.

2/ Demand Deposit consist of State, Local and Parastatals Deposits at CBN, State, Local Government and Private Sector Deposits as well as Demand Deposits of non-financial Public Enterprises at Deposit Money Banks.

Table A2: Money and Credit Aggregates (Growth Rates)

	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13	Q3-13
<i>Percentage Change Over Preceding Quarter</i>						
<b>Domestic Credit (Net)</b>	-0.8	0.4	-5.1	0.3	4.3	-1.45
Claims on Federal Government (Net)	-157.2	-13.3	-78.1	-2.8	4.9	-33.08
Claims on Private Sector	4.1	1.6	2.7	0.7	2.8	3.83
Claims on Other Private Sector	3.9	1.6	2.3	0.8	3.0	3.7
Claims on State and Local Government	9.0	2.2	11.2	-0.6	-0.2	6.64
Claims on Non-financial Public Enterprises	-	-	-	-		
<b>Foreign Assets (Net)</b>	3.0	9.9	161.9	-55.5	-6.9	-1.0
<b>Other Assets (Net)</b>	1.4	-3	-149	64.4	0.6	-13.97
<b>Total Monetary Assets (M2)</b>	<b>1.6</b>	<b>4.3</b>	<b>10.1</b>	<b>1.2</b>	<b>-0.5</b>	<b>-7.8</b>
<b>Quasi-Money 1/</b>	2.0	11.5	5.1	8.3	-0.9	-6.68
<b>Money Supply (M1)</b>	1.2	-3.2	16.1	-6.5	0.02	-9.27
Currency Outside Banks	-4.6	-1.7	21.6	-4.5	-9.2	3.49
Demand Deposits 2/	2.4	-3.4	15	-6.9	2.0	-11.75
<b>Total Monetary Liabilities (M2)</b>	<b>1.6</b>	<b>4.3</b>	<b>10.1</b>	<b>1.2</b>	<b>-0.5</b>	<b>-7.8</b>
<i>Memorandum Items:</i>						
Reserve Money (RM)	-0.6	24.1	18.8	5.6	-17.3	43.69
Currency in Circulation (CIC)	-4.8	-1.1	21	-7.55	-5.5	3.41
DMBs Demand Deposit with CBN	4.9	53.9	17.8	15.9	-24.7	75.4
<i>Percentage Change Over Preceding December</i>						
<b>Domestic Credit (Net)</b>	-0.9	-2.3	-7.2	0.3	4.7	3.18
Claims on Federal Government (Net)	128.2	-214.8	-393.8	-2.8	2.3	-30.04
Claims on Private Sector	3.7	5.3	6.8	0.73	3.57	7.53
Claims on Other Private Sector	3.3	4.9	6.0	0.8	3.8	7.6
Claims on State and Local Governments	14.23	16.7	29.8	-0.6	-0.7	5.86
Claims on Non-financial Public Enterprises						
<b>Foreign Asset (Net)</b>	5.4	16.3	26.7	7.1	-0.3	-1.29
<b>Other Asset (Net)</b>	-1.1	-1.2	16.8	-8.0	-7.4	-22.35
<b>Total Monetary Assets (M2)</b>	<b>1.4</b>	<b>5.7</b>	<b>16.4</b>	<b>1.2</b>	<b>0.7</b>	<b>-7.2</b>
<b>Quasi-Money 1/</b>	5.4	17.5	23.4	8.3	7.3	0.15
<b>Money Supply (M1)</b>	-2.5	-5.6	9.6	-6.5	-6.5	-15.16
Currency Outside Banks	-12.6	-14.1	4.5	-4.5	-13.3	-10.3
Demand Deposits 2/	-0.3	-3.7	10.7	-6.9	-5.0	-16.19
<b>Total Monetary Liabilities (M2)</b>	<b>1.4</b>	<b>5.7</b>	<b>16.4</b>	<b>1.2</b>	<b>0.7</b>	<b>-7.18</b>
<i>Memorandum Items:</i>						
Reserve Money (RM)	-9.77	11.96	33.06	5.59	-12.64	25.52
Currency in Circulation (CIC)	-12.92	-13.87	4.2	-7.55	-12.64	-9.66
DMBs Demand Deposit with CBN	-5.73	45.18	70.18	15.93	-12.65	53.22

1/ Quasi money consist of Time, Savings and Foreign Currency Deposit at Deposit Money Banks excluding Taking from Discount Houses.

2/ Demand Deposit consist of State, Local and Parastatals Deposits at CBN, State, Local Government and Private Sector Deposits as well as Demand Deposits of non-financial Public Enterprises at Deposit Money Banks.

Table A3: Federal Government Fiscal Operations (₦ billion)

	Q3-11	Q4-11	Q1-12	Q2-12	Q3-12	Q4-12	Q1-13	Q2-13	Q3-13
<b>Retained Revenue</b>	<b>587.7</b>	<b>825.5</b>	<b>967.2</b>	<b>852.0</b>	<b>883.6</b>	<b>923.0</b>	<b>908.1</b>	<b>885.5</b>	<b>964.4</b>
<i>Federation Account</i>	<i>423.2</i>	<i>576.2</i>	<i>576.2</i>	<i>659.8</i>	<i>642.8</i>	<i>620.8</i>	<i>643.8</i>	<i>715.0</i>	<i>769.8</i>
<i>VAT Pool Account</i>	<i>15.6</i>	<i>24.6</i>	<i>24.6</i>	<i>26.2</i>	<i>25.0</i>	<i>26.5</i>	<i>26.7</i>	<i>27.9</i>	<i>28.0</i>
<i>FGN Independent Revenue</i>	<i>39.5</i>	<i>15.9</i>	<i>125.4</i>	<i>101.3</i>	<i>-5.3</i>	<i>83.5</i>	<i>35.8</i>	<i>16.2</i>	<i>118.2</i>
<i>Excess Crude</i>	<i>0.0</i>	<i>0.0</i>	<i>34.4</i>	<i>0.0</i>	<i>0.0</i>	<i>79.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<i>Others</i>	<i>109.4</i>	<i>208.9</i>	<i>206.6</i>	<i>64.8</i>	<i>221.2</i>	<i>113.2</i>	<i>201.9</i>	<i>126.5</i>	<i>48.9</i>
<b>Expenditure</b>	<b>952.8</b>	<b>902.5</b>	<b>954.7</b>	<b>1063.8</b>	<b>1422.1</b>	<b>1130.3</b>	<b>1192.9</b>	<b>1149.4</b>	<b>1078.9</b>
<i>Recurrent</i>	<i>727.9</i>	<i>642.5</i>	<i>714.3</i>	<i>775.0</i>	<i>918.6</i>	<i>710.8</i>	<i>781.9</i>	<i>781.2</i>	<i>750.0</i>
<i>Capital</i>	<i>136.2</i>	<i>203.5</i>	<i>155.4</i>	<i>245.5</i>	<i>235.2</i>	<i>347.7</i>	<i>321.7</i>	<i>281.6</i>	<i>259.2</i>
<i>Transfers</i>	<i>88.7</i>	<i>56.5</i>	<i>85.0</i>	<i>43.3</i>	<i>268.3</i>	<i>71.7</i>	<i>89.3</i>	<i>86.7</i>	<i>69.8</i>
<b>Overall Balance: Surplus(+)/Deficit(-)</b>	<b>-365.1</b>	<b>-77.0</b>	<b>12.6</b>	<b>-211.8</b>	<b>-538.4</b>	<b>-207.3</b>	<b>-284.8</b>	<b>-263.9</b>	<b>-114.6</b>

Table A4: Gross Domestic Product at 1990 Basic Prices

	Q2-2012	Q3-2012	Q4-2012	Q1-2013	Q2-2013	Q3-2013
	N billion					
<b>Real GDP</b>	<b>199.83</b>	<b>243.26</b>	<b>263.68</b>	<b>194.06</b>	<b>212.18</b>	260.12
<b>Oil GDP</b>	<b>27.70</b>	<b>32.65</b>	<b>33.19</b>	<b>28.62</b>	<b>27.38</b>	<b>32.67</b>
Crude Petroleum & Natural Gas	27.70	32.65	33.19	28.62	27.38	32.67
<b>Non-oil GDP</b>	<b>172.13</b>	<b>210.61</b>	<b>230.49</b>	<b>165.44</b>	<b>184.80</b>	227.45
Agriculture	81.32	103.68	100.72	65.38	84.99	108.56
Industry (excluding crude petroleum/natural Gas)	8.66	9.65	19.74	2.85	9.29	10.52
Building & Construction	4.42	4.09	5.51	6.35	8.08	<b>4.68</b>
Wholesale & Retail Trade	34.21	45.76	54.48	46.10	36.76	50.04
Services	43.52	47.44	50.04	44.76	48.68	53.66
	Relative Share (%)					
<b>Real GDP</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>Oil GDP</b>	13.86	13.42	12.59	14.75	12.90	12.56
Crude Petroleum & Natural Gas	13.86	13.42	12.59	14.75	12.90	12.56
<b>Non-oil GDP</b>	86.10	86.75	87.41	85.25	87.10	87.44
Agriculture	40.69	42.62	38.20	33.69	40.06	41.73
Industry (excluding crude petroleum/natural Gas)	5.04	3.98	7.50	1.47	4.40	4.04
Building & Construction	2.21	1.68	2.09	3.27	2.39	1.80
Wholesale & Retail Trade	17.12	18.81	20.66	23.75	17.32	19.24
Services	21.78	19.50	18.98	23.07	22.94	20.63
	Growth Rate (%)					
<b>Real GDP</b>	6.39	6.48	6.99	6.56	6.18	<b>6.93</b>
<b>Oil GDP</b>	<b>-0.2</b>	<b>-0.83</b>	<b>-0.17</b>	<b>-0.54</b>	<b>-1.15</b>	0.06
Crude Petroleum & Natural Gas	-0.73	0.08	-0.79	-0.54	-1.15	0.06
<b>Non-oil GDP</b>	7.80	8.40	8.23	-28.20	11.70	23.10
Agriculture	4.21	3.89	3.62	4.14	4.52	4.71
Industry (excluding crude petroleum/natural Gas)	8.20	12.35	7.95	9.50	8.80	13.20
Building & Construction	12.73	11.52	12.55	15.66	14.87	14.31
Wholesale & Retail Trade	8.65	9.62	11.19	8.22	7.44	9.35
Services	13.14	13.73	14.74	12.28	11.86	13.11

Q1-2013 and Q2-2013 are provisional figures. Q3-2013 are forecast. Source: National Bureau of Statistics.

