

# CENTRAL BANK OF NIGERIA



## ANNUAL ECONOMIC REPORT FOR 2013

**Central Bank of Nigeria**

Corporate Head Office

33 Tafawa Balewa Way

Central Business District

P. M. B. 0187

Garki, Abuja

Website: [www.cbn.gov.ng](http://www.cbn.gov.ng)

Tel: +234(0)946238707

+234(0)946238762

© 2013 Central Bank of Nigeria

**ISSN 1597 - 2976**

### *Vision*

“By 2015, be THE MODEL CENTRAL BANK delivering PRICE and FINANCIAL SYSTEM STABILITY and promoting SUSTAINABLE 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; and*
- act as banker and provide economic and financial advice to the Federal Government of Nigeria.*



## **BOARD OF DIRECTORS**

**AS AT 31ST DECEMBER, 2013**

DRAFT

**MEMBERS OF THE BOARD OF DIRECTORS OF THE BANK  
AS AT 31<sup>ST</sup> DECEMBER 2013**

- |     |                                    |   |
|-----|------------------------------------|---|
| 1.  | Sanusi Lamido Sanusi, CON          | - Governor (Chairman)   |
| 2.  | Suleiman A. Barau, OON             | - Deputy Governor (Corporate Services)                        |
| 3.  | Sarah O. Alade, (Mrs.) OON         | - Deputy Governor (Economic Policy)                           |
| 4.  | Kingsley C. Moghalu, OON           | - Deputy Governor (Financial System Stability)                |
| 5.  | Tunde O. Lemo, OFR                 | - Deputy Governor (Operations)                                |
| 6.  | Anastasia M. Daniel-Nwaobia (Mrs.) | - Director (Permanent Secretary, Federal Ministry of Finance) |
| 7.  | Jonah O. Otunla                    | - Director (Accountant General of the Federation)             |
| 8.  | Stephen O. Oronsaye, CFR           | - Director  |
| 9.  | Anthony A. Adaba                   | - Director  |
| 10. | Collins C. Chikeluba               | - Director  |
| 11. | Ayuli Jemide                       | - Director  |
| 12. | Muhammed M. Kafarati               | - Director  |
|     | Yunusa M. Sanusi                   | - Secretary to the Board                                      |

**MEMBERS OF THE COMMITTEE OF GOVERNORS OF  
THE BANK AS AT 31<sup>ST</sup> DECEMBER 2013**

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

**MEMBERS OF THE MONETARY POLICY COMMITTEE (MPC)  
AS AT 31<sup>ST</sup> DECEMBER 2013**

- |    |                                    |  |
|----|------------------------------------|--|
| 1. | Sanusi Lamido Sanusi, CON          | - Governor (Chairman)                                      |
| 2. | Suleiman A. Barau, OON             | - Deputy Governor (Corporate Services), Member             |
| 3. | Sarah O. Alade, (Mrs.), OON        | - Deputy Governor (Economic Policy), Member                |
| 4. | Kingsley C. Moghalu, OON           | - Deputy Governor (Financial System Stability), Member     |
| 5. | Tunde O. Lemo, OFR                 | - Deputy Governor (Operations), Member                     |
| 6. | Anastasia M. Daniel-Nwaobia (Mrs.) | - Permanent Secretary, Federal Ministry of Finance, Member |
| 7. | Abdul-Ganiyu Garba                 | - Member   |
| 8. | John Oshilaja                      | - Member   |

- |     |                          |   |        |
|-----|--------------------------|---|--------|
| 9.  | Adedoyin Salami          | - | Member |
| 10. | Chibuiké C. Uché         | - | Member |
| 11. | Shehu Yahaya             | - | Member |
| 12. | Stephen O. Oronsaye, CFR | - | Member |

## PRINCIPAL OFFICERS OF THE BANK AS AT 31<sup>ST</sup> DECEMBER, 2013

### A. Departmental Directors

- |     |                               |   |   |
|-----|-------------------------------|---|---|
| 1.  | Dipo T. Fatokun               | - | Banking & Payments System                   |
| 2.  | Agnes O. Martins (Mrs)        | - | Banking Supervision                         |
| 3.  | Tope O. Omage (Mrs)           | - | Branch Operations                           |
| 4.  | Umma Dutse (Haj.)             | - | Consumer Protection                         |
| 5.  | Ugochukwu A. Okoroafor        | - | Corporate Communications                    |
| 6.  | Yunusa M. Sanusi              | - | Corporate Secretariat                       |
| 7.  | Mahmoud K. Umar               | - | Currency Operations                         |
| 8.  | Paul N. Eluhaiwe              | - | Development Finance                         |
| 9.  | Ibrahim Mu'azu                | - | Finance                                     |
| 10. | Emmanuel U. Ukeje             | - | Financial Markets                           |
| 11. | Kevin N. Amugo                | - | Financial Policy and Regulations            |
| 12. | Ahmad Abdullahi               | - | Governors' Department                       |
| 13. | Chizoba V. Mojekwu (Ms)       | - | Human Resources                             |
| 14. | John I. Ayoh                  | - | Information Technology                      |
| 15. | Vivian I. Agu (Mrs)           | - | Internal Audit                              |
| 16. | Alvan E. Ikoku                | - | International Training Institute            |
| 17. | Simon M. Onekutu              | - | Legal Services                              |
| 18. | Faozat A. O. Bello (Mrs)      | - | Medical Services                            |
| 19. | Moses K. Tule                 | - | Monetary Policy                             |
| 20. | Olufemi A. Fabamwo            | - | Other Financial Institutions<br>Supervision |
| 21. | Olakanmi I. Gbadamosi         | - | Procurement & Support Services              |
| 22. | Charles N.O. Mordi            | - | Research                                    |
| 23. | Lamido A. Yuguda              | - | Reserve Management                          |
| 24. | Oluwafolakemi J. Fatogbe (Ms) | - | Risk Management                             |
| 25. | Ibitayo O. Amu                | - | Security Services                           |
| 26. | Sani I. Doguwa                | - | Statistics                                  |
| 27. | Lametek E. Adamu              | - | Strategy Management                         |
| 28. | Batari Musa                   | - | Trade & Exchange                            |
| 29. | Abwaku Englama                | - | Secondment to WAMI                          |

**B. Special Advisers to the Governor**

- |    |                  |   |                              |
|----|------------------|---|------------------------------|
| 1. | Yakubu Umar      | - | Financial & Economic Matters |
| 2. | Bashir A. Umar   | - | Non-Interest Banking         |
| 3. | Abdu Abubakar    | - | Private Sector & Parastatals |
| 4. | Aisha U. Mahmoud | - | Sustainable Banking          |

**C. Branch Controllers/Currency Officers**

- |     |                                   |   |               |
|-----|-----------------------------------|---|---------------|
| 1.  | Obiageli A. Obiekwe (Mrs)         | - | Abakaliki     |
| 2.  | Adewale O. Joawo                  | - | Abeokuta      |
| 3.  | John N. Chukwudifu                | - | Abuja         |
| 4.  | Samuel O. Ogungbayi               | - | Ado-Ekiti     |
| 5.  | Rahmath A. O. Yusuf-Adeyemi (Mrs) | - | Akure         |
| 6.  | Elizabeth O. Agu (Mrs)            | - | Asaba         |
| 7.  | Azubuike Okoro                    | - | Awka          |
| 8.  | Muhammad M. Ladan                 | - | Bauchi        |
| 9.  | Victor I. D. Oligbo               | - | Benin         |
| 10. | Asmau N. Babah (Mrs)              | - | Birnin-Kebbi  |
| 11. | Graham I. Kalio                   | - | Calabar       |
| 12. | Ibrahim Mohammed                  | - | Damaturu      |
| 13. | Danjuma A. Mohammed               | - | Dutse         |
| 14. | Patrick O. Okonkwo                | - | Enugu         |
| 15. | Ishaku K. Jatau                   | - | Gombe         |
| 16. | Umar A. Ambursa                   | - | Gusau         |
| 17. | Bashiru G. Adebayo                | - | Ibadan        |
| 18. | Monday O. Olotewo                 | - | Ilorin        |
| 19. | Mohammed S. Abdullahi             | - | Jalingo       |
| 20. | Gin Y. M. Kurah                   | - | Jos           |
| 21. | Mohammed I. Gusau                 | - | Kaduna        |
| 22. | Kadir H. Rashid                   | - | Kano          |
| 23. | Mohammed H. Adamu                 | - | Katsina       |
| 24. | Usman S. Sule                     | - | Lafia         |
| 25. | Chris E. Okpala                   | - | Lagos         |
| 26. | Musa B. Bafai                     | - | Lokoja        |
| 27. | Salisu M. Sanusi                  | - | Maiduguri     |
| 28. | Aninyei G. Olisamedua             | - | Makurdi       |
| 29. | Dangusau K. Mohammed              | - | Minna         |
| 30. | Joseph O. Atteh                   | - | Osogbo        |
| 31. | Romanus K. Aligwe                 | - | Owerri        |
| 32. | Kenneth N. Effa                   | - | Port Harcourt |
| 33. | Mohammed L. Idris                 | - | Sokoto        |
| 34. | Veronica E. Aqua                  | - | Umuahia       |

- |     |                   |   |         |
|-----|-------------------|---|---------|
| 35. | Caulma C. Efegi   | - | Uyo     |
| 36. | Basil U. Udo-Utun | - | Yenagoa |
| 37. | Yahaya A. Lawan   | - | Yola    |

DRAFT

## TABLE OF CONTENTS

List of Abbreviations and Acronyms .. .. .	xxvi
Statement by the Governor .. .. .	xxxiv
Summary .. .. .	xxxvi

### PART ONE: ACTIVITIES OF THE CENTRAL BANK OF NIGERIA

<b>CHAPTER 1 .. .. .</b>	<b>1</b>
<b>1.0 CORPORATE ACTIVITIES OF THE CENTRAL BANK OF NIGERIA .. .. .</b>	<b>1</b>
1.1 Administration .. .. .	1
1.1.1 Board of Directors and Other Committees .. .. .	1
1.1.2 The Monetary Policy Committee (MPC) .. .. .	3
1.1.3 Development of CBN Branch Offices and Other Intervention Projects .. .. .	5
1.1.4 Information Technology .. .. .	5
1.1.5 Library Operations .. .. .	7
1.1.6 Legal Services .. .. .	7
1.1.7 Security Services .. .. .	8
1.1.8 Internal Audit .. .. .	8
1.1.9 Risk Management .. .. .	8
1.1.10 Strategic Initiatives and Business Process Management .. .. .	9
1.1.11 Communications .. .. .	10
1.1.12 Anti-Corruption and Ethical Issues .. .. .	11
1.1.13 Financial System Strategy (FSS) 2020 .. .. .	11
1.1.14 The Shared Services Project .. .. .	12
1.1.15 Staff .. .. .	13
1.1.16 Medical Services .. .. .	14
1.1.17 Training .. .. .	15
1.1.18 Staff Promotion .. .. .	16
1.1.19 Recreational Activities .. .. .	16
1.1.20 Corporate Social Responsibility .. .. .	17
1.1.21 Staff Social Responsibility .. .. .	18
1.2 Research and Collaborative Activities .. .. .	18
<b>CHAPTER 2 .. .. .</b>	<b>21</b>
<b>2.0 MONETARY POLICY, SURVEILLANCE ACTIVITIES AND OPERATIONS OF THE CBN.. .. .</b>	<b>21</b>
2.1 Monetary Operations .. .. .	21
2.1.1 Monetary and Credit Developments .. .. .	21
2.1.2 Liquidity Management .. .. .	23
2.1.3 Interest Rate Policy and Developments .. .. .	24
2.1.3.1 Money Market Rates .. .. .	24
2.1.3.2 Deposit Rates .. .. .	26

2.1.3.3	Lending Rates	..	..	..	..	..	26
2.1.3.4	Return on Fixed Income Securities—The Yield Curve						28
2.1.4	Developments in Payments, Clearing and Settlement	..					28
2.1.4.1	Payments System Vision 2020 (PSV 2020)	..	..				30
2.2	Currency Operations	..	..	..	..	..	32
2.2.1	The Issuance of Legal Tender Currency	..	..	..	..		32
2.2.2	Currency in Circulation (CIC)	..	..	..	..		33
2.2.3	Currency Restructuring – “Project CURE”	..	..	..	..		34
2.2.4	The Cash Holding Scheme Project	..	..	..	..		34
2.3	Foreign Exchange Management	..	..	..	..		34
2.3.1	Foreign Exchange Flows	..	..	..	..		35
2.3.2	Developments in the Foreign Exchange Market	..	..				38
2.3.3	Sectoral Utilisation of Foreign Exchange	..	..	..			40
2.3.4	External Reserves Management	..	..	..	..		41
2.4	Surveillance of the Activities of Financial Institutions	..	..				45
2.4.1	Banking Supervision	..	..	..	..	..	45
2.4.2	Prudential Examination	..	..	..	..		50
2.4.3	Compliance with the Provisions of the Code of Corporate Governance for Banks in Nigeria	..	..				51
2.4.4	Financial Crimes Surveillance/Money Laundering						51
2.4.5	Special/Follow-up/Target Examination	..	..	..			52
2.4.6	Foreign Exchange Monitoring/Examination	..	..				53
2.4.7	Banking Sector Soundness	..	..	..	..		53
2.4.8	Financial Literacy and Consumer Protection	..	..				54
2.4.9	Examination of Other Financial Institutions	..	..				55
2.5	Developmental Functions of the CBN	..	..	..	..		57
2.5.1	The Agricultural Credit Guarantee Scheme Fund (ACGSF)						57
2.5.2	The Interest Draw-back Programme (IDP)	..	..	..			59
2.5.3	The Trust Fund Model (TFM)	..	..	..	..		59
2.5.4	Operations of the Agricultural Credit Support Scheme (ACSS)	..	..	..	..	..	60
2.5.5	The Commercial Agriculture Credit Scheme (CACs)	..					60
2.5.6	The SME/Manufacturing Refinancing and Restructuring Fund						62
2.5.7	The Small and Medium Enterprises Credit Guarantee Scheme (SMECGS)	..	..	..	..	..	63
2.5.8	The Micro, Small and Medium Enterprises Development Fund (MSMEDF)	..	..	..	..	..	63
2.5.9	The Power and Airline Intervention Fund (PAIF)	..	..				63
2.5.10	Entrepreneurship Development Centres (EDCs)	..	..				64
2.5.11	The National Youth Service Corp (NYSC) Sensitisation	..					64
2.5.12	The Nigeria Incentive-based Risk Sharing System for Agricultural Lending (NIRSAL)	..	..	..	..	..	64
2.5.13	Establishment of the National Collateral Registry						65

**PART TWO: ECONOMIC REPORT**

<b>CHAPTER 3</b>	..	..	..	..	..	..	..	..	..	..	..	<b>67</b>
<b>3.0 THE GLOBAL ECONOMY</b>	..	..	..	..	..	..	..	..	..	..	..	<b>67</b>
3.1	Output Growth	..	..	..	..	..	..	..	..	..	..	67
3.2	Global Inflation	..	..	..	..	..	..	..	..	..	..	69
3.3	Global Commodity Demand and Prices	..	..	..	..	..	..	..	..	..	..	70
3.4	World Trade	..	..	..	..	..	..	..	..	..	..	71
3.5	International Financial Markets	..	..	..	..	..	..	..	..	..	..	72
3.5.1	Money Markets	..	..	..	..	..	..	..	..	..	..	72
3.5.2	Capital Markets	..	..	..	..	..	..	..	..	..	..	73
3.5.3	The International Foreign Exchange Market	..	..	..	..	..	..	..	..	..	..	75
3.5.4	Central Bank Policy Rates	..	..	..	..	..	..	..	..	..	..	76
3.6	The Impact of Global Economic Developments on the Nigerian Economy	..	..	..	..	..	..	..	..	..	..	78
<b>CHAPTER 4</b>	..	..	..	..	..	..	..	..	..	..	..	<b>81</b>
<b>4.0 FINANCIAL SECTOR DEVELOPMENTS</b>	..	..	..	..	..	..	..	..	..	..	..	<b>81</b>
4.1	Institutional Developments	..	..	..	..	..	..	..	..	..	..	81
4.1.1	Growth and Structural Changes	..	..	..	..	..	..	..	..	..	..	81
4.1.2	Fraud and Forgery	..	..	..	..	..	..	..	..	..	..	84
4.1.3	Consumer Protection	..	..	..	..	..	..	..	..	..	..	85
4.1.4	Cheque Clearing	..	..	..	..	..	..	..	..	..	..	86
4.1.5	Use of e-Money Products	..	..	..	..	..	..	..	..	..	..	87
4.1.5.1	Automated Teller Machine (ATM) Transactions	..	..	..	..	..	..	..	..	..	..	89
4.1.5.2	Web Payments	..	..	..	..	..	..	..	..	..	..	90
4.1.5.3	Point of Sale (PoS) Payments	..	..	..	..	..	..	..	..	..	..	91
4.1.5.4	Mobile Payments	..	..	..	..	..	..	..	..	..	..	92
4.1.6	Wholesale Payments	..	..	..	..	..	..	..	..	..	..	93
4.1.6.1	Interbank Funds Transfer System	..	..	..	..	..	..	..	..	..	..	93
4.1.6.2	NIBSS Instant Payment (NIP) Transactions	..	..	..	..	..	..	..	..	..	..	94
4.1.6.3	NIBSS Electronic Funds Transfer (NEFT)	..	..	..	..	..	..	..	..	..	..	95
4.1.7	Institutional Savings	..	..	..	..	..	..	..	..	..	..	96
4.2	Monetary and Credit Developments	..	..	..	..	..	..	..	..	..	..	96
4.2.1	Reserve Money (RM)	..	..	..	..	..	..	..	..	..	..	96
4.2.2	Broad Money (M <sub>2</sub> )	..	..	..	..	..	..	..	..	..	..	98
4.2.3	Drivers of Growth in Broad Money	..	..	..	..	..	..	..	..	..	..	99
4.2.3.1	Net Foreign Assets (NFAs)	..	..	..	..	..	..	..	..	..	..	99
4.2.3.2	Net Domestic Credit (NDC)	..	..	..	..	..	..	..	..	..	..	99
4.2.3.3	Net Credit to Government (NCG)	..	..	..	..	..	..	..	..	..	..	100
4.2.3.4	Credit to the Private Sector (CP)	..	..	..	..	..	..	..	..	..	..	101
4.2.3.5	Other Assets (Net) (OAN)	..	..	..	..	..	..	..	..	..	..	102
4.2.3.6	Narrow Money (M <sub>1</sub> )	..	..	..	..	..	..	..	..	..	..	102
4.2.3.7	Quasi-Money	..	..	..	..	..	..	..	..	..	..	104



4.2.4	Maturity Structure of DMBs' Loans and Advances, and Deposit Liabilities.. ..	104
4.2.5	Sectoral Distribution of Credit .. ..	106
4.2.6	Outstanding Consumer Credit .. ..	107
4.2.7	Financial/Banking System Development .. ..	108
4.2.8	Money Multiplier and Velocity of Money .. ..	110
4.3	Other Financial Institutions .. ..	112
4.3.1	Development Finance Institutions (DFIs) .. ..	112
4.3.2	The Asset Management Corporation of Nigeria (AMCON) .. ..	112
4.3.3	The Nigeria Mortgage Refinance Company (NMRC) .. ..	113
4.3.4	Microfinance Banks (MFBs) .. ..	113
4.3.4.1	Maturity Structure of Microfinance Banks' (MFBs) Loans and Advances, and Deposit Liabilities .. ..	114
4.3.5	Discount Houses (DHs) .. ..	115
4.3.6	Finance Companies (FCs) .. ..	115
4.3.7	Primary Mortgage Banks (PMBs) .. ..	116
4.4	Money Market Developments .. ..	116
4.4.1	Interbank Funds Market .. ..	116
4.4.2	Money Market Assets Outstanding .. ..	118
4.4.2.1	Nigerian Treasury Bills (NTBs) .. ..	120
4.4.2.2	Commercial Papers (CPs) .. ..	123
4.4.2.3	Bankers' Acceptances (BAs) .. ..	123
4.4.2.4	Federal Government of Nigeria (FGN) Bonds .. ..	123
4.4.3	Over-the-Counter (OTC) Transactions .. ..	125
4.4.3.1	OTC Transactions in Nigerian Treasury Bills (NTBs) .. ..	125
4.4.3.2	OTC Transactions in FGN Bonds .. ..	125
4.4.4	Open Market Operations (OMO) .. ..	125
4.4.4.1	OMO Auctions .. ..	125
4.4.4.2	The Two-Way Quote Trading in NTBs.. ..	126
4.4.4.3	Repurchase Transactions (Repo).. ..	126
4.4.5	Discount Window Operations .. ..	127
4.4.5.1	CBN Standing Facilities .. ..	127
4.4.5.1.1	The Standing Deposit Facility (SDF) .. ..	127
4.4.5.1.2	The Standing Lending Facility (SLF) .. ..	127
4.4.5.2	CBN Promissory Notes .. ..	127
4.4.6	Developments in the Money Markets .. ..	128
4.4.6.1	Implementation of a New Real-Time Gross Settlement (RTGS) System .. ..	128
4.5	Capital Market Developments .. ..	129
4.5.1	Developments in the Nigerian Capital Market .. ..	129
4.5.2	The Nigerian Stock Exchange (NSE) .. ..	130
4.5.2.1	The Secondary Market .. ..	133
4.5.2.2	The NSE Value Index .. ..	134
4.5.2.3	The New Issues Market .. ..	134

<b>CHAPTER 5</b>	..	..	..	..	..	..	..	..	..	..	<b>137</b>
<b>5.0 FISCAL POLICY AND GOVERNMENT FINANCE</b>	..	..	..	..	..	..	..	..	..	..	<b>137</b>
5.1 The Fiscal Policy Thrust	..	..	..	..	..	..	..	..	..	..	137
5.2 Federation Account Operations	..	..	..	..	..	..	..	..	..	..	138
5.2.1 Federally-collected Revenue	..	..	..	..	..	..	..	..	..	..	138
5.2.2 Federation Account Distribution	..	..	..	..	..	..	..	..	..	..	141
5.2.3 VAT Pool Account Distribution	..	..	..	..	..	..	..	..	..	..	142
5.2.4 Cumulative Distribution	..	..	..	..	..	..	..	..	..	..	142
5.3 General Government Finances	..	..	..	..	..	..	..	..	..	..	142
5.3.1 Aggregate Revenue	..	..	..	..	..	..	..	..	..	..	142
5.3.2 Aggregate Expenditure	..	..	..	..	..	..	..	..	..	..	143
5.3.3 Consolidated Fiscal Balance and Financing	..	..	..	..	..	..	..	..	..	..	144
5.3.4 Consolidated Expenditure on Key Primary Welfare Sectors	..	..	..	..	..	..	..	..	..	..	145
5.4 Federal Government Finances	..	..	..	..	..	..	..	..	..	..	145
5.4.1 Overall Fiscal Balance and Financing	..	..	..	..	..	..	..	..	..	..	145
5.4.2 Federal Government-retained Revenue	..	..	..	..	..	..	..	..	..	..	146
5.4.3 Total Expenditure of the Federal Government	..	..	..	..	..	..	..	..	..	..	147
5.4.3.1 Recurrent Expenditure	..	..	..	..	..	..	..	..	..	..	148
5.4.3.2 Capital Expenditure	..	..	..	..	..	..	..	..	..	..	150
5.5 State Governments' and FCT's Finances	..	..	..	..	..	..	..	..	..	..	151
5.5.1 Overall Fiscal Balance and Financing	..	..	..	..	..	..	..	..	..	..	151
5.5.2 Revenue	..	..	..	..	..	..	..	..	..	..	152
5.5.3 Expenditure	..	..	..	..	..	..	..	..	..	..	153
5.6 Local Governments' Finances	..	..	..	..	..	..	..	..	..	..	155
5.6.1 Overall Fiscal Balance and Financing	..	..	..	..	..	..	..	..	..	..	155
5.6.2 Revenue	..	..	..	..	..	..	..	..	..	..	156
5.6.3 Expenditure	..	..	..	..	..	..	..	..	..	..	157
5.7 Consolidated Federal Government Debt	..	..	..	..	..	..	..	..	..	..	159
5.7.1 Domestic Debt	..	..	..	..	..	..	..	..	..	..	160
5.7.2 External Debt	..	..	..	..	..	..	..	..	..	..	161
5.7.3 Debt Service Payments and Debt Indicators	..	..	..	..	..	..	..	..	..	..	162
<b>CHAPTER 6</b>	..	..	..	..	..	..	..	..	..	..	<b>165</b>
<b>6.0 REAL SECTOR DEVELOPMENTS</b>	..	..	..	..	..	..	..	..	..	..	<b>165</b>
6.1 Domestic Output	..	..	..	..	..	..	..	..	..	..	165
6.2 Agriculture	..	..	..	..	..	..	..	..	..	..	171
6.2.1 Agricultural Policy and Institutional Support	..	..	..	..	..	..	..	..	..	..	171
6.2.2 Agricultural Production	..	..	..	..	..	..	..	..	..	..	173
6.2.2.1 Crop Production	..	..	..	..	..	..	..	..	..	..	173
6.2.2.2 Livestock	..	..	..	..	..	..	..	..	..	..	174
6.2.2.3 Fishery	..	..	..	..	..	..	..	..	..	..	174
6.2.2.4 Forestry	..	..	..	..	..	..	..	..	..	..	174
6.2.3 Agricultural Prices	..	..	..	..	..	..	..	..	..	..	174

6.3	Industry	..	..	..	..	..	..	..	..	175
6.3.1	Industrial Policy and Institutional Support	..	..	..	..	..	..	..	..	175
6.3.2	Industrial Production	..	..	..	..	..	..	..	..	177
6.3.2.1	Manufacturing	..	..	..	..	..	..	..	..	178
6.3.2.2	Extractive Industry	..	..	..	..	..	..	..	..	179
6.3.2.2.1	Oil & Gas	..	..	..	..	..	..	..	..	179
6.3.2.2.2	Solid Minerals	..	..	..	..	..	..	..	..	182
6.3.3	Electricity Generation	..	..	..	..	..	..	..	..	184
6.3.4	Energy Consumption	..	..	..	..	..	..	..	..	185
6.3.4.1	Electricity Consumption	..	..	..	..	..	..	..	..	186
6.3.4.2	Hydropower Consumption	..	..	..	..	..	..	..	..	186
6.3.4.3	Coal Consumption	..	..	..	..	..	..	..	..	187
6.3.5	Industrial Financing	..	..	..	..	..	..	..	..	189
6.3.5.1	The Nigeria Export-Import Bank (NEXIM)	..	..	..	..	..	..	..	..	189
6.3.5.2	The Bank of Industry (BOI)	..	..	..	..	..	..	..	..	190
6.4	Transportation and Communications	..	..	..	..	..	..	..	..	193
6.4.1	Aviation Services	..	..	..	..	..	..	..	..	193
6.4.1.1	Policy and Airport Development	..	..	..	..	..	..	..	..	193
6.4.1.2	Domestic Operations	..	..	..	..	..	..	..	..	194
6.4.1.3	International Operations	..	..	..	..	..	..	..	..	194
6.4.2	Railway Services	..	..	..	..	..	..	..	..	194
6.4.3	Maritime Services	..	..	..	..	..	..	..	..	195
6.4.4	Communications	..	..	..	..	..	..	..	..	196
6.5	Consumer Prices	..	..	..	..	..	..	..	..	197
6.6	Unemployment	..	..	..	..	..	..	..	..	200
6.7	The Social Sector	..	..	..	..	..	..	..	..	201
6.7.1	Demography	..	..	..	..	..	..	..	..	201
6.7.2	Education	..	..	..	..	..	..	..	..	201
6.7.3	Health	..	..	..	..	..	..	..	..	201
6.7.4	Housing and Urban Development	..	..	..	..	..	..	..	..	202
<b>CHAPTER 7</b>		..	..	..	..	..	..	..	..	<b>203</b>
<b>7.0</b>	<b>EXTERNAL SECTOR DEVELOPMENTS</b>	..	..	..	..	..	..	..	..	<b>203</b>
7.1	Balance of Payments	..	..	..	..	..	..	..	..	203
7.1.1	Major Developments	..	..	..	..	..	..	..	..	203
7.2	The Current Account	..	..	..	..	..	..	..	..	206
7.2.1	The Goods Account	..	..	..	..	..	..	..	..	206
7.2.1.1	Imports: (Cost and Freight (c&f))	..	..	..	..	..	..	..	..	207
	(a) Imports by End-User	..	..	..	..	..	..	..	..	208
	(b) Imports by Harmonised System (HS) Classification	..	..	..	..	..	..	..	..	208
	(c) Non-oil Imports by Country of Origin	..	..	..	..	..	..	..	..	209
7.2.1.2	Exports: (Free on Board (fob))	..	..	..	..	..	..	..	..	209
	(a) Direction of Oil Exports	..	..	..	..	..	..	..	..	210
	(b) Non-oil Exports	..	..	..	..	..	..	..	..	211

	(c) Non-oil Exports to the ECOWAS Sub-Region ..	212
	(d) Activities of Top 100 Non-oil Exporters ..	212
7.2.2	The Services Account ..	213
7.2.3	The Income Account ..	216
7.2.4	Current Transfers ..	216
7.3	The Capital and Financial Account ..	217
7.4	Capital Importation ..	220
7.4.1	Capital Importation by Nature of Investment ..	220
7.4.2	Capital Importation by Country of Origin ..	221
7.4.3	Capital Importation by Sector ..	221
7.5	The International Investment Position (IIP) ..	224
7.6	Exchange Rate Movements ..	227
7.7	The Nominal and the Real Effective Exchange Rates ..	230
<b>CHAPTER 8</b>		<b>233</b>
<b>8.0</b>	<b>INTERNATIONAL AND REGIONAL INSTITUTIONS</b>	<b>233</b>
8.1	The International Monetary System ..	233
8.1.1	International Monetary Fund/World Bank Annual Meetings	233
8.1.2	The World Economic Forum ..	235
8.1.3	African Caucus Meeting of the IMF/World Bank ..	235
8.1.4	Group of 20 (G-20) Meetings ..	236
8.1.5	The Group of Developing Eight (D-8) Central Banks ..	237
8.1.6	Bilateral Relations ..	238
8.1.6.1	The Nigeria-United States Bi-National Commission..	238
8.1.6.2	The Nigeria-Singapore Business and Investment Forum (NSBIF) ..	239
8.1.6.3	The Nigeria-China Business and Investment Forum (NCBIF) ..	240
8.1.6.4	The Nigeria-South Africa Bi-National Commission	240
8.1.6.5	The Nigeria-Côte d'Ivoire Bi-National Commission	242
8.1.7	International Commodity Organisations ..	243
8.1.7.1	The International Cocoa Organisation (ICCO) ..	243
8.2	Regional Institutions ..	245
8.2.1	The African Development Bank (AfDB) Group ..	245
8.2.2	The Association of African Central Banks (AACB) ..	246
8.2.3	The Committee of Ten (C10) ..	248
8.3	Sub-Regional Institutions ..	249
8.3.1	Statutory Meetings of the Sub-Regional Institutions ..	249
8.3.2	Meeting on the Road Map for the ECOWAS Single Currency Programme ..	251
8.3.3	The 6 <sup>th</sup> WAMZ Trade Ministers Forum ..	254

## LIST OF TABLES IN THE TEXT

Selected Macroeconomic and Social Indicators .. .. .	li
1.1 Board of Directors Meetings: Attendance in 2013 .. .. .	2
1.2 Monetary Policy Committee (MPC) Meetings: Attendance in 2012.. .. .	3
1.3 MPC Decisions in 2013 .. .. .	4
2.1 Key Policy Targets and Outcomes, 2009 – 2013 (per cent) .. .. .	22
2.2 Money Market Rates (per cent) .. .. .	25
2.3 Currency Structure, 2009 – 2013 .. .. .	34
2.4 Borrowers from the Banking Sector .. .. .	47
2.5 Distribution of Loans under the ACGSF by Volume and Value of Loans in 2013 .. .. .	58
2.6 Funds Placement under the Trust Fund Model (TFM) at end-December 2013 .. .. .	60
2.7 Performance of the Agricultural Credit Support Scheme (ACSS) .. .. .	60
3.1 Changes in World Output and Prices (per cent) 2009 – 2013 .. .. .	69
3.2 World Trade Volumes (Average Annual Percentage Change in Trade in Goods and Services), 2009 – 2013 .. .. .	72
3.3 Selected International Stock Market Indices as at December 31, 2013 .. .. .	75
3.4 Exchange Rates of Selected Countries (Values in Currency Units of US\$) .. .. .	76
3.5 Monetary Policy Rates of Selected Countries 2012 – 2013(per cent) .. .. .	78
4.1 Market Share in the e-Payment Channels in 2011 - 2013 .. .. .	88
4.2 Reserve Money and its Components (N' Billion).. .. .	97
4.3 Reserve Money and its Components (Growth rates %).. .. .	97
4.4 Contribution to the Growth in M <sub>2</sub> , 2009– 2013 (per cent) .. .. .	101
4.5 Composition of Total Monetary Aggregate (M <sub>2</sub> ) (per cent) .. .. .	104
4.6 Maturity Structure of DMB Loans and Advances, and Deposit Liabilities .. .. .	105
4.7 Share of Credit to the Core Private Sector, 2009 – 2013 .. .. .	106
4.8 Monetary Aggregates and Measures of Financial/Banking Developments, 2009-2013 .. .. .	110
4.9 Money Multiplier and Velocity of M <sub>2</sub> , 2009 – 2013 .. .. .	111
4.10 Maturity Structure of Assets and Liabilities of Microfinance Banks (MFBs) .. .. .	114
4.11 Composition of Money Market Assets Outstanding in 2012 and 2013 .. .. .	119
4.12 Liquidity Flows .. .. .	121
4.13 NTBs Issues, Subscription, Allotments and Repayments .. .. .	122
4.14 Indicators of Capital Market Developments in the Nigerian Stock Exchange (NSE), 2009-2013 .. .. .	132
5.1 Sources of Funds for the Three Tiers of Government in 2013 (N' billion) .. .. .	143
5.2 State Governments' Revenue .. .. .	153
5.3 Local Governments' Revenue .. .. .	157
5.4 Debt Service Payments (Naira Billion) and Debt Sustainability Indicators (per cent) .. .. .	163

6.1	Sectoral Growth Rates of GDP at 2010 Constant Basic Prices (per cent)	166
6.2	Sectoral Contribution to Growth Rates of GDP at 2010 Constant Basic Prices (percentage points) .. .. .	167
6.3	Growth in Major Crop Production (per cent) .. .. .	174
6.4	The Nigerian Telecommunications Market Statistics, 2009 - 2013..	196
6.5	Annual Headline Inflation Rates (Year-on-Year) (per cent) .. .. .	199
6.6	Labour Statistics, 2009 – 2013 .. .. .	200
7.1	Summary of the Provisional Balance of Payments Statement .. .. .	205
7.2	Share of Major Invisible Transactions in Net Deficit, 2009 - 2013 .. .. .	214
7.3	Current Transfers (N' billion), 2011 - 2013 .. .. .	216
7.4	New Capital Inflows (US\$' Thousand) .. .. .	220
7.5	Capital Importation: Country and Sector Inflows (US\$ Million) .. .. .	222
7.6	International Investment Position (IIP) of Nigeria (US\$ million) (2009 – 2013) .. .. .	225
7.7	Nominal and Real Effective Exchange Rate Indices (November 2009=100)	231

## LIST OF TABLES IN THE APPENDICES

1	Selected Interest Rates (Per cent)	275
2	Loans Guaranteed under ACGSF by Size and Purpose..	276
3	Currency in Circulation ..	277
4	Money Supply and its Determinants ..	278
5	Banking System Credit to the Economy ..	279
6	Summary of Deposit Money Banks' Activities ..	281
7	Deposit Money Banks' Sources and Application of Funds ..	282
8	Summary of Microfinance Banks' Activities ..	283
9	Discount Houses' Statement of Assets and Liabilities ..	284
10	Summary of Assets and Liabilities of Finance Companies ..	285
11	Value of Money Market Assets ..	286
12	Treasury Bills: Issues and Subscriptions ..	287
13	Holdings of Treasury Bills Outstanding ..	288
14	Open Market Operations at OMO Sessions ..	289
15	Transactions on the Nigerian Stock Exchange ..	290
16	Market Capitalisation of Quoted Companies: Equities Only ..	291
17	Value Index of All Common Stocks Listed by Sector on the NSE ..	292
18	Federation Account Operations ..	293
19	Federally-collected Revenue Distributions ..	294
20	Summary of General Government Finances ..	295
20A	General Government's Expenditure on Selected Primary Welfare Sectors	296
21	Summary of Federal Government Finances ..	297
22	Functional Classification of Federal Government Recurrent and Capital Expenditure ..	298
22A	Federal Government Expenditure on Key Primary Welfare Sectors ..	299
23	Summary of State Governments' and FCT's Finances ..	300
24	Functional Classification of State Governments' Recurrent and Capital Expenditure ..	301
25	Summary of State Governments' and FCT's Finances: State-by-State, 2013 ..	302
26	State Governments' and FCT's Expenditures on Key Primary Welfare Sectors ..	304
27	Summary of Local Governments' Finances ..	305
28	Summary of Local Governments' Finances State-by-State, 2013 ..	306
28A	Local Governments' Expenditure on Selected Primary Welfare Sectors	308
29	Consolidated Debt of the Federal Government ..	309
30	External Public Debt Outstanding ..	310
31	Gross Domestic Product at 2010 Constant Basic Prices ..	311
32	Gross Domestic Product at Current Basic Prices ..	312
33	Gross Domestic Product at 2010 Purchasers' Price: Expenditure Approach ..	313
34	Gross Domestic Product at Current Purchasers' Price: Expenditure	



	Approach .. .. .	313
35	National Income at 2010 Constant Market Prices .. .. .	314
36	Index of Agricultural Production by Type of Activity .. .. .	315
37	Estimated Output of Major Agricultural Commodities .. .. .	316
38	Indices of Average World Prices (c.i.f) of Nigeria's Major Agricultural Export Commodities (Dollar-based) .. .. .	317
39	Indices of Average World Prices (c.i.f) of Nigeria's Major Agricultural Export Commodities (Naira-based) .. .. .	317
40	Average Prices of Selected Cash Crops .. .. .	318
41	Index of Industrial Production .. .. .	319
42	Index of Manufacturing Production .. .. .	320
43	Production of Principal Solid Minerals, .. .. .	321
44	Energy Consumption .. .. .	322
45	Consumption of Petroleum Products .. .. .	323
46	Contribution from Local Refineries (MT) .. .. .	323
47	Gas Production, Utilization and Disposal (mscf) .. .. .	324
48	World Crude Oil Production & Consumption .. .. .	325
49	Analysis of the Average Spot Prices of Selected Crudes Traded at the International Oil Market .. .. .	326
50	Composite Consumer Price Index .. .. .	327
51	Urban Consumer Price Index .. .. .	328
52	Rural Consumer Price Index .. .. .	329
53	Balance of Payments (US\$ Million) .. .. .	330
54	Balance of Payments (₦ Million) .. .. .	332
55	Balance of Payments Analytical Presentation (US\$ Million) .. .. .	334
56	Balance of Payments Analytical Presentation (Naira Million) .. .. .	336
57	Visible Trade .. .. .	338
58	Imports by Major Groups .. .. .	339
59	Non-oil Imports by Country of Origin (c&f) .. .. .	340
60	Non-oil Exports by H. S. Section .. .. .	341
61	Direction of Crude Oil Export .. .. .	342
62	Non-oil Exports by Product .. .. .	343
63	Top 100 Non-oil Exporters in Nigeria in 2013 .. .. .	344
64	International Investment Position of Nigeria (US\$ Million) .. .. .	347
65	International Investment Position of Nigeria (Naira Million) .. .. .	349
66	Exchange Rate Movements (₦/\$) .. .. .	351



## LIST OF FIGURES

1.1	Recruitment of New Employees in 2013	..	..	..	..	..	13
1.2	Staff Strength by Category and Gender at end-December, 2013	..					14
1.3	Training Distribution by Directorate in 2013	..	..	..	..		15
1.4	Local and Foreign Training Distribution by Gender	..	..	..			16
2.1	Money Market Rates in 2013	..	..	..	..	..	25
2.2	Average Savings, Prime and Maximum Lending Rates, 2009 - 2013	..					26
2.3	Spread Between the Average Term Deposit and Maximum Lending Rates						27
2.4	Real Interest Rates	..	..	..	..	..	27
2.5	Government Bonds and Average Yield	..	..	..	..	..	28
2.6a	Currency in Circulation, 2009-2013	..	..	..	..	..	33
2.6b	Ratio of Currency in Circulation to GDP	..	..	..	..	..	33
2.7	Foreign Exchange Disbursements through the CBN in 2013	..	..				37
2.8	Foreign Exchange Flows through the CBN, 2012 - 2013	..	..	..			37
2.9	Developments in the Foreign Exchange Market	..	..	..	..		39
2.10	Demand for, and Supply of, Foreign Exchange	..	..	..	..		39
2.11	Sectoral Utilization of Foreign Exchange in 2013	..	..	..	..		41
2.12	Gross External Reserves Position and Months of Import's Cover, 2009 - 2013	..	..	..	..	..	42
2.13	External Reserves Position and Crude Oil Prices	..	..	..	..		43
2.14	Holdings of External Reserves as at End-December 2013	..	..	..			44
2.15	Banks' Non-Performing Loans (Per cent of Total Credit)	..	..	..			54
2.16	Distribution of Number of Loans Guaranteed by Purpose under ACGS in 2013	..	..	..	..	..	58
2.17	Analysis of Private Projects under the Commercial Agriculture Credit Scheme (CACS) as at December 2013	..	..	..	..	..	61
2.18	Sectoral Distribution of Loans Under RRF	..	..	..	..	..	62
4.1	Banks' Branch Network, 2009 - 2013	..	..	..	..	..	82
4.2	Consumer Complaints by Category in 2013	..	..	..	..	..	86
4.3a	Volume of Cheques Cleared in 2011 - 2013	..	..	..	..	..	87
4.3b	Value of Cheques Cleared in 2011 - 2013	..	..	..	..	..	87
4.4a	Volume of Electronic Payments Transactions in 2013	..	..	..	..	..	88
4.4b	Value of Electronic Payments in 2013	..	..	..	..	..	89
4.5a	Volume of ATM Transactions, 2011 - 2013	..	..	..	..	..	89
4.5b	Value of ATM Transactions, 2011 - 2013	..	..	..	..	..	90
4.6a	Volume of Web Transactions, 2011 - 2013	..	..	..	..	..	90
4.6b	Value of Web Transactions, 2011 - 2013	..	..	..	..	..	91
4.7a	Volume of Point of Sale (PoS) Transactions, 2011 - 2013	..	..	..	..	..	91
4.7b	Value of Point of Sale (PoS) Transactions, 2011 - 2013	..	..	..	..	..	92
4.8a	Volume of Mobile Payments Transactions, 2011 - 2013	..	..	..	..	..	92
4.8b	Value of Mobile Payments Transactions, 2011 - 2013	..	..	..	..	..	93
4.9a	Volume of CBN Interbank Funds Transfer System (CIFTS) Transactions, 2011 - 2013	..	..	..	..	..	93
4.9b	Value of CBN Interbank Funds Transfer System (CIFTS) Transactions,						

2011 – 2013 .. .. .	94
4.10a Volume of NIBSS Interbank Payments (NIP) Transactions, 2011 - 2013 ..	94
4.10b Value of NIBSS Interbank Payments (NIP) Transactions, 2011 - 2013 ..	95
4.11a Volume of NIBSS Electronic Funds Transfer (NEFT) Transactions, 2011 - 2013	95
4.11b Value of NIBSS Electronic Funds Transfer (NEFT) Transactions, 2011 - 2013	96
4.12a Reserve Money and its Components .. .. .	98
4.12b Reserve Money Targets and Outcomes .. .. .	98
4.13 Ratio of Currency in Circulation to M <sub>2</sub> .. .. .	99
4.14 Growth in M <sub>2</sub> and its Sources (per cent) .. .. .	100
4.15 Share of NFA and NDC in M <sub>2</sub> (per cent) .. .. .	101
4.16 Growth in Domestic Credit (net) (per cent) .. .. .	102
4.17 Growth in Monetary Aggregates (per cent) .. .. .	103
4.18 Growth in the Components of Broad Money (M <sub>2</sub> ) .. .. .	103
4.19a Maturity Structure of DMBs' Loans and Advances at end-December 2013 .. .. .	105
4.19b Maturity Structure of DMBs' Deposits at end-December 2013 .. ..	106
4.20a Share in Outstanding Credit to the Core Private Sector in 2013 .. ..	107
4.20b Share in Outstanding Credit to the Core Private Sector (2009 – 2013)...	107
4.21 Consumer Credit, 2010 – 2013 .. .. .	108
4.22a Ratio of Broad Money (M <sub>2</sub> ) and Credit to the Private Sector (CP) to GDP and Currency Outside Bank (COB) to M <sub>2</sub> .. .. .	108
4.22b Ratio of Deposit Money Banks' (DMBs) Total Deposit to GDP, (2009-2013)	109
4.22c Ratio of Banking System's Total Assets to GDP, 2009 – 2013 .. ..	109
4.23 Money Multiplier, Currency Ratio and Reserve Ratio, .. .. .	111
4.24 Velocity of Broad Money.. .. .	111
4.25 Value of Interbank Funds Market Transactions, 2009 - 2013.. ..	117
4.26 Share of Interbank Funds Market Transactions, 2013 (per cent) .. ..	117
4.27 Money Market Assets Outstanding .. .. .	118
4.28 Composition of Money Market Assets Outstanding, 2013 (per cent) ..	119
4.29 NTB Issues, Subscriptions & Allotments .. .. .	120
4.30 Treasury Bills Outstanding, 2009 – 2013 .. .. .	120
4.31 Nigerian Treasury Bills: Breakdown of Allotments in 2013 .. .. .	122
4.32 Nigerian Treasury Bills: Classes of Holders in 2013 .. .. .	123
4.33 Outstanding FGN Bonds (per cent) .. .. .	124
4.34 FGN Bonds by Holder (per cent) .. .. .	124
4.35 OMO Issues and Sales, 2009 - 2013 .. .. .	126
4.36 Trends in Market Capitalization and NSE Value Index, 2009 - 2013 ..	131
4.37 Aggregate Market Capitalization (percentage) .. .. .	132
4.38 Share of Banks in the 20 Most Capitalized Stocks in the NSE, 2009 – 2013	133
4.39 New Issues by Sector .. .. .	135
5.1 Oil and Non-oil Revenue, 2009 - 2013 (per cent of GDP) .. .. .	139
5.2 Federation Account: Composition of Revenue, 2009 – 2013 (Naira Billion)	140
5.3 Composition of Non-oil Revenue, 2013 .. .. .	141
5.4 Cumulative Distribution of Statutory Revenue & VAT, 2013 (Naira Billion)	142

5.5	Composition of General Government Expenditure, 2013	..	..	144
5.6	Federal Government Fiscal Deficit (per cent of GDP)	..	..	146
5.7	Composition of Federal Government-retained Revenue, 2013	..	..	146
5.8	Federal Government Revenue and Expenditure (per cent of GDP)	..	..	147
5.9	Composition of Federal Government Expenditure, 2013	..	..	147
5.10	Economic Classification of FG Recurrent Expenditure, 2013	..	..	148
5.11	Federal Government Recurrent Expenditure and Personnel Cost (per cent of GDP)	..	..	149
5.12	Functional Classification of Federal Government Recurrent Expenditure, 2013	..	..	150
5.13	Federal Governments' Expenditure in Key Primary Welfare Sectors, 2013 (per cent of total and GDP)	..	..	151
5.14	State Governments' and FCT's Revenue in 2013, Naira Billion	..	..	152
5.15	State Governments' Expenditure (per cent of GDP)	..	..	154
5.16	State Governments' Expenditure in Key Sectors, 2013 (per cent of Total Expenditure)	..	..	155
5.17	State Governments' Expenditure in Key Primary Welfare Sectors, 2013 (per cent of GDP)	..	..	155
5.18	Local Governments' Revenue and Overall Balance (per cent of GDP)	..	..	156
5.19	Local Governments' Expenditure (per cent of GDP)	..	..	158
5.20	Local Governments' Expenditure in Key Primary Welfare Sectors, 2013 (per cent of Total Expenditure)	..	..	159
5.21	Local Governments' Expenditure in Key Primary Welfare Sectors, 2013 (per cent of GDP)	..	..	159
5.22	Consolidated Public Debt Stock (per cent of GDP)	..	..	160
5.23	Composition of Domestic Debt Stock by Holder, 2013	..	..	161
6.1	GDP Growth Rate, 2009-2013 (per cent)	..	..	166
6.2	Sectoral Share in GDP, 2009 - 2013	..	..	167
6.3	Growth Rate of Major Sectors of Non-oil GDP, 2009 – 2013 (per cent)	..	..	168
6.4	Contribution to Growth Rate of Non-oil GDP, 2009 – 2013	..	..	168
6.5	GDP (Expenditure Approach) at 1990 Purchasers' Price	..	..	169
6.6	Index of Industrial Production, 2009 - 2013	..	..	178
6.7	Index of Manufacturing Production and Capacity Utilization	..	..	178
6.8	Bonny Light Monthly Prices in 2012 and 2013	..	..	181
6.9	Gas Production and Utilization, 2009 – 2013	..	..	182
6.10	Nigeria's Power System: Composition in 2013 by Source	..	..	184
6.11	Nigeria's Power System: Composition in 2013 by Holding	..	..	185
6.12	Electricity Power Generation, 2009 – 2013	..	..	185
6.13	Electricity Consumption, 2009 - 2013	..	..	186
6.14	NEXIM Disbursements by Facility in 2013	..	..	189
6.15	Summary of NEXIM Disbursement by Sector in 2013	..	..	190
6.16	Classification of Credit Disbursed by Bank of Industry (BOI) in 2013	..	..	190
6.17	Trends of Total Connected Mobile Lines and Teledensity, 2009 - 2013	..	..	197
6.18	Trends in Inflation in 2013	..	..	199

6.19	Trends in Inflation (Composite, Core and Food) in 2013	..	..	..	200
7.1	Balance of Payments, 2009 – 2013 (per cent of GDP)	..	..	..	204
7.2	Value of Imports, Exports and Trade Balance	..	..	..	207
7.3	Imports by Major Groups, 2013 (per cent) ..	..	..	..	208
7.4	Non-oil Imports by Country of Origin, (2009 – 2013) (percentage share of total)	..	..	..	209
7.5	Direction of Crude Oil Exports, 2009 - 2013	..	..	..	211
7.6	Non-oil Exports by Product in 2013	..	..	..	212
7.7	Percentage Share of Major Invisible Services, 2009 - 2013	..	..	..	214
7.8	Capital Importation by Country, 2013 (per cent)	..	..	..	221
7.9	Capital Importation by Sector, 2013 (per cent)	..	..	..	222
7.10	Net International Investment Position (IIP), 2009 – 2013 (US\$Million)	..	..	..	224
7.11	Assets and Liabilities: International Investment Position (IIP), 2009 - 2013	..	..	..	226
7.12	Demand and Supply of Foreign Exchange, and Exchange Rate Premium	..	..	..	228
7.13	Average Yearly Exchange Rate of the Naira per US Dollar	..	..	..	229
7.14	End-Period Exchange Rate of the Naira per US Dollar	..	..	..	230
7.15	Exchange Rate of the Naira Quarterly Average vis-à-vis US Dollar..	..	..	..	230
7.16	Nominal and Real Effective Exchange Rate Indices	..	..	..	231

## LIST OF APPENDICES

A	Glossary of Selected Terms..	..	..	..	..	..	..	257
B	Policy Circulars and Guidelines Issued in 2013..	..	..	..	..	..	..	267
	1. Banking Supervision Department..	..	..	..	..	..	..	267
	2. Financial Policy and Regulation Department..	..	..	..	..	..	..	270
	3. Other Financial Institutions Supervision Department..	..	..	..	..	..	..	271
	4. Banking and Payments System Department..	..	..	..	..	..	..	272
	5. Trade and Exchange Department..	..	..	..	..	..	..	273

## LIST OF BOXES

1	Recent Additions to the Modelling Toolkit at the CBN	..	..	..	..	..	..	19
2	Agent Banking in Nigeria..	..	..	..	..	..	..	31
3	The Concept of External Reserves	..	..	..	..	..	..	44
4	Developments in the National Financial Inclusion Programme	..	..	..	..	..	..	66
5	The Scripless Securities Settlement System	..	..	..	..	..	..	118
6	Rebasing the Gross Domestic Product (GDP) in Nigeria: Rationale, Outcome and Implications	..	..	..	..	..	..	169
7	The Power Sector Reform in Nigeria	..	..	..	..	..	..	187
8	The Nigeria Industrial Revolution Plan	..	..	..	..	..	..	191
9	Trade Facilitation and Nigeria's Non-oil Export	..	..	..	..	..	..	215
10	Macro Prudential Policies for Managing Capital Flows	..	..	..	..	..	..	219
11	Achieving Economic Diversification through Deepening the Eurobond Market in Nigeria	..	..	..	..	..	..	223

## List of Abbreviations and Acronyms

<b>AACB</b>	Association of African Central Banks
<b>ABS</b>	Analytical Balance Sheet
<b>ACGSF</b>	Agricultural Credit Guarantee Scheme Fund
<b>ACSS</b>	Agricultural Credit Support Scheme
<b>ADF</b>	African Development Fund
<b>ADPs</b>	Agricultural Development Programmes
<b>AES</b>	African Econometrics Society
<b>AFC</b>	Africa Finance Corporation
<b>AfDB</b>	African Development Bank
<b>AGOA</b>	African Growth Opportunity Act
<b>AIPs</b>	Approvals-In-Principle
<b>AMCON</b>	Asset Management Corporation of Nigeria
<b>AMCP</b>	African Monetary Cooperation Programme
<b>AML/CFT</b>	Anti-Money Laundering/Combating the Financing of Terrorism
<b>APRM</b>	Africa Peer Review Mechanism
<b>ATMs</b>	Automated Teller Machines
<b>AU</b>	African Union
<b>AUC</b>	Africa Union Commission
<b>BAs</b>	Bankers' Acceptances
<b>BDC</b>	Bureaux de Change
<b>BOI</b>	Bank of Industry
<b>BWIs</b>	Bretton Woods Institutions
<b>CAC</b>	Corporate Affairs Commission
<b>CACS</b>	Commercial Agriculture Credit Scheme
<b>CAMA</b>	Companies and Allied Matters Act
<b>CAMEL</b>	Capital Adequacy, Asset Quality, Management, Earnings and Liquidity
<b>CAR</b>	Capital Adequacy Ratio
<b>CBN</b>	Central Bank of Nigeria
<b>CBP</b>	Capacity Building Programme
<b>CBs</b>	Community Banks

<b>CDMA</b>	Code Division Multiple Access
<b>CEPR</b>	Centre for Economic Policy Research
<b>CG</b>	Credit to Government
<b>CIC</b>	Currency in Circulation
<b>CIFTS</b>	Central Bank Interbank Funds Transfer System
<b>CIS</b>	Commonwealth of Independent States
<b>CIT</b>	Companies Income Tax
<b>COB</b>	Currency Outside Bank
<b>COBEC</b>	Code of Business Ethics and Conduct
<b>COPAL</b>	Cocoa Producers' Alliance
<b>CP</b>	Credit to the Private Sector
<b>CPI</b>	Consumer Price Index
<b>CPs</b>	Commercial Papers
<b>CRMS</b>	Credit Risk Management System
<b>CRR</b>	Cash Reserve Requirement
<b>CSAR</b>	Country Self Assessment Report
<b>CSCS</b>	Central Securities Clearing System
<b>CSOs</b>	Civil Society Organisations
<b>DFIs</b>	Development Finance Institutions
<b>DHs</b>	Discount Houses
<b>DLF</b>	Direct Lending Facilities
<b>DMBs</b>	Deposit Money Banks
<b>DMO</b>	Debt Management Office
<b>DS</b>	Development Stock
<b>EBP</b>	Electronic Budgeting and Planning
<b>EBSCO Host</b>	EBSCOhost Research Database
<b>ECA</b>	Economic Commission for Africa
<b>ECOWAS</b>	Economic Community of West African States
<b>EDCs</b>	Entrepreneurship Development Centres
<b>EEG</b>	Export Expansion Grant
<b>e-FASS</b>	Electronic Financial Analysis and Surveillance System



<b>EFCC</b>	Economic and Financial Crimes Commission
<b>e-Money</b>	Electronic Money
<b>EMS</b>	Enterprise Management and Security
<b>ERP</b>	Enterprise Resource Planning
<b>ETF</b>	Education Tax Fund
<b>FAAC</b>	Federation Account Allocation Committee
<b>FCs</b>	Finance Companies
<b>FCT</b>	Federal Capital Territory
<b>FDI</b>	Foreign Direct Investment
<b>FGN</b>	Federal Government of Nigeria
<b>FHAN</b>	Finance Houses Association of Nigeria
<b>FIRS</b>	Federal Inland Revenue Service
<b>FITC</b>	Financial Institutions Training Centre
<b>fob</b>	Free on Board
<b>FRIN</b>	Forestry Research Institute of Nigeria
<b>FSS 2020</b>	Financial System Strategy 2020
<b>G-24</b>	Group of Twenty-four (24) Developing Countries
<b>GDP</b>	Gross Domestic Product
<b>GES</b>	Growth Enhancement Scheme
<b>GSM</b>	Global System of Mobile Communications
<b>IAS</b>	International Accounting Standard
<b>IBRD</b>	International Bank for Reconstruction and Development
<b>ICCO</b>	International Cocoa Organization
<b>ICO</b>	International Coffee Organization
<b>IDA</b>	International Development Assistance
<b>IDMS</b>	Integrated Document Management System
<b>IEA</b>	International Energy Agency
<b>IFAD</b>	International Fund for Agricultural Development
<b>IFT</b>	Interbank Funds Transfer
<b>IGR</b>	Internally Generated Revenue
<b>IIP</b>	International investment Position



<b>ILN</b>	Interactive Learning Network
<b>IMF</b>	International Monetary Fund
<b>IPI</b>	Information Publication Investment
<b>IPOs</b>	Initial Public Offers
<b>IPPs</b>	Independent Power Plants
<b>ISPs</b>	Internet Service Providers
<b>IT</b>	Information Technology
<b>ITU</b>	International Telecommunication Union
<b>JSTOR</b>	Journal Storage
<b>JVCs</b>	Joint Venture Cash Calls
<b>KYC</b>	Know Your Customer
<b>LOKAP</b>	Lagos, Kano, Aba and Port-Harcourt
<b>LPFO</b>	Low Pour Fuel Oil
<b>LR</b>	Liquidity Ratio
<b>LROs</b>	Lead Research Organisations
<b>LVIFT</b>	Large Value Interbank Funds Transfer
<b>M<sub>1</sub></b>	Narrow Money Supply
<b>M<sub>2</sub></b>	Broad Money Supply
<b>mbd</b>	Million barrels per day
<b>MDGs</b>	Millennium Development Goals
<b>MFBs</b>	Microfinance Banks
<b>MICR</b>	Magnetic Ink Character Recognition
<b>MMDs</b>	Money Market Dealers
<b>MoU</b>	Memorandum of Understanding
<b>MPC</b>	Monetary Policy Committee
<b>MPR</b>	Monetary Policy Rate
<b>MRR</b>	Minimum Rediscount Rate
<b>MTEF</b>	Medium-Term Expenditure Framework
<b>MYTO</b>	Multi-Year Tariff Order
<b>NACRDB</b>	Nigerian Agricultural, Cooperative and Rural Development Bank
<b>NACS</b>	Nigerian Automated Clearing System

<b>NAFDAC</b>	National Agency for Food, Drug Administration and Control
<b>NAICOM</b>	National Insurance Commission
<b>NAOC</b>	Nigeria Agip Oil Company
<b>NAPCON</b>	National Petroleum Company of Nigeria
<b>NAPRI</b>	National Animal Production Research Institute
<b>NBS</b>	National Bureau of Statistics
<b>NCS</b>	Nigerian Custom Service
<b>NDC</b>	Net Domestic Credit
<b>NDIC</b>	Nigeria Deposit Insurance Corporation
<b>NEEDS</b>	National Economic Empowerment and Development Strategy
<b>NEER</b>	Nominal Effective Exchange Rate
<b>NEPAD</b>	New Partnership for Africa's Development
<b>NERC</b>	National Electricity Regulatory Commission
<b>NERFUND</b>	National Economic Reconstruction Fund
<b>NEXIM</b>	Nigerian Export-Import Bank
<b>NFAs</b>	Net Foreign Assets
<b>NGC</b>	Nigerian Gas Company
<b>NGOs</b>	Non-Governmental Organizations
<b>NIBOR</b>	Nigerian Inter-Bank Offer Rate
<b>NICPAS</b>	Nigerian Cheque Printers Accreditation Scheme
<b>NNPC</b>	Nigerian National Petroleum Corporation
<b>NPC</b>	National Population Commission
<b>NPSC</b>	National Payments System Committee
<b>NSE</b>	Nigerian Stock Exchange
<b>NSPFS</b>	National Special Programme for Food Security
<b>NSPM</b>	Nigerian Security Printing and Minting
<b>NTBs</b>	Nigerian Treasury Bills
<b>NWG</b>	National Working Group
<b>OARE</b>	Online Access to Research in the Environment
<b>OBB</b>	Open Buy Back
<b>ODA</b>	Overseas Development Assistance

<b>OFIs</b>	Other Financial Institutions
<b>OMOs</b>	Open Market Operations
<b>OPEC</b>	Organisation of Petroleum Exporting Countries
<b>OTC</b>	Over-the-Counter
<b>P&amp;A</b>	Purchase and Assumption
<b>PENCOM</b>	National Pension Commission
<b>PEP</b>	Politically Exposed Person
<b>PHCN</b>	Power Holding Company of Nigeria
<b>PIR</b>	Process Improvement and Redesign
<b>PMIs</b>	Primary Mortgage Institutions
<b>PMS</b>	Portfolio Management System
<b>POS</b>	Point of Sale
<b>PPT</b>	Petroleum Profit Tax
<b>PSI</b>	Policy Support Instrument
<b>PSV</b>	Payments System Vision
<b>QE</b>	Quantitative Easing
<b>RBDAs</b>	River Basins Development Authorities
<b>rDAS</b>	Retail Dutch Auction System
<b>REC</b>	Regional Economic Commission
<b>REER</b>	Real Effective Exchange Rate
<b>RRF</b>	Refinancing and Restructuring Fund
<b>RTEP</b>	Root and Tuber Expansion Project
<b>RTGS</b>	Real Time Gross Settlement
<b>SBU</b>	Strategic Business Units
<b>SEC</b>	Securities and Exchange Commission
<b>SFU</b>	Special Fraud Unit
<b>SITC</b>	Standard International Trade Classification
<b>SMECGS</b>	Small and Medium Enterprises Credit Guarantee Scheme
<b>SMEDAN</b>	Small and Medium Enterprises Development Agency
<b>SMEEIS</b>	Small and Medium Enterprises Equity Investment Scheme
<b>SON</b>	Standard Organisation of Nigeria

<b>SPDC</b>	Shell Petroleum Development Company
<b>SSA</b>	Sub-Saharan Africa
<b>SSC</b>	South - South Cooperation
<b>SWETS</b>	SWETS Wise-Database Consolidators
<b>TCs</b>	Travellers' Cheques
<b>TFM</b>	Trust Fund Model
<b>TIB</b>	Temenos Internet Banking
<b>UAT</b>	User Acceptance Test
<b>UNECA</b>	United Nations Economic Commission for Africa
<b>UNIDO</b>	United Nations Industrial Development Organisation
<b>VAT</b>	Value Added Tax
<b>WABA</b>	West African Bankers Association
<b>WACB</b>	West African Central Bank
<b>WAIFEM</b>	West African Institute for Financial and Economic Management
<b>WAMA</b>	West African Monetary Agency
<b>WAMI</b>	West African Monetary Institute
<b>WAMZ</b>	West African Monetary Zone
<b>WB</b>	The World Bank
<b>wDAS</b>	Wholesale Dutch Auction System

## GOVERNOR'S PICTURE

DRAFT

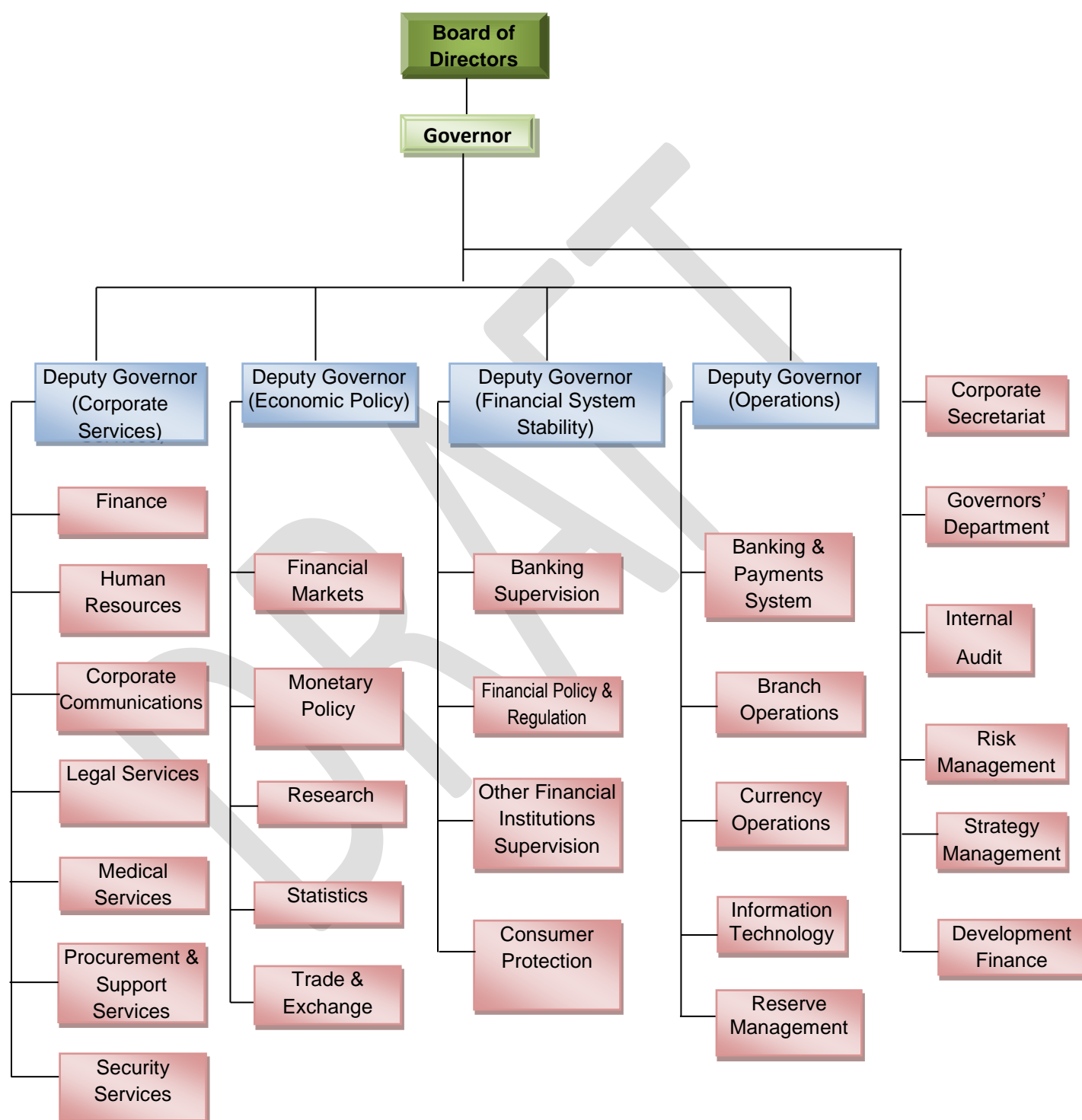
## STATEMENT BY THE GOVERNOR

**Sanusi Lamido Sanusi**

*Governor*

April 2014

## Organisational Structure of the CBN, as at 31<sup>st</sup> December 2013



**CENTRAL BANK OF NIGERIA**  
**ANNUAL ECONOMIC REPORT**  
**FOR THE YEAR ENDED 31ST DECEMBER 2013**

**SUMMAR**

The *Annual Economic Report* reviews the policies and operations of the Central Bank of Nigeria (CBN), in line with its mandate of ensuring monetary and price stability and appraises the macroeconomic outcomes in 2013. The focus of the CBN policy measures in 2013 was to ensure optimum banking system liquidity that was consistent with a sustainable, non-inflationary growth. The *Report* is structured into two parts. Part I evaluates the corporate operations of the Bank, while Part II reviews the performance of the economy against the challenges posed by the global economic conditions, and policy measures taken to ensure macroeconomic stability and sustained economic growth.

**CORPORATE ACTIVITIES**

**The Board of Directors and other Committees**

The membership of the Board of Directors of the CBN changed in June, 2013 as a result of the expiration of tenure of three (3) Non-Executive Directors, namely: Dahiru Muhammad, Joshua O. Omuya and Samuel O. Olofin and the reassignment and replacement of Danladi I. Kifasi (Permanent Secretary, Federal Ministry of Finance). Four (4) new Non-Executive Directors were appointed by the President and a new Permanent Secretary assigned namely: Anthony A. Adaba, Collins C. Chikeluba, Ayuli Jemide, Muhammed M. Kafarati and Anastasia M. Daniel-Nwaobia (Permanent Secretary, Federal Ministry of Finance). Consequently the Board comprised the Governor, Sanusi Lamido Sanusi (Chairman); four Deputy Governors, namely Suleiman A. Barau (Corporate Services), Sarah O. Alade (Economic Policy), Kingsley C. Moghalu (Financial System Stability), Tunde O. Lemo (Operations); and 7 Non-Executive



Directors. The Non-Executive Directors were: Anthony A. Adaba, Collins C. Chikeluba, Ayuli Jemide, Muhammed M. Kafarati, Stephen O. Oronsaye, Jonah O. Otunla (Accountant General of the Federation (AGF)) and Anastasia M. Daniel-Nwaobia (Permanent Secretary, Federal Ministry of Finance).

The Board held seven (7) regular meetings and one (1) extraordinary meeting in 2013. The Committee of Governors held twenty-nine (29) meetings, while the Governor's Consultative Committee held eight (8) meetings. The Audit & Risk Management, and the Remuneration, Ethics and Anti-Corruption Committees held three (3) meetings each.

### **Monetary Policy Committee**

The Monetary Policy Committee (MPC) held six (6) regular meetings, at which major domestic and international economic and financial developments were reviewed and appropriate monetary policy decisions taken. The decisions of the MPC were promptly communicated to the public.

### **MONETARY POLICY, SURVEILLANCE ACTIVITIES AND OPERATIONS OF THE CBN**

Monetary management remained focused on ensuring that banking system liquidity was consistent with sustainable non-inflationary growth in 2013. The Bank implemented a range of policy measures that included the retention of the monetary policy rate (MPR) at 12.0 per cent, with a symmetric corridor of +/- 200 basis points, and 30.0 per cent liquidity ratio (LR) throughout 2013. The cash reserve ratio (CRR) was also retained at 12.0 per cent for all deposits throughout the year, except for the public sector, which was raised to 50.0 per cent, effective July 23, 2013. Furthermore, the Bank, in October 2013, re-introduced the retail DAS (rDAS) to curtail the demand pressure in the foreign exchange market, and maintained the foreign exchange net open position (NOP) limit at 1.0 per cent. The Bank continued the use of Open Market Operations (OMO), complemented by reserve requirements, discount window operations and foreign exchange intervention facilities to manage liquidity in the system.

Growth in monetary aggregates was below the indicative benchmarks for fiscal 2013, reflecting the tight monetary policy stance of the Bank. Consequently, broad money ( $M_2$ ) grew by 1.2 per cent, which was significantly below the 15.2 per cent indicative benchmark for the fiscal year. Similarly, aggregate bank credit (net) to the domestic economy and credit to the private sector grew by 18.5 and 8.96 per cent in 2013, and were below the indicative benchmarks of 23.58 and 17.52 per cent, respectively.

The structure of the financial system remained unchanged and comprised the CBN, the Nigeria Deposit Insurance Corporation (NDIC), the Asset Management Corporation of Nigeria (AMCON), the Securities and Exchange Commission (SEC), the National Insurance Commission (NAICOM), the National Pension Commission (PENCOM), twenty-four (24) banks, three (3) discount houses, eight hundred and twenty (820) microfinance banks, sixty-five (65) finance companies, forty (40) primary mortgage banks, two thousand, four hundred and sixty-four (2,464) bureaux-de-change, a stock exchange, a securities and commodity exchange and six (6) development finance institutions, following the restructuring and reinvigoration of the National Economic Reconstruction Fund (NERFUND).

The Bank intensified its supervisory and surveillance activities to ensure the safety and soundness of the financial system. Various approaches adopted were risk-based supervision, regular appraisal of banks' periodic returns, spot checks, monitoring, and special investigations, among others. The Bank also strengthened its cross-border surveillance activities through the issuance of guidelines and directives, particularly, in respect of additional capital injection by Nigerian banks into their foreign subsidiaries. The Bank initiated and executed a number of memoranda of understanding (MOUs) with regulators in other jurisdictions for cooperation and information sharing to enhance the oversight of cross-border activities of Nigerian banks. The CBN conducted an examination on foreign exchange activities of banks to ensure compliance with extant laws

and regulations in the industry. Furthermore, in conjunction with the NDIC, the CBN deployed a new regulatory reporting application, FinA, which is IFRS-compliant, to serve as a stop-gap between existing e-FASS application and a more robust regulatory application to be deployed jointly by the two institutions in the near term.

An assessment of the health of the banking sector indicated that the banks were generally sound. At 50.6 per cent, the average industry liquidity ratio (LR) was above the prescribed minimum of 30.0 per cent and the average CAR for banks stood at 17.1 per cent, compared with the average of 18.1 per cent at

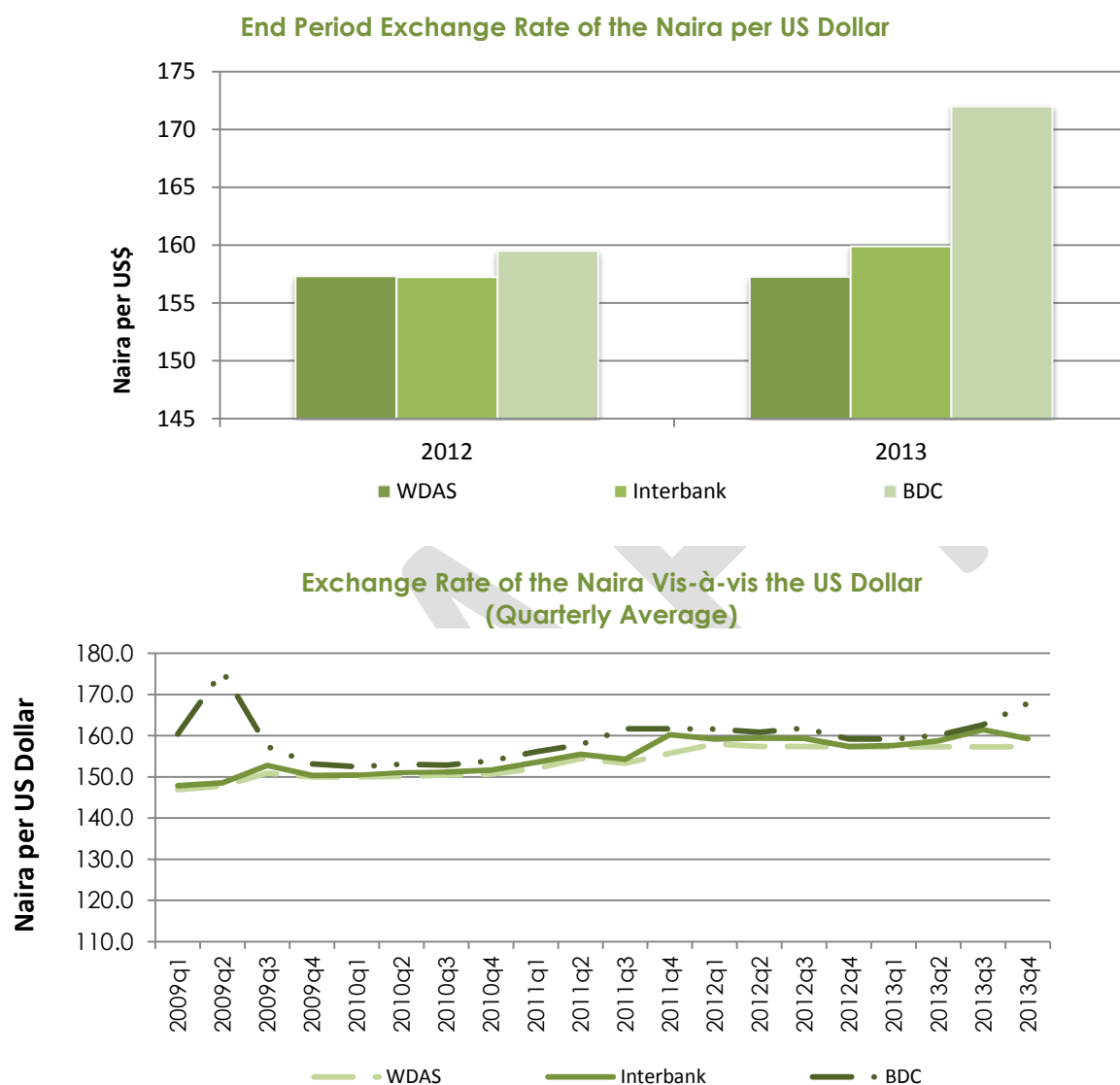
*An assessment of the health of the banking sector indicated that the banks were generally sound as their asset quality improved substantially at end-December 2013.*

end-December 2012. In addition, the asset quality of banks, measured by the ratio of non-performing loans to industry total, improved as it declined further from 3.47 at end-December 2012 to 3.23 per cent at end-

December 2013, and remained below the threshold of 5.0 per cent. The CBN enhanced its cooperation with both domestic and international stakeholders and ensured proper coordination of all anti-money laundering and anti-terrorism financing activities through the exchange of information and the conduct of joint examination and training sessions. In addition, the Bank inaugurated the AML/CFT Stakeholders' Consultative Forum, where regulators in the financial services industry meet regularly.

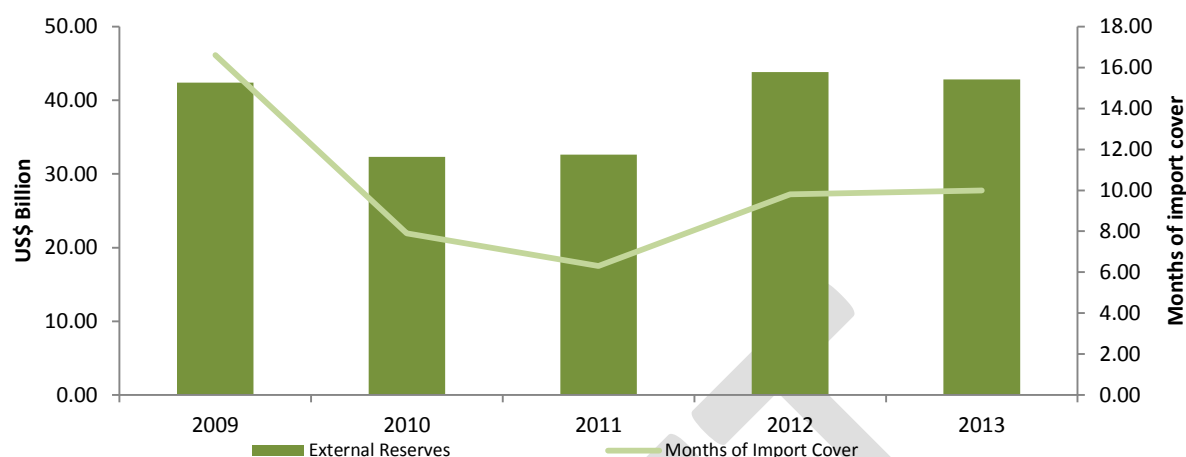
The Wholesale Dutch Auction System (wDAS), which subsisted in the first three quarters of the year, was replaced in October 2013 with the rDAS, to curb unwholesome practices by authorized dealers and curtail the demand pressure as well as volatility in the foreign exchange market. The annualized average exchange rate at the wDAS/rDAS, which was ₦157.50/US\$ in 2012, appreciated to ₦157.31/US\$ in 2013. In contrast, over the same period, the naira depreciated from ₦160.86/US\$ to ₦162.45/US\$ and ₦158.84/US\$ to ₦159.25/US\$ at the BDC and the interbank segments of the foreign exchange market, respectively. The

forward segment of the foreign exchange market remained open, but witnessed low patronage during the review period.



At US\$42.85 billion, Nigeria's gross external reserves declined by 2.2 per cent, compared with the level at end-December 2012, and could support 10.0 months of import, compared with the 3 months requirement under the convergence criteria of the West African Monetary Zone (WAMZ).

**Nigeria's Gross External Reserves Position (US\$billion) and Months of Import Equivalent**



The CBN guaranteed 56,277 loans valued at ₦9.4 billion under the Agricultural Credit Guarantee Scheme (ACGS) in 2013, bringing the total loans guaranteed since the inception of the Scheme in 1978 to 859,541, valued at ₦71.5 billion. Under the Trust Fund Model (TFM), two (2) new placements were made in 2013, bringing the total number of contributors since the inception of the scheme to fifty-eight (58), valued ₦5.65 billion. The cumulative disbursement under the

*Twenty-five (25) projects valued at ₦1.18 billion were guaranteed under the SMECGS in 2013, bringing the cumulative funds under the programme to ₦3.1 billion.*

Refinancing and Restructuring Fund (RRF) was ₦264.0 billion, following the utilization of RRF repayments to fund thirty-eight (38) new SME projects. The CBN guaranteed twenty-five (25) projects, valued at ₦1.2 billion under the Small

and Medium Enterprise Credit Guarantee Scheme (SMECGS) in 2013, bringing the cumulative number of projects guaranteed since inception of the Scheme in 2010 to sixty-five (65), valued at ₦3.1 billion. Under the Power and Airline Intervention Fund, ₦51.2 billion was released to the Bank of Industry (BOI) for disbursement to DMBs for ten (10) projects during the review period. The sum comprised ₦26.0 billion for one (1) airline project and ₦25.24 billion for nine (9) power projects.

The Bank made significant progress at providing IT systems to support the transformation of the payments system. These included the commencement of

*The CBN made significant progress at providing Information Technology (IT) systems to support the transformation of the payments system.*

the new Real-Time Gross Settlement system (RTGS)/Scripless Securities Security System (S4), to provide robust capabilities to handle multiple/concurrent high value and volume transactions. The first phase of the Technology

Refresh Project was also completed, which led to the reduction of the down time for the Core Banking and Enterprise Resource Planning (ERP) applications by 70.0 per cent. Furthermore, the Bank completed the Information Security Certification programme and became ISO 27001-certified by the British Standards Institute (BSI).

The Bank recruited seven hundred and seventy-nine (779) personnel during the year. This comprised two (2) executives, four hundred and forty-five (445) senior and three hundred and thirty-two (332) junior staff comprising two-hundred and eighty-five (285) female and four hundred and ninety-four (494) male. The Bank, however, lost the services of twenty-eight (28) staff through death, sixteen (16) through voluntary retirement, sixty-six (66) through mandatory retirement, six (6) through withdrawal of service and ten (10) through resignation. Furthermore, nine (9) staff had their appointments terminated and thirty (30) were dismissed. Accordingly, the staff strength stood at 6,603 compared with 5,983 at end-December 2012.

Efforts at developing a new learning strategy and enhancing staff competencies were intensified in 2013. Consequently, the staff participated in 12,564 training slots, of which 11,165 were local and 1,399 foreign courses. A breakdown by gender revealed that the male staff benefitted in 8,097 local training slots, and the female staff in 3,068. Further analysis indicated that male and female staff benefitted in 1,062 and 337 foreign training lots, respectively. The Bank continued its research and collaborative programmes in 2013 with

stakeholders in the economy, including government agencies/parastatals and universities, etc., amongst others.

## ECONOMIC REPORT

### The Global Economy

Global output growth slowed to 3.0 per cent in 2013, from 3.1 per cent in 2012, reflecting the sluggish recovery in the US and some emerging market economies, particularly Russia, Mexico and South Africa. The US economy recorded a 1.9 per cent output growth, down from 2.8 per cent in 2012, due, largely, to the fiscal challenges, weak demand and market fragilities in the rest of the world. Output in the emerging market and developing economies declined by 0.2 percentage point to 4.7, from 4.9 per cent in 2012. The contraction was mainly attributed to the spillover effect of the slowdown in major advanced economies, especially the US, and capital flow challenges. In Russia, growth fell to 1.5 from 3.4 per cent in 2012, due to falling commodity prices and the weaker external environment. However, output growth strengthened to 5.1 per cent, from 4.8 per cent in 2012 in sub-Saharan Africa, on account of strong domestic demand and favourable non-fuel commodity prices. Consumer prices fell relative to the level in 2012 in most regions, driven mainly by lower commodity prices and weak global demand. Global trade, which declined in 2012, regained momentum in 2013. The World Trade Organisation (WTO) estimated growth at 2.5 per cent for 2013, compared with 2.0 per cent in 2012, due to the strengthening of imports from the developing countries and the Commonwealth of Independent States (CIS). The global financial markets recovered slowly during the year, due to the protracted fiscal conundrum in the US, the mid-year announcement of Quantitative Easing (QE3) tapering by the US Fed, and the capital flow reversal in emerging markets.

---

*Global output growth slowed to 3.0 per cent in 2013 reflecting the sluggish recovery in the US and some emerging market economies particularly, Russia, Mexico and South Africa.*

---

The World Bank/IMF 2013 Spring and Annual meetings, which comprised the Ministers of Finance of the Group of Twenty-Four Countries (G-24), the International Monetary and Finance Committee (IMFC) and the Development Committee (DC), among others, were held in Washington D.C., USA, during April 15 – 22 and in Tokyo, Japan, during October 7 – 17, 2013, respectively. The G24 meetings expressed concern over the high volatility in global financial markets following indications of US exit from its unconventional monetary policies, and implored the advanced economies to exercise restraint as their actions could result in negative spillovers. The meeting, therefore, urged the IMF/World Bank Group to strengthen activism in the pursuit of a coherent global policy making. The IMFC meetings noted the steady private sector-led recovery in the US, and Japan's effort to combat deflation, and urged economies with fiscal space to avoid pro-cyclicality and allow automatic stabilisers to operate fully to support growth. The African Caucus meeting of the IMF/World Bank was held in Khartoum, Sudan, during August 21 – 22, 2013. The meeting appealed to the World Bank Group to exercise flexibility in IBRD lending to IDA countries for the purpose of structuring large-scale transformational projects with regional impact. In addition, the meeting implored the World Bank Group to increase financial resources to support the development of infrastructure, including energy, water and sanitation, and agricultural development through the entire value-chain.

The Group of Developing Eight (D-8) Central Bank workshop on Microfinance for SMEs was jointly held with the 7<sup>th</sup> Annual Micro Small and Medium Enterprises (MSMEs) Conference of the Central Bank of Nigeria in Abuja, Nigeria, during August 15 – 16, 2013, on the theme, "Strategies for Sustainable MSMEs Financing". The participants at the Conference recommended the creation of technical assistance and capacity building programmes, and the encouragement of exchange programmes at the top management level of SME agencies, among others.



The Annual meetings of the Board of Governors of the African Development Bank (AfDB) Group were held in Marrakech, Morocco, from May 26 to June 1, 2013. The meetings observed that, over the period 1980 – 2009, capital flight from Africa, most of which were illegal, amounted to US\$1.4 trillion, and called for provision on assets repatriation. The Board launched a new 10-Year Strategy, spanning 2013 – 2022, to address Africa's development challenges focusing on five key areas: infrastructure financing; regional economic integration; private sector development; governance and accountability; and skills and technology development. Furthermore, the Africa-50 Fund was also launched to scale up infrastructure financing for bankable transformational projects by mobilizing Africa's domestic resources.

*The Board of the AfDB at its annual meetings observed that capital flight from Africa over the decades, most of which were illegal, amounted to US\$1.4 trillion.*

The WAMZ Convergence Council held two meetings in 2013. The first was held in Abuja, Nigeria, during January 11 – 18 and the second in Accra, Ghana, during July 17 – 26, 2013. At the meetings, the Council decided that member states should, among others, continue to implement prudent macroeconomic policies to achieve and sustain price stability, and execute sectoral/structural policies to promote food production.

## **The Domestic Economy**

### **Fiscal Operations of Government**

The consolidated revenue and expenditure of the three tiers of government in 2013 was ₦9,590.3 billion and ₦11,103.5 billion, respectively. Consequently, the combined fiscal operations resulted in an overall deficit of ₦1,513.1 billion or 1.9 per cent of GDP.

At ₦9,759.8 billion or 12.0 per cent of GDP, federally-collected revenue (gross) fell short of the ₦11,339.78 billion budget benchmark for fiscal 2013 by 13.9 per cent. The development was attributed, largely, to the sharp drop in oil receipts arising from pipeline vandalism and oil theft, which impaired production and

lifting. Similarly, it declined by 8.4 per cent relative to the level in 2012. An analysis of the receipts revealed that oil revenue (gross) accounted for ₦6,809.2 billion and represented 69.8 per cent of the total, while non-oil revenue (gross) was ₦2,950.6 billion and accounted for 30.2 per cent.

The sum of ₦5,988.7 billion accrued to the Federation Account, indicating an increase of 13.2 per cent over the level in 2012. Of the amount, ₦763.8 billion, ₦274.4 billion and ₦461.5 billion were transferred to the VAT Pool Account, the Federal Government Independent Revenue, and 'other transfers', respectively. In addition, the sum of ₦1,763.5 billion was withdrawn from the Excess Crude Account to bolster federally-collected revenue (net) to a distributable total of ₦7,752.2 billion and shared among the three tiers of government as follows: the Federal Government (including Special Funds) received the sum of ₦3,597.2 billion; state governments, ₦1,869.4 billion; local governments, ₦1,441.3 billion; and the sum of ₦844.3 billion was shared among the oil-producing states as 13 per cent Derivation Fund. Similarly, VAT revenue of ₦763.8 billion was shared among the federal, state and local governments in the ratio of 15, 50 and 35 per cent, respectively.

The fiscal operations of the Federal Government were implemented within the framework of the Transformation Agenda, and the long-term objective of becoming one of the world's top 20 economies by 2020. At ₦4,031.8 billion, the Federal Government-retained revenue was below the fiscal 2013 budgeted target of ₦4,905.4 billion by 17.8 per cent, but exceeded the level in 2012 by 11.1 per cent. Aggregate expenditure, at ₦5,185.3 billion, was below the ₦5,792.4 billion budget benchmark for 2013 by 10.5 per cent. The fiscal operations of the Federal Government resulted in an overall deficit of ₦1,153.5 billion or 1.4 per cent of GDP. Provisional data on state government finances indicated an overall deficit of ₦276.1 billion or 0.3 per cent of GDP, while that of the local governments reflected a surplus of ₦3.1 billion or 0.004 per cent of GDP.

The consolidated Federal Government debt stock, at end-December 2013, was ₦8,506.4 billion or 10.5 per cent of GDP, compared with ₦7,564.4 billion or 10.4 per cent of GDP in 2012. External debt outstanding grew by 35.2 per cent to US\$8.8 billion (₦1,387.3 billion), reflecting additional multilateral loans, while the domestic component grew by 8.9 per cent over its level in 2012 to ₦7,119.0 billion.

### The Real Sector

Estimated real Gross Domestic Product (GDP), measured at 2010 basic prices, grew by 5.5 per cent, compared with 4.2 per cent in 2012. The growth was

*Estimated real Gross Domestic Product (GDP), measured at 2010 basic prices grew by 5.5 per cent, compared with 4.2 per cent in 2012.*

driven by the non-oil sector, which grew by 8.4 per cent, compared with 5.8 per cent in 2012.

The services sub-sector, with a share of 3.2 per cent, accounted for the largest contribution to the GDP growth. This was followed by trade and

agriculture with 1.1 and 0.7 per cent, respectively. Construction contributed 0.5 per cent, while industry, at -0.02 contributed negatively to the GDP. The development was attributed to the sustained programmes and initiatives by the Federal Government and the CBN to support the real sector. These included investment in power and road infrastructure, enabling fiscal incentives, as well as modest improved credit to the real sector of the economy.

#### Sectoral Share in GDP, 2009 – 2013

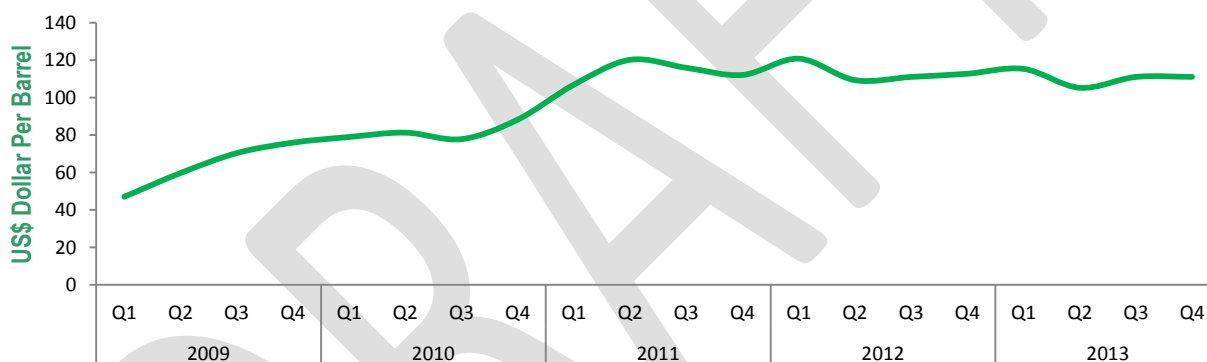


\*The classification for wholesale and retail trade was changed to trade in 2011

## Growth Rate of Major Sectors of Non-oil GDP, 2009 – 2013



\*The classification for wholesale and retail trade was changed to trade in 2011

Average Spot Price of Nigeria's Reference Crude: Bonny Light  
(Quarterly Average)

Source: Reuters

Inflationary pressure was effectively contained within the single digit target in

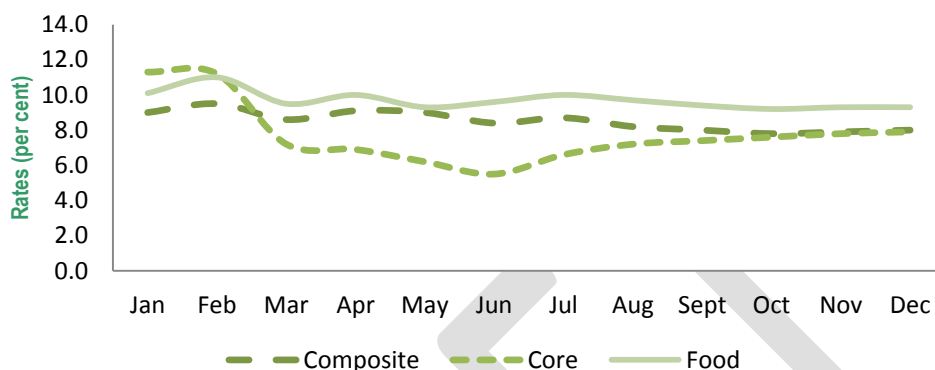
*Inflationary pressure was contained within the single digit target throughout the year.*

2013, due to the Bank's tight monetary policy stance, and increased agricultural output due to the favourable weather conditions. Headline inflation rate (year-on-year), which stood at 9.0 per cent in January, decelerated

to 8.6 and 8.4 per cent at end-March and end-June, respectively. It trended downwards to 8.2 per cent at end-August, before closing at 8.0 per cent at end-December 2013. Similarly, core inflation, which stood at 11.3 per cent in January,

significantly declined to 5.5 per cent at end-June, but closed at 7.9 per cent at end-December 2013.

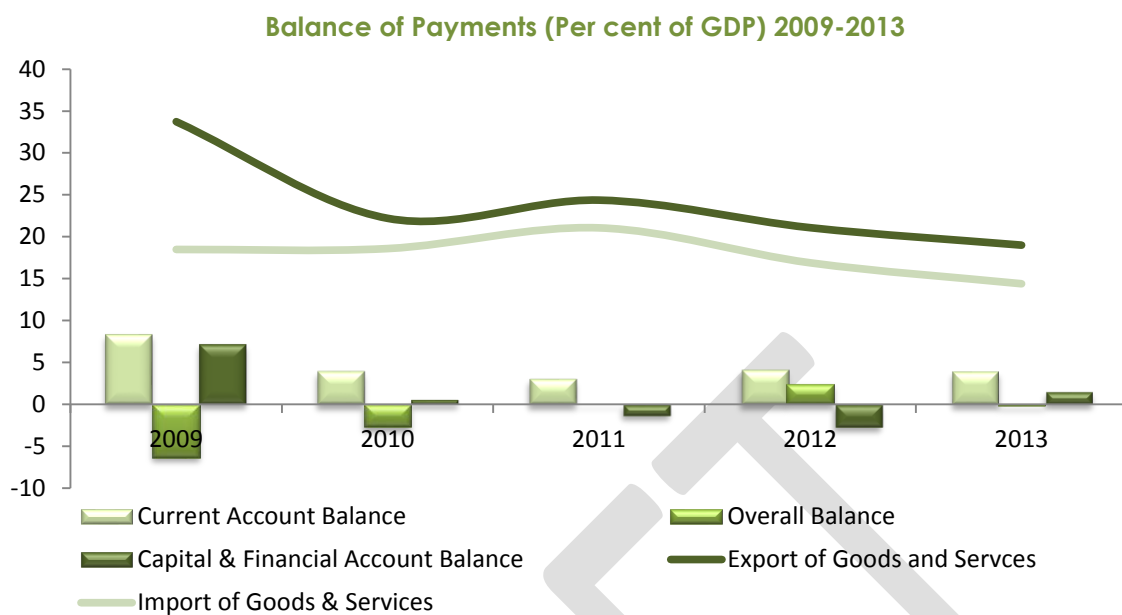
### Trends in Inflation (Composite, Core and Food) in 2013



### The External Sector

The external sector witnessed slight pressure in 2013 with an estimated overall balance of payments (BOP) deficit of ₦154.18 billion (US\$1.0 billion) or 0.2 per cent of GDP, resulting from a decline in external reserves, rising external debt and increased repatriation of investment income. The current account, however, recorded a surplus of ₦3,143.77 billion (US\$20.2 billion) or 3.9 per cent of GDP. The development was due largely to the robust goods account which overwhelmed the deficit in the services and income accounts. The International Investment Position (IIP) indicated that the value of total foreign assets and liabilities grew by 10.9 per cent, from US\$262.2 billion in 2012 to US\$290.8 billion in 2013. Consequently, the net IIP position rose to US\$30.2 billion as against US\$13.0 billion in 2012. The stock of external reserves declined by 2.2 per cent to US\$42.85 billion and could support 10.0 months of import, compared with the 3 months requirement under the convergence criteria of the West African Monetary Zone (WAMZ).

*The external sector witnessed slight pressure in 2013 due to the decline in external reserves, rising external debt and increased repatriation of investment income.*



## Selected Macroeconomic and Social Indicators

Indicator	2009 1/	2010 1/	2011 1/	2012 1/	2013 2/
<b>Domestic Output and Prices</b>					
GDP* at Current Mkt Prices (₦' billion)**	25,236.1	55,469.4	63,713.4	72,599.6	81,009.9
GDP* at Current Mkt Prices (US\$' billion)	169.5	369.1	414.1	460.9	514.9
GDP* per Capita (₦)	163,552.2	348,207.2	379,472.3	431,370.2	467,724.6
GDP* per Capita (US\$)	1,098.6	2,316.8	2,466.4	2,738.9	2,973.3
Real GDP* Growth (%)	7.0	8.0	5.3	4.2	5.5
Oil Sector	0.5	5.2	2.3	(4.9)	(13.1)
Non-oil Sector	8.3	8.5	5.9	5.8	8.4
<b>Sectoral GDP* Growth (%)</b>					
Agriculture	5.9	5.8	2.9	6.7	2.9
Industry	2.0	5.8	7.0	1.2	-0.1
Services	10.8	11.9	4.1	5.0	9.4
Oil Production (mbd)	1.8	2.1	2.2	2.1	1.9
Manufacturing Capacity Utilisation (%)	55.1	56.2	56.3	56.8	57.8
GDP* Deflator Growth (%) 3/	(4.3)	26.8	11.0	5.5	4.9
Inflation Rate (%) (Dec-over-Dec)	12.0	11.8	10.3	12.0	8.0
Inflation Rate (%) (12-month moving average)	12.5	13.7	10.8	12.2	8.5
Core Inflation Rate (%) (Dec-over-Dec) 4/	11.2	10.9	10.8	13.7	7.9
Core Inflation Rate (%) (12-month moving average) 4/	9.2	12.4	11.7	13.9	7.7
<b>Aggregate Demand and Savings (% of GDP) 5/</b>					
Aggregate Demand	100.3	89.9	83.5	67.4	74.6
Private Final Consumption Expenditure	75.2	66.2	60.1	47.4	54.3
Government Final Consumption Expenditure	13.0	12.0	13.1	11.8	12.3
Gross Fixed Capital Formation	12.1	11.6	10.3	8.2	8.0
Increase in Stock	0.0	0.0	0.0	0.0	0.0
Net Export of Goods and Non-factor Services	-0.3	10.1	16.5	32.6	25.4
Export of Goods and Non-factor Services	30.8	39.1	52.5	55.4	52.0
Import of Goods and Non-factor Services	31.0	29.0	36.0	22.8	26.6
Domestic Saving	12.6	20.7	25.2	28.1	29.6
Gross National Saving	14.4	22.4	27.0	29.8	31.4
<b>Public Finance (% of GDP)</b>					
<b>General Government</b>					
Revenue	24.8	13.7	13.3	12.3	11.8
Expenditure	28.8	15.8	15.3	13.9	13.7
Transfers	1.8	1.0	1.5	1.2	1.3
Current Balance	7.2	3.1	2.2	2.7	4.2
Primary Balance	-2.4	-1.1	-0.8	-0.6	-0.8
Overall Balance	-3.9	-2.2	-2.0	-1.6	-1.9
<b>Federal Government</b>					
Retained Revenue	10.5	5.6	5.6	5.0	5.0
Total Expenditure	13.7	7.6	7.4	6.3	6.4
Recurrent Expenditure	8.4	5.6	5.2	4.6	4.6
Of which: Interest Payments	1.0	0.7	0.8	0.9	1.0
Foreign	0.1	0.1	0.1	0.1	0.1
Domestic	0.9	0.7	0.8	0.9	1.0
Capital Expenditure and Net Lending	4.6	1.6	1.4	1.2	1.4
Transfers	0.7	0.4	0.8	0.6	0.5
Current Balance (Deficit(-)/Surplus(+))	2.0	-0.04	0.4	0.4	0.4
Primary Balance (Deficit(-)/Surplus(+))	-2.2	-1.2	-1.0	-0.4	-0.4
Overall Fiscal Balance (Deficit(-)/Surplus(+))	-3.2	-2.0	-1.8	-1.3	-1.4
Financing	3.2	2.0	1.8	1.3	1.4
Foreign	0.1	0.1	0.1	-	-
Domestic	2.3	2.0	1.3	1.3	1.4

## Selected Macroeconomic and Social Indicators cont.

Indicator	2009 1/	2010 1/	2011 1/	2012 1/	2013 2/
Banking System	0.7	1.4	0.8	0.6	0.6
Non-bank Public	1.6	0.6	0.6	0.4	0.3
Other Funds	0.8	-0.1	0.4	0.3	0.5
Federal Government Debt Stock 6/	15.1	9.4	10.2	10.4	10.5
External	2.3	1.2	1.4	1.4	1.7
Domestic	12.8	8.2	8.8	9.0	8.8
<b>Money and Credit (Growth Rate %)</b>					
Reserve Money	6.8	11.6	50.8	33.1	50.1
Narrow Money (M <sub>1</sub> )	3.3	11.0	21.5	9.6	-5.5
Broad Money (M <sub>2</sub> )	17.6	6.9	15.4	16.4	1.2
Net Foreign Assets	-11.2	-14.3	9.7	26.7	-5.9
Net Domestic Assets	384.4	57.5	22.8	4.5	11.1
Net Domestic Credit	59.9	8.1	54.8	-3.5	18.5
Net Credit to Government	25.9	43.5	22.6	-138.0	40.1
Credit to Private Sector	26.8	-3.8	44.3	6.8	9.0
Money Multiplier for M <sub>2</sub>	6.5	6.2	4.8	4.2	2.8
Income Velocity of M <sub>2</sub>	2.3	4.7	4.8	4.6	5.1
<b>Financial Development Indicators ( %)</b>					
M <sub>2</sub> /GDP*	42.7	20.8	20.9	21.3	19.3
CIC/M <sub>2</sub>	11.0	12.0	11.8	10.5	11.3
COB/M <sub>2</sub>	8.6	9.4	9.4	8.4	9.2
QM/M <sub>2</sub>	53.5	51.7	49.1	52.1	55.2
CIC/GDP*	4.7	2.5	2.5	2.3	2.2
Credit to Private Sector (CP)/GDP*	40.5	17.7	22.3	20.9	20.4
Credit to Core Private Sector (CCP)/GDP*	39.2	17.1	21.5	20.0	19.4
CP/Non-Oil GDP*	67.2	20.9	26.9	24.7	23.4
Banks Assets/GDP*	69.4	31.3	30.4	29.3	30.2
CBN's Assets/GDP*	40.4	16.3	13.8	23.1	25.5
Banking System's Assets/GDP*	105.3	47.1	56.7	57.8	49.8
<b>Interest Rates (% per annum)</b>					
Monetary Policy Rate (MPR) (end period) 7/	6.00	6.25	12.00	12.00	12.00
Repurchase Rate (Average %) 7/	9.00	9.25	12.62	15.00	15.00
<b>Treasury Bill Rate</b>					
91-day	3.80	3.68	9.67	13.64	10.96
182-day	4.98	4.91	10.76	14.38	11.85
364-day	5.87	5.52	11.23	14.63	12.43
Inter-bank Call Rate (end-period)	3.30	6.36	15.50	11.88	10.70
<b>Deposit Rates (end-period)</b>					
Savings Rate	3.33	1.51	1.41	1.66	2.53
3-months Fixed	13.15	4.63	6.80	9.15	7.96
6-months Fixed	13.34	3.50	5.63	10.87	7.44
12-months Fixed	12.17	3.53	7.12	10.63	5.02
Prime Lending Rate (end period)	19.55	15.74	16.75	16.54	17.01
Maximum Lending Rate (end period)	23.77	21.86	23.21	24.61	24.90
<b>Government Bond (Average coupon) 8/</b>					
3-year	9.14	7.72	11.20	14.98	13.01
5-year	10.59	8.66	12.17	14.64	11.84
7-year	-	12.10	16.22	14.28	11.31
10-year	7.66	7.10	14.32	15.26	11.10
20-year	11.43	10.50	-	-	13.02



## Selected Macroeconomic and Social Indicators cont.

Indicator	2009 1/	2010 1/	2011 1/	2012 1/	2013 2/
<b>External Sector</b>					
Current Account Balance (% of GDP*)	8.3	4.0	3.1	4.1	3.9
Goods Account	15.2	8.6	8.5	8.9	8.5
Services Account (net)	(9.9)	(5.0)	(5.2)	(4.7)	(3.9)
Income Account (net)	(8.6)	(5.3)	(5.6)	(4.9)	(5.0)
Current Transfers	11.6	5.7	5.3	4.8	4.3
Capital and Financial Account Balance (% of GDP*)	7.5	0.6	(1.3)	(2.7)	1.5
Overall Balance (% of GDP*)	(6.3)	(2.7)	0.1	2.4	(0.2)
External Reserves (US \$ million)	42,382.5	32,339.3	32,639.8	43,830.4	42,847.3
Number of Months of Import Equivalent	16.6	8.3	6.3	9.8	10.0
Average Crude Oil Price (US\$/barrel)	62.1	80.8	113.8	113.5	111.4
Average wDAS Rate (₦/\$1.00)	148.88	150.30	153.86	157.50	157.31
End of Period WDAS Rate (₦/\$1.00)	149.58	150.66	158.27	157.33	157.26
Average Bureau de Change Exchange Rate (₦/\$)	161.64	153.06	159.31	160.86	162.45
End of Period Bureau de Change Exchange Rate (₦/\$)	155.00	156.00	165.00	159.50	172.00
<b>Capital Market</b>					
All Share Value Index (1984=100)	20,827.2	24,770.5	20,730.6	28,078.8	41,329.2
Value of Stocks Traded (Billion Naira)	685.7	799.9	638.9	809.0	2,350.9
Value of Stocks/GDP* (%)	2.8	1.5	1.0	1.1	2.9
Market Capitalization (Billion Naira)	7,030.8	9,918.2	10,275.3	14,800.9	19,077.4
Of which: Banking Sector (Billion Naira)	2,238.1	2,710.2	1,839.3	2,251.3	2,939.9
Market Capitalization/GDP* (%)	28.4	18.0	16.1	20.4	23.5
Of which: Banking Sector/GDP* (%)	9.0	4.9	1.8	3.1	3.6
Insurance Sector/GDP* (%)	0.8	0.3	0.2	0.2	0.2
Banking Sector Cap./Market Capitalization (%)	31.8	27.3	17.9	15.2	15.4
Insurance Sector Cap./Market Capitalization (%)	2.9	1.5	1.4	1.0	0.7
<b>Social Indicators</b>					
Population (million)	154.3	159.3	167.9	168.3	173.2
Population Growth Rate (%)	3.2	3.2	3.2	2.3	
Unemployment Rate (%)	19.7	21.4	23.9	25.7	
Life Expectancy at Birth (Years)	54.0	54.0	47.6	47.6	
Adult Literacy Rate (%)	66.9	66.9	66.9	66.9	
Incidence of Poverty	54.0	69.0	71.5	72.0	

1/ Revised

2/ Provisional

3/ Based on GDP measured at basic prices.

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

5/ Based on old GDP figures measured at Current Purchasers' Value (Current Market Price)

6/ Includes State Government Debts

7/ MPR replaced MRR with effect from December 11, 2006.

8/ Data from Financial Datahouse Limited

\*Ratios expressed as a proportion of GDP from 2010 – 2013 are computed using the new GDP figures, which comprised 44 activity sectors.

\*\*Rebased GDP figures from 2010 based on Current Market Prices

M<sub>1</sub> = Narrow Money; M<sub>2</sub> = Broad Money; GDP = Gross Domestic Product; CIC = Currency in Circulation

COB = Currency Outside Bank; QM = Quasi-Money; CP = Credit to Private Sector, CCP = Credit to Core Private Sector

Sources: Central Bank of Nigeria (CBN), Federal Ministry of Finance (FMF), National Bureau of Statistics (NBS), Nigeria National Petroleum Corporation (NNPC), Nigerian Stock Exchange (NSE)

DRAFT

# CHAPTER ONE

## CORPORATE ACTIVITIES OF THE CENTRAL BANK OF NIGERIA

*The CBN reviewed progress on the implementation of its corporate strategy themes and developed a framework for managing the strategic initiatives and aligned the budget of the SBUs with its priorities. As part of the Bank's effort to provide a conducive working environment for its staff and customers, the renovation of CBN branches continued during the year. Furthermore, the Bank completed the information security certification programme and became ISO 27001-certified by the British Standards Institute (BSI). The CBN continued to perform its corporate social responsibility by fostering knowledge through capacity building, youth development, provision of financial and other assistance to institutions and organisations. The Bank also supported the physically challenged groups and gender-related issues/initiatives.*

### 1.1 ADMINISTRATION

#### 1.1.1 Board of Directors and Other Committees

The membership of the Board of Directors of the CBN changed in June, 2013 as a result of the expiration of the tenure of three (3) Non-Executive Directors, namely: Dahiru Muhammad, Joshua O. Omuya and Samuel O. Olofin and the reassignment and replacement of Danladi I. Kifasi (Permanent Secretary, Federal Ministry of Finance). Four (4) new Non-Executive Directors were appointed by the President and a new Permanent Secretary assigned namely: Anthony A. Adaba, Collins C. Chikeluba, Ayuli Jemide, Muhammed M. Kafarati and Anastasia M. Daniel-Nwaobia (Permanent Secretary, Federal Ministry of Finance). Consequently the Board comprised the Governor, Sanusi Lamido Sanusi (Chairman); four Deputy Governors, namely Suleiman A. Barau (Corporate Services), Sarah O. Alade (Economic Policy), Kingsley C. Moghalu (Financial System Stability), Tunde O. Lemo (Operations); and 7 Non-Executive Directors. The Non-Executive Directors were: Anthony A. Adaba, Collins C. Chikeluba, Ayuli Jemide, Muhammed M. Kafarati, Stephen O. Oronsaye, Jonah

O. Otunla, (Accountant General of the Federation (AGF)) and Anastasia M. Daniel-Nwaobia (Permanent Secretary, Federal Ministry of Finance).

The Board held seven (7) regular meetings and one (1) extraordinary meeting in 2013. The Committee of Governors held twenty-nine (29) meetings, while the Governor's Consultative Committee held eight (8) meetings. The Audit & Risk Management and the Remuneration, Ethics and Anti-Corruption Committees held three (3) meetings each. The Investment and the Pension Fund Management Committees held two (2) meetings each, while the Corporate Strategy Committee met once.

**Table 1.1: Board of Directors Meetings :  
Attendance in 2013**

S/N	Member	Number of Meetings Attended
1	Sanusi Lamido Sanusi	8 out of 8
2	Suleiman A. Barau	8 out of 8
3	Sarah O. Alade	8 out of 8
4	Kingsley C. Moghalu	7 out of 8
5	Tunde O. Lemo	7 out of 8
6	Jonah O. Otunla	7 out of 8
7	Collins C. Chikeluba	6 out of 8
8	Muhammed M. Kafarati	7 out of 8
9	Anastasia M. Daniel-Nwaobia	6 out of 8
10	Stephen O. Oronsaye	8 out of 8
11	Anthony A. Adaba	7 out of 8
12	Ayuli Jemide	5 out of 8

Source: CBN

### 1.1.2 The Monetary Policy Committee (MPC)

The Monetary Policy Committee (MPC) held six (6) regular meetings during which major domestic and international economic, and financial developments were reviewed and appropriate monetary policy decisions taken. The meetings were held in January, March, May, July, September and November 2013. In line with the prevailing macroeconomic and financial conditions, the monetary policy rate (MPR) was retained at 12.0 per cent throughout the review period. At the July meeting, a 50.0 per cent cash reserve ratio (CRR) was introduced on public sector deposits, while the CRR was retained at 12.0 per cent for other deposits. The foreign exchange net open position (NOP) limit, liquidity ratio and standing deposit/lending facility rates remained unchanged at 1.0, 30.0, 10.0 and 14.0 per cent, respectively. Decisions of the Committee were promptly communicated to the public via press briefings by the Governor and the MPC communiqués, with personal statements of individual members issued at the end of each meeting.

**Table 1.2: Monetary Policy Committee(MPC) Meetings:  
Attendance in 2013**

S/N	Name	Number of Meetings Attended
1.	Sanusi Lamido Sanusi	6 out of 6
2.	Suleiman Barau	5 out of 6
3.	Sarah O. Alade	6 out of 6
4.	Kingsley Moghalu	6 out of 6
5.	Tunde O. Lemo	6 out of 6
6.	Danladi I. Kifasi**	1 out of 6
7.	Samuel O. Olofin**	3 out of 6
8.	Abdul-Ganiyu Garba	6 out of 6
9.	John Oshilaja	5 out of 6
10.	Adedoyin Salami	6 out of 6
11.	Chibuike C. Uche	6 out of 6
12.	Shehu Yahaya	3 out of 6
13.	Stephen O. Oronsaye*	3 out of 6

14.	Anastasia M. Daniel-Nwaobia*	2 out of 6
-----	------------------------------	------------

\* Newly appointed members

\*\* Exited members

Source: CBN

Table 1.3: MPC Decisions in 2013

Date	MPR (%)	Decision	
January 21, 2013 Communiqué No. 87	12.00	<ul style="list-style-type: none"> <li>Retained the Monetary Policy Rate (MPR) at 12.0 per cent by a majority vote of 8:2. Two (2) members voted for a reduction of MPR by 25 basis points;</li> <li>Retained the Cash Reserve Ratio (CRR) at 12.0 per cent; and</li> <li>Retained the minimum Liquidity Ratio (LR) at 30.0 per cent.</li> </ul>	Corridor +/-200
March 18 – 19, 2013 Communiqué No. 88	12.00	<ul style="list-style-type: none"> <li>Retained the MPR at 12.0 per cent by a majority vote of 9:3;</li> <li>Retained the CRR at 12.0 per cent;</li> <li>Retained the minimum LR at 30.0 per cent; and</li> <li>Retained the Net Open Position (NOP) at 1.0 per cent.</li> </ul>	Corridor +/-200
May 20 – 21, 2013 Communiqué No. 89	12.00	<ul style="list-style-type: none"> <li>Retained the MPR at 12.0 per cent by a vote of 7:3. Three (3) members voted to reduce the MPR by 50 basis points;</li> <li>Retained the CRR at 12.0 per cent;</li> <li>Retained the minimum LR at 30.0 per cent; and</li> <li>Retained the NOP at 1.0 per cent.</li> </ul>	Corridor +/-200
July 22 – 23, 2013 Communiqué No. 90	12.00	<ul style="list-style-type: none"> <li>Retained the MPR at 12.0 per cent by a vote 9:1. One (1) member voted for reduction by 50 basis points;</li> <li>9:1 members voted for symmetric corridor around the MPR at +/-200 basis points. One (1) voted for an asymmetric corridor;</li> <li>Retained the CRR at 12.0 per cent, introduced a 50.0 per cent CRR on public sector deposits. Private sector deposits CRR was retained at 12.0 per cent on other deposits.</li> </ul>	Corridor +/-200
September 23 - 24, 2013 Communiqué No. 91	12.00	<ul style="list-style-type: none"> <li>Retained the MPR at 12.0 per cent by a vote of 11:1. One (1) member voted for its reduction by 50 basis points;</li> <li>Eleven (11) members voted to retain the symmetric corridor of 200 basis points around the MPR, while one (1) member voted for an asymmetric corridor of 200 basis points above the MPR and 400 basis points below the MPR; and</li> <li>Retained the 50.0 per cent CRR on public sector deposits and 12.0 per cent CRR on private sector deposit by a unanimous vote of members present.</li> </ul>	Corridor +/-200
November 18 - 19, 2013 Communiqué No. 92	12.00	<ul style="list-style-type: none"> <li>Retained the MPR at 12.0 per cent by a vote of 9:1. One (1) member voted for 0.5 per cent reduction in MPR;</li> <li>Retained CRR for private sector deposit at 12.0 per cent by a vote of 9:1;</li> <li>Retained the CRR for public sector deposits by a vote of 8:1:1. One (1) member voted for the increase in public sector CRR from 50.0 to 75.0 per cent and one (1) member voted for an increase in public sector CRR from 50.0 per cent to 100.0 per cent; and</li> <li>Retained minimum LR at 30.0 per cent.</li> </ul>	Corridor +/-200

Source: CBN

DRAFT

### 1.1.3 Development of CBN Branches and Other Intervention Projects

As part of the Bank's effort to provide a conducive working environment for its staff and customers, the renovation of CBN branches continued during the year. The rebuilding of CBN Lagos Office (Phase 1) and construction of its International Training Institute, Abuja, were completed. Also, the construction /renovation/refurbishment of CBN branch buildings in twenty-four (24) locations, and CBN diagnostic centres in three (3) locations, progressed. Furthermore, the infrastructure and cabling works, preparatory to the deployment of a world-class dealing room in Abuja was completed. The upgrade of the Data Centre at the Head Office, the Surveillance Systems Project, and the connection of the CBN Corporate Headquarters to the National Electricity Power Grid were completed.

The re-award of the contract for the conversion of the CBN property at Tigris Crescent, Maitama, Abuja to a suitable state for the use of the Bank; the development of an adjoining property to the CBN Kaduna Branch; the construction of an International Convention Centre in Abuja, one (1) Centre of Excellence and intervention in each of nine (9) tertiary institutions and five (5) secondary schools were embarked upon. Other projects included: the construction of helipads and the purchase of residential properties in Abuja for the four (4) deputy governors, following Presidential approval; as well as the provision of workplace gymnasias in Asaba, Awka, Enugu, Ibadan, Kaduna, Kano, Katsina, Maiduguri, Oshogbo, Port Harcourt, Umuahia, Uyo and the CBN Learning Centre, Lagos.

### 1.1.4 Information Technology

The Bank made significant progress at providing IT systems to support the transformation of the payments system, enhance financial inclusion as well as other strategic IT services. These included improvement on the transaction



processing time on the payment gateway used by government agencies, which reduced the turnaround time for server provisioning from the traditional 4 – 6 months to 48 hours, on the average, and improved capacity utilization from an average of 40.0 to 90.0 per cent. The retrofitting of the three (3) CBN Data Centres to Tier-3 standards with full disaster recovery capabilities progressed.

The Bank became the first Regulator in Nigeria to complete the Information Security Certification programme and was ISO 27001-certified by the British Standards Institute (BSI) in a record time of eight (8) months. The certification has improved foreign investors' confidence in the Nigerian Financial System and also made the realisation of the British Government GBP8bn (Eight billion Pounds) investment possible.

The first phase of the Technology Refresh Project was completed following the retrofitting of the primary data centre, deployment of a new enterprise (IBM 795 Series) and mid-tier (Cisco UCS) servers to replace the aged SUN Servers. This has reduced the down-time for Core Banking and Enterprise Resource Planning (ERP) applications by 70.0 per cent while the duration of Close of Business (COB) processing was reduced by over 75.0 per cent.

The new Real-Time Gross Settlement System/Scripless Securities Settlement System (RTGS/S4), a key component of the Financial System Strategy (FSS 2020), went live on December 16, 2013. The RTGS/S4, which replaced the old system, provided robust capabilities to handle multiple and concurrent high value and high volume transactions and addressed the problems of intra-day credit spillage in the financial services industry. Other challenges that the system addressed included: low response and down-time, as well as reconciliation issues.

The Bank concluded a number of other initiatives aimed at automating some strategic business processes. These included: the International Financial

Reporting Standard (IFRS) and a non-interest banking reporting system, a budget and performance monitoring system, performance management, auto reconciliation, medical system application (Medistem), internal audit processes and dashboard for Branch Operations Department.

### 1.1.5 Library Operations

The volume of books in the Bank's library system was 107,861, compared with 106,101 in 2012. The library resources consulted by staff increased by 18.0 per cent to 10,434 from 8,842 in 2012. The Bank continued to subscribe to the electronic journals through the following service providers: SWETS, EBSCO host and Independent Publishers International (IPI), Journal Storage (JSTOR), Access to Global Online Research in Agriculture (AGORA), Online Access to Research in Environment (OARE), Business Monitor International (BMI), Oxford Journals Online, and Access to Research for Development and Innovation (ARDI). The implementation of an electronic Library System was on-going.

### 1.1.6 Legal Services

The Bank sustained the effort at strengthening its legal and regulatory framework to enhance the overall effectiveness of the financial system, in line with its mandate. In this regard, the Bank proposed amendments to the *Nigeria Deposit Insurance Corporation (NDIC) Act*; continued with the prosecution of cases involving the Bank; reviewed relevant bills from the National Assembly; and drafted/vetted memoranda of understanding (MoUs), agreements and guidelines. The Bank published in the *Official Gazette* the Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) Regulation, and the notice of the approved format of evidence for electronic transactions. Also published in the *Official Gazette* were the CBN-prepared revocation orders for the banking licence of the defunct African International Bank (AIB), the operating licence of eighty-three (83) micro-finance banks and one (1) discount house, and the operating licence of twenty (20) bureaux-de-change.

The number of pending cases in court against the Bank at end-December 2013 was 468. During the year, one hundred (100) cases were decided, of which, three (3) were against the Bank and were being contested on appeal. There was also an upsurge in the number of Garnishee Orders issued by various courts against ministries, departments and agencies (MDAs); and deposit money banks (DMBs), for which the CBN was required to set aside judgement sums. The courts made thirteen (13) of the Garnishee Orders Absolute, of which five (5) were being contested on appeal.

#### **1.1.7 Security Services**

The Bank enhanced its corporate security to ensure homogeneity and guarantee asset protection, personnel safety and operational resilience. To this end, it continued with the upgrade and replacement of obsolete security equipment with more advanced models of world class standard in accordance with the Bank's security master plan. In addition, it collaborated with various security agencies for effective security surveillance and unhindered operations. A security/safety assessment exercise conducted by a presidential assessment team during the year on the head office complex expressed satisfaction with the security arrangements in the Bank.

#### **1.1.8 Internal Audit**

An in-depth audit was conducted on the twenty-seven (27) departments, thirty-seven (37) branches and fifty-five (55) processes in the Bank. Four hundred and twelve (412) currency disposal operations requiring audit witnesses were completed. The Bank deployed the Interactive Data Extraction and Analytic (IDEA) software to aid auditors in interrogating, extracting and analysing large volumes of data within a minimal time frame. It also installed a software which will ensure proactive auditing and continuous monitoring of some high risk processes as opposed to post-mortem auditing.

### 1.1.9 Risk Management

The Bank produced a draft *Enterprise Risk Management Framework* designed to monitor and control key risks across the SBUs, and facilitate the implementation of appropriate early warning signals. The *CBN Account Reconciliation Framework*, aimed at establishing and standardising processes for reconciliation, call-overs and write-offs across the Bank, was approved. The Enterprise Risk Register, which serves as a repository of identified risks, was updated to capture significant risks in the SBUs.

In line with best practices, the Bank conducted Risk and Control Self-Awareness (RCSA) workshops for all SBUs and thirty-six (36) branches to identify and categorize risks inherent in business processes with a view to monitoring and managing them.

Two surveys, namely, the 2013 *Banking Industry Survey on Risk Management*, which was designed to gain insight into the current state of risk management in the banking industry, and an internal stakeholder survey to obtain feedback on a wide range of risk-related issues, were conducted during the review year.

The Bank also held three meetings of the Chief Risk Officers' Forum and hosted the first National Risk Management Conference which focused on current and emerging risks in electronic payment channels.

### 1.1.10 Strategic Initiatives and Business Process Management

The Bank reviewed the implementation of its corporate strategy themes, namely: attaining price stability conducive to economic growth; a safe, stable and sound financial system; a credible, reliable and efficient payments system; and becoming the model central bank. It developed a framework for managing the strategic initiatives and aligned the budget of the SBUs with its

strategic priorities. A performance scorecard platform for corporate performance measurement and reporting was put in place.

As part of the implementation of a Financial Inclusion Strategy, aimed at reaching the majority of the financially-excluded population, the Bank entered into a strategic alliance with the Nigerian Postal Service (NIPOST) and the Federal Ministry of Communications Technology to leverage on their geographical spread and branch network. The Bank engaged a consultant to structure and implement the Public Private Partnership (PPP) programme to enable the infusion of private sector investment that would support NIPOST.

In an effort to build capacity, in line with the objectives of the FSS 2020 initiative, the CBN commenced the establishment of an International Training Institute in 2013. The objectives of the Institute include:

- Migration of specialised training programmes, currently being conducted overseas to Nigeria. This would be cost-efficient and enable a greater number of staff to be trained;
- Serving as a training hub for the FSS 2020 initiative, and generating and diffusing the skills set required to actualise the vision of an International Financial Centre; and
- Engaging in benchmarking of best practices in research, risk management, banking supervision, human resources development, and information technology, among others.

At end-December 2013, the structure of the Institute was at 98.0 per cent completion, while the development of the curricula guiding academic activities was in progress.

#### **1.1.11 Communications**

The digital communication channels of the Bank were re-engineered to ensure the effectiveness of the corporate website and social media platforms. There

was greater stakeholder engagement by the CBN with the media, the National Assembly, other government agencies, school children, traders and the general public. A major milestone was recorded with the live webcast and radio transmission of the Monetary Policy Committee press briefings by the Governor.

The Bank continued its Annual Seminar for Finance Correspondents and Business Editors. The 2013 edition was held in Umuahia, Abia State, during July 2-5, 2013 on the theme: “Financial Inclusion in Nigeria”. The CBN also hosted more than thirty (30) Associations on excursions/educational visits.

#### **1.1.12 Anti-Corruption and Ethical Issues**

The Bank received and processed 5,632 complaints via e-mails on various financial crimes. It also received and investigated fifteen (15) complaints on Automated Teller Machine (ATM) transactions and other transactions against the DMBs. Some of these reports were investigated and resolved by the Bank, while others were referred to other relevant government agencies for further action. Such agencies included: the Independent Corrupt Practices and Other Related Offences Commission (ICPC); the Economic and Financial Crimes Commission (EFCC); the Code of Conduct Bureau (CCB), and the Nigerian Postal Services.

#### **1.1.13 The Financial System Strategy (FSS) 2020**

The CBN coordinated and facilitated reform activities in the financial system in collaboration with other stakeholders, including the National Assembly (NASS). The Bank sustained stakeholder sensitisation and interfaced with eleven (11) key FSS 2020 implementing institutions, namely: the Nigeria Deposit Insurance Corporation (NDIC); the National Insurance Commission (NAICOM); the National Pension Commission (PENCOM); the Federal Ministry of Lands, Housing and Urban Development (FMLHUD); the Federal Mortgage Bank of Nigeria (FMBN); the Debt Management Office (DMO); the Federal Inland Revenue Service

(FIRS); the Small And Medium Enterprises Development Agency of Nigeria (SMEDAN); the Financial Reporting Council of Nigeria (FRCN); the Nigerian Stock Exchange (NSE); the Securities and Exchange Commission (SEC); and the National Information Technology Development Agency (NITDA). The expansion of stakeholders in the initiative continued in the year to enhance buy-in and technical support. In addition, the Bank in 2013 streamlined the 746 initiatives of the Programme to 27 transformational programmes with optimal time lines and sustained its communication strategy for FSS 2020, and the Community of Practice (COP).

#### **1.1.14 The Shared Services Project**

The Shared Services Office was initiated by the Central Bank of Nigeria, in collaboration with the Bankers' Committee in 2011, to reduce the operating cost of the Deposit Money Banks, promote financial inclusion, facilitate the integration of financial services into the economy, and encourage banks to outsource their non-core functions. The principle was to get banks to share services and thereby enjoy economy of scale in the belief that the attendant reduction in their operational cost would ultimately be passed on to their customers through lower cost and increased efficiency in service delivery. The target was to reduce the industry's cost-to-serve by at least 30.0 per cent. To this end, five key initiatives, namely, cash management, retail payments transformation, IT infrastructure and services, IT standards and, back office operations were being implemented.

In July 2013, the Cash-less Policy, under the payments transformation programme, was extended to Abia, Anambra, Kano, Ogun, Rivers and the Federal Capital Territory after the success of the pilot-run in Lagos in 2012. Consequently, the volume and value of e-payment transactions rose by 56.0



and 54.0 per cent to 56 million and ₦25.4 trillion, respectively, in 2013, compared with 34 million and ₦17.7 trillion in 2012.

The IT Standards Council was inaugurated in May 2013 to articulate and provide a point of reference for the utilization of IT in the financial services industry. Consequently, an IT Standards Blueprint was released to the industry for adoption and implementation during the review period.

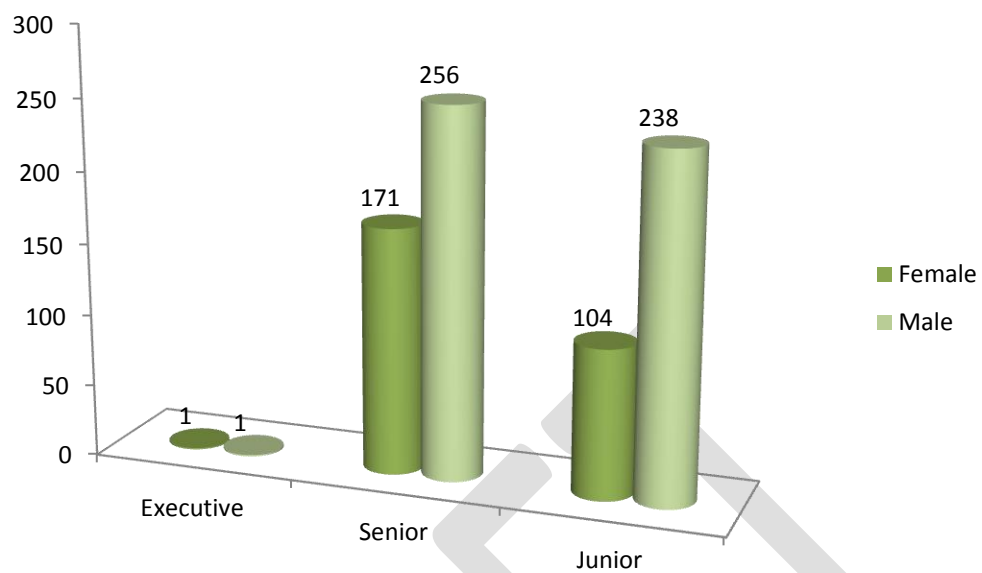
Also, the selection processes leading to the accreditation of vendors that would provide Shared Disaster Recovery and Shared Power Infrastructure in the banking industry commenced, while the definition of the technical and functional requirements for the provision of a Shared Financial Services Network for the financial industry was being concluded.

#### **1.1.15 Staff**

The Bank recruited seven hundred and seventy-one (771) personnel, consisting of two (2) executives, four hundred and twenty-seven (427) senior and three hundred and forty-two (342) junior staff. This was made up of two hundred and seventy-six (276) female and four hundred and ninety-five (495) male. The Bank, however, lost the services of twenty-seven (27) staff through death; fifteen (15) through voluntary retirement; seventy-two (72) through mandatory retirement; and ten (10) through resignation. Furthermore, the appointment of nine (9) staff was terminated, while twenty-seven (27) were dismissed. The staff strength stood at 6,594, compared with 5,983 in 2012.

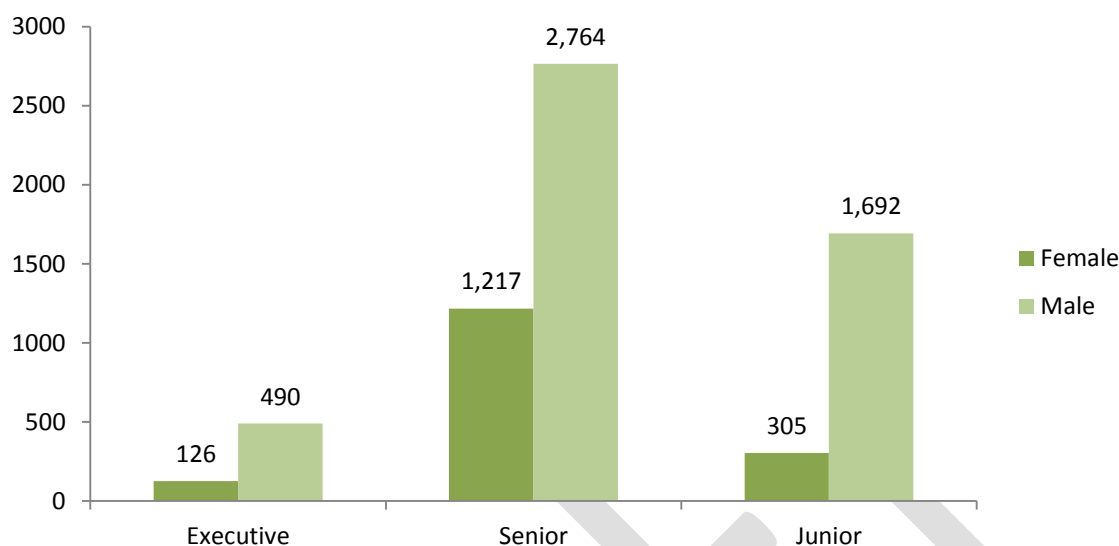
**Figure 1.1: Recruitment of New Employees, 2013**





Source: CBN

Figure 1.2: Staff Strength by Category and Gender at end-December 2013



Source: CBN

#### 1.1.16 Medical Services

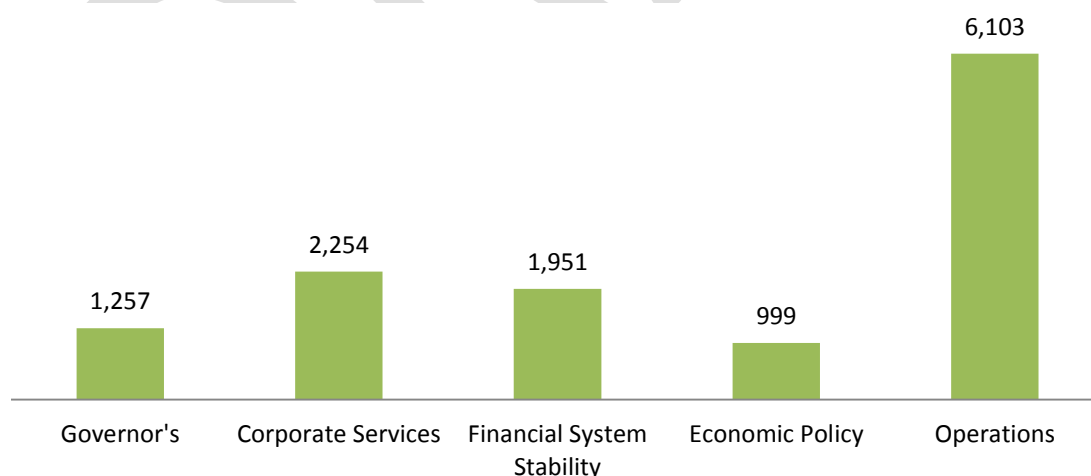
The Bank provided various medical interventions to sustain a healthy and productive workforce. Ninety-two thousand, seven hundred and fifty-six (92,756) cases involving staff and their dependants were attended to at the staff clinics. Seventeen thousand, five hundred and fifty-eight (17,558) cases were referred to the various stand-by hospitals, while three thousand, three hundred and twenty-seven (3,327) staff and their dependants were vaccinated against cerebrospinal meningitis. A total of two thousand, four hundred and twenty-three (2,423) children were administered routine immunisation. As a result of issues identified from the general disease prevention screening of one thousand, nine hundred and eighty-seven (1,987) staff in 2012, one thousand, four hundred and fifty (1,450) affected staff were given follow-up treatment. Pre-employment screening of nine hundred and seventy (970) new hires was also carried out. A Healthy Lifestyle seminar on the theme, “Metabolic Syndrome”, was conducted, and four thousand, nine hundred and twenty-four (4,924) staff participated.

Health education/awareness on hepatitis B infection, HIV/AIDS, diabetes mellitus and hypertension were organised with two thousand, eight hundred and seventy-four (2,874) staff in attendance. Furthermore, the Bank sponsored the medical screening of four hundred and fifty (450) executives.

### 1.1.17 Training

A new learning strategy was developed during the review period. The strategy focused on aligning learning with the strategic business needs of the Bank and promoting a learning culture/agility with the aim of enhancing staff competency and building required capacity to execute the mandate of the Bank. Furthermore, training was intensified during the review period resulting into a total of 12,564 staff training participation programmes distributed in accordance with the five (5) directorates in the Bank. The training distribution among the five (5) directorates in the Bank showed that the Operations Directorate recorded the highest at 6,103, followed by Corporate Services at 2,254, while the Economic Policy Directorate recorded the least at 999.

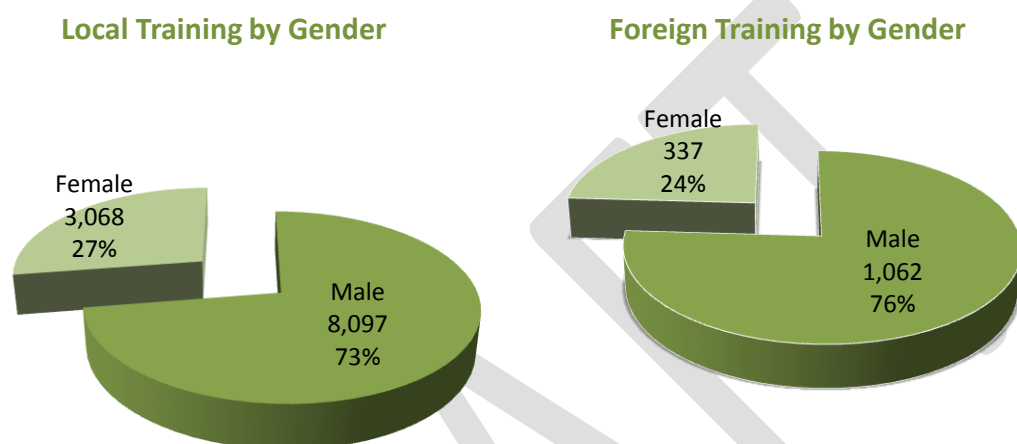
**Figure 1.3: Training Distribution by Directorate, 2013**



Source: CBN

An analysis of local training by gender indicated that male staff had 8,097 training slots while female staff had 3,068 slots, representing 73.0 and 27.0 per cent, respectively. Similarly, 1,062 and 337 male and female staff participated in foreign training slots, respectively, during the year.

**Figure 1.4: Local and Foreign Training Distribution by Gender**



Source: CBN

#### 1.1.18 Staff Promotion

As part of the incentives to boost morale and enhance performance, the Bank promoted seven (7) executives, seven hundred and sixty-six (766) senior and one hundred and twenty-four (124) junior staff. Also, sixty-two (62) senior and eighteen (18) junior staff were upgraded and converted, respectively.

#### 1.1.19 Recreational Activities

The Bank sponsored various competitions in collaboration with the relevant stakeholders to sustain the development of sports. These included lawn tennis, football, golf and beach soccer competitions. The 7<sup>th</sup> edition of the CBN Junior Tennis Championship took place at the Lagos Lawn Tennis Club during March 4 - 9, 2013, while the 35<sup>th</sup> edition of the CBN Senior Open Tennis Championship was held at the National Stadium, Lagos, from April 24 to May 4, 2013. The Bank

introduced the Wheel Chair Tennis tournament for the physically challenged during the review period. The Central Bank of Nigeria Football Club won the final of the 27<sup>th</sup> All Financial Institutions Football Competition held at the Confluence Stadium, Lokoja, Kogi State, on November 30, 2013. The final of the 33<sup>rd</sup> edition of the Governor's Cup Football Competition for all CBN branches held at the Liberty Stadium, Ibadan, on June 29, 2013, was won by Lagos Branch. The Bank also sponsored the 7<sup>th</sup> edition of the CBN Governor's Golf Tournament, which took place at the IBB International Golf and Country Club, Abuja, during November 23 - 24, 2013. The 2<sup>nd</sup> edition of the CBN Beach Soccer Competition was held at the Beach Soccer Pitch, Abuja, during September 20 - 22, 2013. Staff continued to patronise the workplace gymnasium at the Bank's Corporate Head Office.

#### **1.1.20 Corporate Social Responsibility**

The CBN continued to perform its corporate social responsibility by fostering knowledge acquisition, through capacity building, youth development, provision of financial and other forms of assistance to institutions and organisations for the hosting of conferences, seminars and workshops. In addition, it impacted directly in the areas of environmental sustainability, community development, education, disaster relief and women empowerment. The Bank also supported physically challenged groups and gender-related issues/initiatives.

The Bank made donations to various programmes to assist in emergency situations during the year. These included the families and communities affected by the bombings in Kano and in Madalla, Niger State; the emergency release of grains to Borno, Yobe, and Adamawa states; and a pledge of ₦500 million to the Presidential Flood Relief Fund in the aftermath of flood devastation in the Niger Delta region.

### 1.1.21 Staff Social Responsibility

The staff of the Bank sustained their support for the less-privileged in society through regular contributions to the Alms Collection Scheme of the CBN. At end-December, 2013, the balance in the Alms Fund Account stood at ₦16,568,360.00.

## 1.2 RESEARCH AND COLLABORATIVE ACTIVITIES

In line with its core mandate, the Bank undertook research and collaborative studies, and disseminated information on key issues relating to the Nigerian economy through its various publications. A preliminary report on a data-rich model developed by the staff of the Research and Monetary Policy Departments, “A Factor-Augmented Vector Autoregressive (FAVAR) Model for Monetary Policy Analysis in Nigeria,” was completed.

The regular publications of the CBN completed in 2013 were: the 2012 *Annual Report*; the 2013 *Half-Year Economic Report*; the *Financial Stability Report*, June 2013; the *CBN Economic and Financial Review*; the 2012 *Statistical Bulletin*; the *CBN Journal of*

*In line with its core mandate, the Bank undertook research and collaborative studies, and disseminated information on key issues relating to the Nigerian economy, through its various publications.*

*Applied Statistics*; the *Monetary Policy Review*; and the *CBN Bullion*. Furthermore, three (3) occasional papers, namely: “Short-Term Inflation Forecasting for Monetary Policy in Nigeria”; “An Analysis of the Monetary Policy Transmission Mechanism and the Real Economy in Nigeria”; and “Transition to Full-Fledged Inflation Targeting: A Proposed Programme for Implementation by the Central Bank of Nigeria,” were published, while two (2) special studies – “Financial Intermediation in Nigeria: Competition, Growth and Performance”

and the “Impact of Public Finance on Inflation Pressure in Nigeria,” were being printed. The 21<sup>st</sup> edition of the Annual Executive Seminar was organised by the Bank during the year on the theme, “Global Capital Flows, Financial Markets and Macroeconomic Stability”. Also, the CBN organised the 7<sup>th</sup> Annual Micro, Small and Medium Enterprises (MSMEs) Finance Conference/Entrepreneurship Award as well as the D-8 Countries Workshop on Microfinance for SMEs. The Bank collaborated with the National Bureau of Statistics (NBS) to generate a series of macroeconomic indicators, through the conduct of the 2012 National Economic Survey.

The Bank received and honoured requests for the presentation of papers and to facilitate at training programmes from national and international organisations, such as the NDIC, the Chartered Institute of Bankers of Nigeria (CIBN), the West African Institute for Financial and Economic Management (WAIFEM), the West African College of Supervisors (WACS), the Association of African Central Banks (AACB), and the International Monetary Fund (IMF). Staff papers were accepted and presented at international and local professional conferences, including those of the International Conference on Economic Modelling (ECOMOD); the African Econometric Society (AES); the Nigerian Economic Society (NES); the Nigerian Statistical Association (NSA); the Chartered Institute of Bankers of Nigeria; and the Farm Management Association of Nigeria (FAMAN).

#### **BOX 1: RECENT ADDITIONS TO THE MODELLING TOOLKIT AT THE CBN**

Monetary policy has become increasingly forward-looking and central banks require sufficient and timely information to track, on a consistent basis, the distinct dynamics that characterise the economy. In recent years, the Central Bank of Nigeria (CBN) relied on a suite of models built for the provision of evidence-based information to guide policy formulation and implementation. The Short-Term Inflation Forecasting (STIF) model and the data-rich Factor Augmented Vector Autoregression (FAVAR) model were the latest additions to the macroeconomic modelling toolkit in the Bank.

The STIF model was developed to forecast CPI and its components to complement existing models. It is a structural time series model, which follows an autoregressive process in explaining the elements of the predicted variables. The model generates the forecast of CPI (and hence the monthly headline inflation rate) up to twenty-four periods ahead, for comparison with the actual inflation outcome to enable a performance assessment of the model.

The development of the FAVAR model was an attempt by the Bank to enhance its policy analysis and strengthen its assessment of the effects of monetary policy on macroeconomic variables. The framework enriches the standard VARs, through the inclusion of an additional data set, without suffering from the 'curse of dimensionality' due to the loss of degrees of freedom. The FAVAR approach gives high flexibility in identifying monetary policy innovations. It also outperforms the standard VARs on the analysis of the effects of monetary policy. This model also makes it possible to capture a large number of information on time series by a comparatively small number of probable factors. This mechanism makes it plausible to predict the outcome of variables over the changes in the endogenous and exogenous variables. The FAVAR framework for Nigeria includes 84 macroeconomic variables.



## CHAPTER TWO

# MONETARY POLICY, SURVEILLANCE ACTIVITIES AND OPERATIONS OF THE CBN

The Bank took several measures to ensure that monetary growth was consistent with the macroeconomic objectives, despite the challenges of excess liquidity in the system. The challenges to monetary management in 2013 included threats to global financial stability and persistence of excess liquidity in the banking system, arising from the distribution of statutory allocation to the three tiers of government, payment of matured CBN Bills, and the purchase and redemption of AMCON bonds, among others. Various measures were, therefore, taken to ensure that monetary growth was consistent with the macroeconomic objectives. The Bank maintained a tight monetary policy stance as the Monetary Policy Rate (MPR) was retained at 12.0 per cent throughout the review period. Consequently, growth in monetary aggregate was significantly below the benchmark for fiscal 2013 and the rate attained at the end of the preceding year. Open market operations (OMO) remained the main instrument of liquidity management, complemented by repurchase transactions, discount window operations and foreign exchange market interventions. In line with the liquidity conditions in the banking system, interest rates were generally lower than in 2012. The payments and settlement landscape improved with increased use of e-money products. Also, the yields on fixed income securities across various maturities were lower than in 2012. To curb unwholesome practices by authorized dealers and stem exchange rate volatility and demand pressure in the foreign exchange market, the Bank re-introduced the rDAS on October 2, 2013. Thus, the Naira exchange rate remained relatively stable in 2013. The Bank sustained its developmental functions through the Agricultural Credit Guarantee Scheme Fund (ACGSF) and infrastructure financing, among other intervention programmes.

### 2.1 MONETARY OPERATIONS

#### 2.1.1 Monetary and Credit Developments

Growth in the major monetary aggregate was subdued and significantly below the indicative benchmark for fiscal 2013 and the rate attained at the end of the corresponding period of 2012, reflecting essentially the tight monetary policy stance of the Bank. Over end-December 2012, broad money supply,  $M_2$ , grew by 1.2 per cent to ₦15, 668.95 billion. At that level,  $M_2$  was below the indicative growth benchmark of 15.2 per cent for fiscal 2013 and the 16.4 per cent attained at end-December 2012. The development reflected the respective decline in net foreign assets and other assets (net) of the banking system, which moderated the increase in net domestic credit. Narrow money ( $M_1$ ) fell by 5.5 per cent at end-December 2013, in contrast to the growth of 9.6 per cent at the end of the preceding year. Aggregate bank credit to the domestic economy (net) grew by 18.5 per cent, in contrast to the decline of 3.5 per cent at end-December 2012. The development reflected an increase of 40.1 per cent in net claims on the Federal Government and 8.96 per cent growth in claims on the private sector. Base money grew by 50.1 per cent at the end of the review period, compared with the indicative growth benchmark of 35.24 per cent for the period and the 33.1 per cent attained at the end of 2012.

---

*Monetary growth was modest in 2013 due, largely, to the fall in foreign assets (net) of the banking system.*

---

**Table 2.1 : Key Policy Targets and Outcomes, 2009 - 2013 (per cent)**

	2009		2010		2011		2012 1/		2013 2/	
	Target	Outcome	Target	Outcome	Target	Outcome	Target	Outcome	Target	Outcome
Growth in base money	3.58	6.76	35.98	11.60	12.67	50.80	8.23	33.10	35.24	50.06
Growth in broad money (M2)	20.80	17.07	29.25	6.91	13.75	15.40	24.64	16.40	15.20	1.20
Growth in narrow money (M1)	32.23	3.30	22.36	11.00	15.75	21.49	34.71	9.60	17.44	-5.50
Growth in aggregate bank credit	86.97	58.80	51.43	8.10	27.69	54.80	52.17	-3.50	23.58	18.45
Growth in bank credit to the private sector	44.90	26.80	31.54	-3.81	29.09	44.30	47.50	6.80	17.52	8.96
Inflation rate	10.00	13.90	11.20	11.80	10.10	10.30	11.20	12.00	9.87	8.00
Growth in real GDP	5.00	5.98*	6.10	7.87*	7.20	5.31	7.33	4.21	6.44	5.49

**Source: CBN**

**1/ Revised**

**2/Provisional**

**\* Based on old GDP (1990=100)**

### 2.1.2 Liquidity Management

In 2013, the banking system witnessed significant liquidity surfeit occasioned by the huge inflows from the statutory allocations to the three tiers of government, payment of matured CBN bills, and the purchase and redemption of Asset Management Corporation of Nigeria (AMCON) bonds, among others. Consequently, the Bank faced the challenge of managing banking system liquidity to ensure non-overheating of the economy and that it remained consistent with a sustainable non-inflationary growth.

The Bank implemented a range of policy measures, including the retention of the MPR at 12.0 per cent with a symmetric corridor of  $\pm 200$  basis points, and a 30.0 per cent liquidity ratio (LR) for DMBs throughout 2013. The cash reserve ratio (CRR) was retained at 12.0 per cent during the first seven (7) months of the year for all classes of deposits, but was raised to 50.0 per cent for public sector deposits, effective July 23 2013, for the rest of the year. To curtail the demand pressures at the wDAS window, the rDAS was re-introduced on October 2, 2013 while the exchange rate mid-point of ₦155/US\$1 with a band of  $\pm 3.0$  per cent, was maintained.

Open market operations (OMO), complemented by repurchase transactions, reserve requirements, discount window operations and foreign exchange market interventions were employed to ensure optimum system liquidity. The standing lending and deposit facilities were available to DMBs at 14.0 and 10.0 per cent, respectively. These measures moderated banking system liquidity and contained the inflationary threats and pressures in the foreign exchange market. This further stabilised the interbank interest rates and anchored them around the MPR for most of the review period.

As a result of the tight monetary policy stance, monetary aggregates were largely below their benchmarks for the year. Growth in broad money supply

(M<sub>2</sub>) was 1.2 per cent, compared with the benchmark of 15.2 per cent. Similarly, the growth in aggregate bank credit and credit to the private sector stood at 18.5 and 9.0 per cent, compared with the respective benchmarks of 23.6 and 17.5 per cent. Reserve money, at ₦5,558.92 billion, however, surpassed the benchmark of ₦5,009.8 billion by 10.96 per cent.

### 2.1.3 Interest Rate Policy and Developments

*The money market rates were generally lower than their levels in 2012 despite the surge in rates as a result of the introduction of 50.0 per cent CRR on public sector deposits.*

Interest rates in 2013 were generally influenced by the liquidity conditions in the banking system. The MPR and LR were maintained at 12.0 and 30.0 per cent, respectively, all through 2013. The Net Open Position (NOP) was also retained at 1.0 per cent. In a bid to curb the demand pressures at the foreign exchange market, the Bank increased the CRR on public sector deposits to 50.0 per cent during the third quarter of the year.

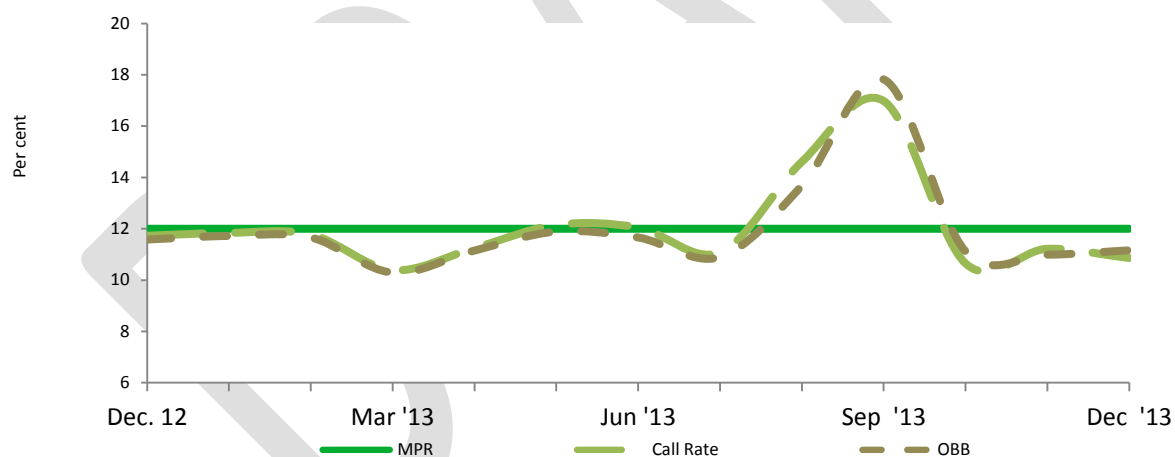
#### 2.1.3.1 Money Market Rates

Developments in the money market during the review year reflected the credit and liquidity conditions in the banking system. The average money market rates were generally lower than their levels at end-December 2012, despite the introduction of the 50.0 per cent CRR on public sector deposits, which was expected to raise rates. The weighted average interbank call and open-buy-back (OBB) rates fell to 12.07 and 12.00 per cent, from their respective levels of 13.77 and 13.34 per cent at end-December 2012. The Nigerian Interbank Offered Rate (NIBOR) for 7- and 30-day tenors averaged 12.52 and 12.87 per cent, down from 14.47 and 15.20 per cent, respectively, in 2012. The developments essentially reflected the liquidity conditions in the banking system.

Table 2.2: Money Market Rates (per cent)					
WEIGHTED AVERAGE					
Month	MPR	Call Rate	OBB	NIBOR 7-day	NIBOR 30-day
Dec-12	12.00	11.73	11.58	12.38	13.13
Jan-13	12.00	11.84	11.72	12.39	13.12
Feb-13	12.00	11.78	11.66	12.27	12.79
Mar-13	12.00	10.39	10.29	10.68	11.05
Apr-13	12.00	11.25	11.15	11.69	11.97
May-13	12.00	12.15	11.89	12.59	12.85
Jun-13	12.00	12.05	11.66	12.52	12.81
Jul-13	12.00	11.08	10.9	11.28	11.57
Aug-13	12.00	14.61	13.68	14.29	14.62
Sep-13	12.00	16.98	17.82	18.07	17.74
Oct-13	12.00	10.65	11.12	11.46	12.01
Nov-13	12.00	11.22	10.99	11.50	12.03
Dec-13	12.00	10.86	11.16	11.45	11.85
Average 2013	12.00	12.07	12.00	12.52	12.87
Average 2012	12.00	13.77	13.34	14.47	15.20

Source: CBN

Figure 2.1: Money Market Rates in 2013



Source: CBN

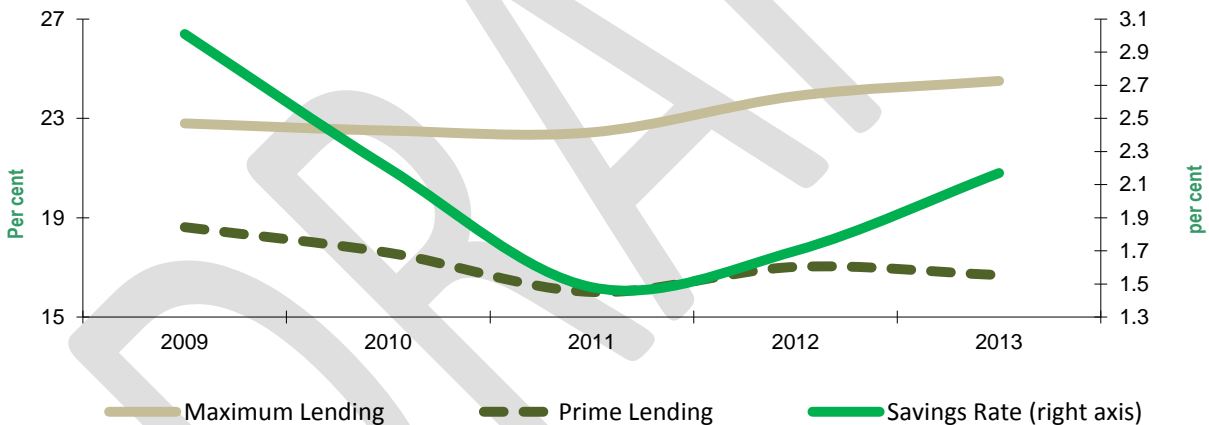
### 2.1.3.2 Deposit Rates

Available data showed that, in general, DMBs' deposit rates declined in 2013. With the exception of the average savings deposit rate, which rose by 0.47 percentage point to 2.17 per cent, all other rates of various maturities fell to a range of 4.87 – 7.95 per cent, from a range of 4.69 – 8.38 per cent in 2012. Similarly, the average term deposit rate fell by 0.50 percentage point to 6.66 per cent in 2013.

### 2.1.3.3 Lending Rates

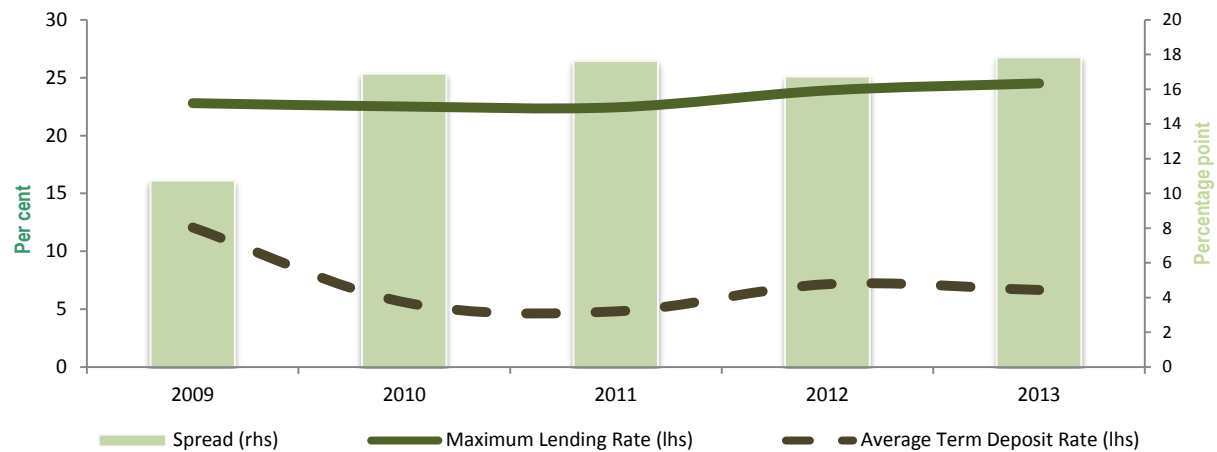
The weighted average prime lending rate fell by 0.33 percentage point to 16.69 per cent, while the average maximum lending rate rose by 0.61 percentage point to 24.51 per cent in 2013.

Figure 2.2: Average Savings, Prime and Maximum Lending Rates, 2009 - 2013



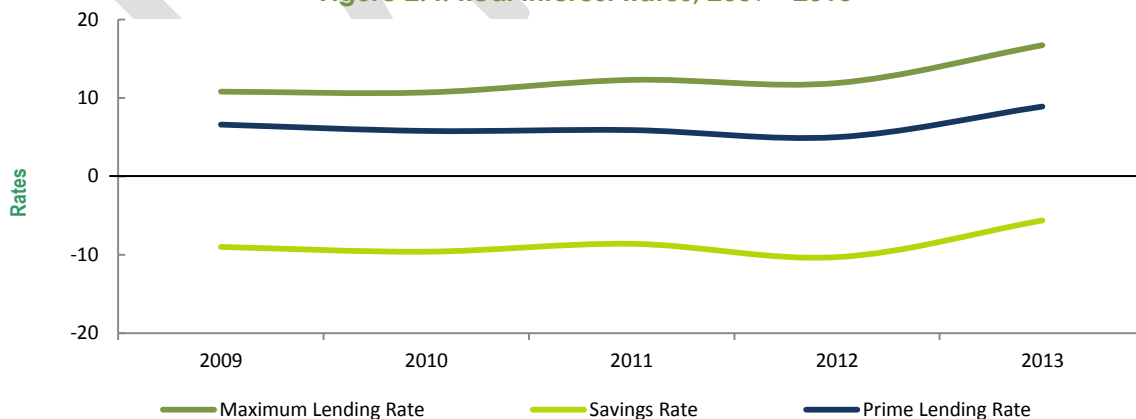
Source: CBN

Overall, the prime lending rate ranged between 16.16 per cent and 17.17 per cent during 2013, while the range of the maximum lending rate was between 22.10 and 24.9 per cent during the review period.

**Figure 2.3: Spread Between the Average Term Deposit and Maximum Lending Rates, 2009-2013****Source: CBN**

Consequently, the spread between the average term deposit and maximum lending rates widened to 17.72 percentage points, from 16.74 percentage points in 2012. With the year-on-year inflation rate at 8.0 per cent in December 2013, most of the deposit rates were negative in real terms, while the lending rates were positive.

*The spread between the average term deposits and maximum lending rates widened to 17.72 percentage points, from 16.74 percentage points in 2012.*

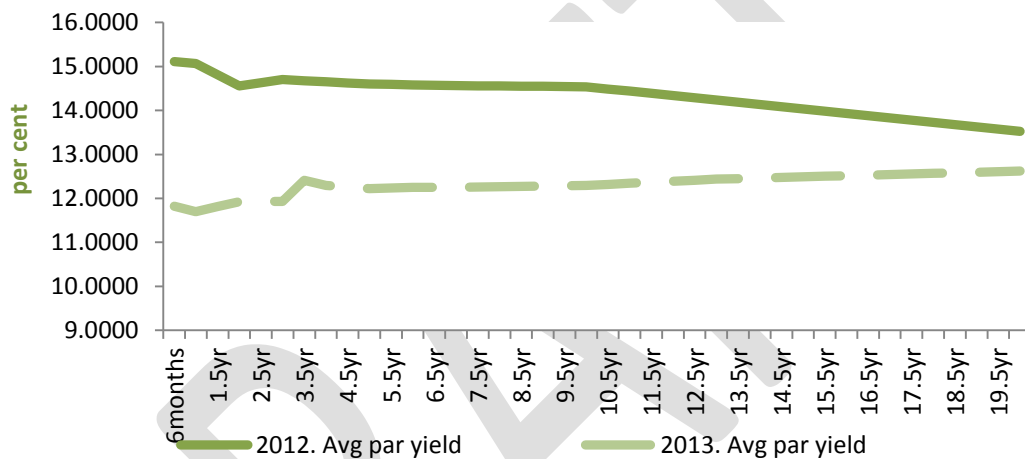
**Figure 2.4: Real Interest Rates, 2009 - 2013****Source: CBN**



### 2.1.3.4 Return on Fixed Income Securities - The Yield Curve

Analysis of the return on fixed income securities showed that the par yield curve was lower in 2013 than in the preceding year, due to the high demand for fixed income securities. The yield curve was normal, though yields on short-term securities were volatile reflecting investors' expectation of monetary ease in the medium to long term.

Figure 2.5: Government Bonds and Average Yield



Source: CBN

### 2.1.4 Developments in Payments, Clearing and Settlement

To strengthen the National Payments System, the Bank in collaboration with other stakeholders, implemented the following initiatives during the year:

- Launched the Cheque Truncation system nationwide on June 1, 2013 to enhance the efficiency of cheque clearing and settlement, especially the reduction of the clearing cycle from T + 2 to T+1;
- Extended the ₦150,000.0 limit on encashment of third-party cheques nationwide from June 1, 2013 to minimise fraud, and other risks associated with paper-based instruments;

- Granted commercial licences to two (2) additional mobile money operators, bringing the number to twenty-one (21);
- Licensed one (1) Third-Party Processor (TPP) company;
- Developed the format of evidence for electronic transactions for gazetting as a subsidiary legislation;
- Deployed the new Real-Time Gross Settlement (RTGS) system for settlement of interbank fund transfers, customers' transfers and net position from clearing systems on a real-time basis. The system interfaces with the Scripless Securities Settlement System (S4) to facilitate simultaneous delivery versus payment to mitigate settlement risks;
- Commenced the implementation of a service charge for cash withdrawal and deposit above the cash-less policy threshold in additional five (5) States and the Federal Capital Territory (FCT) effective October 1, 2013. This facilitated the reduction of cost of cash management, increased efficiency of the payments system and enhanced financial inclusion;
- Licensed ten (10) additional payment terminal service providers (PTSP), which brought the number to sixteen (16), to cater for the deployment and maintenance of point-of-sales (PoS) terminals;
- Awarded a contract for the implementation of the biometric solution, to address the challenges associated with a unique identifier in the Nigerian banking industry, to facilitate the Know-Your-Customer (KYC) principle;
- Approved guidelines for the regulation of Agent Banking in Nigeria, to enhance financial inclusion and serve as a delivery channel for offering banking services in a cost-effective manner;

- Approved clearing house sanctions to instil market discipline among the participating members; and
- Examined banks in respect of compliance with the Payment Card Industry Data and Security Standards (PCIDSS).

#### 2.1.4.1 Payments System Vision 2020 (PSV 2020)

In continuation of the implementation of the PSV 2020, the Bank embarked on the following:

- Hosted an international conference on the payments system on the theme: “Payments System in Nigeria: The Changing Landscape and Vision 2020”;
- Launched the revised *Payments System Vision 2020* document. The overall objective remained the creation of an electronic payments infrastructure that is nationally utilised and internationally recognised; and
- Undertook an assessment of the Nigerian payments system infrastructure against the current twenty-four (24) BIS/IOSCO Principles for Financial Market Infrastructure (PFMI), and recommended, among others, that:
  - Henceforth, no national payments system shall invoke the principle of unwind;
  - The role of the CBN as a ‘Lender of Last Resort’ for the RTGS and the Deferred Net Settlement Systems be removed by December 2016 and December 2019, respectively;
  - The Scheme Governance structure be strengthened to reflect the significantly greater responsibility of scheme management, covering all aspects of risk, business management and operational resilience;

- Each scheme management board must carry out an annual self-assessment against the Committee on Payments and Settlement System (CPSS)/International Organisation of Securities Commission (IOSCO) PFMI. An independent review should be undertaken every four (4) years with the target of making the results public by end-2017;
- Formal engagement channels with continuous link settlement (CLS) be opened as a first step towards the Naira becoming a CLS currency;
- The use of the SWIFT Sanctions Checking system (or its equivalent) for international payment instructions be adopted by all banks; and
- The Bank collaborate with the SEC and other key stakeholders to sponsor a formal review of the Securities Markets in Nigeria.

#### BOX 2: AGENT BANKING IN NIGERIA

Efforts to increase financial inclusion in the country led to a number of initiatives and innovations in the banking industry. The CBN had, in 2012, launched the financial inclusion strategy aimed at reducing the number of Nigerians that are excluded from formal financial services from 46.3 per cent to 20.0 per cent by 2020. Agent banking has been identified as one of the channels that could be employed by financial institutions to extend services to the unbanked population, with the ultimate aim of achieving financial inclusion.

Agent banking refers to the provision of financial services through a third party (an agent) contracted by a financial institution to offer services on its behalf, especially in locations not covered by the financial institution's branch network. It is expected to facilitate financial inclusion and domestic remittances. Agents, in this regard, may be small retail stores, pharmacy shops, supermarkets, gas stations, post offices, among others. Financial services that can be delivered by agents include: payments; deposits; withdrawals; loan repayments; settlement of utility bills; taxes; individual transfers and any other activity that the CBN may approve from time to time.

In recognition of the potential of agent banking to the achievement of financial inclusion, the CBN, in February 2013, issued guidelines to provide minimum standards and requirements for offering agent banking services in a cost-effective manner. The implementation of the guidelines would enable financial institutions to render banking services to the unbanked in the country, thereby facilitating the achievement of the financial inclusion objective of the Bank.

Financial institutions would be responsible for the selection and management of their agents to ensure effective delivery of financial services. The financial institutions would also ensure that they establish effective communication with their agents to reduce the risk associated with agent banking.

The benefits of agent banking include: cheapest means of accessing financial services with lower transaction costs; bringing financial services closer to users; making financial services more accessible to the less educated, the very poor and the less privileged; engendering greater economic development in isolated communities; increased revenue from additional foot-traffic; increased market share; non-exclusivity of agent network in providing a shared platform for customer take-up; and greater geographic spread.

## 2.2 CURRENCY OPERATIONS

### 2.2.1 The Issuance of Legal Tender Currency

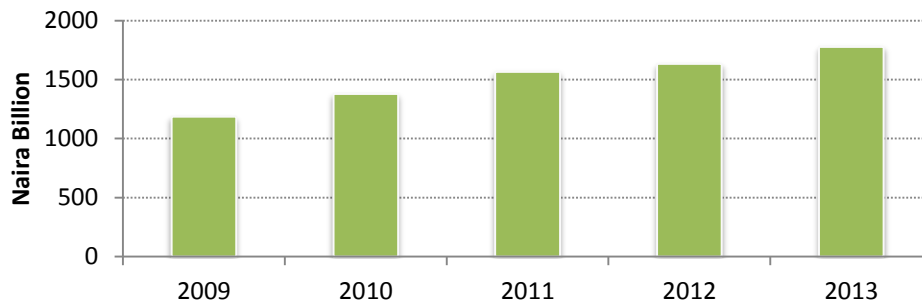
In 2013, the Bank projected an indent of 1, 861.72 million pieces of banknotes of various Naira denominations, a decline of 33.5 per cent from the level in the preceding year. The Nigerian Security Printing and Minting (NSPM), contracted by the Bank to produce the whole indent, delivered 540.24 million pieces, or 29.02 per cent of the total, compared with 1,742.75 million pieces or 68.1 per cent in 2012. In order to forestall any currency supply gap, the Bank made a contingency order of 620 million pieces of various denominations from foreign printers in the fourth quarter of the year.

In order to maintain confidence, integrity, as well as enhance the quality of banknotes in circulation, the Bank continued its currency processing and sorting activities in 2013. In addition, the Bank installed the Optical Banknotes Inspection System (OBIS) BPS 2000 in the factories of the NSPM in Abuja and Lagos.

### 2.2.2 Currency-in-Circulation (CIC)

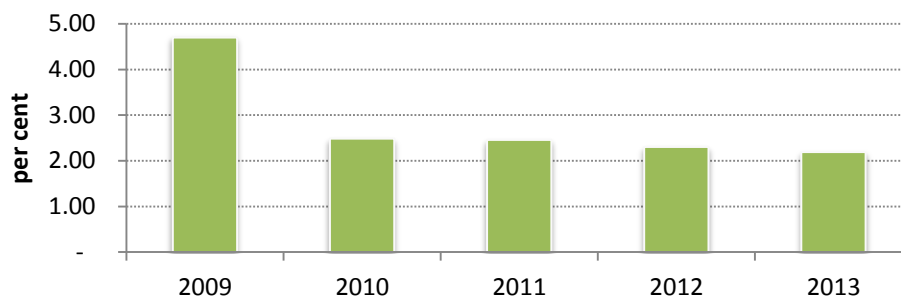
Currency-in-circulation amounted to ₦1,776.81 billion, representing an increase of 8.9 per cent from the level in 2012. The growth in CIC reflected the increase in the demand for currency due to the higher level of economic activities in 2013. The ratio of CIC to nominal GDP, which measures the moniness of the economy, fell slightly by 0.1 percentage point to 2.2 per cent in 2013. A breakdown of the CIC indicated that, in terms of volume and value, the proportion of higher denomination banknotes (₦100, ₦200, ₦500 and ₦1000) in total banknotes decreased from 38.7 to 35.0 per cent and 97.3 to 96.2 per cent, respectively. The lower denomination currency notes continued to be preponderant in terms of volume, constituting 61.3 per cent of the total. In value terms, it constituted 2.7 per cent of the total banknotes.

**Figure 2.6a Currency-in-Circulation, 2009 - 2013**



Source: CBN

**Figure 2.6b Ratio of Currency-in-Circulation to GDP, 2009 - 2013**



\*2009 ratio based on GDP at 1990 current market prices

Source: CBN

Table 2.3: Currency Structure, 2009 - 2013

Coins	2009		2010		2011		2012		2013	
	Volume (million)	Value (N billion)	Volume (million)	Value (N billion)	Volume (million)	Value (N billion)	Volume (million)	Value (N billion)	Volume (million)	Value (N billion)
₦2	114.5	228.9	107.83	0.22	107.87	0.22	107.82	0.22	107.50	0.22
₦1	490.6	490.65	530.11	0.53	581.23	0.58	616.31	0.62	616.36	0.62
50k	454.5	227.26	434.48	0.22	529.72	0.26	581.07	0.29	579.70	0.29
25k	212	53	196.53	0.049	339.12	0.08	347.80	0.087	347.80	0.087
10k	228.3	228.82	212.82	0.021	302.89	0.03	315.31	0.032	315.31	0.032
1k	57.4	0.57	48.74	0.0048	12.75	0.08	16.70	0.0017	16.70	0.0017
<b>Sub Total</b>	<b>1,557.30</b>	<b>1,023.20</b>	<b>1,530.51</b>	<b>1.04</b>	<b>1,873.58</b>	<b>1.26</b>	<b>1,985.01</b>	<b>1.25</b>	<b>1,985.01</b>	<b>1.25</b>
<b>Notes</b>										
₦1000	584.4	584.39	663.76	663.7	959.45	959.45	1,071.32	1,071.32	1,133.40	1,133.40
₦500	852.8	426.4	1,027.78	513.89	726.22	363.10	714.98	357.49	955.88	477.94
₦200	491.9	98.38	501.27	100.25	621.75	124.31	605.34	121.07	380.01	76.00
₦100	350	35	341.12	34.11	507.90	50.77	355.92	35.59	226.29	22.63
₦50	344.9	17.25	782.27	39.11	777.94	38.89	351.63	17.58	662.04	33.10
₦20	769.5	15.39	752.65	15.1	788.67	15.77	974.93	19.50	1,165.27	23.30
₦10	285.5	2.85	680.61	6.81	789.13	7.89	546.91	5.47	639.05	6.39
₦5	720.5	3.6	837.93	4.19	865.38	4.33	490.37	2.45	560.58	2.80
<b>Sub-Total</b>	<b>4,399.50</b>	<b>1,183.27</b>	<b>5,587.39</b>	<b>1,377.16</b>	<b>6,036.43</b>	<b>1,564.50</b>	<b>5,111.40</b>	<b>1,630.47</b>	<b>5,722.52</b>	<b>1,775.56</b>
<b>Total</b>	<b>5,956.80</b>	<b>1,184.30</b>	<b>7,117.90</b>	<b>1,378.20</b>	<b>7,910.01</b>	<b>1,565.76</b>	<b>7,096.42</b>	<b>1,631.72</b>	<b>7,705.89</b>	<b>1,776.81</b>

Source: CBN

### 2.2.3 Currency Restructuring-“Project CURE”

The Bank undertook preliminary work on the redesign of the existing lower banknote denominations on polymer substrate to traditional cotton-based paper, but was awaiting Presidential approval to finalise the process.

### 2.2.4 The Cash Holding Scheme Project

The Bank continued its cash management policy under the Cash Holding Scheme. The Scheme leverages on the shared services platform to reduce the cost of currency management. In 2013, two sorting and four cash-in-transit companies were registered, while arrangements were completed to commence a pilot-run of the project in four (4) CBN branch locations.

## 2.3 FOREIGN EXCHANGE MANAGEMENT

In the first three quarters of 2013, the Bank continued to employ the Wholesale Dutch Auction System (wDAS) as the mechanism for exchange rate management, until October 2, 2013 when it was replaced with the Retail Dutch

Auction System (rDAS). The re-introduction of the rDAS was to curb unwholesome practices by authorized dealers, stem exchange rate volatility and demand pressure in the foreign exchange market. In furtherance to this, other policies introduced by the Bank included: limiting the purchase of foreign exchange by BDCs from authorized dealers to US\$250,000.00 per week; increasing the amount spendable on Naira debit and credit cards to US\$150,000.00 per annum; and subjecting the importation of foreign currency by banks to the approval of the CBN. The Bank also directed that the payment of remittances through money transfer organizations should only be collectable in Naira. The forward segment of the foreign exchange market remained open, but witnessed low patronage during the year.

*The Wholesale Dutch Auction System (wDAS) was the mechanism for exchange rate management until October 2, 2013 when it was replaced with the Retail Dutch Auction system (rDAS)*

### 2.3.1 Foreign Exchange Flows

Available data showed that total foreign exchange inflows through the economy rose by 22.9 per cent to US\$146.27 billion in 2013. Of this, inflows through the CBN and autonomous sources amounted to US\$41.07 billion and US\$105.20 billion and accounted for 28.1 and 71.9 per cent, respectively. A disaggregation of the inflows through the autonomous sources showed that invisibles accounted for US\$98.53 billion; non-oil exports, US\$6.31 billion; and external account, US\$0.36 billion. The invisibles comprised: over-the-counter purchases (OTC) and domiciliary accounts which amounted to US\$62.93 billion (63.9 per cent) and US\$35.60 billion (36.1 per cent), of the total, respectively.

Aggregate foreign exchange outflows through the economy rose by 17.9 per cent above the level in 2012 to US\$43.64 billion. The development was attributed to increased Dutch auction utilisation, national priority projects and external debt service by 27.9, 4.3 and 2.3 per cent, respectively. In addition, US\$1.00 billion was transferred to the Nigeria Sovereign Investment Authority



(NSIA) account during the year for investment. Overall, a net inflow of US\$102.63 billion was recorded in 2013, compared with US\$81.99 billion in the preceding year.

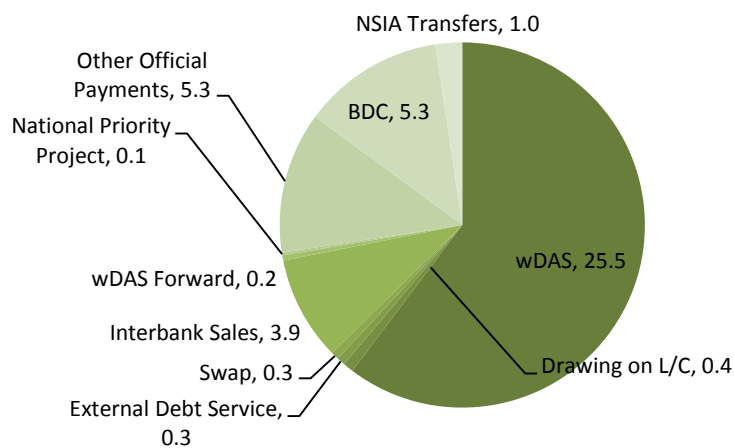
Foreign exchange inflows through the CBN fell by 12.2 per cent to US\$41.07 billion in 2013. The inflow from oil exports declined by 13.1 per cent on a year-on-year basis, occasioned by oil theft and pipeline vandalism in the Niger Delta, which affected the oil production and volume of crude oil exported. The non-oil component of the inflow through the Bank also declined, by 3.3 per cent, compared with the level in the preceding year. An analysis of the latter showed that wDAS/rDAS purchases and interest earnings on reserves fell by 98.6 and 47.6 per cent, respectively, from the levels in 2012. Other official receipts rose by 29.0 per cent above the level in 2012 to US\$2.97 billion, while receipts of US\$0.99 billion was realized from the issuance of sovereign Eurobond.

In contrast, outflows of foreign exchange through the Bank rose by 20.0 per cent to US\$42.32 billion in 2013 driven by the 27.9, 4.3 and 2.3 per cent increases in outflow through wDAS/rDAS utilisation, national priority projects, and external debt payments, respectively. Further analysis showed that wDAS/rDAS and inter-bank sales rose by 33.8 and 136.1 per cent, to US\$25.52 billion and US\$3.94 billion, respectively, reflecting increased demand at the spot segment. The wDAS/rDAS-Forward, swaps, and BDC sales, however, fell by 71.6, 51.1 and 4.3 per cent, respectively, from the levels in 2012.

“Other official payments” were 22.2 per cent below the level in 2012 and amounted to US\$5.27 billion. The decline was driven largely by the 38.9 and 34.1 per cent reduction in miscellaneous outflow and the Nigerian National Petroleum Corporation/Joint Venture Cash (NNPC/JVC) calls funding, respectively. Under this category, the NNPC/JVC calls accounted for 64.6 per cent, while miscellaneous outflow was 1.3 per cent of the total. Furthermore,

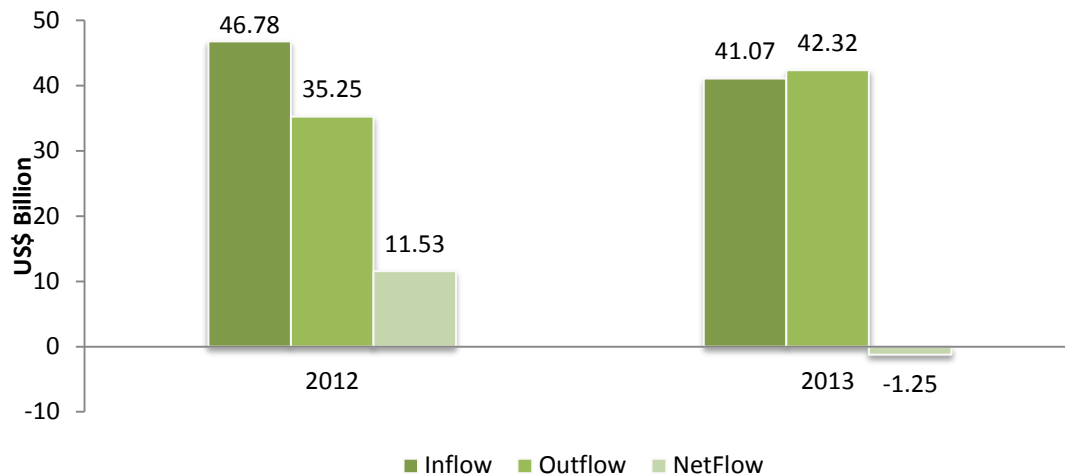
payments to international organisations and embassies, parastatals and for estacode rose by 40.9 and 11.2 per cent, and accounted for 12.3 and 21.8 per cent, respectively, of the “Other Official Payments”. Drawings on L/Cs fell by 23.4 per cent and accounted for 1.0 per cent of total outflows through the CBN. The external debt service and out payments for the national priority projects, however, rose by 2.3 and 4.3 per cent and accounted for 0.7 and 0.2 per cent, respectively, of total outflows through the Bank. Overall, a net outflow of US\$1.25 billion was recorded through the Bank in 2013, compared with a net inflow of US\$11.53 billion in the preceding year.

**Figure 2.7: Foreign Exchange Disbursement through the CBN, 2013  
(US\$' Billion)**



Source: CBN

**Figure 2.8 Foreign Exchange Flows through the CBN, 2012-2013**



Source: CBN

### 2.3.2 Developments in the Foreign Exchange Market

In 2013, ninety-six (96) auctions were conducted at the wDAS/rDAS-spot segment of the foreign exchange market, compared with ninety-seven (97) auctions in 2012. In the first half of 2013, aggregate demand for foreign exchange by authorised dealers at the spot segment of the market moderated at an average of US\$1.98 billion per month during January-May 2013, due to huge portfolio inflows which provided liquidity and increased sales at the interbank segment of the market. By June 2013, demand pressure surfaced in the market as aggregate demand for the month rose to US\$3.09 billion, and by July it was US\$3.97 billion, but fell by 31.6 per cent to US\$2.71 billion in August. To curb the high demand, driven largely by speculative and other unwholesome practices in the market, the Bank re-introduced the rDAS on October 2, 2013. The demand pressure, however, continued till the end of the year, as aggregate demand stood at US\$4.14 billion in October and US\$4.33 billion in December 2013.

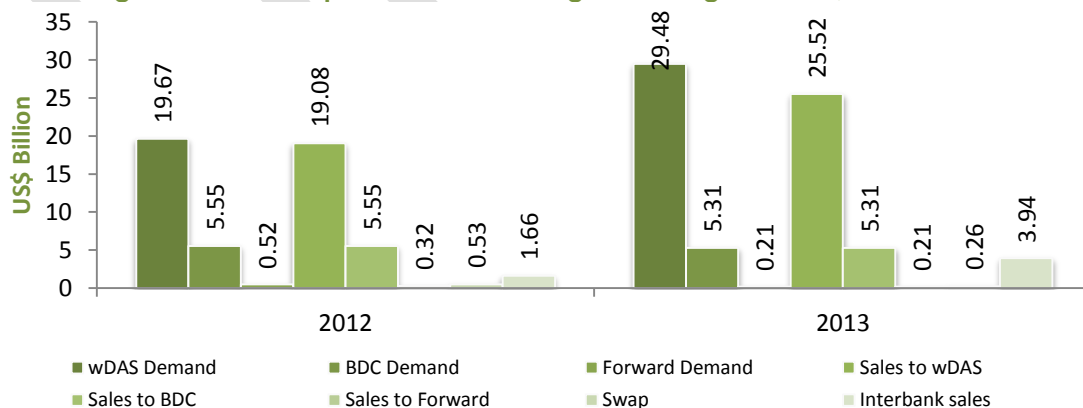
The cumulative demand for foreign exchange in 2013 grew by 36.0 per cent to US\$35.00 billion over the level in 2012, driven by activities at the wDAS/rDAS-spot segment, where aggregate wDAS/rDAS demand rose by 49.9 per cent over the

level in the preceding year to US\$29.48 billion. The demand at the wDAS/rDAS-Forward and BDC segments, however, fell by 58.9 and 4.3 per cent to US\$0.21 billion and US\$5.31 billion, respectively.

Owing to the high demand witnessed at the market, the Bank increased the volume of foreign exchange sold at the official window by 27.9 per cent above the aggregate sold in 2012 to US\$35.24 billion, with an average sale of US\$360.00 million per auction in 2013. A disaggregation of the total sales showed that at the wDAS/rDAS-spot and interbank segment, sales increased by 33.8 and 137.3 per cent, to US\$25.52 billion and US\$3.94 billion, respectively, while sales at the BDC and swap segments fell by 4.3 and 51.9 per cent, from the levels in 2012 to US\$5.31 billion and US\$0.26 billion, respectively.

At the Forward segment, the Bank conducted a total of thirteen (13) auctions for the 1-, 2- and 3- month tenor contracts in 2013, as against fifteen (15) auctions in 2012. Aggregate demand and sales in the segment stood at US\$0.21 billion each. The contracts at the various tenors, valued at US\$0.21 billion, matured and were redeemed during the period under review without any additional forward obligations.

**Figure 2.9: Developments in the Foreign Exchange Market, 2012 -2013**



Source: CBN

**Figure 2.10: Demand for and Supply of Foreign Exchange, 2012 - 2013**

Source: CBN

### 2.3.3 Sectoral Utilisation of Foreign Exchange

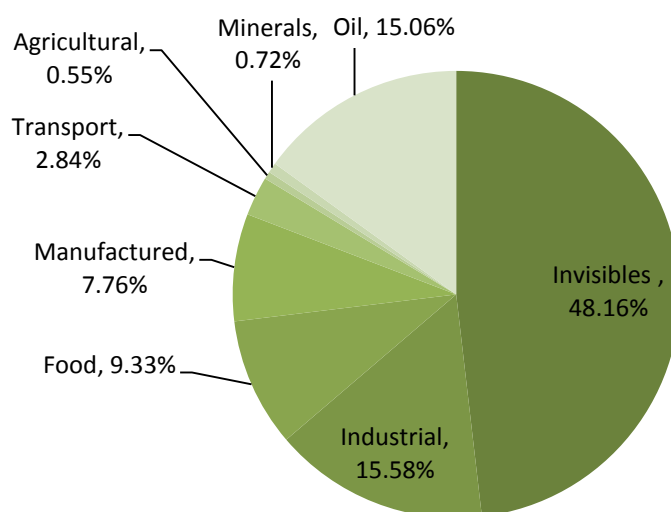
Sectoral utilisation of foreign exchange in 2013 rose by 28.8 per cent to US\$54.2 billion over the level in 2012. Visible trade imports, at US\$28.1 billion or 51.8 per cent of the total, declined by 2.4 per cent, compared with US\$28.8 billion in 2012. Out-payments on invisible trade, however, rose by 96.4 per cent to US\$26.1 billion or 48.2 per cent of the total, compared with US\$13.3 billion in 2012.

Analysis of visible trade imports showed that foreign exchange utilisation for the agricultural, industrial and mineral sub-sectors grew by 23.1, 11.5 and 10.5 per cent to US\$0.3 billion, US\$8.4 billion and US\$0.4 billion, respectively, from the levels in 2012. Manufactures, food products, transport and oil sub-sectors, however, declined by 10.3, 7.4, 15.4 and 5.5 per cent to US\$4.2 billion, US\$5.1 billion, US\$1.5 billion and US\$8.2 billion, respectively.

Foreign exchange utilisation under invisible imports was driven largely by financial sector services, which accounted for US\$22.2 billion, representing an increase of 123.3 per cent over the level in 2012. Out-payments for business, communication, education and transport services rose by 22.2, 31.9, 14.9 and 15.8 per cent to US\$1.3 billion, US\$0.5 billion, US\$0.3 billion and US\$1.3 billion,

respectively, over the levels in the preceding year. Similarly, distribution and other services grew by 13.9 and 11.6 per cent to US\$0.1 billion and US\$0.3 billion, respectively, from the levels in 2012. Tourism, construction and engineering related services, and health, however, fell, by 73.4, 22.0 and 11.8 per cent, to US\$0.02 billion, US\$0.09 billion and US\$0.002 billion, respectively, from their levels in 2012.

DRAFT

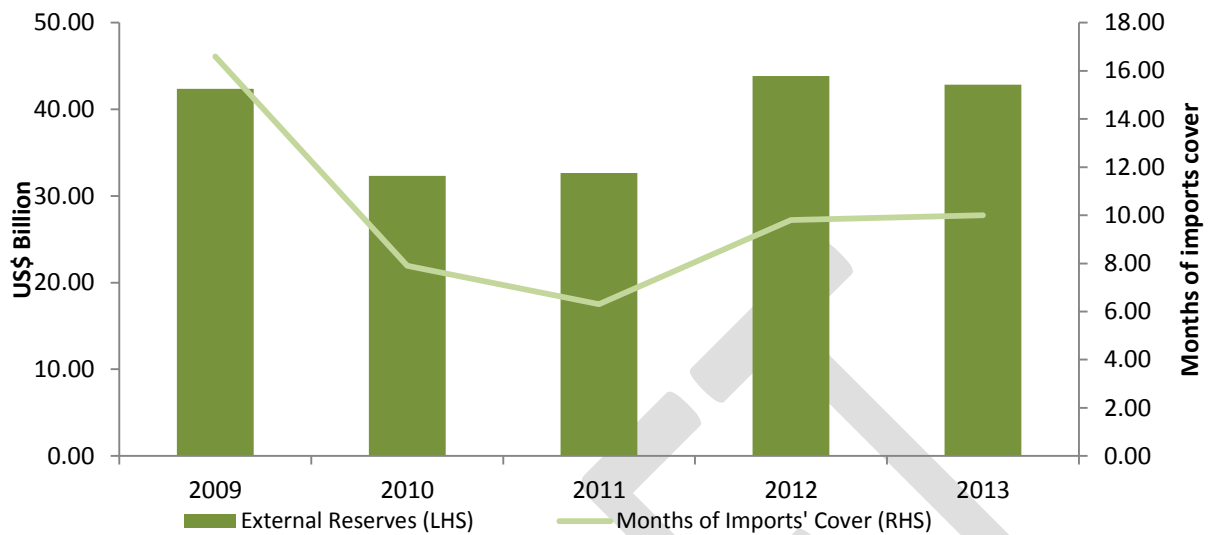
**Figure 2.11: Sectoral Utilisation of Foreign Exchange**

Source: CBN

**2.3.4 External Reserves Management**

The stock of external reserves declined by 2.2 per cent to US\$42.85 billion, compared with the level at end-December 2012. The stock position, which was US\$45.82 billion in January 2013, rose to US\$47.90 billion in April 2013, due to the favourable prices of crude oil at the international market and high inflows of capital in the first half of the year. By end-June 2013, demand pressure ensued at the spot segment of the foreign exchange market which exerted pressure on reserves. The pressure continued till the end of the year, resulting in increased drawdown to maintain market stability, which was largely responsible for the reduction in the external reserves position by end-December 2013. Notwithstanding the decline, the external reserves could support 10.0 months of imports, compared with 9.8 months at end-December 2012.

Figure 2.12: Gross External Reserves Position and Months of Import Cover, 2009 - 2013

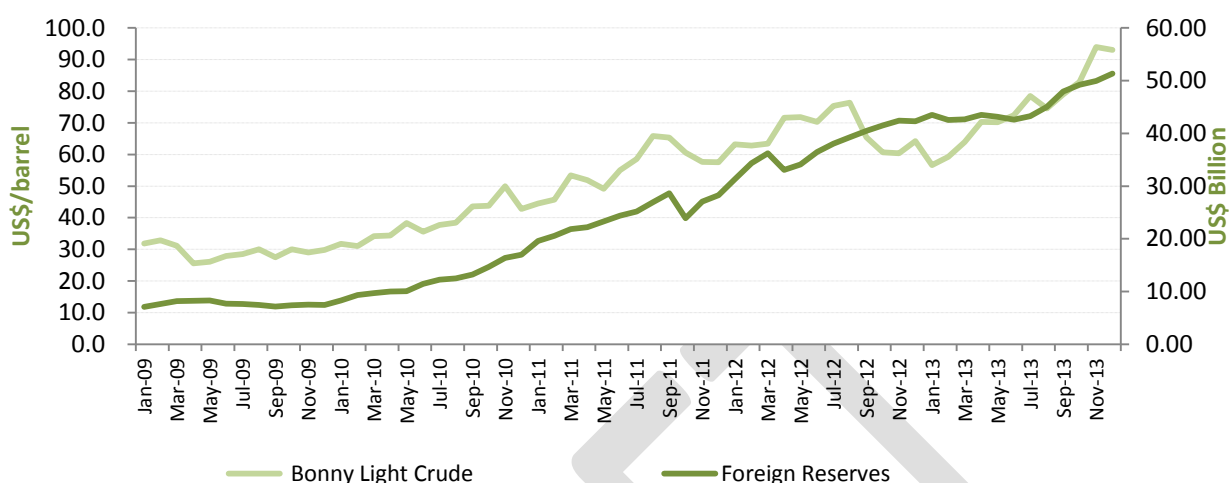


Source: CBN

A breakdown of the external reserves showed that the Federation Account, the Federal Government, and the CBN components were US\$3.29 billion, US\$2.62 billion and US\$36.94 billion and accounted for 7.7, 6.1 and 86.2 per cent of the total, respectively, at end-December 2013. Further analysis showed that the Federation Account portion declined sharply, by 71.3 per cent, from US\$11.46 billion at end-December 2012. The Federal Government portion, however, increased through the inflow of proceeds from the issuance of Nigeria's Sovereign Eurobond and Federal Government's contribution to the NNPC/JVC call account. The portion held by the CBN also increased, by 18.3 per cent, from the level at end-December 2012, reflecting the inflow of monetized funds from crude oil sales.



Figure 2.13: External Reserves Position and Crude Oil Prices



Source: CBN

Total earnings from the external reserves amounted to US\$0.29 billion (N44.41 billion), representing an increase of 7.1 per cent over the level in 2012.

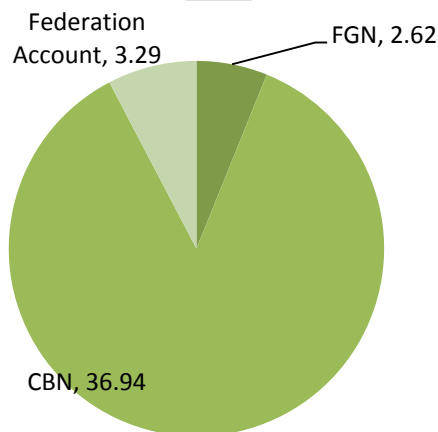
In order to earn additional income from the external asset management programme, the CBN signed a Master Securities Lending Agreement with JP Morgan Chase (the custodian) to participate in its securities lending programme. The custodian was allowed to lend the securities purchased by the fund managers to eligible borrowers in accordance with the guidelines. The total earnings from the securities lending operations from the inception of the programme in December 2007 amounted to US\$54.93 million, of which US\$1.36 million was realised in 2013, representing a decline of 41.8 per cent, compared with US\$2.33 million earned in 2012.

The performance of the World Bank portfolio was measured against the Merrill Lynch 1-3 year US Treasury Index; the ICBC (Asia) Investment Management Company Limited (ICBCAIM) portfolio was measured against the Citigroup DIM Sum off-shore CNY; while the performance of the other six (6) external asset

managers was measured against the Bank of America's Merrill Lynch Global G7 governments 1-3 year, ex-Italy 100.0% hedged to the US dollars.

The performance of the eight (8) asset managers at end-December 2013 indicated that the World Bank portfolio outperformed the benchmark return of 276 basis points (bps) by 27 bps. Similarly, five (5) of the six (6) managers outperformed the benchmark, while the performance of one (1) was unchanged. Overall, the portfolio recorded an excess return of 4 bps.

**Figure 2.14: Holdings of External Reserves as at end-December 2013 (US\$ Billion)**



Source: CBN

### BOX 3: THE CONCEPT OF EXTERNAL RESERVES

External reserves, similarly referred to as foreign exchange reserves or international reserves, are those external assets that are readily available to and controlled by monetary authorities for meeting balance of payments financing needs, for intervention in exchange markets to affect the currency exchange rate, and for other related purposes (such as maintaining confidence in the currency and the economy, and serving as a basis for foreign borrowing).

The composition of external reserves includes, among others, monetary gold, special drawing rights (SDR)'s, reserves position with the IMF, currency and deposits with monetary authorities, loans and other instruments. External reserves is a stock variable

thus, its position or value is at a point in time. Movement in external reserves is driven by valuation changes in its currency composition and the net foreign exchange inflows.

The value of total external reserves will increase, every other thing held constant, when there are additional receipts of its components; this is referred to as accretion to reserves. This can occur through increase in current account surplus which reflects higher exports earnings; external borrowing; increase in SDR holdings above a country's allocation; higher valuation changes in the composition, as well as the purchase of foreign currency by a monetary authority, amongst others. However, it is worthy of note, that in the Nigerian situation, the inflows of investment capital (portfolio or foreign direct investment) into a country do not directly accrue to the external reserves. These flows are part of the banking system's external assets which can, however, influence the value of the currency through the interbank stock, thereby indirectly reducing pressure on the foreign exchange market and, inevitably, the draw-down on the external reserves.

The reduction in value of external reserves, when an outflow of foreign exchange occurs, is referred to as decurtion. It could occur through: sale of foreign currencies by monetary authorities, increased importation, external loan repayments, and reduction in SDR. Likewise, depreciation in the value of underlying currencies and deposit holdings reduce the value of external reserves.

The level of external reserves adequacy in an economy is measured through several indices, including the months of imports cover. Globally, 3-months imports cover had been the norm. However, due to an evolving financial landscape, various regions are adopting new standards. The ECOWAS currently recommend 6-months of imports cover. Other indices to measure the adequacy of reserves include ratio of reserves to short-term external debt, mainly used in countries with limited access to capital markets; while the ratio of reserves to broad money ( $M_2$ ) is an indicator of risk of capital flight and loss of confidence in the domestic currency, with a measure of 10-20 per cent of  $M_2$  for a managed float or fixed exchange rate regime and 5-10 per cent of  $M_2$  for a free float exchange rate regime. Nigeria's external reserves in the reporting period can support 10.0 months of imports cover.

## 2.4 SURVEILLANCE OF THE ACTIVITIES OF FINANCIAL INSTITUTIONS

### 2.4.1 Banking Supervision

The Bank intensified its supervisory and surveillance activities in the banking system in 2013. Various approaches were adopted, including risk-based supervision, regular appraisal and review of banks' periodic returns, spot checks, monitoring, and special investigations, among others.

In line with the road map for the adoption of the International Financial Reporting Standards (IFRS) in Nigeria, the DMBs continued the issuance of IFRS-compliant annual reports. The CBN and the Nigeria Deposit Insurance Corporation (NDIC) concluded the deployment of a new regulatory reporting application, called FinA, with IFRS-compliant reporting templates. The FinA application would serve as a stop-gap between the existing eFASS application and a more robust regulatory application to be deployed by the CBN/NDIC in the near term.

Furthermore, an amendment to the *Asset Management Corporation of Nigeria (AMCON) Act 2010* was presented by the Corporation to the National Assembly during the review year. The proposed amendment was to strengthen the Corporation's debt recovery/foreclosure powers and also incorporate the agreement reached between the CBN and DMBs to establish the Banking Sector Resolution Cost Sinking Fund.

In addition, the Bank strengthened its surveillance activities on cross-border supervision, through the issuance of a circular on further guidance on its earlier directive on the injection of additional capital by Nigerian banks into their foreign subsidiaries. The circular outlined instances where requests for recapitalization would be considered to include: impairment of capital due to

*In line with the road map for the adoption of the International Financial Reporting Standards (IFRS) in Nigeria, the DMBs commenced the issuance of IFRS-compliant annual reports.*

operational losses; increase in business from normal banking operations; establishment of a new subsidiary; and regulatory increases in capital that are realistic and in tandem with

economic realities. It further reiterated that where there are discriminatory regulatory capital guidelines that give preference to local banks over foreign banks, or where the amount of capital injection required would subject the parent bank to undue risk, such requests would not be approved.

Another major cross-border supervisory activity conducted during the year was the initiation and execution of memoranda of understanding (MoUs) with regulators in other jurisdictions. The MoUs provide a framework for joint cooperation and information-sharing that enhances the oversight of cross-border activities of Nigerian banks.

The CBN Credit Risk Management System (CRMS) continued to provide a veritable platform for the management of credit risk in the Nigerian banking industry. The database recorded increased basic credit information on customers as at December 31, 2013. The borrowers registered in the CRMS database stood at 95,347 at end-December 2013, indicating an increase of 6.6 per cent over the number recorded in the preceding year. Similarly, the number and value of borrowers with outstanding facilities rose by 12.1 and 26.7 per cent to 33,452 and N5,501.0 billion, respectively, while the total number of credit facilities in the database rose by 7.0 per cent to 45,682 at end-December 2013. The development was attributed, largely, to the increased awareness, by banks and borrowers, of the importance of the CRMS in credit administration.

Table 2.4: Borrowers from the Banking Sector				
Description	2012	2013	Absolute Change	% Change
Total No. of Borrowers	89,461	95,347	5,886	6.6
No. of Borrowers with outstanding credit	29,848	33,452	3,604	12.1
No. of Credit/facilities	42,748	45,682	2,934	7.0
Total outstanding balance (N'000 bn)	4,342	5,501	1,159	26.7

Source: Bank's CRMS

The three (3) existing private credit bureaux (PCBs) continued to complement the CRMS in credit administration. At end-December 2013, the borrowers in their database rose to 23.41 million, up from 19.71 million at end-December 2012, reflecting increased patronage by both financial and non-financial institutions.

In order to address competency challenges in the Nigerian banking industry, the CBN commenced the implementation of its Competency Framework in 2013. In this regard, the Bank conducted an industry-wide competency baseline assessment that covered the twenty-four (24) banks (commercial, merchant and non-interest) and three (3) discount houses. The overall result revealed that 34.8 per cent of the officers and directors who performed the 35 control functions identified in the Framework met the minimum certification and experience requirements, while 65.2 per cent failed the requirements. The affected institutions were directed to submit their remedial action plans.

The Charter of the Financial Services Regulation Coordinating Committee (FSRCC) was amended to confer it with a financial stability mandate. Consequently, the framework for consolidated supervision in the Nigerian financial services industry and the road map for its implementation were approved by the Committee during the review period. In addition, a Technical Committee on Financial System Stability was constituted to report on issues relating to financial system stability at its meetings. The Harmonisation and Coordinating Sub-Committee commenced a gap analysis of the code of corporate governance issued by all member agencies for the purpose of harmonisation and improvement. Also, a holistic review of the financial system was carried out by the Committee to determine the impact of the various sectoral reforms from 2009 to 2013.

In order to effectively regulate and supervise the non-interest financial institutions, the Bank inaugurated a 7-member Financial Regulation Advisory

Council of Experts (FRACE) during the review period. The specific duties of the Council included:

- Provision of expert opinion and assistance on matters referred to it by the CBN and other regulatory bodies in Nigeria's financial sector, including the NDIC, SEC, NAICOM and PENCOM;
- Endorsement and validation of applications for new products and services from operators to ensure compliance with the provisions of the Islamic commercial jurisprudence;
- Provision of support to the CBN on queries that might arise on financial products, instruments and institutions' compliance with the Shariah; and
- Resolution of differences among the various Advisory Committees of Experts (ACEs) and between members of the same ACE.

In order to enhance the effectiveness of liquidity management in the financial system, the implementation processes for the approved three financial products designed to manage short and long-term liquidity in Non-Interest Financial Institutions (NIFIs) commenced during the review period. These were: the CBN Non-Interest Note (CNIN), the CBN Safe Custody Account (CSCA), and the CBN Non-Interest Asset-Backed Securities (CNI-ABS). The CNIN is a financial paper issued by the CBN evidencing an interest-free loan instrument between an authorized non-interest financial institution (lender) and the CBN (borrower), which entitles the authorized dealer to raise a corresponding interest-free loan from the CBN. The CSCA is an innovative instrument that is based on a contract of safe custody of funds (Wadiah) between a depositing non-interest financial institution and the Bank, with the CBN as the custodian, while the CNI-ABS involves the securitisation of the CBN's holdings in international Islamic liquidity

management (IILM) instruments, e.g., Sukuk and/or Sukuk issued by multilateral organizations in which Nigeria is a member.

In order to further improve the effectiveness of supervision, the Bank issued a number of circulars/guidelines during the year to guide the operations and activities of banks.

DRAFT



### 2.4.2 Prudential Examination

Available data showed that all DMBs, with the exception of one (1), met the stipulated minimum capital adequacy ratio (CAR) of 10.0 per cent at end-December 2013, as in the preceding year. The industry average CAR for banks stood at 17.2 per cent, compared with the average of 18.1 per cent at end-December 2012. The asset quality of the banks, measured by the ratio of non-performing loans to industry total loans, further improved, as it declined from 3.47 per cent at end-December 2012, to 3.23 per cent. The average industry liquidity ratio (LR), which stood at 63.9 per cent at end-December 2012, was 50.6 per cent and exceeded the prescribed LR of 30.0 per cent by 20.6 percentage points.

Prudential examination conducted on 758 microfinance banks (MFBs) showed that 67.3 per cent met the CAR of 10.0 per cent, compared with 68.3 per cent in 2012. Furthermore, 72.6 per cent of the MFBs met the minimum liquidity ratio (LR) of 20.0 per cent as against 82.4 per cent in 2012. The asset quality of the banks, measured by the portfolio-at-risk (PAR) ratio, improved from 61.9 per cent in 2012 to 41.5 per cent. However, the PAR was significantly higher than the prescribed maximum of 5.0 per cent for the sub-sector.

Examination conducted on the 82 primary mortgage banks (PMBs) as at September 30, 2013 revealed that the ratio of non-performing loans to total loans improved from 54.8 per cent in 2012 to 42.0 per cent with 23 PMBs meeting the 30.0 per cent benchmark, compared with 22 in 2012. Twenty-six (26) PMBs met the minimum mortgage assets to loanable funds ratio of 60.0 per cent, while 3 met the minimum mortgage assets to total assets ratio of 50.0 per cent, reflecting the persistent lack of focus on core mortgage banking business by most operators.

### 2.4.3 Compliance with the Provisions of the Code of Corporate Governance for Banks in Nigeria

The CBN carried out a corporate governance compliance status verification for banks in 2013. The exercise revealed that most banks had complied with the provisions of the *Code of Corporate Governance for Banks in Nigeria* issued in 2004.

In line with the tenure limit of Chief Executive Officers of banks, the Managing Directors of Access Bank Plc and Fidelity Bank Plc retired from service during the year after their maximum tenure of ten (10) years.

### 2.4.4 Financial Crimes Surveillance/Money Laundering

The CBN enhanced its cooperation with both domestic and international stakeholders to ensure proper coordination of all anti-money laundering and anti-terrorism activities, through the exchange of information, conduct of joint examination, meetings and training. The stakeholders include: the Office of the National Security Adviser (ONSA), the Special Control Unit against Money Laundering (SCUML), the Nigeria Financial Intelligence Unit (NFIU), the Economic and Financial Crimes Commission (EFCC), the US Department of State and the US Embassy, the US Department of Treasury, International Narcotics & Law Enforcement (INLE), the US Internal Revenue Service (IRS), the Inter-Governmental Action Group Against Money Laundering in West Africa (GIABA), the Bank of Ghana, and the South African Reserve Bank (SARB).

The CBN circulated the *United Nations Consolidated List* of persons/entities involved with terrorism financing or terrorist activities to financial institutions under its regulatory purview for appropriate action. It also issued other relevant circulars and notifications in respect of terrorism financing for compliance by financial institutions.

To further strengthen domestic collaboration, the CBN inaugurated the AML/CFT Stakeholders' Consultative Forum where regulators in the financial services industry meet regularly.

#### **2.4.5 Special/Follow-up/Target Examination**

Following the discovery of signs of distress in Consolidated Discount House Ltd, the Bank conducted a special investigation of the company. The outcome of the investigation revealed that the company's capital was significantly eroded requiring the injection of fresh capital of ₦148.0 billion to meet the minimum regulatory capital requirement. The development was attributed to a huge corporate fraud involving manipulation of records through hidden assets and customer liabilities. In the overarching interest of financial system stability, the CBN took over the company's management. The AMCON subsequently acquired the company and injected additional funds to recapitalise it. The funds from the recapitalization were used to settle non-bank deposit liabilities, while appropriate action was taken to prosecute the management of the company.

A joint CBN/NDIC risk-based examination of DMBs was conducted in two stages. In the first stage, fourteen (14) DMBs with a 'High' or "Above-Average" composite risk rating were examined, while six (6) with a "Low" or "Moderate" composite risk rating were examined in the second stage. Risk-based examination was also conducted on AMCON, the three (3) private credit bureau, and one (1) non-interest bank, and on the non-interest windows of conventional banks.

In addition, the CBN, in conjunction with the NDIC, carried out a risk assets assessment examination of the DMBs to ascertain their asset quality and adequacy of loan loss provisioning, aimed at facilitating the approval of the banks' 2013 annual accounts.

A maiden examination of the two (2) merchant banks was carried out during second half of the year. The examination report of one was issued to the bank in December for implementation, while the report of the other was outstanding. Similarly, the four (4) discount houses were examined in the first half of the year to verify their compliance with extant regulation. The exercise revealed some regulatory infractions which affected the going-concern status of some of the discount houses. Consequently, the operating licence of one was revoked due to severe under-capitalization, illiquidity and unwillingness/inability of shareholders to inject the additional capital required for its continued operations.

At end-December 2013, fifteen (15) joint examinations were conducted on off-shore subsidiaries of Nigerian banks with host supervisors in The Gambia, Ghana, Guinea, Liberia and Sierra Leone under the Harmonised Supervisory Programme in the West African Monetary Zone (WAMZ). Eight (8) cross-border on-site inspections of Nigerian banks in the other foreign jurisdictions outside the WAMZ were also carried out.

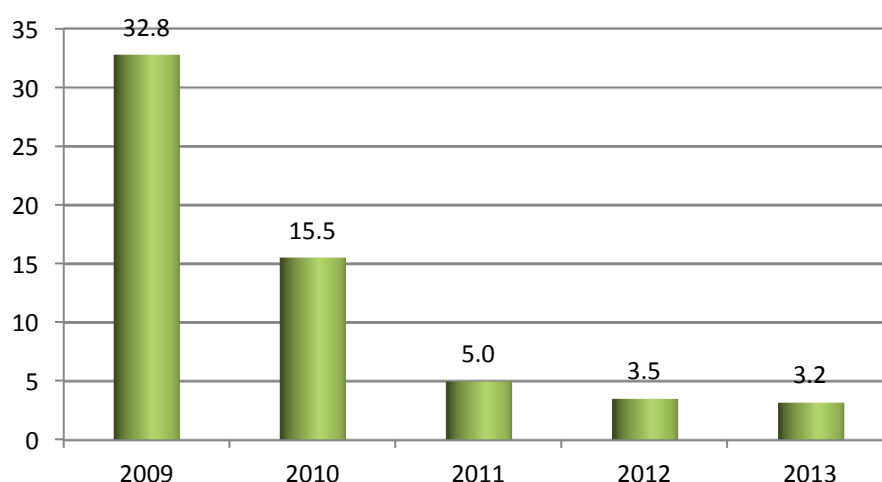
#### **2.4.6 Foreign Exchange Monitoring/Examination**

The CBN conducted an examination on the foreign exchange operations of the DMBs to ascertain their level of compliance with the extant laws and regulations. The exercise involved the evaluation of foreign exchange sourced and utilised, and adherence to the rules and regulations guiding foreign exchange operations. Major infractions identified included the failure to issue certificates of capital importation to beneficiaries on time, rendition of false returns to regulators, and non-compliance with the approved net open position limit. Appropriate sanctions were meted out to erring institutions.

#### **2.4.7 Banking Sector Soundness**

The health of banks in the industry was generally sound as their asset quality, measured by the ratio of non-performing loans to industry total, further improved from 3.47 per cent at end-December 2012 to 3.23 per cent. The industry average CAR for banks stood at 17.2 per cent, compared with the average of 18.1 per cent at end-December 2012. Available data further showed that all DMBs, with the exception of one (1), met the stipulated minimum ratio of 10.0 per cent at end-December 2013, as in the preceding year. The average industry liquidity ratio (LR), which stood at 63.9 per cent at end-December 2012, was 50.6 per cent and exceeded the prescribed LR of 30.0 per cent by 20.6 percentage points.

**Figure 2.15: Banks' Non-Performing Loans, 2009 - 2013**  
(% Total Credit)



Source: CBN

#### 2.4.8 Financial Literacy and Consumer Protection

The Bank's Financial Literacy Framework (FLF) was approved during the review period. The Framework articulated the strategic direction for implementation of the Bank's financial literacy initiatives towards the attainment of financial inclusion in Nigeria. The Bank, in collaboration with the relevant stakeholders, designed and commenced the implementation of the FLF. In this regard, the Financial Literacy Steering Committee (FLSC), which comprised all heads of

financial sector regulatory authorities in Nigeria and representatives of the Federal Ministries of Education, Finance, Information, and Communications Technology set the strategic direction for the attainment of financial literacy in Nigeria during the review period. A Financial Literacy Implementation Committee (FLIC) was also inaugurated to serve as the “working arm” of the FLSC, charged with responsibility for developing and implementing financial literacy policies in the country.

The Bank also commissioned the conduct of a baseline survey aimed at determining current levels of financial literacy in Nigeria, which would facilitate an evidence-based policy to enhance financial inclusion objectives. A pre-test of the questionnaire for the national financial literacy baseline survey, developed in conjunction with the National Bureau of Statistics (NBS), was conducted on six hundred (600) respondents in six states (Cross River, Enugu, Gombe, Kaduna, Niger and Oyo) across the six geopolitical zones during the review period.

The Bank, in collaboration with the German Development Corporation (GIZ), concluded the mapping/scoping of financial literacy activities. This was aimed at identifying financial literacy actors and practitioners operating in Nigeria, including existing financial literacy initiatives and interventions, as well as delivery channels, materials or curricula and sources of funding.

The Bank conducted mass awareness and consumer sensitization campaigns in five (5) state capitals in 5 geopolitical zones of the country. Consumers of financial products and services were educated on their rights and responsibilities in financial transactions, complaints resolution channels, importance of financial literacy, and the effect of dud cheques on the financial system.

#### **2.4.9 Examination of Other Financial Institutions**

The Bank carried out on-site examinations of 1,115 other financial institutions (OFIs) in 2013, compared with 1,196 in the preceding year. Specifically, the exercise involved the examination of 895 OFIs and spot-checks on 220 bureaux-de-change (BDCs).

On-site examination of 758 MFBs showed that 67.3 per cent met the CAR of 10.0 per cent, compared with 68.3 per cent in 2012. Furthermore, 72.6 per cent of the MFBs met the minimum LR of 20.0 per cent as against 82.4 per cent in 2012. Although the asset quality of the banks, measured by their portfolio-at-risk (PAR) ratio, improved significantly from 61.9 per cent in 2012 to 41.5 per cent, it remained higher than the prescribed maximum of 5.0 per cent. This revealed that most of the institutions were yet to adopt appropriate risk management frameworks. Accordingly, the CBN continued to mentor the institutions with the objectives of fostering a better understanding of the dynamics of the business and sound risk management practices necessary for the improvement of their operations.

On-site examination was conducted on the eighty-two (82) licensed primary mortgage banks (PMBs). The examination showed that the aggregate shareholders' funds of the PMBs grew from ₦19.79 billion in 2012 to ₦140.74 billion as at September 30, 2013. The examination further revealed that the ratio of non-performing loans to total loans improved from 54.8 per cent in 2012 to 42.0 per cent. Only 26 PMBs met the minimum mortgage assets to loanable funds ratio of 60.0 per cent, while three (3) met the minimum mortgage assets to total assets ratio of 50.0 per cent, reflecting persistent lack of focus on the core mortgage banking business by most operators. A major concern to the regulatory authority was that a substantial portion of PMBs' investible funds were held as placements and related cash investments with DMBs.

On-site examination of fifty-five (55) finance companies (FCs) in 2013 revealed that 40.0 per cent of the FCs met the capital adequacy ratio of 12.5 per cent and shareholders' funds unimpaired by losses of ₦20.0 million. Poor asset quality remained the bane of the sub-sector as the ratio of non-performing loans to total loan portfolio stood at 40.7 per cent, above the acceptable maximum ratio of 20.0 per cent. To reinvigorate the operations of the FCs, the CBN increased the required minimum capital of operators in the sub-sector to ₦100 million, from ₦20.0 million.

Spot-checks were carried out on 220 BDCs to verify the utilisation of foreign exchange. The exercise revealed that the following infractions persisted amongst the operators: non-rendition of returns on the purchase and utilization of foreign exchange; failure to keep basic accounting records; engaging in wholesale foreign exchange trading; non-implementation of anti-money laundering controls; poor documentation; and false and inaccurate returns to the CBN. Following the outcome of the exercise, 24 operators were suspended from purchasing foreign exchange from the CBN window for 3 months, 50 operators were suspended for 6 months, 58 were subjected to monetary sanctions ranging from ₦100,000.0 to ₦1.2 million, while the licences of 20 were revoked.

## 2.5 DEVELOPMENTAL FUNCTIONS OF THE CBN

### 2.5.1 The Agricultural Credit Guarantee Scheme Fund (ACGSF)

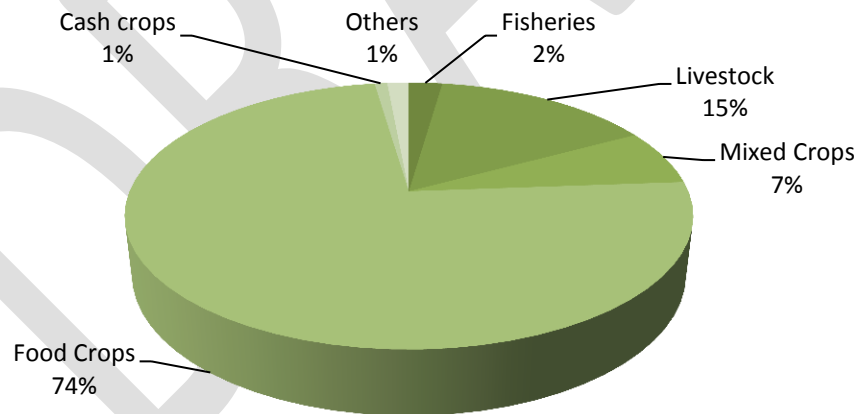
The volume of guaranteed loans under the Agricultural Credit Guarantee Scheme (ACGS) increased by 15.5 per cent to 56,277; however, the value declined by 2.9 per cent to ₦9.4 billion relative to the level in the preceding year. Analysis of loans guaranteed by category of banks indicated that commercial banks accounted for ₦5.6 billion to 19, 005 beneficiaries, compared



with ₦7.4 billion granted to 25,055 beneficiaries in 2012. Microfinance banks accounted for the balance.

A breakdown of the number of project loans guaranteed by states indicated that Edo State accounted for the highest number of projects guaranteed with 9,007 loans or 16.0 per cent, valued at ₦854.26 million, followed by Jigawa State with 4,587 loans or 8.2 per cent, valued at ₦315.67 million. Katsina State came third with 4,433 or 7.9 per cent, valued at ₦738.75 million. A sub-sectoral analysis of the loans guaranteed by purpose indicated the continued dominance of food crops, with a share of 41,551 (73.8 per cent). This was followed by livestock with 8,365 (14.9 per cent), mixed farming, 3,772 (6.7 per cent), fisheries 1,279 (2.3 per cent), cash crops 824 (1.5 per cent) and 'others' 486 (0.9 per cent). The cumulative number and value of loans guaranteed under the Scheme since its inception stood at 859,541 and ₦71.5 billion, respectively.

**Figure 2.16: Distribution of Number of Loans Guaranteed by Purpose under ACGS in 2013**



Source: CBN

Analysis of loans guaranteed by size in 2013 showed that 20,315 (36.1 per cent) of the beneficiaries had loans of ₦100.001 and above, while 35,962 (63.9 per cent) had loans below ₦100.000. This indicated that small holder borrowers dominated activities under the Scheme.

<b>TABLE 2.5: Distribution of Loans under the ACGSF by Volume and Value in 2013</b>		
<b>Category</b>	<b>Volume</b>	<b>Value in N'billion</b>
₦100,001 and above	20,315	7.19
₦100,000 and below	35,962	2.23
<b>TOTAL</b>	<b>56,277</b>	<b>9.42</b>

Source: CBN

The volume of repaid loans in 2013 was 49,510 loans valued at ₦8.7 billion. This represented a decline of 12.9 and 0.28 per cent in number and value, respectively, when compared with the levels in 2012. Analysis of the repaid loans showed that Delta State had the highest volume in the year with 6,404 of repaid loans valued at ₦1.1 billion, followed by Jigawa State and Katsina State with 5,562 and 5,467 of repaid loans valued at ₦393.1 million and ₦670.8 million, respectively. The cumulative volume and value of loans repaid from the inception of the Scheme to end December 2013 stood at 650,044 and ₦48.72 billion, respectively, representing 75.6 and 68.2 per cent of the total.

As at end-December 2013, the total number of claims settled stood at 376 valued at ₦52.2 million, bringing the cumulative since the inception of the Scheme to 14,265 valued at ₦453.5 million.

### 2.5.2 The Interest Draw-back Programme (IDP)

A total of 44,280 IDP claims, valued at ₦469.1 million, was settled in 2013, compared with 46,605 valued at ₦454.6 million in 2012. Cumulatively, 224,494 claims, valued at ₦1.9 billion, had been settled since the inception of the Scheme in 2004.

### 2.5.3 The Trust Fund Model (TFM)

Two (2) state governments, Anambra and Delta, signed Memoranda of Understanding (MoUs) under the TFM, placing the sum of ₦134.0 million in 2013.

A breakdown of the amount showed that Delta State, in conjunction with Oshili Multi-purpose Co-operative Society, placed ₦104.0 million with Union Bank of Nigeria Plc, while Anambra State placed the balance of ₦30.0 million with First Bank of Nigeria Plc. This brought the number of stakeholders under the TFM to 58, comprising 20 state governments, 17 local government councils, 4 Federal MDAs, 4 multinational oil companies, and 13 individuals/organisations with a total placement of ₦5.65 billion.

Table 2.6: Funds Placement under the Trust Fund Model (TFM) at end-December, 2013			
Type of Stakeholder	Amount (N'Billion)	Number	Remarks
Multinationals/Oil Companies	0.444	4	₦5 Million less due to suspension of MISCAD
SGs/LGAs	2.572	37	
Federal Govt. Agencies	2.000	4	
Indivisuals/Organizations	0.634	13	
<b>TOTAL</b>	<b>5.650</b>	<b>58</b>	<b>₦5 Million less due to suspension of MISCAD</b>

Source: CBN

#### 2.5.4 Operations of the Agricultural Credit Support Scheme (ACSS)

The cumulative number and value of projects for which interest rebate had been paid from the inception of the Scheme in 2006 remained at 46 and ₦876.8 million, respectively. No rebate was paid under the ACSS in 2013.

Table 2.7: Performance of the Agricultural Credit Support Scheme (ACSS)							
Performance Parameter	Jan - December 2011		Jan - December 2012		Jan - December 2013		2006 - December 2013
	No.	Value(N) million	No.	Value(N) million	No.	Value(N) million	No. Value(N) million
Application Received from banks	3	1.114	4	1.130	Nil	Nil	203 40,122.8
Approval by banks	3	1.114	4	1.130	Nil	Nil	203 30,902.3
Project submitted to CBN for verification	3	1.114	4	1.130	Nil	Nil	112 23,597.3
Project verified	2	1.014	4	1.130	Nil	Nil	107 21,037.3
Disbursement by banks	3	1.114	4	1.130	Nil	Nil	107 20,541.3
Aporoval for 6% interest rebate	–	–	4	32,506.0	Nil	Nil	46 0.876,787

Source: CBN

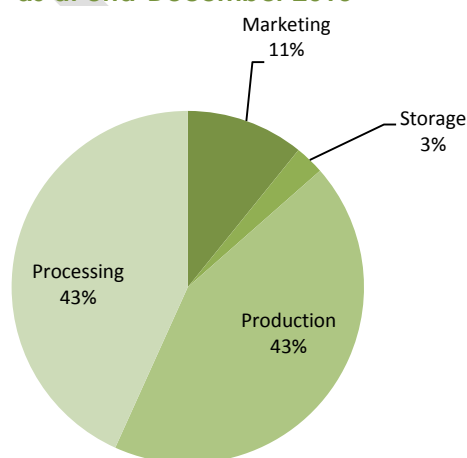
### 2.5.5 The Commercial Agriculture Credit Scheme (CACS)

In 2013, ₦26.5 billion was accessed by twelve (12) DMBs for thirty-seven (37) private projects. This represented a decline of 60.6 and 46.3 per cent in number and value of projects, respectively, when compared with 2012. Cumulatively, disbursements under the CACS at end-December 2013 amounted to ₦225.7 billion for 304 projects (274 private projects and 30 state governments, including the FCT). There was also an undisbursed balance of ₦0.17 billion at end-December 2013. The increased disbursement over the original amount of ₦200 billion made available under the Scheme was as a result of Management's approval of a Policy Enhancement Framework, which allowed for repayments to be ploughed back to accommodate new projects. The exit date was, however, retained at 2016.

Analysis of disbursements by value-chain indicated that processing was highest with 63.0 per cent, followed by production, marketing and storage, with 22.0, 14.0, and 1.0 per cent, respectively.

Twenty-seven (27) promoters repaid ₦114.6 billion in 2013, while the DMBs were charged a total of ₦0.27 billion as penalties.

**Figure 2.17: Analysis of Private Projects under the Commercial Agriculture Credit Scheme (CACS) as at end-December 2013**



Source: CBN

The employment potential of the Scheme continued to be realised with 65,209 jobs created by both private and state governments projects in 2013. Cumulatively, CACS-funded projects had generated 188,920 jobs, made up of 7,213 skilled, 13,119 unskilled and 168,588 indirect jobs, since their inception in 2009. Also, the capacity utilisation of beneficiary projects increased, ranging from 35.0 to 95.0 per cent, in activities such as poultry production, rice production and animal feed milling.

DRAFT

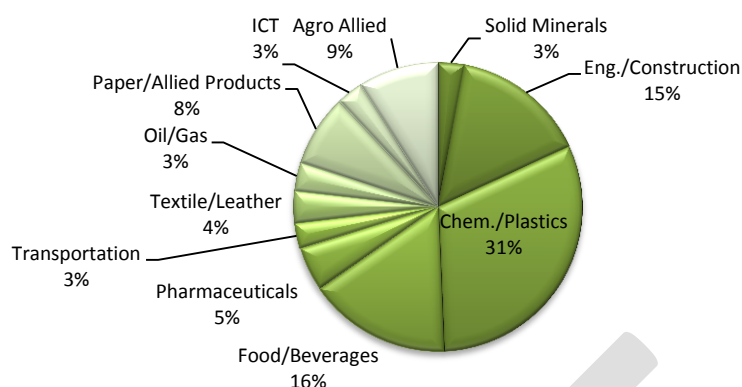
### 2.5.6 The SME/Manufacturing Refinancing and Restructuring Fund (RRF)

Following Management's approval for the utilisation of repayments from the Scheme to fund new projects, ₦29.0 billion was released to 38 SMEs. This brought the cumulative disbursements, through the BOI since its inception in 2010, to ₦264.0 billion for 574 projects. Sectoral analysis of disbursements showed that chemicals/plastics continued its dominance with a share of 31.0 per cent, followed by food/beverages, 16.0 per cent; engineering/construction, 15.0 per cent; agro-allied, 9.0 per cent; and paper/allied products, 8.0 per cent. The sum of ₦34.5 billion was repaid in 2013, which brought total repayments from the Fund's inception to ₦60.1 billion.

The 38 new projects funded under the RRF in 2013 generated 828 direct jobs. Thus far, over a million indirect jobs have been created under the Fund.

The aggregate turnover of the 38 new projects also increased from an average of ₦83.7 million per annum pre-intervention to ₦91.2 million post-intervention, indicating an increase of 9.0 per cent, compared with the level in 2012. The Fund continued to assist beneficiary firms to access long-tenor funds at concessionary interest rate and also, enhanced the liquidity of the participating DMBs.

**Figure 2.18: Sectoral Distribution of Loans under RRF in 2013**



Source: CBN

### 2.5.7 The Small and Medium Enterprises Credit Guarantee Scheme (SMECGS)

In 2013, twenty-five (25) projects valued at ₦1.2 billion were guaranteed under the SMECGS. Since its inception in April 2010, the cumulative number of projects guaranteed under the Scheme stood at 65, valued at ₦3.1 billion. A sectoral analysis of the projects guaranteed by volume indicated that services accounted for twenty-one (21) or 84.0 per cent, followed by manufacturing with three (3) or 12.0 per cent and agro-allied with one (1) or 4.0 per cent. A total of sixteen (16) projects repaid ₦0.93 billion in 2013.

### 2.5.8 The Micro, Small and Medium Enterprises Development Fund (MSMEDF)

Efforts to address access to finance by the lower strata of the business pyramid crystallised with the launch of the ₦220.0 billion Micro, Small and Medium Enterprises Development Fund (MSMEDF) in 2013. The Fund, which targets 60.0 per cent women entrepreneurs would be administered at a single digit interest rate. The guidelines for the operation of the Fund were released by the Bank for the participation of state governments, microfinance banks, microfinance institutions, non-governmental organisations and cooperative societies.

### 2.5.9 The Power and Airline Intervention Fund (PAIF)

Under the Power and Aviation Intervention Fund (PAIF), ₦51.2 billion was released to the BOI for disbursement to participating DMBs. Nine (9) power projects received ₦25.24 billion and one (1) airline project received ₦26.0 billion.

The cumulative amount released to the BOI since the inception of the Scheme in 2010 stood at ₦232.7 billion for 45 projects, consisting of ₦115.7 billion for 29 power projects and ₦116.9 billion for 16 airline projects. As at end-December 2013, ₦12.6 billion had been repaid. A breakdown of the amount showed that ₦3.2 billion was repaid by ten (10) power projects, while the balance of ₦9.40 billion was repaid by nine (9) airline projects.

The Fund has significantly improved the liquidity position of the DMBs and the balance sheet of the beneficiary companies. The concessionary interest rate of 7.0 per cent at which the facilities were granted, coupled with the long tenor of 10-15 years, has resulted in significant savings on interest expense of over ₦12.9 billion for the beneficiary firms. The introduction of the Fund continued to provide sustenance for the domestic airlines. There was also a significant improvement in the non-performing loans of the participating banks. The Fund has also had salutary outcomes in the power sector. Twenty- nine (29) of the power projects financed under the PAIF had a combined generating capacity of 847.4 MW.

#### **2.5.10 Entrepreneurship Development Centres (EDCs)**

Three (3) new EDCs located in Maiduguri, Makurdi and Calabar trained 4,187 young entrepreneurs, representing 69.9 per cent of the set target, and created 1,031 new jobs in 2013. Also, 317 graduates accessed loans valued at ₦22.4 million to start their own businesses, while ₦20.9 million was earned by the EDCs as commitment fees from trainees. Cumulatively, the six (6) EDCs in 2013 trained 5,328 individuals, created 2,824 jobs, and facilitated the establishment of 633 new businesses. Since their inception, the centres have trained 41, 828 youths, offered business development and advisory services to 22,795 trainees, enabled the creation of 4,891 businesses, and generated 11, 414 new jobs.

#### **2.5.11 The National Youth Service Corp (NYSC) Sensitisation**



Under the entrepreneurship development initiative of the Bank, 147,723 National Youth Service Corp members were sensitised on the potential sources of finance for business and the developmental initiatives of the Bank at the NYSC orientation camps nationwide. This showed an increase of 17.0 per cent compared with the level in 2012.

#### **2.5.12 The Nigeria Incentive-based Risk Sharing System for Agricultural Lending (NIRSAL)**

In 2013, the Board of the Bank approved the ₦75.0 billion Seed Fund for NIRSAL, under a redeemable debenture with a coupon of 1.0 per cent. Twenty-six (26) credit risk guarantees (CRGs), amounting to ₦9.7 billion, were consummated with ten (10) counter parties. This brought the cumulative number/value of CRGs issued from the inception of the System to forty-four (44) projects valued at ₦14.3 billion. Analysis of the CRGs by activity indicated that agro-processing projects accounted for 69.9 per cent, while livestock production, crop production and input distribution projects accounted for 15.6, 10.4 and 4.1 per cent, respectively. Also, ₦67.5 million was paid as interest drawback to deserving beneficiaries. NIRSAL also guaranteed ₦19.6 billion to 113 agro-dealers, under the Growth Enhancement Scheme of the Federal Ministry of Agriculture and Rural Development in 2013.

#### **2.5.13 Establishment of the National Collateral Registry**

In order to address the practice of serial borrowing with the same collateral, the CBN, in collaboration with the International Finance Corporation and relevant MDAs, facilitated the establishment of the National Collateral Registry (NCR) in 2013. The Registry would serve as a central database for records of both movable and immovable properties provided by borrowers to secure credit facilities from financial institutions, and would be web-based, anchored on the

platform of the Corporate Affairs Commission, but managed by the CBN. Other expected benefits of the NCR would include:

- Reduction in non-performing loans, due to stronger secured creditors' rights and better enforcement mechanism;
- Spillover effect in the development of other financing mechanisms, such as leasing and factoring; and
- Strengthening the financial system through diversification of assets.

The project is expected to be fully operational by the fourth quarter 2014.

**BOX 4: DEVELOPMENTS IN THE NATIONAL FINANCIAL INCLUSION PROGRAMME**

Following the launch of the National Financial Inclusion Strategy in 2012, the Bank established a Financial Inclusion Secretariat to coordinate the implementation of the programme. Borno State was selected for the pilot implementation because of its peculiarity as the state with one of the highest financial exclusion rates in Nigeria. As part of the implementation, a Financial Inclusion Office was set up in the Office of the Borno State Governor to liaise with the Financial Inclusion Secretariat of the Central Bank of Nigeria. Progress made by the programme in the state included the establishment of a microfinance bank to support financial inclusion activities in the state, such as coordinating the disbursement of the ₦200.0 million loan released by the state government to EDC graduates, and collaborating with the state Ministry of Education to include financial literacy in the school curriculum.

In addition, the Bank launched and released the survey report of a geospatial mapping of financial services access points that was conducted by the Bill and Melinda Gates Foundation. The report contained the branch distribution of DMBs and microfinance banks, NGOs, ATMs, motor parks, NIPOST offices, etc. across the country. The survey is expected to be updated annually. In a related development, the Bank hosted the World Economic Forum workshop that discussed strategies for overcoming obstacles to financial inclusion in Nigeria. The workshop identified Agent Banking as essential to the success of the programme.

Furthermore, the Bank issued guidelines on Agent Banking, the Know Your Customer (KYC) initiative, the Cashless Policy, the Micro Small and Medium Enterprises Development Fund (MSMEDF), and the Framework on Consumer Protection and Financial Literacy. Following these key activities by the CBN, the DMBs keyed in by institutionalising financial inclusion into their corporate strategy and rolled out specific products that support savings mobilisation from diverse clienteles. Other programmes included; implementing a tiered customer framework which provided easier means of identification and account opening; target setting for ATM and PoS growth over the years; establishing customer help desks for dispute resolution and engendering confidence; adopting an agent banking model; and commencing the Implementation of mobile money services.

## CHAPTER THREE

## THE GLOBAL ECONOMY

The pace of recovery of the global economy was modest in 2013. Global output growth rate was 3.0 per cent, compared with 3.1 per cent in 2012, reflecting, mainly, the slower-than-expected growth in advanced and emerging market economies. Inflation moderated in 2013, in line with the decline in the average consumer price index (CPI) in advanced economies. This development was driven by lower prices of commodities, due to subdued demand and slow economic recovery. International financial markets continued to show signs of fragility, arising mainly from weakening credit, and reversal of capital flow from emerging markets and indications of possible tapering by the US Federal Reserves from mid-2013. In response to these developments, the central banks of most emerging and frontier economies began to firm up monetary policy to soothe market/investors' apprehension.

### 3.1 OUTPUT GROWTH

Global growth slowed to 3.0 per cent, from 3.1 per cent in 2012, reflecting mainly slow growth in the US and some emerging market economies, in particular, Russia, Mexico and South Africa.

*Global output growth rate declined to 3.0 per cent, from 3.1 in 2012, reflecting mainly slower-than-expected growth in both the advanced and emerging market economies.*

Growth in the advanced economies moderated to 1.3 per cent, from 1.4 per cent in 2012, as unemployment remained high against the backdrop of weak demand and credit.

The US economy posted a GDP growth of 1.9 per cent, down from 2.8 per cent in 2012, due, largely, to fiscal challenges and weak demand as well as market fragilities in the rest of the world. Contraction in output in the euro area, however, moderated from negative 0.7 per cent in 2012 to negative 0.4 per cent. High unemployment continued to be a major economic and social

concern of the region. In China, growth, at 7.7 per cent, remained flat in 2013. Although it met the conservative target of 7.5 per cent, it was lower than recent years' average. Key constraints on the Chinese economy included rising labour and environmental costs. The slowdown in economic activity in China continued to affect the rest of Asia, reflecting in a slowdown in Asian growth to 5.0 per cent, from 6.2 per cent in 2012.

Growth in emerging and developing economies also declined by 0.2 percentage points to 4.7 per cent, from 4.9 per cent in 2012. The development was due, largely, to the spillover effects of the slowdown in major advanced economies, especially the U.S, and domestic factors, such as policy tightening in response to the challenges of currency and capital flows. Similarly, GDP growth rates in the Commonwealth of Independent States (CIS), and in the Middle East and North Africa (MENA), including Afghanistan and Pakistan, weakened to 2.1 and 2.4 per cent from the respective rates of 3.4 and 4.1 per cent in 2012. In Russia, growth fell to 1.5 per cent, from 3.4 per cent in 2012, on account of falling commodity prices and a weaker external environment. Growth in Latin America and the Caribbean also declined to 2.6 per cent, from 3.0 per cent in 2012. In sub-Saharan Africa (SSA), however, growth strengthened to 5.1, from 4.8 per cent in 2012, due to strong domestic demand and favourable non-fuel commodity prices.

**Table 3.1: Changes in World Output and Prices, 2009-2013  
(per cent)**

	Output					Consumer Prices				
Region/Country	2009	2010	2011	2012	2013*	2009	2010	2011	2012	2013*
<b>World Output</b>	3.0	5.2	3.8	3.1	3	2.4	3.4	4.2	3.8	3.7
Advanced Economies	-3.4	3.2	1.6	1.4	1.3	0.7	1.1	2.7	2.0	1.4
United States	-2.6	3.0	1.8	2.8	1.9	0.9	0.9	3.1	2.1	1.4
Japan	-6.3	4.4	-0.9	1.4	1.7	-0.9	-2.1	-0.3	0.0	0.0
Germany	-4.7	3.6	3.0	0.9	0.5	0.2	1.3	2.5	2.1	1.6
France	-2.5	1.4	1.6	0.0	0.2	0.1	1.6	2.1	2.2	1.0
Italy	-5.0	1.5	0.4	-2.5	-1.8	0.8	1.6	2.9	3.3	1.6
United Kingdom	-4.9	2.1	0.9	0.3	1.7	2.1	3.1	4.5	2.8	2.7
Euro Area	-4.1	1.9	1.6	-0.7	-0.4	0.3	1.6	2.7	2.5	1.5
Other Advanced Economies	-1.2	5.8	3.3	1.9	2.2	0.8	2.7	3.1	2.0	1.5
Commonwealth of Independent States (CIS)	-6.6	4.6	4.5	3.4	2.1	11.2	7.2	10.1	6.5	6.5
<b>Regional Groups</b>										
Central and Eastern Europe	-3.6	4.5	5.1	1.4	2.5	4.7	5.2	5.2	5.8	4.1
Russia	-7.9	4.0	4.1	3.4	1.5	11.7	6.6	8.4	5.1	6.7
Latin America and the Caribbean	0.4	6.1	3.0	3.0	2.6	3.6	6.4	6.6	5.9	6.7
Asia	7.0	9.5	7.9	5.1	5.2	3.1	6.1	5.0	3.6	3.8
Middle East	1.8	4.3	3.1	4.1	2.4	6.7	6.8	9.7	10.8	12.3
China	9.2	10.4	9.2	7.7	7.7	-0.7	3.5	5.4	2.6	2.7

Source: WEO, January 2014

\*Provisional

### 3.2 GLOBAL INFLATION

World consumer prices fell relative to 2012 in most regions, driven mainly by lower commodity prices and weak demand. In the advanced economies, consumer prices fell to 1.4 per cent, from 2.0 per cent in 2012. In the United States, consumer prices declined to 1.4 per cent, from 2.1 per cent in 2012.

*World consumer prices fell in 2013 relative to 2012 in most regions.*

In Europe, consumer prices fell from 3.0 to 2.0 per cent in 2012. Switzerland and Greece experienced deflation at -0.2 and -0.8 per cent, respectively, while Denmark, the Czech Republic and Latvia recorded inflation of less than 1.0 per cent. The highest rates were observed in Serbia (8.5%), Romania (4.5%), Iceland (3.7%) and Estonia (3.5%).

In Asia, inflation increased to 3.8, from 3.6 per cent in 2012, driven by increased commodity prices as the lag effect of policy tightening by most of the economies waned. In China, for example, inflation rose to 2.7 from 2.6 per cent. In Japan, however, inflation, at 0.0 per cent, remained flat in 2013. In Latin America and the Caribbean, inflation rose to 6.7, from 5.9 per cent in 2012. Consumer prices in Brazil, Argentina and Venezuela rose to 6.3, 10.5 and 37.9 per cent, from 5.4, 10.0 and 21.1 per cent, respectively, in 2012.

In the CIS, inflation, at 6.5 per cent, remained flat in 2013, but rose to 6.7 from 5.1 per cent in Russia, while in Belarus it dropped significantly from 59.2 per cent in 2012 to 17.5 per cent.

Consumer prices in the MENA region continued to rise on the heels of lingering political instability and fiscal expansion by major oil-exporting countries in the region. Inflation increased to 12.3, from 10.8 per cent in 2012, driven mainly by price developments in the oil-exporting countries of the region. In that cluster, inflation rose to 13.8 from 11.4 per cent in 2012.

In sub-Saharan Africa, inflation moderated in 2013, falling to 6.9 per cent from 9.0 per cent in 2012. This was driven, mainly, by the decline in inflation rate by 2.1 percentage points to 8.7 from 10.8 per cent in 2012 for the group of oil-

*In Sub-Saharan Africa, inflation maintained the path of moderation in 2013, falling to 6.9 per cent from 9.0 in 2012.*

exporters; and the drop from 12.7 to 6.3 per cent in the low-income countries cluster. In Nigeria, inflation rate fell to 8.0 from 12.0 per cent, due mainly to sustained monetary policy tightening.

### 3.3 GLOBAL COMMODITY DEMAND AND PRICES

Commodity prices fluctuated mildly in 2013 as metal and food prices rose, while energy prices declined. The offsetting effect of the decline kept the aggregate

index flat during most of 2013. The IMF food index trended downwards in the latter months of 2013. Overall, the index declined to 172.7 from 179.0 in 2012. The decrease was driven by a rebound in the output of some crops, such as wheat and barley from Canada and Australia after the 2012 drought. Likewise, metal prices fell as the aggregate index declined to 179.1 from 192.7 in 2012. The influence of the slowing growth in emerging markets remained strong on global commodity demand and prices. Energy prices rose, leading to an increase in the aggregate index to 194.1 from 188.5 in 2012. The petroleum index, a component of the energy index, rose to 198.7 from 190.8. Production outages in Libya and other Organisation of Petroleum Exporting Countries (OPEC) member countries and growing demand were some of the factors responsible for the increase in petroleum prices.

### 3.4 WORLD TRADE

After the decline in 2012, growth in world trade regained momentum in 2013. From 2.0 per cent in 2012, the World Trade Organisation (WTO) estimated growth at 2.5 per cent for 2013, against the background of strengthening imports from developing countries and the CIS. Although EU imports slowed, hurting the exports of trading partners, this was partly cushioned by developing countries.

*Growth in world trade rose to 2.5 from 2.0 per cent in 2012 on account of strengthening imports from developing countries.*

In the advanced economies, both imports and exports rose from 0.5 and 1.7 per cent in 2012 to 1.0 and 2.4 per cent, respectively. In the emerging markets and developing countries, imports rose slightly to 5.3 per cent from 5.1 per cent in 2012, while exports declined to 3.3 from 4.7 per cent in 2012.

In the advanced economies, the terms of trade improved from a deficit of 1.2 per cent in 2012 to 0.3 per cent, while in emerging and developing economies, it deteriorated from a surplus of 0.3 per cent to a deficit of 0.6 per cent.



Table 3.2: World Trade Volumes, 2009 - 2013

(Average Annual Percentage Change in Trade in Goods and Services)

	Advanced					Emerging and Developing				
Volume of Trade	2009	2010	2011	2012	2013	2009	2010	2011	2012	2013
Exports	-1.4	11.5	5.6	1.7	2.4	-8.0	13.8	6.6	4.7	3.3
Imports	-13.6	12.2	4.6	0.5	1.0	-9.5	15	8.4	5.1	5.3
Terms of Trade	3.8	-1.2	-1.6	-0.8	-0.3	-5.7	3.3	3.5	0.3	-0.6

Source: World Economic Outlook, October, 2013 and January, 2014 updates

### 3.5 INTERNATIONAL FINANCIAL MARKETS

Recovery in the global financial markets was slow in 2013. Some of the developments that hindered speedy recoveries included the protracted fiscal conundrum in the U.S, the mid-year announcement by the Fed about the commencement of QE3 tapering and the consequential capital flow reversal, and currency challenges in emerging markets.

#### 3.5.1 Money Markets

Globally, activities in the money market were driven, largely, by the easing of monetary conditions as most central banks cut policy rates to engender recovery from economic recession. Perception of a lull in downside risks and expectations of a protracted period of low policy rates sustained financial markets, even as capital flows into EMEs receded following yield recoveries in the US.

In addition, private non-financial sector debt edged up globally. This was due to the very high debt accumulated during the pre-crisis period, the accommodative monetary policy in response to the financial crisis and the fragile economic conditions in the advanced economies. However, the balance sheets of many financial institutions remained weak, especially in the advanced economies, and have continued to experience slow growth. These

conditions continued to cause vulnerabilities in emerging markets and developing economies.

### 3.5.2 Capital Markets

Activities in the global capital markets in 2013 were driven largely by the accommodating monetary policy stance, particularly in the last quarter of the year, as markets were reassured of continued quantitative easing by the US Fed. The suspension of the proposed tapering resulted in gains for the global bonds and equities markets. Yield on the 10-year Treasury Bond, which peaked at 3.0 per cent in early September, dropped to 2.5 per cent in late October, with European bond markets declining.

The price of Japanese government bonds fluctuated significantly, reflecting uncertainties, as investors were wary of the impact of the new Japanese policy to reflate the economy. The Bank of Japan (BOJ) carried out a 1-year funding operations to provide liquidity and stem volatility. This was, however, temporary as in mid-May, the Japanese Government Bond (JGB) market witnessed a bout of extreme volatility. Yields rose precipitously and the potential for inflation risk subdued trading activity in JGB markets. In emerging markets, government bond yields remained high, and equity indices recovered slightly. Similarly, emerging market bonds witnessed significant outflows for the period, June to November 2013. The subdued performance reflected, partly, market participants' cautiousness to invest in bonds, given the headwinds associated with the reversal of the proposed phasing out of US huge purchases of assets.

Following the easing of policy rates globally, stock market indices showed mixed developments. While the policy climate buoyed the indices of major bourses, some of the emerging market Exchanges slowed down. Major Exchanges gained 10.0–25.0 per cent from early 2013 to end-November. In North America, the S&P 500 index and Canada's S&P/TSX Composite increased by 29.60 and

9.55 per cent, respectively, while Mexico's Bolsa index decreased by 2.24 per cent. The S&P 500 rose to its highest level on November 15, as the designated Fed Chair reassured the market of maintaining the prevailing policy stance. US equities performed better relative to bonds in anticipation of continued easing.

The European FTSE 100, CAC 40, DAX and MICEX indices increased by 13.1, 16.3, 23.7 and 1.7 per cent, respectively. In South America, Argentina's Merval index increased by 49.8 per cent, while Brazil's Bovespa and Columbia's IGBC General indices decreased by 15.50 and 11.2 per cent, respectively. In the Asian market, Japan's Nikkei 225 index increased by 56.7 per cent, while China's Shanghai Stock Exchange A and India's BSE Sensex indices decreased by 6.80 and 9.2 per cent, respectively.

Stock exchanges in Africa were also boosted by the quantitative easing in developed countries. As at December 31, 2013, Ghana's GSE ASI, Nigeria's NSE ASI, Egypt's EGX CASE ASI, Kenya's Nairobi's NSE 20 and South Africa's JSE All-Share indices increased by 78.8, 47.2, 23.6, 19.2, and 16.2, per cent, respectively.

Table 3.3: Selected International Stock Market Indices as at December 31, 2013

Continent/Country	Index	31-Dec-12	28-Jun-13	31-Dec-13	Year - on - Year ((a) and (C))	Jun 28, 2013 - Dec 31, 2013 % Change
AFRICA		(a)	(b)	(c)	(d)	(e)
Nigeria	NSE All-Share Index	28,078.81	36,164.31	41,329.10	47.19	14.28
South Africa	JSE All-Share Index	39,803.62	39,803.62	46,256.23	16.21	15.86
Kenya	Nairobi NSE 20 Share Index	4,133.02	4,598.16	4,926.97	19.21	7.15
Egypt	EGX CASE 30	5,485.91	4,752.22	6,782.84	23.64	42.73
Ghana	GSE All-Share Index	1,199.72	1,880.26	2,145.20	78.81	14.09
NORTH AMERICA						
US	S&P 500	1,426.19	1,606.28	1,848.36	29.60	15.07
Canada	S&P/TSX Composite	12,433.53	12,129.11	13,621.55	9.55	12.30
Mexico	Bolsa	43,705.83	40,623.30	42,727.09	-2.24	5.18
SOUTH AMERICA						
Brazil	Bovespa Stock	60,952.08	47,457.13	51,507.16	-15.50	8.53
Argentina	Merval	2,854.29	2,976.27	5,391.03	88.87	81.13
Columbia	IGBC General	14,715.84	12,828.49	13,071.27	-11.18	1.89
EUROPE						
UK	FTSE 100	5,969.66	6,280.60	6,749.09	13.06	7.46
France	CAC 40	3,693.50	3,774.67	4,295.95	16.31	13.81
Germany	DAX	7,612.39	7,959.22	9,552.16	25.48	19.77
Russia	MICEX	1,477.87	1,332.02	1,503.39	1.73	12.87
ASIA						
Japan	NIKKEI 225	13,677.32	13,852.50	16,291.13	56.72	19.11
China	Shanghai SE A	2,376.04	2,068.08	2,214.89	-6.80	6.05
India	BSE Sensex	23,311.98	19,577.39	21,170.68	-9.19	8.14

Source: Bloomberg

### 3.5.3 The International Foreign Exchange Market

In Europe, the British pound and the euro appreciated against the U.S. dollar by 3.12 and 3.64 per cent, respectively, while the Russian ruble depreciated against the U.S. dollar by 7.68 per cent. In North America, the Canadian dollar depreciated against the U.S. dollar by 0.58 per cent. The Brazilian real, the Argentine peso and the Colombian peso in South America similarly fell against the U.S. dollar by 13.24, 24.64 and 8.75 per cent, respectively. In Asia, the Chinese yuan rose relative to the U.S. dollar by 3.01 per cent, while the

Japanese yen and the Indian rupee depreciated against the U.S. dollar by 18.34 and 11.37 per cent, respectively. In Africa, the naira appreciated vis-à-vis the U.S. dollar by 0.04 per cent, while the rand, the Kenyan shilling, the Egyptian pound and the Ghanaian cedi all depreciated against the U.S. dollar by 19.39, 0.29, 11.00 and 19.89 per cent, respectively.

Table 3.4: Exchange Rates of Selected Countries (Value in currency units to US\$)						
Continent/Country	Currency	28-Dec-12	31-Oct-13	31-Dec-13	MTM% App/Dep	YTD % App/Dep
AFRICA	(a)	(b)	(c )	(d)	(e )	(f)
Nigeria	Naira	157.33	157.42	157.27	0.1	0.04
South Africa	Rand	8.48	10.03	10.52	-4.66	-19.39
Kenya	Shilling	86.05	85.35	86.3	-1.1	-0.29
Egypt	Pound	6.19	6.89	6.95	-0.86	-11
Ghana	Cedi	1.91	2.22	2.38	-6.72	-19.89
NORTH AMERICA						
US	Dollar	1.00	1.04	1.06	-1.89	-5.94
Canada	Dollar	13.02	13.03	13.10	-0.53	-0.58
SOUTH AMERICA						
Brazil	Real	2.05	2.23	2.36	-5.51	-13.24
Argentina	Peso	4.91	5.91	6.52	-9.36	-24.64
Columbia	Peso	1760.75	1891.67	1929.51	-1.96	-8.75
EUROPE						
UK	Pound	0.62	0.63	0.6	5.00	3.12
France	Euro	0.76	0.74	0.73	1.37	3.64
Russia	Ruble	30.35	32.09	32.87	-2.37	-7.68
ASIA						
Japan	Yen	86.75	98.31	105.26	-6.60	-18.34
China	Yuan	6.23	6.09	6.05	0.66	3.01
India	Rupee	54.78	61.5	61.8	-0.49	-11.37

Source: Bloomberg

MTM – Month-to-Month

YTD = Year to Date

### 3.5.4 Central Bank Policy Rates

The stance of monetary policy varied across countries in 2013. Most central banks in the advanced economies maintained their easing stance to reduce unemployment and strengthen financial markets. Despite the indication by the

US Fed early in the year on the commencement of QE3 tapering, the stance of US monetary policy remained accommodative all through the year, with federal funds rate kept at 0.25 per cent. In Europe, as inflation fell below target to 0.7 per cent and, given the prevailing weak economic conditions, the ECB sustained its refinancing operations. Interest rates remained low in anticipation of improvement in economic and inflationary conditions. Similarly, the Bank of Japan signalled its intention to maintain an easy stance in order to raise prices to 2.0 per cent over a two-year period. Accordingly, the Bank maintained its policy rate at 0.10 per cent as in 2012. In August, the Bank of England (BOE) provided forward guidance on a possible interest rate adjustment. The Bank indicated unambiguously that it would maintain a stimulative stance until the unemployment rate attained the 7.0 per cent threshold. Consequently, the Bank retained its policy rate at 0.5 per cent throughout 2013.

In emerging and developing economies, the monetary policy direction was mixed. Those that tightened policy through rate adjustment in 2013 included Brazil, Indonesia and Ghana, where policy rates were raised to 10.0, 7.5 and 16.0 per cent, respectively, from 7.25, 5.75 and 15.0 per cent at end-2012. On the other hand, India, Russia and Kenya reduced their policy rates from 8.0, 8.25 and 11.0, respectively, to 7.75, 5.5 and 8.5 per cent by end-2013. Nigeria, China

*Monetary policy stance remained accommodating in most economies in 2013, particularly among the developed economies.*

and South Africa retained policy rates at 12.0, 6.0 and 5.0 per cent, respectively, in 2013.

The central banks that reduced rates did so primarily to address growth and employment concerns, while those that raised rates were more concerned with reining-in inflation threats and foreign exchange demand pressure.

Table 3.5: Monetary Policy Rates of Selected Countries, 2012-2013

	Ghana	S. Africa	Kenya	Nigeria	Brazil	USA	Japan	Euro Area	India	Russia	China	UK	Indonesia
<b>2012</b>													
January	12.50	5.50	18.00	12.00	10.50	0.25	0.10	1.00	8.50	8.50	6.56	0.50	6.00
February	13.50	5.50	18.00	12.00	10.50	0.25	0.10	1.00	8.50	8.50	6.56	0.50	5.75
March	13.50	5.50	18.00	12.00	9.75	0.25	0.10	1.00	8.50	8.50	6.56	0.50	5.75
April	14.50	5.50	18.00	12.00	9.00	0.25	0.10	1.00	8.00	8.00	6.56	0.50	5.75
May	14.50	5.50	18.00	12.00	8.50	0.25	0.10	1.00	8.00	8.00	6.00	0.50	5.75
June	15.00	5.50	18.00	12.00	8.50	0.25	0.10	1.00	8.00	8.00	6.00	0.50	5.75
July	15.00	5.00	16.50	12.00	8.00	0.25	0.10	0.75	8.00	8.00	6.00	0.50	5.75
August	15.00	5.00	16.50	12.00	7.50	0.25	0.10	0.75	8.00	8.00	6.00	0.50	5.75
September	15.00	5.00	13.00	12.00	7.50	0.25	0.10	0.75	8.00	8.00	6.00	0.50	5.75
October	15.00	5.00	13.00	12.00	7.25	0.25	0.10	0.75	8.00	8.25	6.00	0.50	5.75
November	15.00	5.00	11.00	12.00	7.25	0.25	0.10	0.75	8.00	8.25	6.00	0.50	5.75
December	15.00	5.00	11.00	12.00	7.25	0.25	0.10	0.75	8.00	8.25	6.00	0.50	5.75
<b>2013</b>													
January	15.00	5.00	9.50	12.00	7.25	0.25	0.10	0.75	7.75	8.25	6.00	0.50	5.75
February	15.00	5.00	9.50	12.00	7.25	0.25	0.10	0.75	7.75	8.25	6.00	0.50	5.75
March	15.00	5.00	9.50	12.00	7.50	0.25	0.10	0.75	7.25	8.25	6.00	0.50	5.75
April	15.00	5.00	8.50	12.00	7.50	0.25	0.10	0.75	7.25	8.25	6.00	0.50	5.75
May	16.00	5.00	8.50	12.00	8.00	0.25	0.10	0.50	7.25	8.25	6.00	0.50	5.75
June	16.00	5.00	8.50	12.00	8.00	0.25	0.10	0.50	7.25	8.25	6.00	0.50	6.00
July	16.00	5.00	8.50	12.00	8.50	0.25	0.10	0.50	7.25	8.25	6.00	0.50	6.50
August	16.00	5.00	8.50	12.00	9.00	0.25	0.10	0.50	7.25	8.25	6.00	0.50	7.00
September	16.00	5.00	8.50	12.00	9.00	0.25	0.10	0.50	9.25	8.25	6.00	0.50	7.25
October	16.00	5.00	8.50	12.00	9.50	0.25	0.10	0.50	9.00	8.25	6.00	0.50	7.25
November	16.00	5.00	8.50	12.00	10.00	0.25	0.10	0.25	7.75	5.50	6.00	0.50	7.50
December	16.00	5.00	8.50	12.00	10.00	0.25	0.10	0.25	7.75	5.50	6.00	0.50	7.50

Source: 1. [www.cbrates.com](http://www.cbrates.com)

2. Bloomberg

### 3.6 THE IMPACT OF GLOBAL ECONOMIC DEVELOPMENTS ON THE NIGERIAN ECONOMY

The period under review witnessed a number of global developments with significant consequences for the Nigerian economy. Major developments of interest included the slow pace of recovery in the advanced economies particularly, Europe; growth moderation and market fragilities in emerging markets, especially China; quantitative easing measures in advanced

economies; falling global inflation and a fairly stable oil price. Some of these developments had adverse impacts while others had salutary effects on the country's economic indicators.

With regard to domestic inflation, falling global consumer prices had a positive effect on consumer prices in the country, particularly for products with significant import content. Inflation remained within the single digit in 2013. This effect was, nonetheless, strengthened by the stable naira exchange rate and the tight stance of monetary policy during the year. Domestic output response to international developments was equally balanced. The relatively high price of crude oil in 2013 partly upset the negative effects of the decline in domestic crude oil production on government oil revenue, and, in addition, did not have adverse effects on downstream prices because of the subsidy element in them.

Domestic financial markets remained resilient although they reacted to some of the international developments. Capital inflows remained robust until yields and interest rates in advanced economies started showing signs of recovery, particularly as the US Fed signalled its intention to cut back on QE3. Increased outflows in the second half intensified the pressure in the foreign exchange market and on Nigeria's external reserves towards the end of 2013. The effect of this development was not very pronounced on the stock market partly because the official exchange rate was stable, in addition to improved investor confidence in the country's macroeconomic environment. The Nigeria All-Share Index (ASI) rose significantly by 47.2 per cent to 41,329.19, from 28,078.81 at end-December 2012. Similarly, the equities market capitalisation (MC) increased significantly, by 47.4 per cent, from ₦8.97 trillion on December 31, 2012 to ₦13.23 trillion.



DRAFT

## CHAPTER FOUR

## FINANCIAL SECTOR DEVELOPMENTS

Nigeria's financial sector remained relatively stable in 2013, attributable to the various measures taken by the Bank to enhance stability in the system.

Monetary policy in 2013 remained restrictive, with the policy rate and the liquidity ratio maintained at 12.0 and 30.0 per cent, respectively, throughout the year. Consequently, growth in money supply,  $M_2$ , was sluggish at 1.2 per cent, which was significantly lower than the benchmark for the fiscal year and the rate attained at the end of the preceding year. Growth in aggregate domestic credit (net) stood at 18.5 per cent, in contrast to the decline of 3.5 per cent at end 2012, following the substantial growth in both net claims on the Federal Government and credit to the private sector. Reserve money exceeded the benchmark for the year and the growth rate attained at the end of 2012.

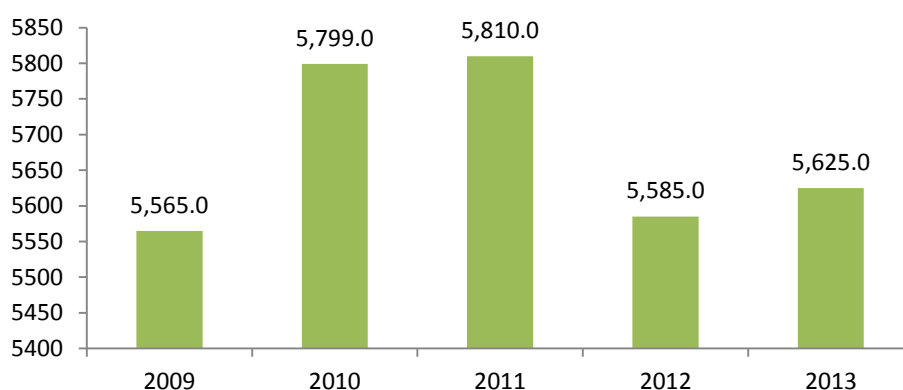
Indicators of financial developments produced mixed results in 2013. The ratio of broad money supply to nominal GDP, at 19.3 per cent, was slightly lower than the outcome at end 2012, while the financing capacity of the banking system, measured by the ratio of claims on the private sector to gross domestic product (CP/GDP), stood at 20.4 per cent, compared with 20.9 per cent in the preceding year.

Total money market assets outstanding grew by 10.0 per cent, due to the increase in Nigerian Treasury Bills, bankers' acceptances, commercial papers and FGN Bonds. The yield on fixed income securities was generally lower in 2013. Similarly, most money market rates were lower than in the preceding year, reflecting increased liquidity flows in the banking system. Activities on the Nigerian stock exchange were bullish as major indicators trended upwards.

## 4.1 INSTITUTIONAL DEVELOPMENTS

### 4.1.1 Growth and Structural Changes

The structure of the Nigerian financial sector remained unchanged in 2013. Similarly, the number of banks in the industry remained at twenty-four (24). The number of DMBs' branches, however, increased marginally to 5,625, from 5,585 in 2012.

**Figure 4.1: Banks' Branch Network, 2009 - 2013****Source: CBN**

In line with the extant regulation on the scope of the new banking model, all banks, with the exception of the three (3) AMCON-owned banks, had submitted their compliance plans and were granted approvals-in-principle to commence restructuring. At end-December 2013, ten (10) banks were issued various commercial banking licences (international, national and regional authorisation).

Ten (10) banks applied for the international banking licence authorisation. Of this number, four (4) that had fully complied with the extant regulatory requirements were granted licences, while the remaining applications were being processed. In addition, six (6) banks applied for commercial banking licences with national authorisation. Of this number, four (4) had fully complied with the extant regulatory requirements and obtained their licences, while the remaining two (2) applications were being reviewed. Furthermore, two (2) banks were granted regional commercial banking licences.

Two (2) merchant banks were licensed, while the application by a discount house to convert to a merchant bank was being processed. Two (2), out of the three (3) banks that applied for a Holding Company (HoldCo) licence to operate as other financial institutions (OFIs), were approved, while the remaining

application was being processed. A bank that had earlier applied for a mono-line banking licence, but could not meet the specified requirements and later sought for a change to Holdco structure was granted a “no objection” status.

The CBN withdrew the licence of Express Discount House Limited during the review period, bringing the number of discount houses in operation to three (3). The revocation was necessitated by the company's severe under-capitalization, illiquidity and the unwillingness/inability of shareholders to inject additional capital of ₦21.0 billion required to remain in operation. A liquidator was subsequently appointed for the company, as required by extant laws.

Non-interest banking window licences were granted to two (2) banks, while Jaiz Bank Ltd, which was a regional bank, applied for a national non-interest banking licence.

The number of foreign subsidiaries of Nigerian banks increased during the review year from fifty-eight (58) at end-December 2012 to sixty-seven (67). Overall, Nigerian banks have established presence in twelve (12) countries in the West African sub-region, in fourteen (14) countries in other parts of Africa, and in seven (7) countries in other continents, including Asia, Europe, the Middle East and North America.

In the other financial institutions (OFIs) sub-sector, the number of development finance institutions (DFIs) increased to six (6), from five (5) in the preceding year, as a result of restructuring and reinvigorating the operations of the National Economic Reconstruction Fund (NERFUND).

Furthermore, the Nigerian Mortgage Re-finance Company Plc (NMRC) was incorporated as a second-tier, non deposit-taking financial institution, following the granting of an approval-in-principle by the CBN in June 2013. The Company was established to intermediate between primary mortgage originators and the

capital market to provide long-term funds to refinance their mortgage loan portfolios.

Twenty-three (23) MFBs were issued licences to commence operation, while the licences of eighty-three (83) institutions that had either closed shop or ceased to carry on microfinance banking business were revoked, thus bringing the number of licensed MFBs to 820, from 880 at end-December 2012.

Following the implementation of the new capital requirement in the primary mortgage banking sub-sector, the number of primary mortgage banks (PMBs) declined from eighty-two (82) at end-December 2012 to forty (40), consisting of seven (7) National and thirty-three (33) State PMBs. Those that failed to meet the new capital requirement were mandated to either convert to other financial institutions with lower capital requirements, or wind up.

One (1) finance company (FC) was licensed during the review period. The number of licensed FCs, however, declined from sixty-five (65) at end-December 2012 to sixty-one (61) at end-December 2013. The development was attributed to the exit of two (2) FCs that entered into voluntary liquidation; two others voluntarily discontinued finance company business and opted to focus solely on capital market operations, and one (1) was sealed by the EFCC.

A total of four hundred and eight (408) new BDC licences were issued to operators in 2013. However, the licences of two hundred and thirty-six (236) BDCs were revoked in January 2013 for non-compliance with the US\$20,000.00 mandatory caution deposit with the CBN. Following appeals and Management review, thirty-four (34) of the revoked licences were restored. Twenty (20) other BDCs had their licences revoked in the third quarter of the year for various infractions, bringing the number of revocations during the year to two hundred and twenty-two (222). Overall, the number of licensed BDCs at end-December 2013 stood at 2,464, compared with 2,278 at end-December 2012.

#### 4.1.2 Fraud and Forgery

The number of reported cases of fraud and forgery in the banking industry trended upward in the review year. There were 6,395 cases involving the sum of ₦53.90 billion, compared with 4,527 cases amounting to ₦14.79 billion at end-December 2012. The actual loss to banks rose by 38.2 per cent to ₦5.90 billion, from ₦4.30 billion and US\$0.40 million at end-December 2012. The cases of fraud were perpetrated mainly by outsiders and some bank staff through such means as pilfering, theft, suppression and conversion of customers' deposits, illegal funds transfer, and fraudulent ATM withdrawals.

#### 4.1.3 Consumer Protection

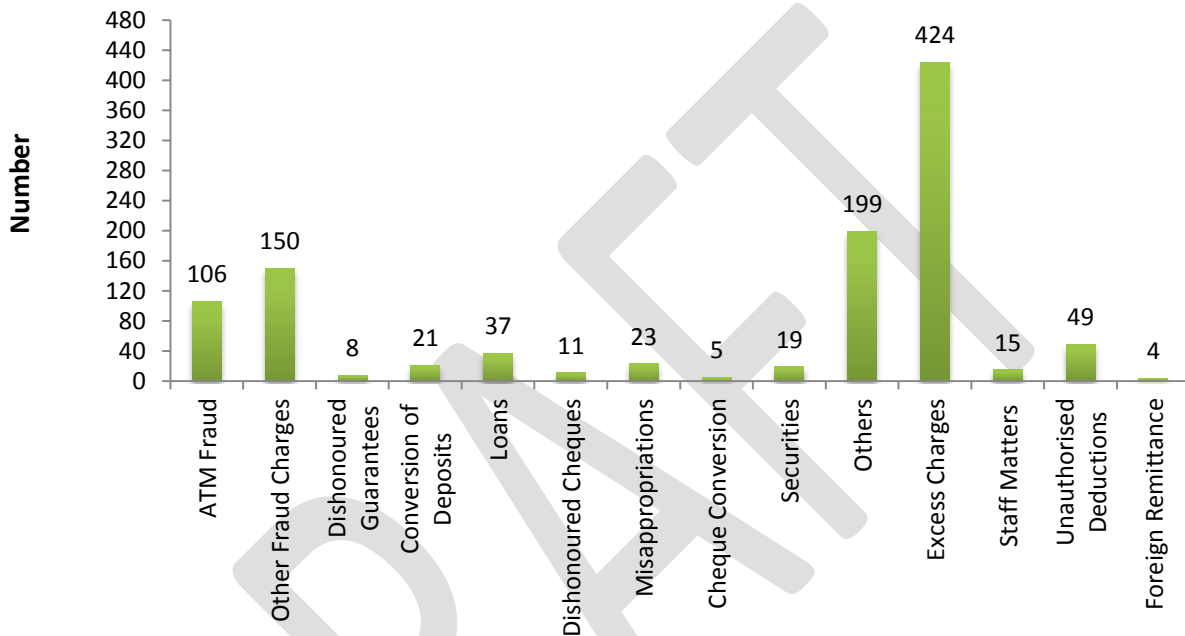
The Bank intensified the implementation of its complaints management and resolution initiatives in 2013. In this regard, 1,071 complaints were received from consumers against financial institutions, compared with 999 received in 2012. Of this number, complaints against DMBs and OFIs accounted for 99.4 and 0.6 per cent, respectively. The complaints spanned various categories, namely ATM issues, excess charges, dishonoured guarantees, dishonoured cheques, fraudulent withdrawals, and conversion of deposits, among others.

Thirty-six (36) mediation meetings were conducted with banks and their customers, which resulted in the resolution of two hundred and sixty-six (266) complaints. The remaining cases were at different stages of resolution. In addition, the Bank conducted compliance examination of banks during the review year to ascertain the effectiveness of their complaint management mechanism in compliance with regulatory directives. The findings of the exercise were communicated to the respective banks for corrective action.

The total value of unverified claims by consumers in respect of complaints lodged against banks in naira, dollar and euro currencies in 2013 was ₦137.74 billion, US\$1.24 million and €83.00, respectively. The verified claims stood at

₦12.42 billion, US\$1.24 million and €83.00, while the actual refunds by the banks were ₦2.963 billion, US\$1.02 million and €83.00. Two banks were penalized for failure to comply with the regulatory directives on consumer protection-related issues.

**Figure 4.2: Consumer Complaints by Category, 2013**



Source: CBN

#### 4.1.4 Cheque Clearing

In 2013, the volume and value of cheques cleared nationwide declined by 21.2 and 21.4 per cent to 29.4 million and ₦15.6 trillion, from 37.2 million and ₦19.8 trillion, respectively, in 2012. The development could be attributed to the increase in the use of e-payment channels.

The Lagos Clearing Zone accounted for 78.8 per cent and 73.4 per cent of the total cheque transactions in volume and value, respectively, in 2013. This was attributed to the fact that Lagos remained the economic and commercial centre of Nigeria.

**Figure 4.3a: Volume of Cheques Cleared, 2011 - 2013**

Source: CBN

**Figure 4.3b: Value of Cheques Cleared, 2011 - 2013**

Source: CBN

#### 4.1.5 Use of e-Money Products

The value of electronic payments rose by 51.7 per cent over the level in 2012 to ₦3,180.1 billion, while the volume declined by 15.5 per cent to 323,408,103, from 382,616,953 in the preceding year.

A breakdown of e-payment channels in 2013 indicated that ATM remained the most patronised, accounting for 91.3 per cent of the total volume, followed by

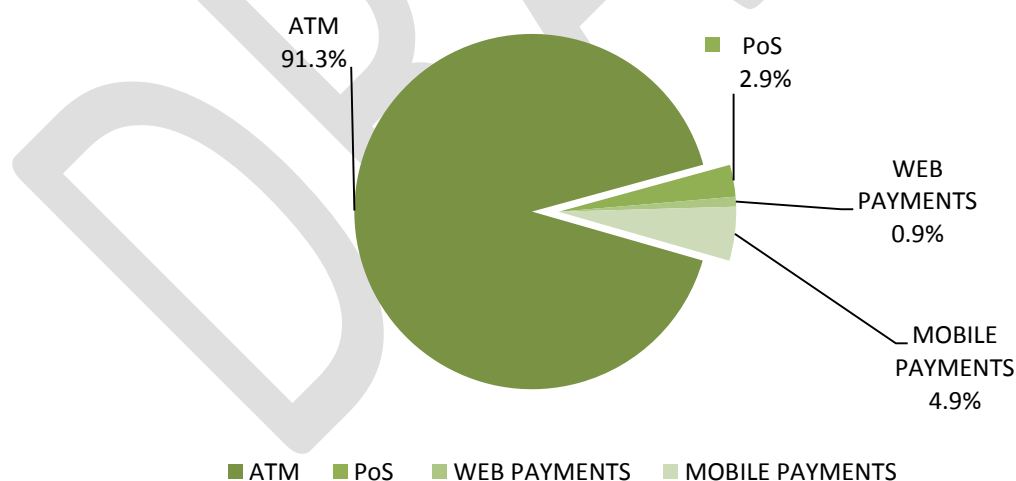


mobile payments and PoS terminals, with 4.9 and 2.9 per cent, respectively. The web (internet) was the least patronised, accounting for 0.9 per cent of the total. In terms of value, ATM accounted for 88.9 per cent; PoS, 5.1 per cent; mobile payments, 4.5 per cent and the web (Internet), 1.5 per cent.

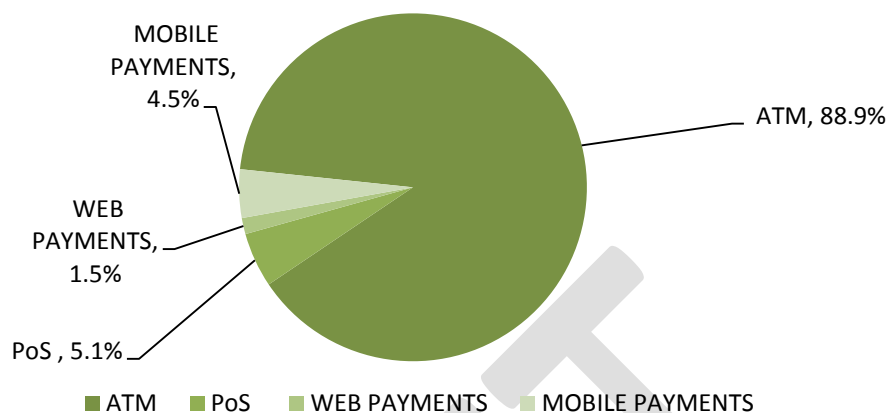
Table 4.1: Market Share in the e-Payment Channels, 2011 - 2013						
e-Payment Channels	Volume (Million)			Value (₦' Billion)		
	2011	2012	2013	2011	2012	2013
ATM	347.6	375.5	295.3	1,561.8	1,984.7	2,828.9
% of Total	97.9	98.1	91.3	93.4	94.7	88.9
Web (Internet)	3.6	2.3	2.9	58.0	31.5	47.3
% of Total	1.0	0.6	0.9	3.5	1.5	1.5
PoS	2.1	2.6	9.4	31.0	48.0	161.0
% of Total	0.6	0.7	2.9	1.9	2.3	5.1
Mobile	1.9	1.5	15.8	20.5	31.5	142.8
% of Total	0.5	0.6	4.9	1.2	1.5	4.5
TOTAL	355.2	382.7	323.4	1,671.4	2,095.7	3,180.1

Source: CBN

Figure 4.4a: Volume of Electronic Payment Transactions, 2013 (Per cent)



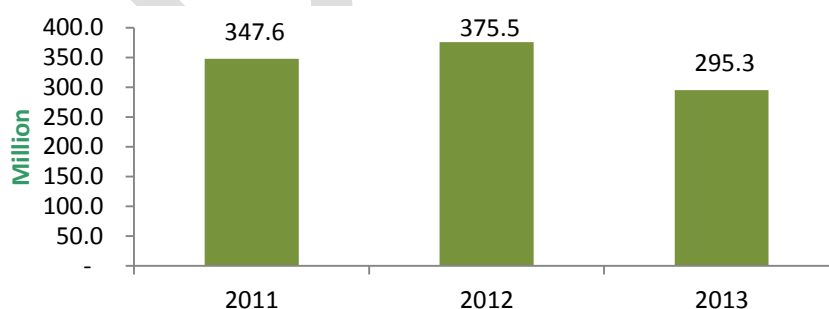
Source: CBN

**Figure 4.4b: Value of Electronic Payments, 2013**

Source: CBN

#### 4.1.5.1 Automated Teller Machine (ATM) Transactions

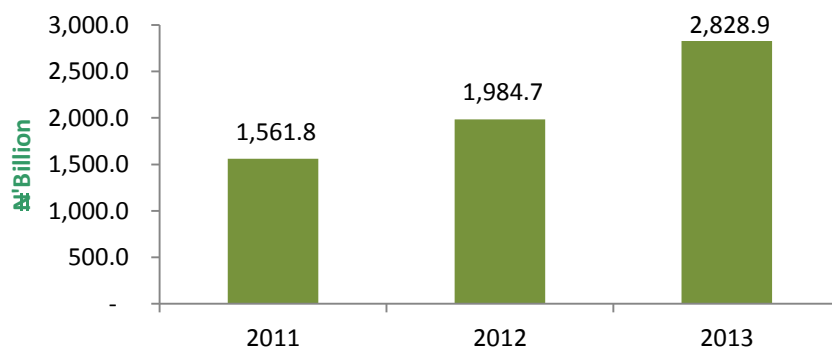
The number of ATMs deployed stood at 12,755 at end-December 2013, representing an 18.9 per cent increase above 10,727 at end-December 2012. The value of ATM transactions rose by 42.5 per cent to ₦2,828.94 billion, from the level of ₦1,984.65 billion in the preceding period, while the volume declined by 21.4 per cent to 295,292,940 from 375,487,756 at end-December 2012. The decline in volume was attributed to the increase in the maximum amount of withdrawal from ₦20, 000 to ₦40, 000 per transaction.

**Figure 4.5a: Volume of ATM Transactions, 2011 – 2013 (Million)**

Source: CBN

DRAFT

Figure 4.5b: Value of ATM Transactions, 2011 – 2013 (Naira Billion)

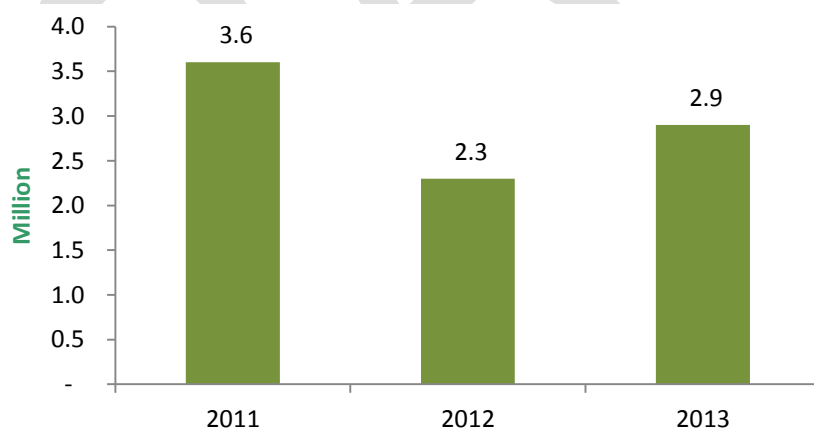


Source: CBN

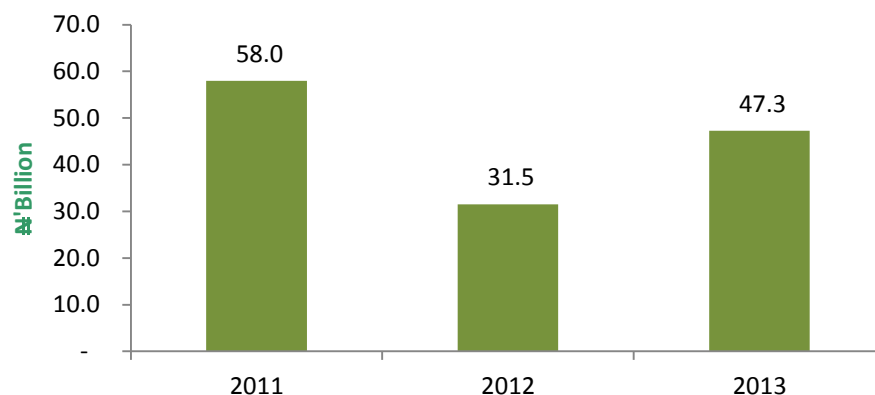
#### 4.1.5.2 Web Payments

During the review period, the volume and value of transactions on the web increased to 2,900,473 and ₦47.32 billion, from 2,276,464 and ₦31.57 billion in 2012, representing an increase of 27.4 and 49.9 per cent, respectively.

Figure 4.6a: Volume of Web Transactions, 2011 – 2013 (Million)



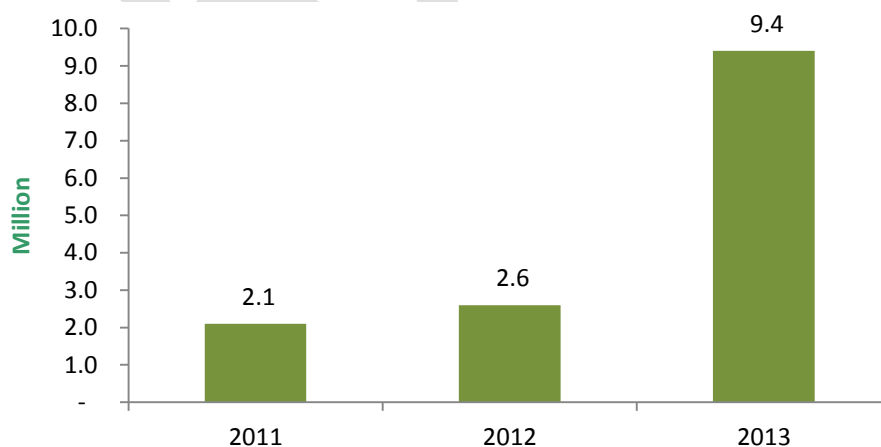
Source: CBN

**Figure 4.6b: Value of Web Transactions, 2011 – 2013 (Naira Billion)**

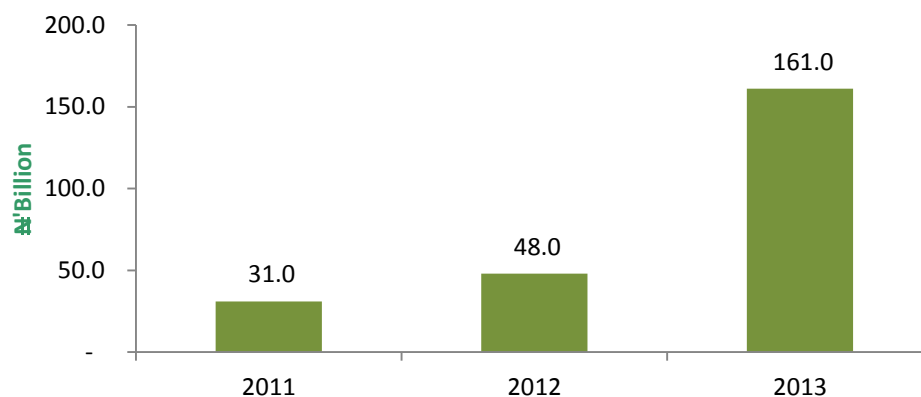
Source: CBN

#### 4.1.5.3 Point-of-Sale (PoS) Payments

The volume and value of PoS transactions increased to 9,402,255 and ₦161.02 billion, from 2,555,045 and ₦48.01 billion in 2012, representing an increase of 267.99 and 235.39 per cent, respectively.

**Figure 4.7a: Volume of PoS Transactions, 2011 – 2013 (Million)**

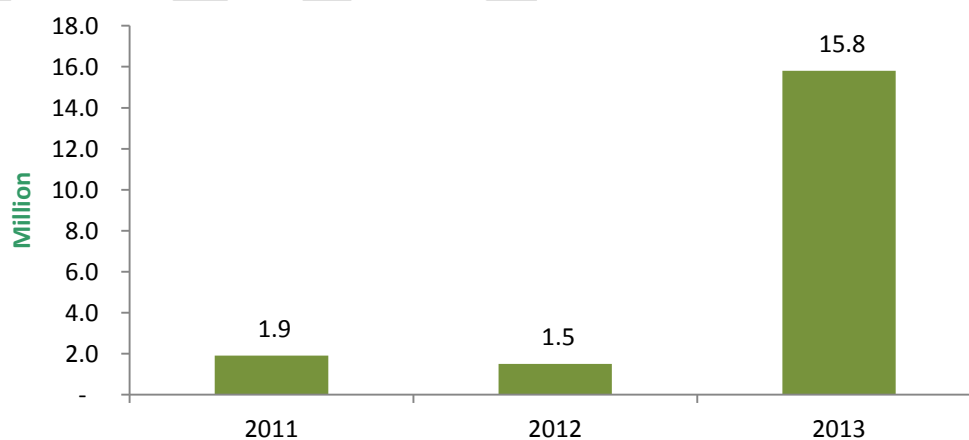
Source: CBN

**Figure 4.7b: Value of PoS Transactions, 2011 – 2013 (Naira Billion)**

Source: CBN

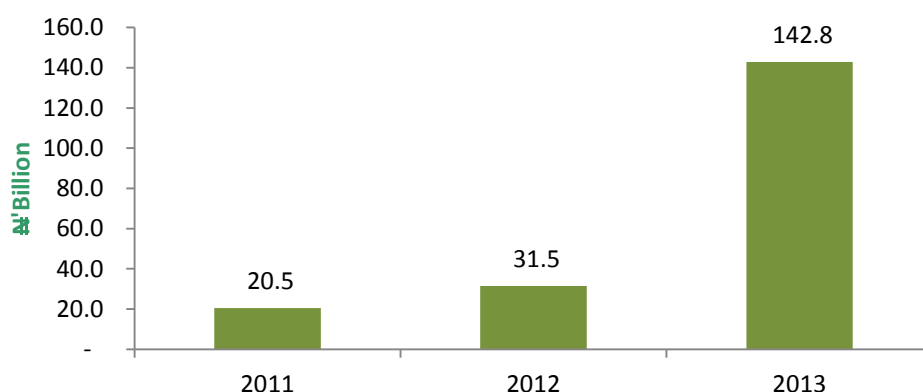
#### 4.1.5.4 Mobile Payments

During the review period, the volume and value of mobile payments increased by 588.19 and 353.33 per cent to 15,812,435 and ₦142.80 billion, respectively, from 2,297,688 and ₦31.50 billion in 2012. The significant increase in transactions was attributed to increased awareness and acceptance of mobile payments channel.

**Figure 4.8a: Volume of Mobile Payments, 2011 – 2013 (Million)**

Source: CBN

DRAFT

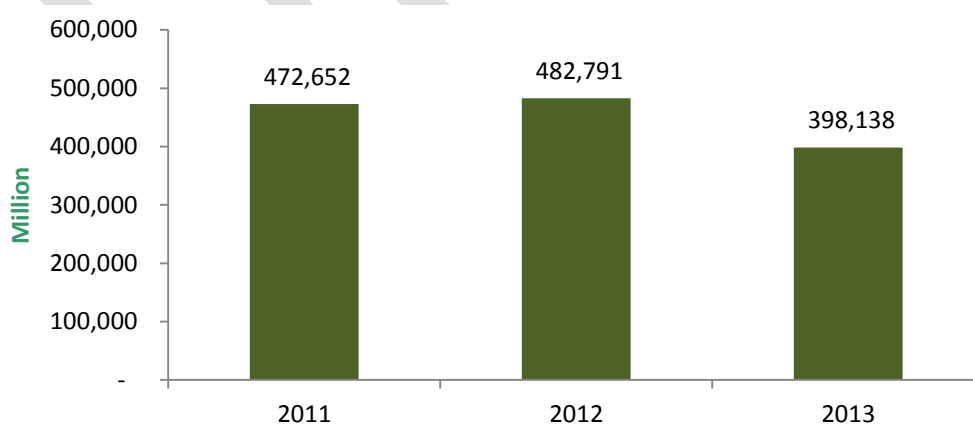
**Figure 4.8b: Value of Mobile Payments, 2011 – 2013 (Naira Billion)**

Source: CBN

#### 4.1.6 Wholesale Payments

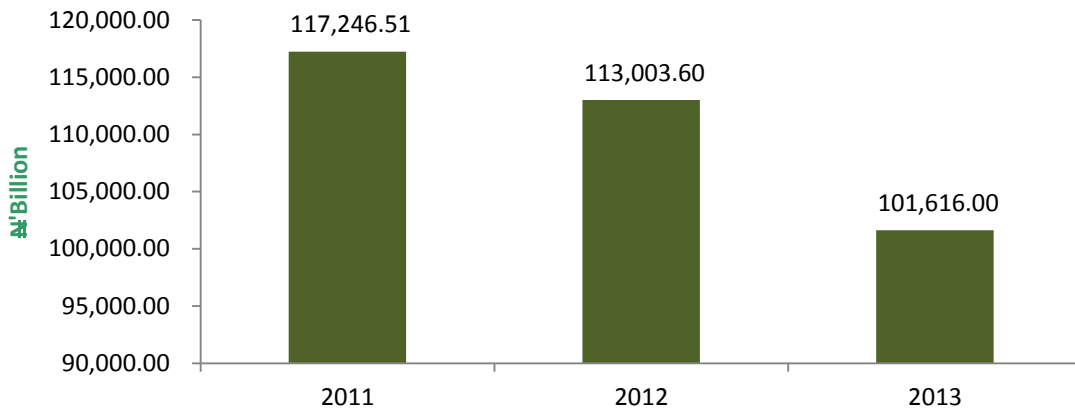
##### 4.1.6.1 Interbank Funds Transfer System

The volume and value of interbank funds transfer through the CBN Interbank Funds Transfer System (CIFTS) decreased to 398,138 and ₦101,616.0 billion, from 482,791 and ₦113,003.6 billion in 2012, representing a decline of 17.5 and 10.1 per cent, respectively. The development was attributed to increased awareness and acceptance of the instant payment channel.

**Figure 4.9a: Volume of CIFTS Transactions, 2011 – 2013**

Source: CBN

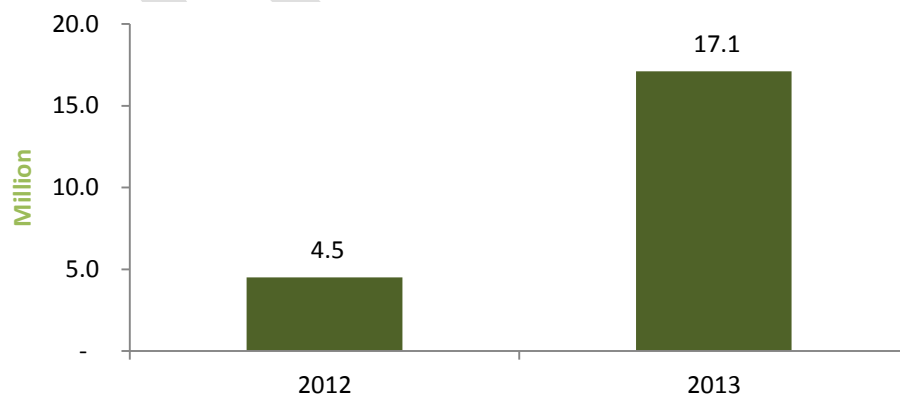


**Figure 4.9b: Value of CFTS Transactions, 2011 – 2013 (Naira Billion)**

Source: CBN

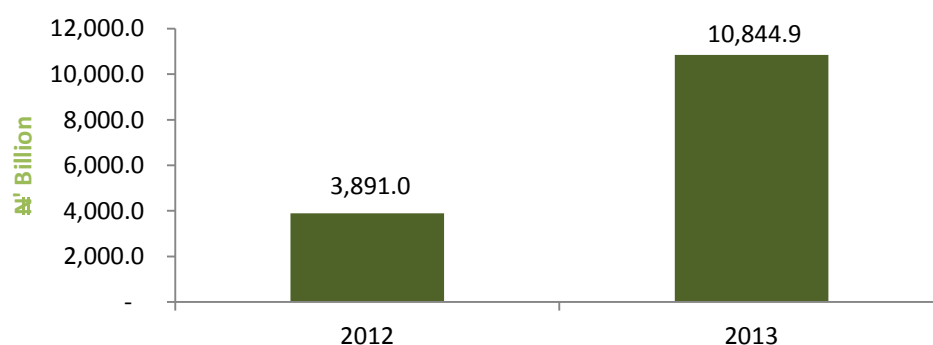
**4.1.6.2 NIBSS Instant Payment (NIP) Transactions**

The volume and value of NIBSS Instant Payment transactions rose to 17.1 million and ₦10,844.9 billion in 2013, from 4.5 million and ₦3,891.0 billion in 2012, indicating an increase of 280.0 and 178.7 per cent, respectively. The significant increase in the use of the NIP platform was attributed to the growing awareness of the Scheme, convenience and users' preference for its quick transfer capacity.

**Figure 4.10a: Volume of NIP Transactions, 2012 – 2013 (Million)**

Source: CBN

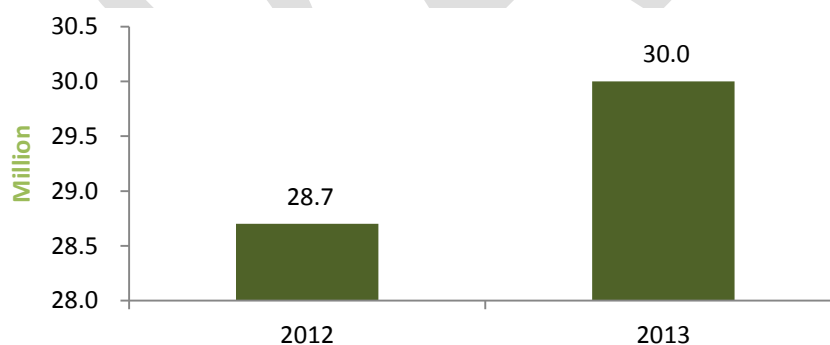
DRAFT

**Figure 4.10b: Value of NIP Transactions, 2012 – 2013 (Naira Billion)**

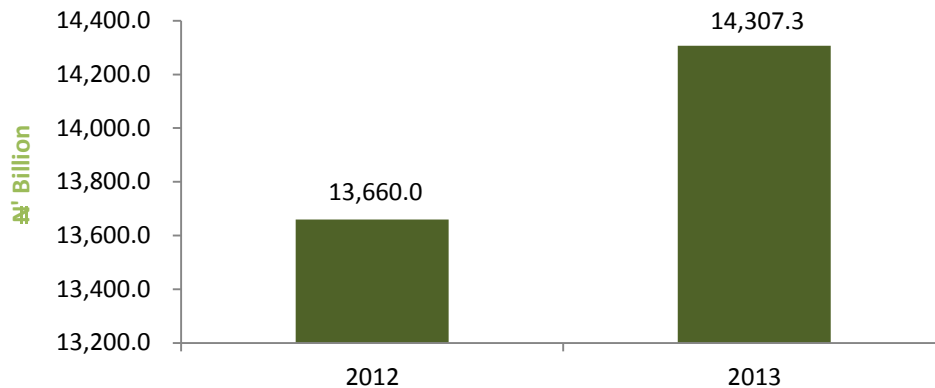
Source: CBN

#### 4.1.6.3 NIBSS Electronic Funds Transfer (NEFT)

In 2013, the volume and value of NEFT increased to 30.0 million and ₦14,307.3 billion, from 28.7 million and ₦13,660.0 billion in 2012, representing an increase of 4.5 and 4.7 per cent, respectively.

**Figure 4.11a: Volume of NEFT Transactions, 2012 – 2013 (Million)**

Source: CBN

**Figure 4.11b: Value of NEFT, 2012 – 2013 (Naira Billion)**

Source: CBN

#### 4.1.7 Institutional Savings

Aggregate financial savings rose by ₦356.1 billion or 4.0 per cent to ₦9,224.4 billion, compared with ₦8,868.3 billion at end-December 2012. The ratio of financial savings to GDP was 11.4 per cent, compared with 12.3 per cent in 2012. DMBs remained the dominant depository institutions in the financial system, accounting for 83.3 per cent of the total financial savings, compared with 90.9 per cent in the preceding year. Other savings institutions, namely PMBs, life insurance companies, pension fund custodians, the Nigerian Social Insurance Trust Fund (NSITF), and microfinance banks accounted for the balance of 16.7 per cent.

### 4.2 MONETARY AND CREDIT DEVELOPMENTS

#### 4.2.1 Reserve Money (RM)

Reserve money grew by 50.1 per cent to ₦5,558.9 billion at end-December 2013, compared with ₦3,704.5 billion at end 2012. At that level, RM was above the benchmark growth rate of 35.24 per cent for fiscal 2013. The growth in reserve money was accounted for by the respective increase of 8.9 and 82.5 per cent in currency-in-circulation and banks' reserves at the CBN. The corresponding

increase in the sources of base money was attributed to the increase in both net domestic and foreign assets (net) of the CBN.

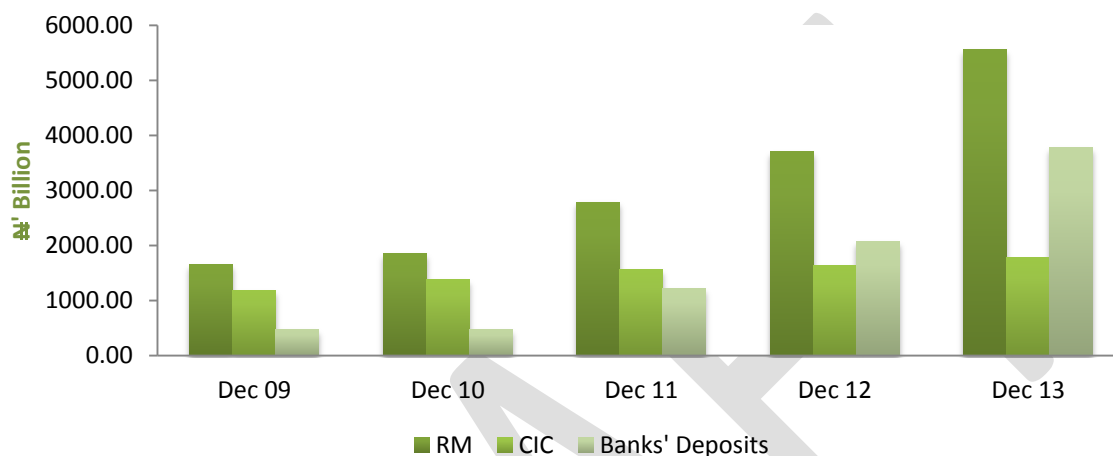
**Table 4.2: Reserve Money and its Components (₦' Billion)**

	Dec-09	Dec-10	Dec-11	Dec-12	Dec-13
<b>Sources</b>					
<b>NFA</b>	6,522.24	5,372.29	5,823.79	7,393.56	6,898.55
<b>NDA</b>	(2,508.59)	(1,486.39)	1,847.75	2,186.49	4,051.62
<b>OIN</b>	(2,359.79)	(2,040.18)	(4,887.48)	(5,875.57)	(5,391.24)
<b>RM</b>	<b>1,653.86</b>	<b>1,845.71</b>	<b>2,784.07</b>	<b>3,704.48</b>	<b>5,558.92</b>
<b>Uses</b>					
<b>CIC</b>	1,181.54	1,378.13	1,566.05	1,631.72	1,776.81
<b>Bank Reserves</b>	472.32	467.58	1,218.02	2,072.77	3,782.11
<b>RM</b>	<b>1,653.86</b>	<b>1,845.71</b>	<b>2,784.07</b>	<b>3,704.48</b>	<b>5,558.92</b>

**Table 4.3: Reserve Money and its Components (Growth rates %)**

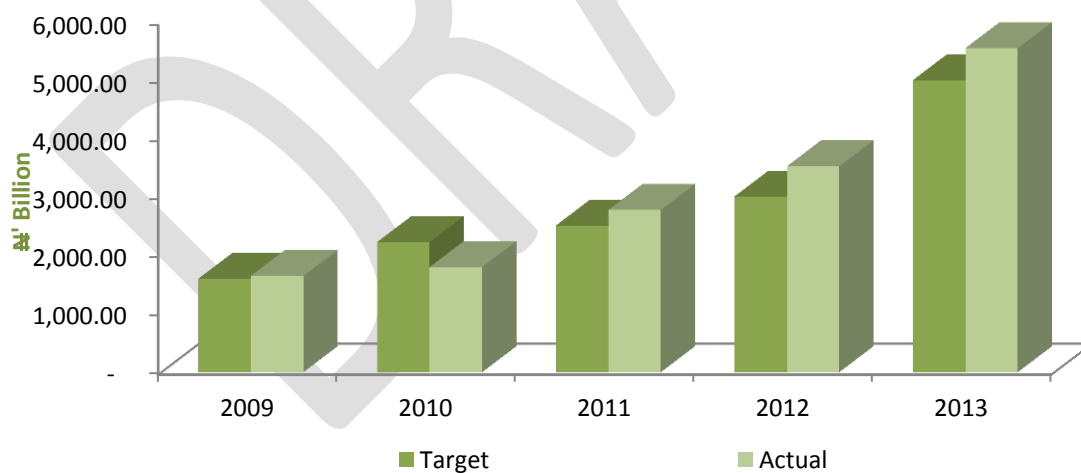
	Dec-09	Dec-10	Dec-11	Dec-12	Dec-13
<b>Sources</b>					
<b>NFA</b>	(10.85)	(17.63)	8.40	26.95	(6.70)
<b>NDA</b>	(40.34)	(40.75)	(224.31)	18.33	85.30
<b>OIN</b>	51.07	(13.54)	139.56	20.22	(8.24)
<b>RM</b>	<b>6.76</b>	<b>11.60</b>	<b>50.84</b>	<b>33.06</b>	<b>50.06</b>
<b>Uses</b>					
<b>CIC</b>	2.27	16.64	13.64	4.19	8.89
<b>Bank deposits</b>	19.95	(1.00)	160.49	70.18	82.47
<b>RM</b>	<b>6.76</b>	<b>11.60</b>	<b>50.84</b>	<b>33.06</b>	<b>50.06</b>

Figure 4.12a: Reserve Money and its Components, 2009 - 2013



Source: CBN

Figure 4.12b: Reserve Money Targets and Outcomes, 2009 - 2013

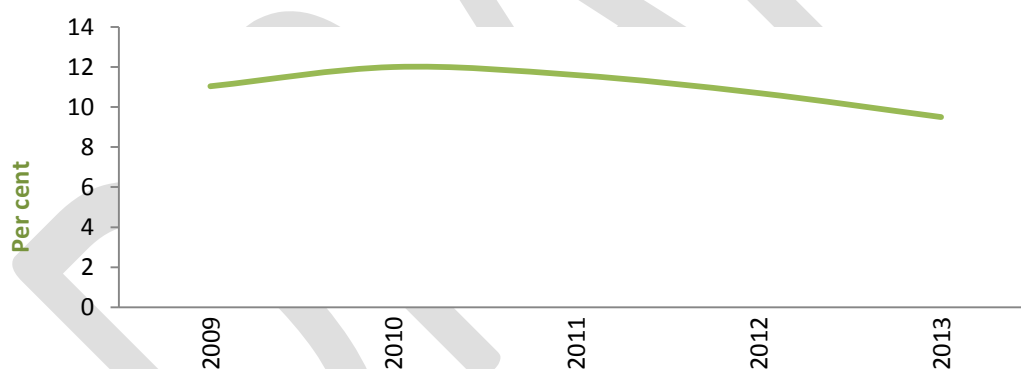


Source: CBN

#### 4.2.2 Broad Money ( $M_2$ )

Growth in broad money supply ( $M_2$ ) was modest in 2013. At ₦15, 668.95 billion,  $M_2$  grew by 1.2 per cent, which was significantly below both the indicative benchmark growth rate of 15.2 per cent for fiscal 2013 and the 16.4 per cent attained at end-December 2012. The development reflected, largely, the decline in net foreign and other assets (net) of the banking system, which fell, respectively, by 5.9 and 26.0 per cent at end-December 2013. The corresponding sluggish growth in monetary liabilities was, wholly, accounted for by the fall in narrow money supply ( $M_1$ ), which declined by 5.5 per cent, in contrast to the growth of 9.6 per cent at end-December 2012. The development reflected, wholly, the decline of 9.1 per cent in its demand deposits component. The ratio of currency outside bank to total monetary liabilities (COB/ $M_2$ ) increased to 9.2 at end-December 2013, from 8.4 per cent at end-2012.

Figure 4.13: Ratio of Currency-in-Circulation to  $M_2$ , 2009 - 2013



Source: CBN

### 4.2.3 Drivers of Growth in Broad Money

#### 4.2.3.1 Net Foreign Assets (NFAs)

Net foreign assets of the banking system fell by 5.9 per cent to ₦8, 513.3 billion, in contrast to the growth rate of 26.7 per cent at the end of 2012. This reflected the decline in net foreign asset holdings of the CBN and banks, which stood, respectively, at ₦6,898.5 billion and ₦1,614.9 billion, compared with ₦7,393.6

billion and ₦1,650.1 billion at end-December 2012. As a share of  $M_2$ , NFA constituted 54.3 per cent at end-December 2013, compared with 58.4 per cent at the end of the preceding year. In terms of the growth rate of  $M_2$  in 2013, NFA contributed -3.4 percentage points, compared with 14.3 percentage points in 2012.

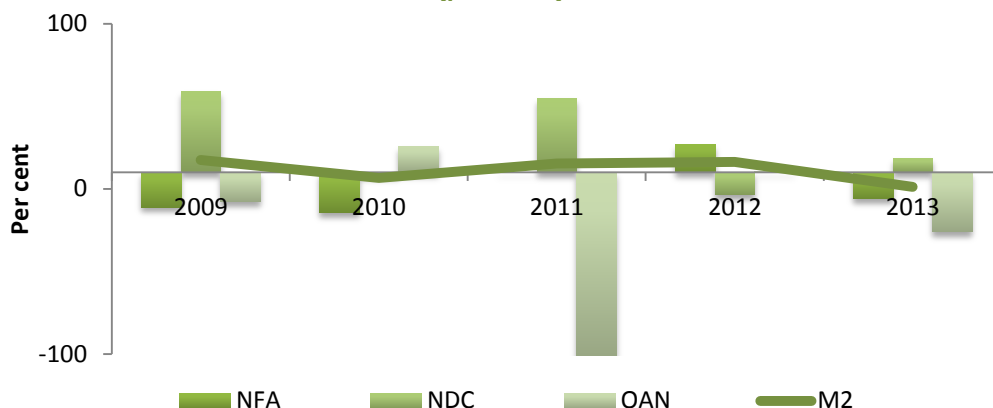
#### 4.2.3.2 Net Domestic Credit (NDC)

Aggregate credit to the domestic economy (net) grew by 18.5 per cent to ₦15,040.7 billion, in contrast to the decline of 3.5 per cent recorded at end-December 2012 and the benchmark of 23.6 per cent for fiscal 2013. The development reflected the significant increase in the banking system's net claims on the Federal Government and claims on the private sector. The NDC contributed 15.1 percentage points to the growth rate of  $M_2$  at end-2013, in contrast to negative 3.4 per cent at end-2012.

#### 4.2.3.3 Net Credit to Government (NCG)

Net credit to the Federal Government (NCG) grew by 40.1 per cent, in contrast to the decline of 138.0 per cent at end-December 2012. The rise in claims on the Federal Government reflected the significant increase in the banking system's investment in Federal Government securities, especially Treasury Bills, which grew by 196.4 per cent. The Federal Government, as in the preceding year, however, remained a net creditor to the banking system at end-December 2013.

Figure 4.14: Growth in  $M_2$  and its Sources, 2009 - 2013 (per cent)

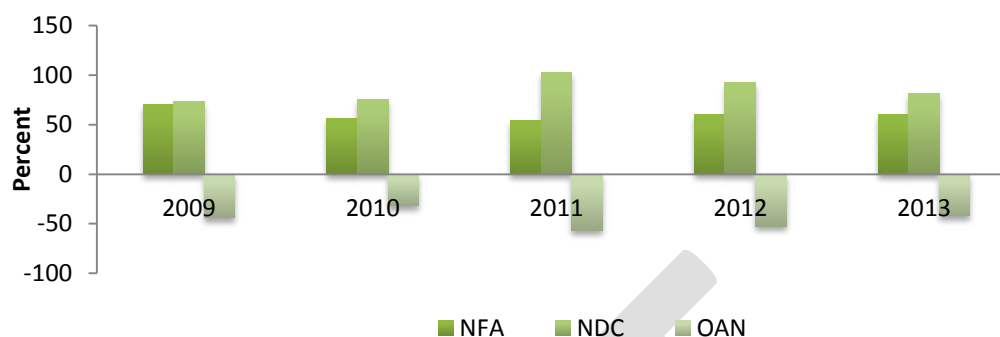




**Source: CBN**

DRAFT

**Figure 4.15: Share of NFA and NDC in M<sub>2</sub>, 2009 - 2013  
(Per cent)**



Source: CBN

**Table 4.4: Contribution to the Growth rate in M<sub>2</sub>, 2009 – 2013  
(percentage points)**

	2009	2010	2011	2012	2013
Net Foreign Assets (NFA)	-10.44	-10.08	5.48	14.32	-3.42
Net Domestic Credit (NDC)	31.75	5.9	40.38	-3.42	15.13
Other Assets (net) (OAN)	-3.71	11.09	-30.44	5.49	-10.51
<b>M<sub>2</sub></b>	<b>17.6</b>	<b>6.9</b>	<b>15.4</b>	<b>16.4</b>	<b>1.2</b>
Narrow Money (M <sub>1</sub> )	1.74	5.14	10.41	4.88	-2.64
Quasi Money	15.86	1.77	5.01	11.51	3.83
<b>M<sub>2</sub></b>	<b>17.6</b>	<b>6.9</b>	<b>15.4</b>	<b>16.4</b>	<b>1.2</b>

Source: CBN

#### 4.2.3.4 Credit to the Private Sector (CP)

Credit to the private sector (including state and local governments and non-financial public enterprises) grew by 9.0 per cent, compared with 6.8 per cent at end-December 2012. The increase reflected the growth in banks' claims on the core private sector, and on state and local governments, which grew by 8.4 and 17.0 per cent, respectively, compared with 6.0 and 29.8 per cent at end-December 2012.

**Figure 4.16: Growth in Domestic Credit (net), 2009 - 2013  
(Per cent)**



Source: CBN

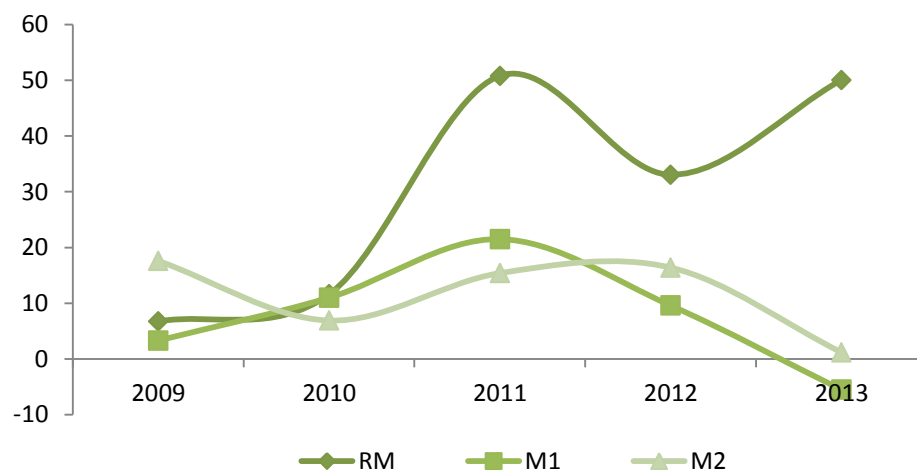
#### 4.2.3.5 Other Assets (Net) (OAN)

Other Assets (net) of the banking system declined by 26.0 per cent, in contrast to the growth of 10.5 per cent at end-December 2012. Consequently, the contribution of OAN to the growth in  $M_2$  was negative 10.5 percentage points at end-2013.

#### 4.2.3.6 Narrow Money ( $M_1$ )

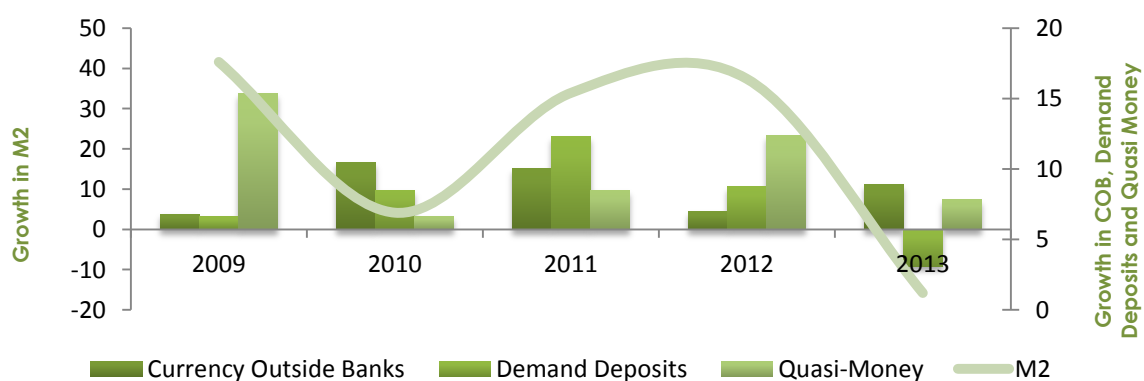
Narrow money supply ( $M_1$ ) declined by 5.5 per cent at end-December 2013, in contrast to the growth of 9.6 per cent recorded at end-December 2012. The development reflected wholly the decline of 9.1 per cent in its demand deposit component which more than offset the increase of 11.2 per cent in currency outside banks. As a proportion of  $M_1$ , COB constituted 20.6 per cent at end-December 2013, up from 17.5 per cent at the end of 2012.

**Figure 4.17: Growth in Monetary Aggregates, 2009 - 2013  
(Per cent)**



Source: CBN

**Figure 4.18: Growth in the Components of Broad Money ( $M_2$ ), 2009 - 2013  
(Per cent)**



Source: CBN

**Table 4.5: Composition of Total Monetary Aggregate (M<sub>2</sub>), 2009 - 2013**  
(Per cent)

	2009	2010	2011	2012	2013
<b>Net Domestic credit</b>	72.9	73.7	98.9	82.0	96.0
<b>Net Foreign Assets</b>	70.4	56.5	53.7	58.4	54.3
Credit to Private Sector	94.8	85.3	106.6	97.9	105.4
Net Credit to Government	-21.9	-11.6	-7.7	-15.8	-9.4
<b>Other Assets (Net)</b>	<b>-43.4</b>	<b>-30.2</b>	<b>-52.5</b>	<b>-40.4</b>	<b>-50.3</b>
<b>Total Monetary Assets</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>Money Supply (M1)</b>	<b>46.5</b>	<b>48.3</b>	<b>50.9</b>	<b>47.9</b>	<b>44.8</b>
Currency Outside Banks	8.6	9.4	9.4	8.4	9.2
Demand Deposit	37.9	38.9	41.5	39.5	35.5
<b>Quasi Money</b>	<b>53.5</b>	<b>51.7</b>	<b>49.1</b>	<b>52.1</b>	<b>55.2</b>
Time & Savings Deposit	53.5	51.7	49.1	52.1	55.2
Of which: Foreign Currency Deposit (FCD)	13.4	13.1	14.8	17.6	21.7
<b>Total Monetary Liabilities (M2)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: CBN

#### 4.2.3.7 Quasi-Money

Quasi-money grew by 7.4 per cent to ₦8,656.1 billion at the end of 2013, compared with the growth rate of 23.4 per cent at the end of 2012. The development reflected the growth in savings and time deposits, particularly the foreign currency deposits component, which increased significantly by 24.8 per cent.

#### 4.2.4 Maturity Structure of DMBs' Loans and Advances, and Deposit Liabilities

Analysis of DMBs' outstanding credit showed the dominance of short-term maturities in the credit market. Outstanding loans and advances maturing one year and below accounted for 52.6 per cent of the total, compared with 59.7 per cent at end-December 2012, while the share of the medium-term (1 – 3 years) and long-term (3 years and above) loans rose to 19.1 and 28.3 per cent, respectively, compared with 18.7 and 21.7 per cent at end-December 2012. Analysis of DMBs' deposit liabilities showed a similar trend, with short-term deposits (below one year maturity), constituting 97.2 per cent of the total, compared with 97.8 per cent as at end-December 2012. Deposits of less than

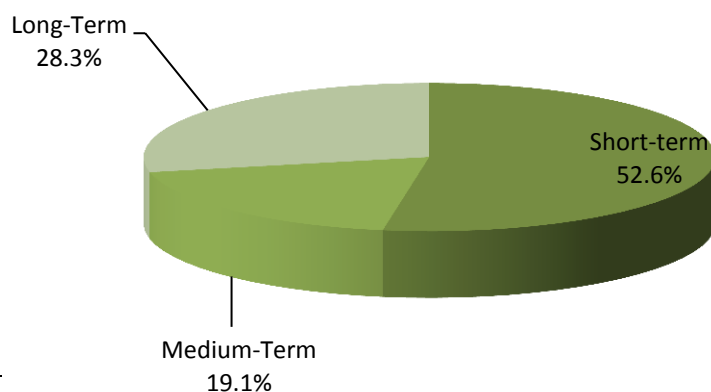
30-day maturity constituted 74.5 per cent, while the share of long-term deposits (more than three years) stood at 0.01 per cent, the same as at end-December 2012. The structure of DMBs' deposit liabilities clearly explained the rationale for banks' preference for short-term claims on the economy.

**Table 4.6: Maturity Structure of DMB Loans and Advances, and Deposit Liabilities, 2009 - 2013**

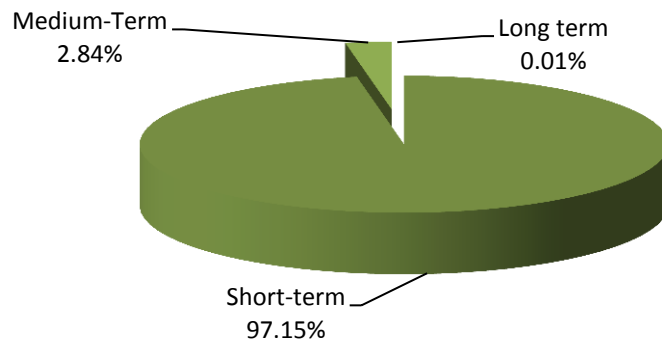
	Loans					Deposit				
	Dec 2009	Dec 2010	Dec 2011	Dec 2012	Dec 2013	Dec 2009	Dec 2010	Dec 2011	Dec 2012	Dec 2013
0-30 days	50.15	46.06	33.42	35.59	27.5	73.33	76.30	76.46	77.04	74.51
31-90 days	6.35	9.96	12.17	11.58	12.7	15.01	14.37	12.58	13.77	14.33
91-181 days	7.35	3.93	6.07	6.06	4.9	4.71	3.36	4.53	3.72	4.69
181-365 days	6.50	5.32	8.29	6.43	7.5	2.70	2.84	4.21	3.30	3.62
Short term	70.34	65.28	59.94	59.66	52.6	95.75	96.87	97.77	97.83	97.15
Medium-term (>1year<3years)	14.35	14.64	15.22	18.65	19.1	4.11	2.06	2.14	2.16	2.84
Long-Term (>3years)	15.31	20.08	24.83	21.69	28.3	0.15	1.07	0.09	0.01	0.01
Total	100	100	100	100	100	100	100	100	100	100

Source: CBN

**Figure 4.19a: Maturity Structure of DMBs' Loans and Advances at end-December 2013 (Per cent)**



Source: CBN

**Figure 4.19b: Maturity Structure of DMBs' Deposits at end-December 2013  
(Per cent)**

Source: CBN

**4.2.5 Sectoral Distribution of Credit**

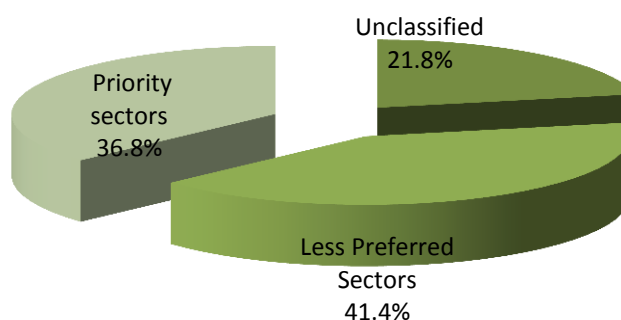
Credit to the core private sector grew by 8.4 per cent, compared with 6.0 per cent recorded at end-December 2012. Of the amount outstanding, credit to the priority (productive) sectors, comprising agriculture, solid minerals, exports, and manufacturing constituted 36.8 per cent of the total. The less preferred sectors accounted for 41.4 per cent of the outstanding credit, compared with 38.2 per cent at end-December 2012, while the unclassified sectors accounted for the balance of 21.8 per cent.

Table 4.7: Share of Credit to the Core Private Sector, 2009 – 2013 (Per cent)					
	2009	2010	2011	2012	2013
<b>1. Priority Sectors</b>	<b>25.2</b>	<b>30.4</b>	<b>36.1</b>	<b>39.5</b>	<b>36.8</b>
Agriculture	1.4	1.7	3.5	3.9	3.4
Solid Minerals	12.7	15.3	17.7	21.7	21.5
Exports	0.5	0.6	0.5	0.8	0.04
Manufacturing	10.6	12.8	14.4	13.1	11.8
<b>2. Less Preferred Sectors</b>	<b>46.9</b>	<b>47.8</b>	<b>45.8</b>	<b>38.2</b>	<b>41.4</b>
Real Estate	8.3	8.7	6.2	6.6	7.3
Public Utilities	0.8	0.7	0.9	0.4	2.2
Transp. & Comm.	8.3	10.7	17.3	11.9	13.9
Finance & Insurance	13.1	11.3	4.1	3.1	3.2
Government	3.7	4.9	6.8	7.8	7.2
Imports & Dom. Trade	12.8	11.7	10.3	8.5	7.6
<b>3. Unclassified</b>	<b>27.9</b>	<b>21.8</b>	<b>18.1</b>	<b>22.3</b>	<b>21.8</b>
<b>Total (1+2+3)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: CBN

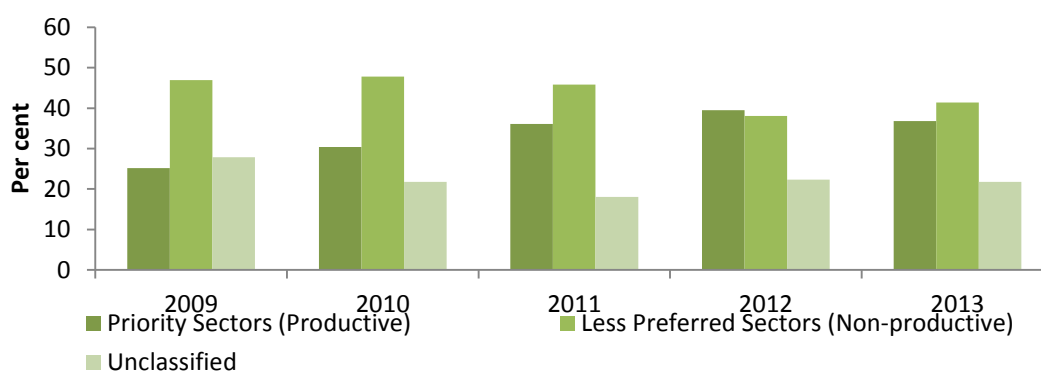


**Figure 4.20a: Share in Outstanding Credit to the Core Private Sector, 2013**  
(Per cent)



Source: CBN

**Figure 4.20b: Share in Outstanding Credit to the Core Private Sector, 2009-2013**



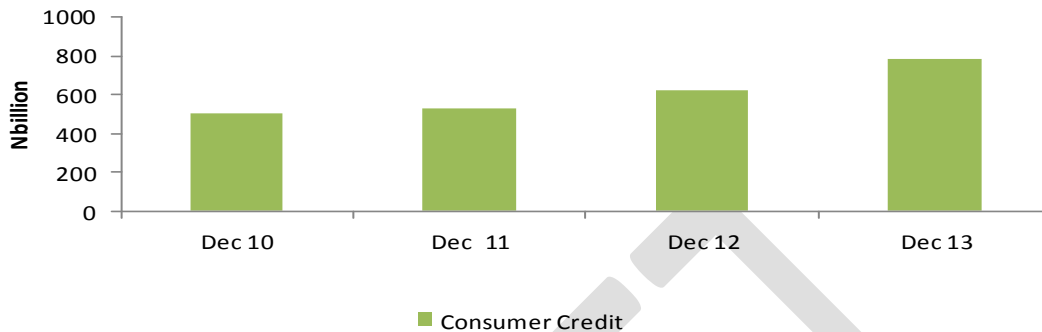
Source: CBN

#### 4.2.6 Outstanding Consumer Credit

Outstanding consumer credit stood at ₦782.6 billion at the end of 2013, representing a growth rate of 25.5 per cent, when compared with the 18.5 per cent recorded at end-December 2012. At that level, consumer credit constituted 4.9 per cent of the banks' outstanding credit to the core private sector, compared with 4.3 per cent at the end of 2012. The growth in consumer credit reflected greater financial inclusion, rising income levels, and the DMBs'

changing behaviour towards consumer credit, as well as the general positive outlook of the Nigerian economy.

**Figure 4.21: Consumer Credit, 2010-2013**

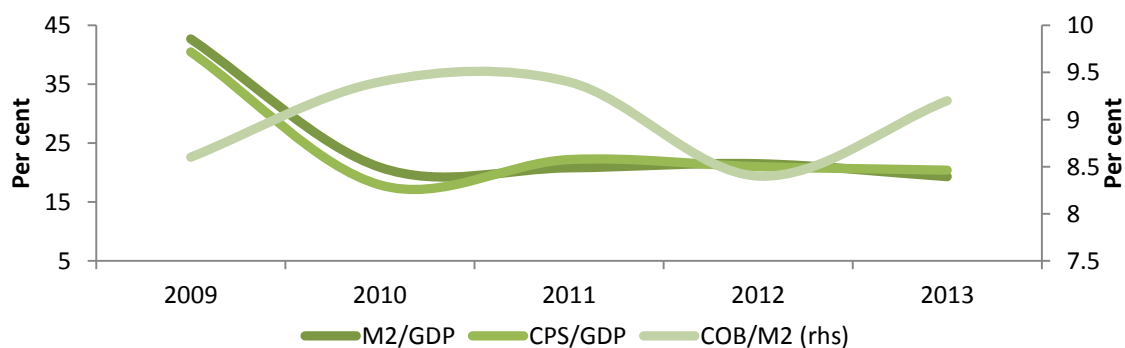


Source: CBN

#### 4.2.7 Financial/Banking System Development

The depth of the financial sector, measured by the ratio of  $M_2$  to GDP, stood at 19.3 per cent at end-December 2013, a slight decline from the level (21.3 per cent), at end-December 2012. The banking system's financing capacity of the economy, measured by the ratio of credit to the private sector to gross domestic product (CP/GDP), stood at 20.4 per cent, compared with 20.9 per cent at end-December 2012. The intermediation efficiency indicator, measured by the ratio of currency outside bank to broad money supply, deteriorated as it increased to 9.2 per cent, from 8.4 per cent at end-December 2012, following the increase in currency outside bank.

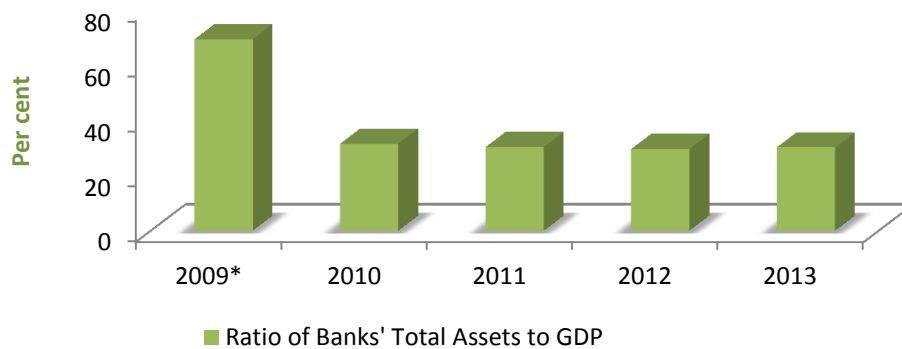
**Figure 4.22a: Ratio of Broad Money ( $M_2$ ) and Credit to Private Sector (CPS) to GDP and Currency Outside Bank (COB) to  $M_2$ , 2009 - 2013**



Source: CBN

Total financial savings, measured by the ratio of quasi money to GDP, fell to 10.7 per cent in 2013, from 11.1 per cent at the end of the preceding year. The relative size of banks to the economy, measured by the ratio of their total assets to GDP, rose to 30.2 per cent from 29.6 per cent in 2012. Similarly, the CBN assets/GDP ratio rose to 25.5 per cent, from 23.1 per cent at end-December 2012, evidence of the Bank's continued balance sheet expansion.

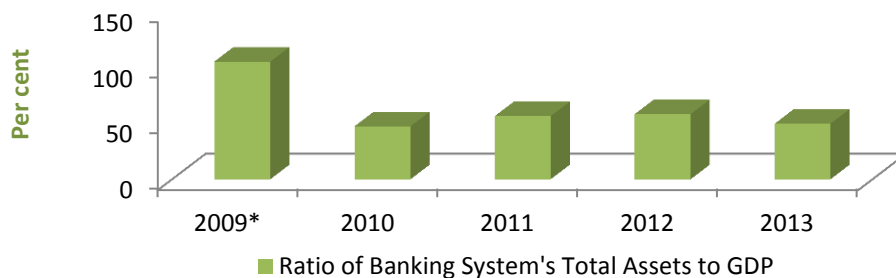
Figure 4.22b: Ratio of Banks' Total Deposit to GDP, 2009 - 2013



\* Figure based on old GDP (1990=100)

Source: CBN

Figure 4.22c: Ratio of Banking System's Total Assets to GDP, 2009 - 2013



\* Figure based on old data

Source: CBN

Table 4.8: Monetary Aggregates and Measures of Financial/Banking Developments, 2009 - 2013

	2009*	2010	2011	2012	2013
<b>Aggregates (N' billion)</b>					
Nominal GDP	25,225.14	55,469.35	63,713.35	72,599.62	81,009.96
Non Oil GDP	15,198.60	47,066.67	52,673.95	61,284.59	70,713.63
Broad Money (M2)	10,780.63	11,525.53	13,303.49	15,483.85	15,668.95
Quasi Money (savings)	5,763.51	5,954.26	6,531.91	8,062.90	8,656.12
Currency in circulation	1,181.54	1,378.13	1,566.05	1,631.72	1,776.81
Currency Outside banks	927.24	1,082.30	1,245.14	1,301.16	1,447.06
Credit to Private Sector	10,219.34	9,830.34	14,183.59	15,151.76	16,509.47
Net Domestic Credit	7,862.64	8,498.65	13,152.87	12,698.21	15,040.70
Net Foreign Assets	7,593.32	6,506.62	7,138.67	9,043.68	8,513.27
Banks Assets	17,522.86	17,331.56	19,396.63	21,303.95	24,468.27
CBN Assets	9,057.81	8,767.69	16,750.71	20,680.45	15,872.24
Banking System	26,580.67	26,099.25	36,147.35	41,984.40	40,340.51
<b>Monetary Ratio (per cent)</b>					
M2/GDP	42.70	20.78	20.88	21.33	19.34
CIC/M2	11.0	12.0	11.8	10.5	11.3
COB/M2	8.60	9.39	9.36	8.40	9.24
Quasi Money/M2	53.46	51.66	49.10	52.07	55.24
Quasi Money/GDP	22.85	10.73	10.25	11.11	10.69
CIC/GDP	4.68	2.48	2.46	2.25	2.19
CP/GDP	40.50	17.72	22.26	20.87	20.38
Cp (core)/GDP	39.23	17.06	21.46	19.95	19.39
Banks assets/GDP	69.40	31.25	30.44	29.34	30.20
CBNs Assets/GDP	40.40	16.33	13.76	23.07	25.53
Banking System's Assets/GDP	105.30	47.05	56.73	57.83	49.80

\* Figure based on GDP (2010=100)

Source: Central Bank of Nigeria

#### 4.2.8 Money Multiplier and Velocity of Money

Broad money multiplier stood at 2.8 and represented a decline of 1.4 units from the level at end-December 2012. The decline reflected a moderation in the growth of monetary aggregates in 2013 and the significant rise in base money. Currency ratio fell to 0.5 per cent from 0.8 per cent at the end of 2012, while the reserve ratio increased from 0.1 per cent in 2012 to 0.3 per cent in 2013. In addition, the velocity of broad money,  $M_2$ , rose sharply to 5.2 from 4.8 in 2012.

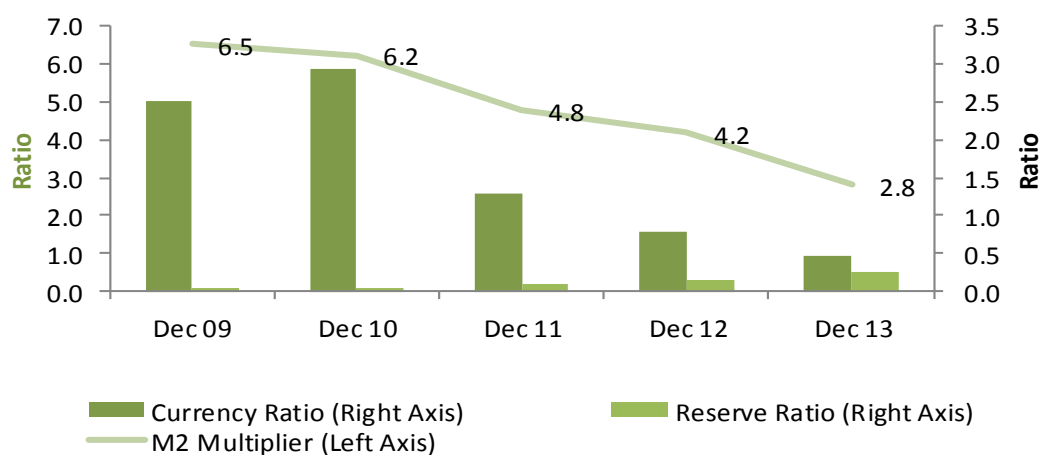
Table 4.9: Money Multiplier and Velocity of M<sub>2</sub>, 2009 - 2013

	2009	2010	2011	2012	2013
<b>Currency Ratio</b>	2.5	2.9	1.3	0.8	0.5
<b>Reserve Ratio</b>	0.05	0.04	0.10	0.1	0.3
<b>M<sub>2</sub> Multiplier</b>	6.5	6.2	4.8	4.2	2.8
<b>Velocity of M<sub>2</sub></b>	2.3*	4.8	4.8	4.8	5.2

\* Figure based on old data

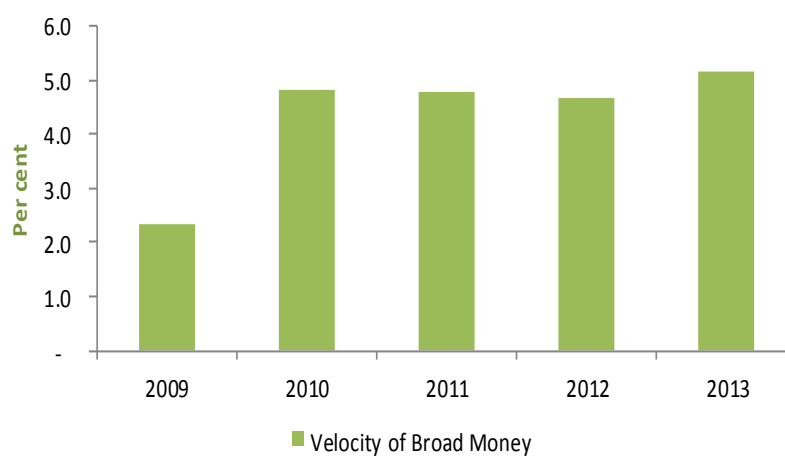
Source: Central Bank of Nigeria

Figure 4.23: Money Multiplier, Currency Ratio and Reserve Ratio, 2009 - 2013



Source: CBN

Figure 4.24: Velocity of Broad Money, 2009 - 2013



### 4.3 OTHER FINANCIAL INSTITUTIONS

#### 4.3.1 Development Finance Institutions (DFIs)

The total asset of the six (6) reporting DFIs increased by 31.3 per cent to ₦586.7 billion, compared with ₦446.9 billion at the end of the preceding year. The increase in aggregate assets was due to the improved financial performance of the Bank of Industry (BOI), the Bank of Agriculture (BOA) and The Infrastructure Bank (TIB). Analysis of the asset base of the institutions indicated that the BOI, the Federal Mortgage Bank of Nigeria (FMBN), the Nigeria Export-Import Bank (NEXIM), BOA, TIB and the National Economic Reconstruction Fund (NERFUND) accounted for 50.5, 24.0, 9.1, 8.9, 5.2 and 2.3 per cent, respectively.

The combined paid-up share capital and net loans/advances of the institutions increased by 227.5 and 57.9 per cent to ₦230.9 billion and ₦358.2 billion, respectively, at end-December 2013. The development was attributed, largely, to the growth in the paid-up capital and loans/advances of BOI.

#### 4.3.2 The Asset Management Corporation of Nigeria (AMCON)

The Asset Management Corporation of Nigeria (AMCON) acquired over 12,500 non-performing Eligible Bank Assets (EBAs) valued at ₦1.65 trillion from seventeen (17) financial institutions. The Corporation also provided financial accommodation to the recapitalized banks and acquired the three (3) bridge banks, namely Keystone, Enterprise and Mainstreet, from the NDIC at a total cost of over ₦2.0 trillion. The Corporation achieved these objectives through the issuance of five series of bonds with a total face value of ₦5.67 trillion.

On December 31, 2013, AMCON redeemed the Series 1, 2, 3 and 4 Bonds amounting to ₦4.84 trillion out of its total bond obligation of ₦5.67 trillion. Bonds held by banks, valued at ₦1.04 trillion, were liquidated using AMCON's internally-generated funds and the outstanding balance in the Banking Sector Resolution Cost Sinking Fund as at the end of December 2013, while bonds

valued at ₦3.80 trillion held by the CBN were restructured into a 10-year bond at 6.0 per cent coupon. Overall, the sum of ₦4.7 trillion, representing 85.0 per cent of AMCON bonds obligation, had been redeemed as at December 31, 2013.

#### 4.3.3 The Nigeria Mortgage Re-finance Company

The Nigeria Mortgage Re-finance Company Plc (NMRC) was incorporated following the grant of an approval-in-principle by the CBN in June 2013. The Company was established to bridge the funding cost of residential mortgages and promote the availability, as well as affordability, of housing to Nigerians through the provision of liquidity in the mortgage market via the PMBs and commercial banks. The NMRC was expected to address the inherent mismatch between the short-term deposit liabilities and the long-term nature of mortgage assets by raising long-term funds from the capital market and other debt instruments to re-finance eligible mortgages originated by PMBs and commercial banks, which conform to the underwriting standards. To ensure a smooth take-off of the NMRC, the Federal Government secured a 40-year term loan of US\$300.0 million from the World Bank on International Development Association (IDA) terms of which US\$250.0 million is for the NMRC, US\$25.0 million for micro housing finance and US\$25.0 million for a mortgage guarantee programme to enable low income borrowers access mortgage loans.

#### 4.3.4 Microfinance Banks (MFBs)

The total assets/liabilities of microfinance banks (MFBs) that rendered returns increased by 21.6 per cent to ₦270.9 billion at end-December 2013, from ₦222.8 billion in the preceding year. The paid-up capital and net loans/advances also increased, by 11.0 and 33.0 per cent, to ₦67.4 billion and ₦129.0 billion, respectively. Similarly, aggregate reserves increased to ₦5.6 billion, in contrast to negative ₦7.4 billion at end-December 2012. The development reflected a considerable improvement in their performances. Investible funds available to the sub-sector were ₦66.6 billion, compared with ₦86.5 billion in the preceding

year. The funds were sourced mainly from the increase in other liabilities (₦21.1 billion), accumulated reserves (₦13.0 billion), paid-up capital (₦6.7 billion) and long-term loans (₦5.2 billion). The funds were applied mainly to increase loans and advances (₦32.1 billion) and other assets (₦10.3 billion), among others.

#### 4.3.4.1 Maturity Structure of Microfinance Banks' (MFBs) Loans & Advances and Deposit Liabilities

Short-term credit remained dominant in the microfinance market in 2013, driven by the structure of their deposit. At end-December 2013, short-term loans accounted for 87.0 per cent of the total, up from 85.1 per cent in the preceding year. Loans with maturity of over 360 days accounted for 13.0 per cent, compared with 14.9 per cent at end-December 2012. Similarly, short-termism remained the dominant feature of the deposits in these institutions as deposits of less than one (1) year maturity accounted for 95.5 per cent, compared with 94.6 per cent at end-December 2012. Deposits of over one (1) year accounted for 4.5 per cent at end-December 2013, compared with 5.4 per cent at end-December 2012.

**Table 4.10: Maturity Structure of Assets and Liabilities of Microfinance Banks (MFBs), 2012 - 2013 (Per cent)**

Tenor/Period	2012		2013	
	Loans and Advances	Deposits	Loans and Advances	Deposits
0-30 days	20.2	58.8	17.6	64.9
31-60 days	12.7	9.1	11.2	6.7
61-90 days	14.8	9.8	14.1	8.9
91-180 days	23.3	7.1	24.2	8.6
181-360 days	14.1	9.8	19.9	6.4
Short Term	<b>85.1</b>	<b>94.6</b>	<b>87.0</b>	<b>95.5</b>
Above 180 days but below 1 year	<b>14.1</b>	<b>9.8</b>	<b>19.9</b>	<b>6.4</b>
Above 360 days	<b>14.9</b>	<b>5.4</b>	<b>13.0</b>	<b>4.5</b>
Total	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Central Bank of Nigeria



#### 4.3.5 Discount Houses (DHs)

The total assets/liabilities of discount houses stood at ₦133.76 billion, indicating a decline of 61.2 per cent from the level at the end of the preceding year. The fall in assets relative to the level at the end of the preceding year was attributed to the reduction in the number of discount houses from five (5) to three (3) following the conversion of one (1) to a merchant bank and the revocation of the operating licence of another. Total funds sourced amounted to ₦11.3 billion, compared with ₦29.3 billion in the preceding year. The funds were sourced mainly from money-at-call (₦4.9 billion) and reduction in other liabilities (₦3.4 billion). The funds were utilised mainly to increase other amount owed to customers (₦4.8 billion) and purchase of Federal Government securities (₦2.3 billion). Discount houses' investment in Federal Government securities of less than 91-day maturity amounted to ₦31.4 billion, representing 30.6 per cent of their current liabilities. This was 29.4 percentage points below the prescribed minimum of 60.0 per cent for fiscal 2013.

#### 4.3.6 Finance Companies (FCs)

The total assets/liabilities of the finance companies (FCs) increased by 31.7 per cent to ₦103.1 billion, from ₦78.3 billion at end-December 2012. Similarly, total paid-up capital and net loans/advances increased by 6.5 and 96.2 per cent, to ₦14.7 billion and ₦46.7 billion, respectively, at end-December 2013. Total borrowings also increased by 24.4 per cent to ₦59.2 billion from ₦47.6 billion at end-December 2012. Investible funds available to the sub-sector was ₦26.1 billion, compared with ₦45.8 billion in the preceding year. The funds were sourced mainly from increase in borrowings (₦11.6 billion), other liabilities (₦7.7 billion), accumulated reserves (₦4.3 billion), reduction in fixed assets (₦1.0

billion), and growth in paid-up capital (₦0.9 billion). The funds were utilized mainly to increase loans/advances (₦22.9 billion) and investments (₦2.6 billion).

#### 4.3.7 Primary Mortgage Banks (PMBs)

The total assets/liabilities of primary mortgage banks (PMBs) increased by 39.0 per cent to ₦484.0 billion, from ₦348.1 billion at end-December 2012. The paid-up capital of the PMBs also increased by 138.8 per cent to ₦150.2 billion, reflecting compliance with the new capital regime. Similarly, loans and advances increased by 30.2 per cent to ₦157.4 billion, from ₦120.9 billion as at December 31, 2012. Deposit liabilities, however, decreased by 3.7 per cent to ₦164.7 billion, from ₦171.1 billion at end-December 2012. Investible funds available to PMBs amounted to ₦164.2 billion, compared with ₦48.9 billion in the preceding year. The funds were sourced mainly from increase in paid-up capital (₦87.4 billion) and other liabilities (₦64.7 billion). They were utilized mainly to increase investments (₦66.5 billion), loans/advances (₦36.5 billion) and other assets (₦18.0 billion).

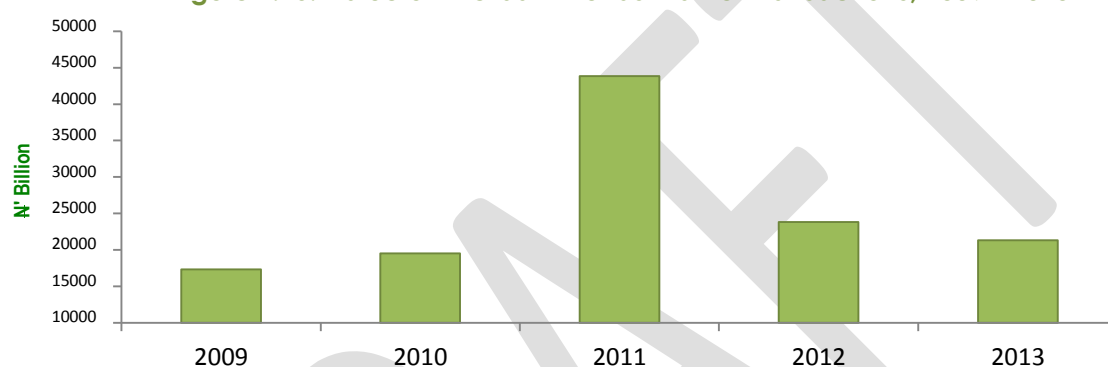
### 4.4 MONEY MARKET DEVELOPMENTS

The money market was relatively stable in 2013 as the Bank sustained its tight monetary policy stance. The Monetary Policy Rate (MPR) was retained at 12.00 per cent throughout the year with the corridor at  $\pm 200$  basis points for the Standing Lending Facility (SLF) and the Standing Deposit Facility (SDF). The Liquidity Ratio was retained at 30.0 per cent while the CRR, which was 12.0 per cent for the first seven (7) months of the year for all deposits, was thereafter reviewed upwards to 50.0 per cent for public sector deposits in order to curtail a liquidity surfeit in the banking system.

#### 4.4.1 Interbank Funds Market

The performance of the interbank funds market was sluggish in 2013. The value of transactions declined by 10.4 per cent to ₦21,331.14 billion. The fall was attributed, largely, to risk apprehensions, flight to safety, and preference for secured lending in the market, following the revocation and suspension of the operating licences of two discount houses. With the deployment of the Scripless Securities Settlement System (S4) in December 2013, more transactions were conducted at the open-buy-back (OBB) segment.

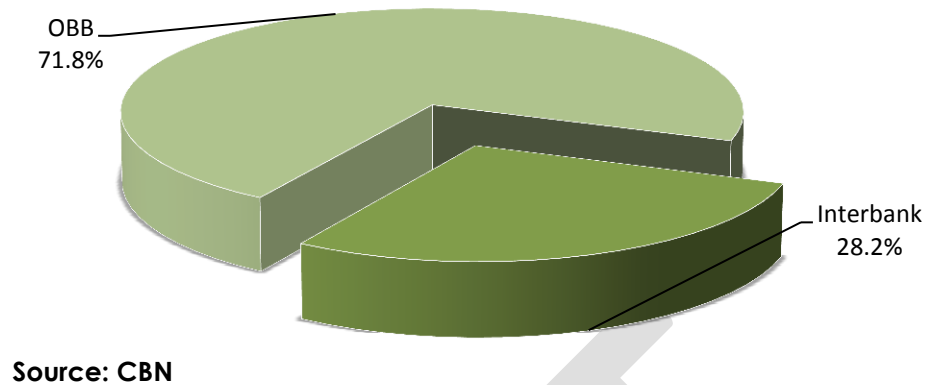
**Figure 4.25: Value of Interbank Funds Market Transactions, 2009 - 2013**



**Source: CBN**

A breakdown of the transactions at the interbank funds market showed that the value of interbank call transactions declined by 57.5 per cent to ₦6,015.88 billion, while the value of transactions at the OBB segment increased by 66.7 per cent from its level in 2012. As a proportion of the total value of transactions, the OBB accounted for 71.8 per cent, while interbank call activities accounted for the balance of 28.2 per cent.

**Figure 4.26: Share of Interbank Funds Market Transactions, 2013 (Per cent)**



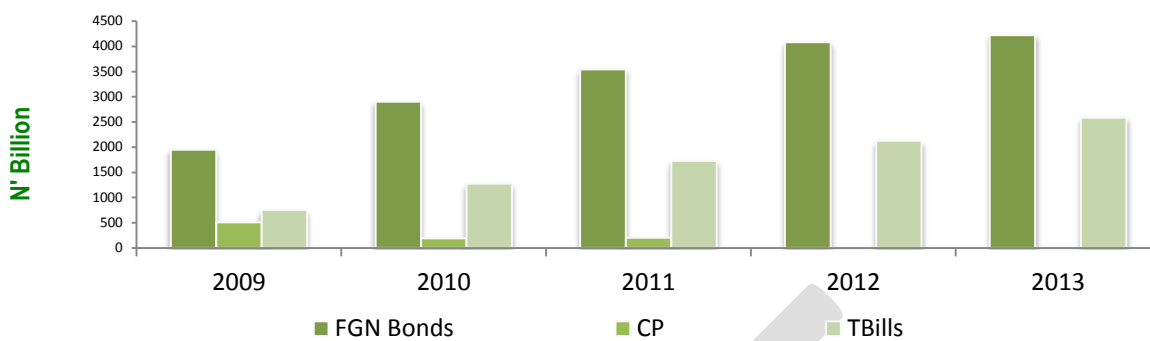
#### BOX 5: THE SCRIPLESS SECURITIES SETTLEMENT SYSTEM

The Scripless Securities Settlement System (S4) is a new initiative to issue, manage and settle government and other money-market securities processed as electronic records in a Central Securities Depository (CSD) system. The S4, which was launched in December 2013, is based on a computer network where trading and ownership of government securities are recorded on an electronic platform. Government securities were, hitherto, issued in the form of scrip (paper) securities. With the introduction of the S4, government securities would be issued in a scripless form. The issuance of securities in a scripless form would facilitate electronic management of the entire life cycle of securities' transactions for both primary and secondary markets. The settlement of securities under S4 would be instantaneous, that is, there would be no need for the physical delivery and verification of securities before payment.

#### 4.4.2 Money Market Assets Outstanding

The total money market assets outstanding at end-December 2013 stood at ₦6,833.38 billion, representing an increase of 10.0 per cent, compared with ₦6,213.90 billion at end-2012. The development was attributed to the increase in the value of Nigerian Treasury Bills (NTBs), Bankers' Acceptances, Commercial Papers (CP) and FGN Bonds outstanding.

**Figure 4.27: Money Market Assets Outstanding, 2009 - 2013**  
(₦'billion)

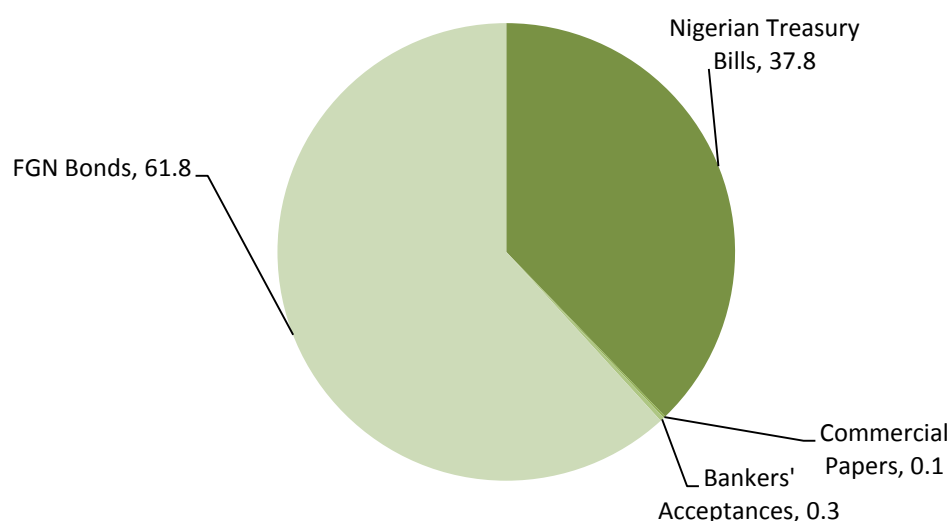


Source: CBN

Government securities constituted 99.6 per cent of the total money market assets outstanding, while private sector-issued securities (certificates of deposit, commercial paper and bankers' acceptances) accounted for the balance of 0.4 per cent.

*Government remained the dominant player in the money market, as its securities constituted 99.6 per cent of the total money market assets outstanding at end-December 2013.*

**Figure 4.28: Composition of Money Market Assets Outstanding, 2013  
(Per cent)**



Source: CBN

**Table 4.11: Composition of Money Market Assets Outstanding, 2012 and 2013**

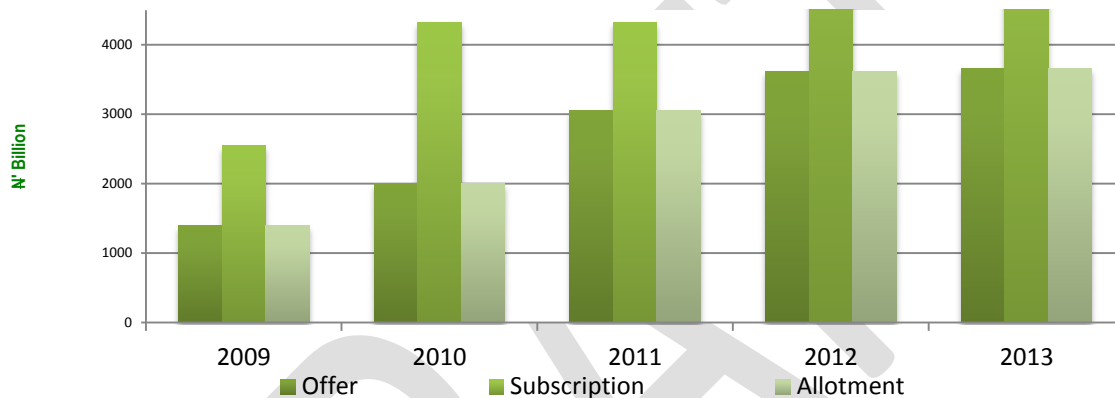
Asset	Share in Total (%) in 2012	Share in Total (%) in 2013
Treasury Bills	34.16	37.78
Treasury Certificates	0.00	0.00
Development Stocks	0.00	0.00
Certificates of Deposit	0.00	0.00
Commercial Paper	0.02	0.13
Bankers' Acceptances	0.16	0.30
FGN Bonds	65.66	61.79
Total	100.00	100.00

Source: CBN

#### 4.4.2.1 Nigerian Treasury Bills (NTBs)

Nigerian Treasury Bills (NTBs) worth ₦3,650.88 billion, ₦7,573.45 billion, and ₦3,650.88 billion were respectively offered, subscribed to, and allotted, in 2013. The amount subscribed to represented a decline of 13.45 per cent from the ₦8,750.49 billion subscribed to in 2012, reflecting the low patronage by foreign investors.

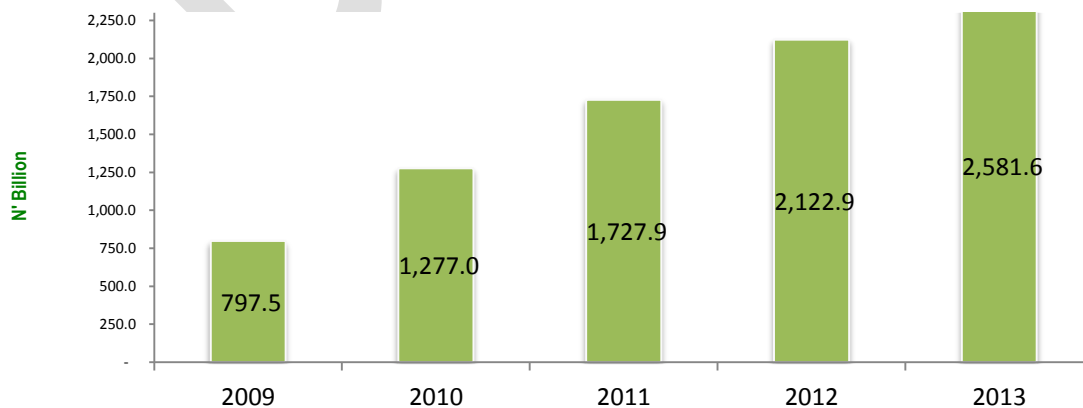
Figure 4.29: NTB Issues, Subscriptions and Allotments, 2009 - 2013



Source: CBN

In 2012, total offers, subscriptions and allotments were ₦3,609.65 billion, ₦8,750.49 billion and ₦3,609.65 billion, respectively. The bid-to-cover ratio of 2.07 in 2013 indicated investors' appetite for government securities.

Figure 4.30: Nigerian Treasury Bills Outstanding, 2009-2013



**Source: CBN**

The analysis of the holdings of NTBs showed that DMBs took up ₦1,853.72 billion (50.8%); discount houses, ₦70.35 billion (1.9%); and Mandate and Internal Funds, ₦1,726.8 billion (47.3%). There was no CBN take-up in 2013, compared with ₦163.86 billion in 2012.

The sum of ₦3,192.26 billion was repaid in the review year resulting in a net outflow of ₦458.62 billion, compared with an outflow of ₦383.76 billion in the preceding year. Consequently, the value of NTBs outstanding at end-December 2013 stood at ₦2,581.6 billion, an increase of 21.6 per cent over the level in the preceding year.

Analysis of NTBs investors by class of holders showed that banks and discount houses took up ₦1,924.07 billion (52.7%), and Mandate and Internal Funds (including CBN branches) held ₦1,726.82 billion (47.3%). The average range of successful bid rates was 7.50 - 13.34 per cent, compared with 10.50 - 17.20 per cent in the preceding year.

Table 4.12: Liquidity Flows			
Period	NTBs Allotted (₦bn)	NTBs repaid(₦bn)	Net flow (₦bn)
2012	3,609.65	3,225.89	-383.76
2013	3,650.88	3,192.26	-458.62

**Source: CBN**



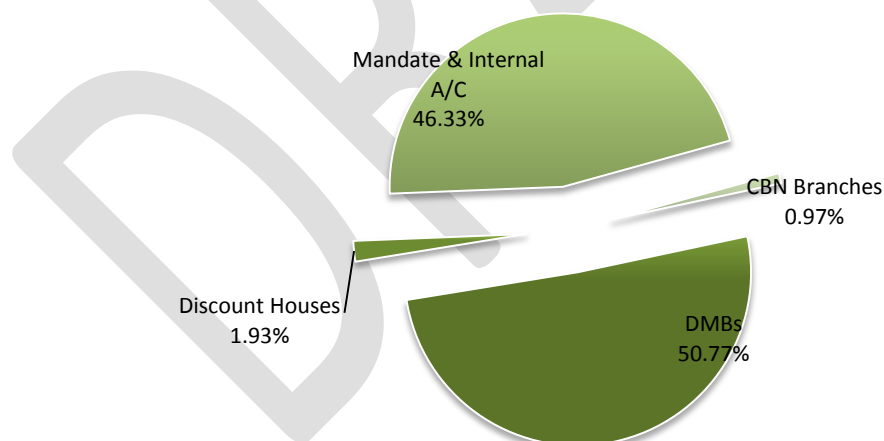
Table 4.13: NTB Issues, Subscription, Allotments and Repayments, 2010-2013 (₦' Billion)				
Tenor (day)	2010	2011	2012	2013
Offer Amount (₦'bn)	2,003.95	3,048.49	3,609.65	3,650.88
Total Subscription (₦'bn)	4,324.85	6,512.73	8,750.49	7,573.45
Allotment (₦'bn)	2,003.95	3,048.49	3,609.65	3,650.88
DMBs	1478.7	2001.23	2141.99	1,853.72
Mandate and Internal Fund	324.1	702.58	1072.54	1,726.82
Discount Houses	201.2	344.68	231.26	70.35
CBN/mmd take-up	0.0	0.0	163.86	0.0
Average Range of Successful Bid Rates (%)		5.56 – 16.99	10.50 – 17.20	7.50 – 13.34
Bid-Cover Ratio <sup>1</sup>	2.16	2.14	2.42	2.07
Payments		2597.67	3225.89	3,192.26
Net Flows <sup>2</sup>		-450.82	-383.76	-458.62

<sup>1</sup>Bid-Cover ratio equals Subscription divided by Allotments

<sup>2</sup>Net Flow equals Allotments minus Repayments

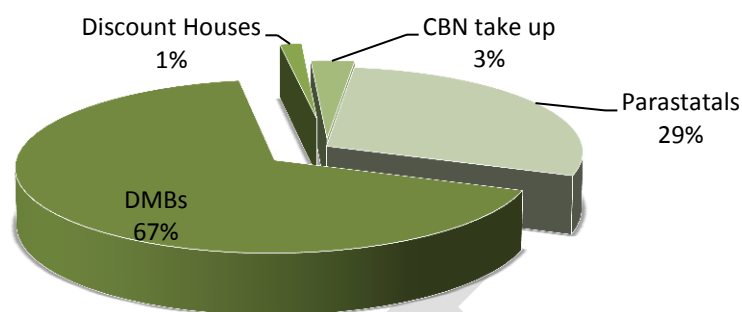
Source: CBN

Figure 4.31: Nigerian Treasury Bills: Breakdown of Allotments in 2013 (Per cent)



Source: CBN

**Figure 4.32: Nigerian Treasury Bills: Classes of Holders, 2013  
(Per cent)**



Source: CBN

#### 4.4.2.2 Commercial Paper (CP)

Commercial Papers (CPs) held by DMBs increased in value from ₦1.05 billion at end-December 2012 to ₦9.32 billion. Thus, CPs constituted 0.13 per cent of the total value of money market assets outstanding, compared with 0.02 per cent at the end of the preceding year.

#### 4.4.2.3 Bankers' Acceptance (BA)

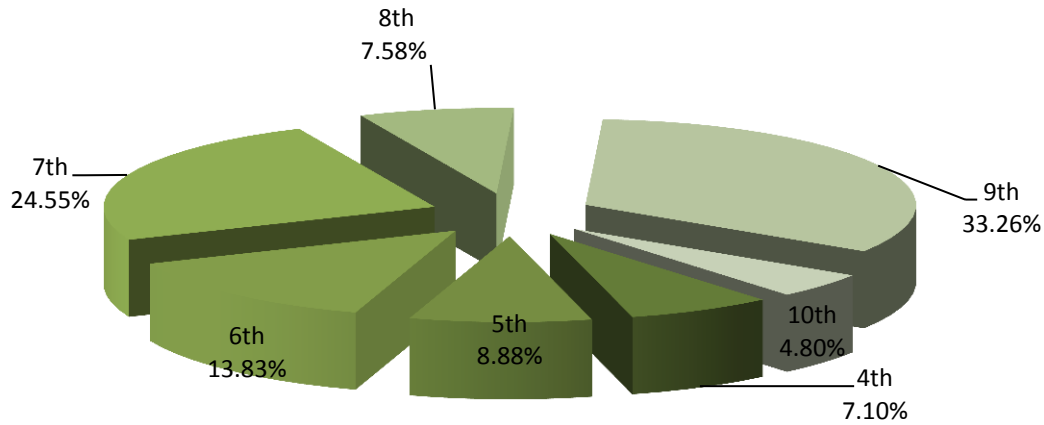
Bankers' Acceptances (BAs) held by the DMBs increased by 107.5 per cent to ₦20.47 billion at end-December 2013. Consequently, BAs accounted for 0.30 per cent of the total value of money market assets outstanding, up from 0.20 per cent at end-December 2012.

#### 4.4.2.4 Federal Government of Nigeria (FGN) Bonds

In the year under review, new issues and re-openings, comprising FGN Bond series 1, 2 and 3 were auctioned. Total FGN Bonds offered for sale was ₦974.80 billion, while public subscription and sales stood at ₦1,950.62 billion and ₦898.34 billion, respectively. The huge subscription was attributed to the excess liquidity in the banking system, investors' preference for long-term instruments, and the attractive yields on the bonds. Thus, the total value of FGN Bonds outstanding in 2013 was ₦4,222.04 billion, compared with ₦4,080.05 billion at end-December 2012. Of the total outstanding bonds, the 4<sup>th</sup> FGN Bonds accounted for 7.11 per

cent; 5<sup>th</sup>, 8.88 per cent; 6<sup>th</sup>, 13.83 per cent; 7<sup>th</sup>, 24.65 per cent; 8<sup>th</sup>, 7.58 per cent; 9<sup>th</sup>, 33.26 per cent and 10<sup>th</sup>, 4.79 per cent.

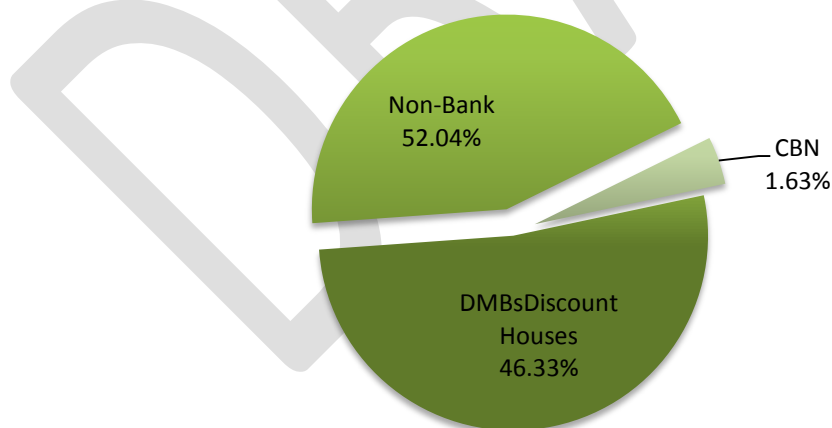
**Figure 4.33: Outstanding FGN Bonds, 2013 (Per cent)**



Source: CBN

The structure of holdings of FGN Bonds showed that 52.04 per cent was held by the non-bank public, banks and discount houses held 46.33 per cent and the CBN, 1.63 per cent.

**Figure 4.34: FGN Bonds by Holder, 2013 (Per cent)**



Source: CBN

In order to strengthen the banking sector, AMCON Bonds were issued in exchange for the acquired non-performing facilities of banks and for the

recapitalisation of the intervened/bridge banks. The first tranche of the bonds issued by AMCON was redeemed for cash at the CBN, while the recapitalisation bonds were used to access CBN's standing facility window. The bridge/intervened banks were the majority holders of these bonds and, therefore, experienced greater liquidity challenges. To improve liquidity in the intervened banks, the CBN purchased the sum of ₦3,206.8 billion worth of AMCON bonds of different maturities from the affected banks.

#### **4.4.3 Over-the-Counter (OTC) Transactions**

##### **4.4.3.1 OTC Transactions in Nigerian Treasury Bills (NTBs)**

Nigerian Treasury Bills (NTBs) worth ₦11,350.20 billion were traded in 41,995 deals at the secondary market in 2013, compared with bills worth ₦14,702.15 billion in 58,091 deals in the preceding year. This represented a decline of 22.79 and 27.70 per cent in value and volume, respectively.

##### **4.4.3.2 OTC Transactions in FGN Bonds**

In 2013, FGN Bonds worth ₦7,858.64 billion were traded in 45,735 deals at the secondary market, compared with bonds worth ₦7,345.35 billion in 44,822 deals in the preceding year. This represented a growth of 7.0 and 2.0 per cent in value and volume, respectively. The development was attributed to the growing investors' confidence in long-term instruments that have increasingly acquired liquidity status.

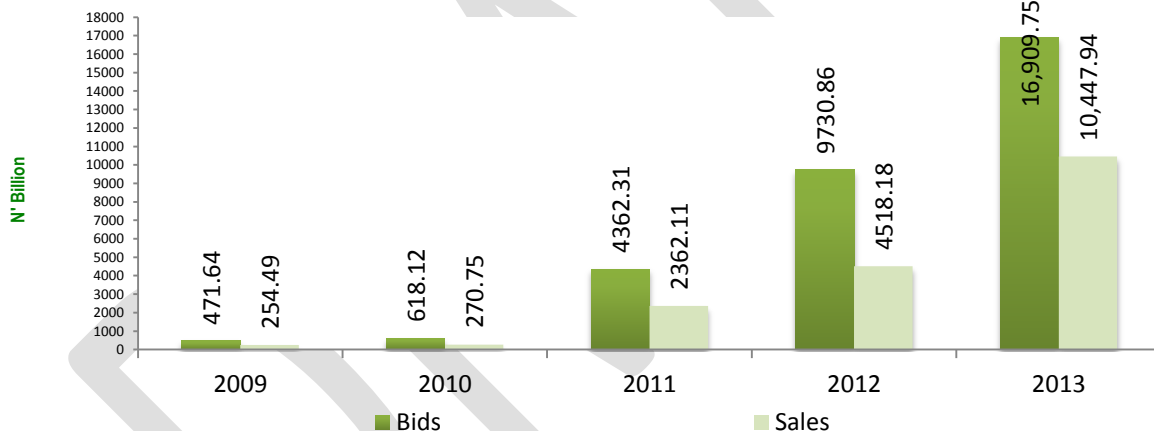
#### **4.4.4 Open Market Operations (OMO)**

In line with the Bank's tight monetary policy stance occasioned by the need to stem inflation and maintain price stability, open market operations were extensively used for liquidity management, complemented by discount window operations, reserve requirements and interventions in the foreign exchange market.

#### 4.4.4.1 OMO Auctions

OMO auctions were conducted throughout the year using the CBN bills with tenors ranging from 77 to 169 days. Total value of securities offered was ₦14,690.00 billion, while total subscription and sale amounted to ₦16,909.75 billion and ₦10,447.94 billion, compared with the respective figures of ₦6,821.47 billion, ₦9,730.86 billion and ₦4,518.18 billion offered, subscribed to and sold in 2012. The increased level of activity was attributed to the redemption of CBN bills, payment of statutory revenue allocation and SURE-P disbursements, as well as the instalmental payment of NNPC arrears to States and Local governments. Public subscription and sales in the 2013 were higher than in the preceding year, due to the liquidity surge in the banking system.

Figure 4.35: OMO Issues and Sales, 2009 - 2013



Source: CBN

#### 4.4.4.2 The Two-Way Quote Trading in NTBs

NTBs were not traded on the two-way quote trading platform in 2013, the same as in 2012. The platform was passive, owing to the policy direction of the Bank, which suspended trading in response to market developments.

#### 4.4.4.3 Repurchase Transactions (Repo)

In 2013, one institution requested for a short-tenor repo of 4 days in August to enhance its liquidity position. The preference of other authorized dealers was the overnight standing facility window, which was shorter in tenor and lower in interest rate. The repo processed was valued at ₦54.90 billion, with an applicable rate of 15.0 per cent, compared with ₦3,238.87 billion with tenors ranging from 4 - 30 days at the same rate in 2012.

#### **4.4.5 Discount Window Operations**

##### **4.4.5.1 CBN Standing Facilities**

The Bank continued to provide standing facilities to deposit money banks and discount houses to enable them meet their short-term liquidity needs and provide a window for investing their surpluses. The applicable rates remained MPR -200 basis points for the standing lending facility (SLF) and MPr +200 basis points for the standing deposit facility (SDF) throughout the year.

##### **4.4.5.1.1 The Standing Deposit Facility (SDF)**

The Standing Deposit Facility (SDF) window in 2013 was more active than in the preceding year. The average daily deposit in 2013 was ₦201.33 billion, compared with ₦54.97 billion in 2012. This resulted in an interest payment of ₦80.11 million, compared with ₦21.29 million in 2012. Patronage at the platform was highest in October 2013, which reflected the surge in liquidity during the month.

##### **4.4.5.1.2 The Standing Lending Facility (SLF)**

Standing lending facility was granted to deposit money banks and discount houses to square up their accounts at the end of each business day. The average daily request for SLF was ₦50.9 billion, compared with ₦73.85 billion in 2012. Daily interest earned by the Bank on SLF declined to ₦28.2 million, from ₦37.83 million in 2012. More requests were recorded in the months of August and September 2013, following the introduction of 50.0 per cent CRR on public sector deposits.

#### 4.4.5.2 CBN Promissory Notes

One-year tenor promissory notes valued at ₦435.71 million were issued to DMBs, compared with ₦10.15 billion in the preceding year. The sum of ₦10.15 billion was redeemed during the review period, while the sum of ₦435.71 million remained outstanding. Interest payment on promissory notes during the review period was ₦919.48 million.

#### 4.4.6 Developments in the Money Market

##### 4.4.6.1 Implementation of a New Real-Time Gross Settlement (RTGS) system

The Bank commenced the implementation of the new Real-Time Gross Settlement (RTGS) system to align it with best global payments standards and facilitate the realisation of its Payments System Vision 2020 (PVS 2020). The new System replaced the earlier one implemented seven years ago under the CBN transformation programme, code-named Project EAGLES. It serves as the nucleus of the national payments system; all payments are finally settled in the Bank through the settlement accounts maintained for designated financial institutions. All retail payments (cheques, cards, mobile money, funds transfers, ATMs) are cleared by the Nigerian Interbank Settlement System NIBSS, and the net settlement positions of the financial institutions are posted to the RTGS. The benefits of the new payments system include:

- Provision of a collateral management platform to mitigate settlement risks, and the facilitation of monetary policy implementation and improvement in liquidity management;
- Provision of a more efficient and secured payments landscape to attract foreign investment and enhance financial inclusion in the country;
- To stimulate rapid transformation in the financial markets, allowing real-time settlement of transactions; and

- Facilitate faster processing of electronic payments and expansion of the functionality and effectiveness of government securities.

The new RTGS, which went live on December 16, 2013, was integrated with the S4 to reduce risks in the payments system.

DRAFT



## 4.5 CAPITAL MARKET DEVELOPMENTS

### 4.5.1 Developments in the Nigerian Capital Market

The Nigerian Stock Exchange (NSE) intensified its efforts on the implementation of the various reform programmes designed to promote investors' confidence and the growth of the market. In this regard, priorities were focused on strengthening the Exchange through the pursuit of new technologies that would enhance its efficiency in the enforcement of rules and engender transparency in the market.

*The Nigerian Stock Exchange (NSE) intensified efforts on the implementation of the various reform programmes designed to promote investors' confidence and growth of the market.*

As part of its key initiatives to drive optimization, the NSE introduced the Industrial and ASeM Indices into its daily official list. While the Industrial Index would measure the performance of the 10 top stocks in the industrial sub-sector of the equities market, the alternative securities exchange market (ASeM) Index is designed to track the performance and price movements of companies listed on the ASeM platform.

In order to provide wider market access, facilitate mobile trading technologies, support trading of cash equities and bonds, exchange traded funds (ETFs) and improve overall market transparency, the Exchange successfully launched the X-Gen trading platform (FIX protocol version 5-enabled) during the year. The system provides a platform for the first-ever issuer reporting portal in Nigeria (the X-Issuer).

On the international scene, the NSE joined the United Nations (UN) Sustainable Stock Exchanges (SSE) as part of its commitment to creating sustainable value and business practices for stakeholders in the market, especially among listed companies.

In addition, the NSE signed an MoU with Thomson Reuters, the world's leading source of intelligent information for businesses and professionals. Under the MoU, Thompson Reuters would provide investor relations services to listed companies on the Exchange.

As at end-December 2013, the number of listed companies and securities stood at 190 and 254, indicating a decline of 0.5 and 0.8 per cent, respectively, from the levels in the preceding year. Similarly, the number of listed bonds declined to 55 from 57 in the preceding year, while the number of listed equities remained at 198. Two (2) new equities and nineteen (19) debt securities were listed on the Exchange in 2013. There was no Initial Public Offering (IPO) during the year. Four (4) new state and municipal bonds, one (1) corporate bond, one (1) supra-national bond and one (1) government bond were issued. At end-December 2013, three (3) companies were delisted from the main board and relisted with a newly formed company (due to mergers and acquisitions), while three (3) other companies were delisted for non-compliance with the Exchange's post-listing standards and a voluntary process. In addition, nine (9) bonds matured and were delisted during the year.

#### 4.5.2 The Nigerian Stock Exchange (NSE)

Activities on the floor of the NSE were bullish during the year as major market

*Activities on the floor of the NSE were bullish in 2013.*

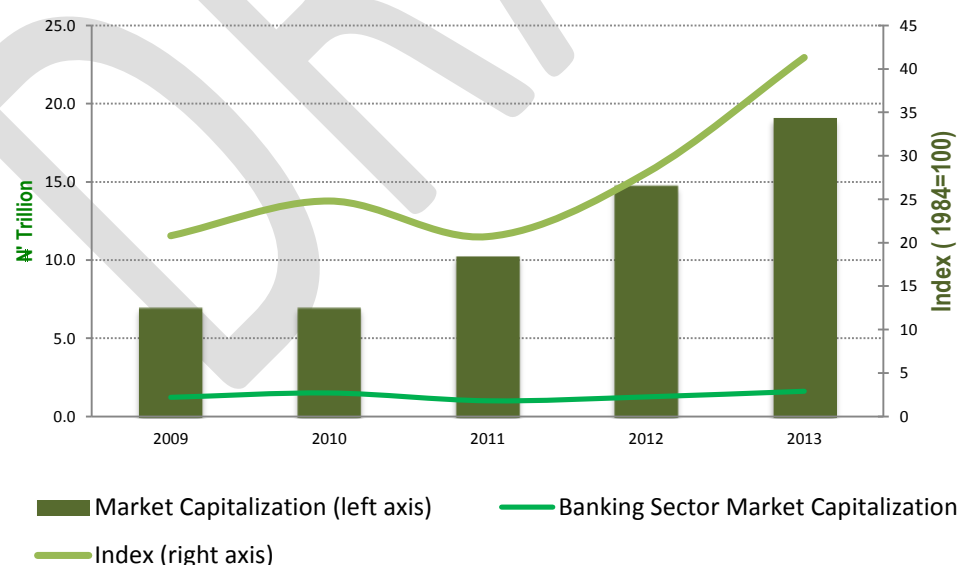
indicators trended upwards. Aggregate volume and value of traded securities increased by 156.5 and 190.6 per cent, respectively, at end-December 2013. Similarly, aggregate market

capitalization of the 254 listed securities (equities and debt) rose by 28.9 per cent to close at ₦19.08 trillion, compared with ₦14.80 trillion recorded at end-December 2012. The increase was attributed, largely, to the 47.3 per cent rise in the market capitalization of listed equities. The market capitalisation of the 198

listed equities rose from ₦8.98 trillion in 2012 to close at ₦13.23 trillion and constituted 69.3 per cent of the aggregate market capitalisation. The development was attributed, mainly, to the strong corporate earnings by blue-chip companies and increased capital inflow, including portfolio investment, which contributed to the significant price appreciation. The debt securities component, made up of Federal Government Bonds (₦3.9 trillion), sub-National Bonds (₦0.50 trillion) and Corporate Bonds/Debenture (₦1.4 trillion) accounted for the balance. The small-cap stocks recorded the greatest growth of 56.3 per cent, followed by the mid-cap stocks (31.6 per cent) and the large-cap stocks (12.1 per cent).

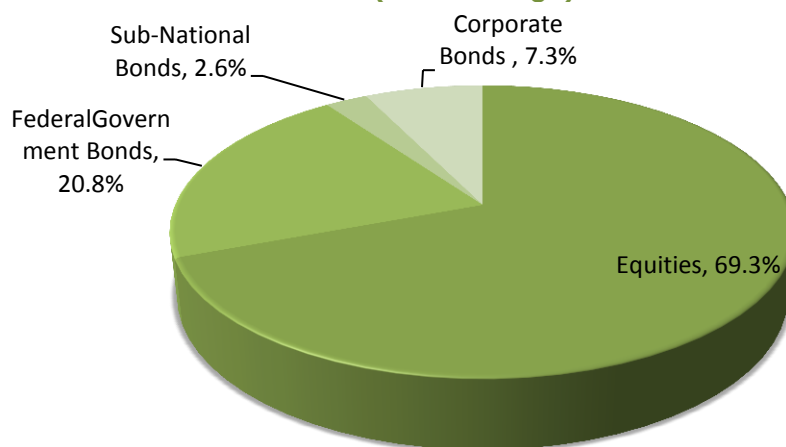
Aggregate market capitalisation as a percentage of nominal GDP was 23.5 per cent, compared with 20.4 per cent in 2012. The ratio of the value of stocks traded to GDP stood at 2.9 per cent, compared with 1.1 per cent recorded in 2012, while the turnover value as a percentage of market capitalisation was 12.3 per cent, compared with 5.5 per cent in 2012.

**Figure 4.36: Trends in Market Capitalization and NSE Value Index, 2009-2013**



Source: NSE

**Figure 4.37: Aggregate Market Capitalization  
(in Percentage)**



Source: SEC

**Table 4.14: Indicators of Capital Market Developments in the Nigerian Stock Exchange (NSE), 2009 - 2013**

	2009*	2010	2011	2012	2013
Number of Listed Securities	266	264	250	256	254
Volume of Stocks Traded (Turnover Volume) (Billion)	102.9	93.3	90.7	104.2	267.3
Value of Stocks Traded (Turnover Value) (Billion Naira)	685.7	797.6	638.9	809.0	2,350.9
Value of Stocks Traded/GDP (%)	10.0	1.5	1.0	1.1	2.9
Total Market Capitalisation (Billion Naira)	7,032.1	9,918.2	10,275.3	14,800.9	19,077.4
Of which: Banking Sector (Billion Naira)	2,238.1	2,710.2	1,839.3	2,251.3	2,939.9
Total Market Capitalisation/GDP (%)	28.5	18.01	16.06	20.40	23.51
Of which: Banking Sector/GDP (%)	9.1	4.9	1.8	3.1	3.62
Banking Sec. Cap./Market Cap. (%)	31.8	27.3	17.9	15.2	15.4
Annual Turnover Volume/Value of Stock (%)	15.0	15.0	14.2	12.9	11.4
Annual Turnover Value/ Total Market Capitalisation (%)	9.8	8.0	6.2	5.5	12.3
NSE Value Index (1984=100)	20,827.2	24,770.5	20,730.6	28,078.8	41,329.2
<b>Growth (In percent)</b>					
Number of Listed Securities	-11	-0.8	-5.3	2.4	-0.78
Volume of Stocks	-46.9	-9.3	-2.8	14.9	156.5
Value of Stocks	-71.4	16.3	-19.9	26.6	190.6
Total Market Capitalisation	-26.3	41.0	3.6	44.0	28.9
Of which: Banking Sector	-39.8	21.1	-32.1	22.4	30.6
Annual Turnover Value	-71.4	16.3	-21.9	5.7	11.4
NSE Value Index	-33.8	18.9	-16.3	35.5	47.2
Share of Banks in the 20 Most Capitalised Stocks in the NSE (%)	59.0	80.0	40.0	45.0	30.0

\*2009 ratios are computed based on GDP at 1990 Constant Prices

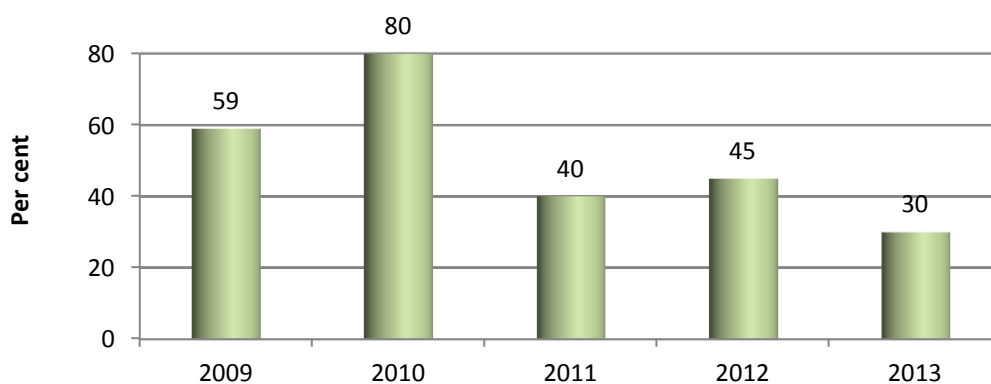
Source: Securities and Exchange Commission

#### 4.5.2.1 The Secondary Market

The secondary market segment of the NSE was bullish in 2013. The cumulative volume and value of shares traded stood at 267.4 billion and ₦2,350.9 billion, respectively, in 3,224,639 deals, compared with 104.2 billion and ₦809.0 billion, respectively, in 1,147,174 deals at end-December 2012. The bulk of the transactions remained in equities, which accounted for 99.9 per cent of the turnover volume, value and number of deals, compared with respective 99.7, 99.9 and 99.9 per cent recorded in 2012. The financial services sector constituted 71.6 per cent of the total volume of transactions valued at ₦1,300.29 billion. The Industrial loan and preference stock sub-sectors remained inactive during the review period as in the preceding year. Of the top twenty (20) listed companies by turnover volume, the banking sub-sector accounted for six (6), while manufacturing, other financial institutions, services, and oil and gas had ten (10), two (2), one (1), and one (1), respectively. The share of banks in the twenty (20) most capitalised stocks in the NSE was 30.0 per cent, compared with 45.0 per cent in the preceding year.

*The secondary market segment of the NSE was bullish while the bulk of the transactions remained in equities.*

Figure 4.38: Share of Banks in the 20 Most Capitalized Stocks in the NSE, 2009 - 2013



Source: NSE

DRAFT

#### 4.5.2.2 The NSE Value Index

The Nigerian Stock Exchange (NSE) All-Share Index rose significantly by 47.2 per cent to close at 41,329.19, compared with 20,078.81 in the preceding year. The development reflected, largely, the rise in the share prices of the listed stocks on the NSE. Similarly, the NSE-30 Index rose by 42.8 per cent, to close at its year-end level of 1,907.17, compared with 1,336.07 at end-December 2012. Also, six of the seven sectoral indices, namely, the NSE Oil/Gas Index, the NSE Industrial Index, the NSE Lotus Islamic Index, the NSE Banking Index, the NSE Consumer Goods Index, and the NSE Insurance Index rose by 122.3, 81.4, 61.8, 31.9, 31.1 and 29.0 per cent, to close at 339.88; 2,546.59; 2,863.12; 447.84; 1,100.25 and 152.87, respectively, while the NSE ASeM index declined by 0.2 per cent to close at 962.31.

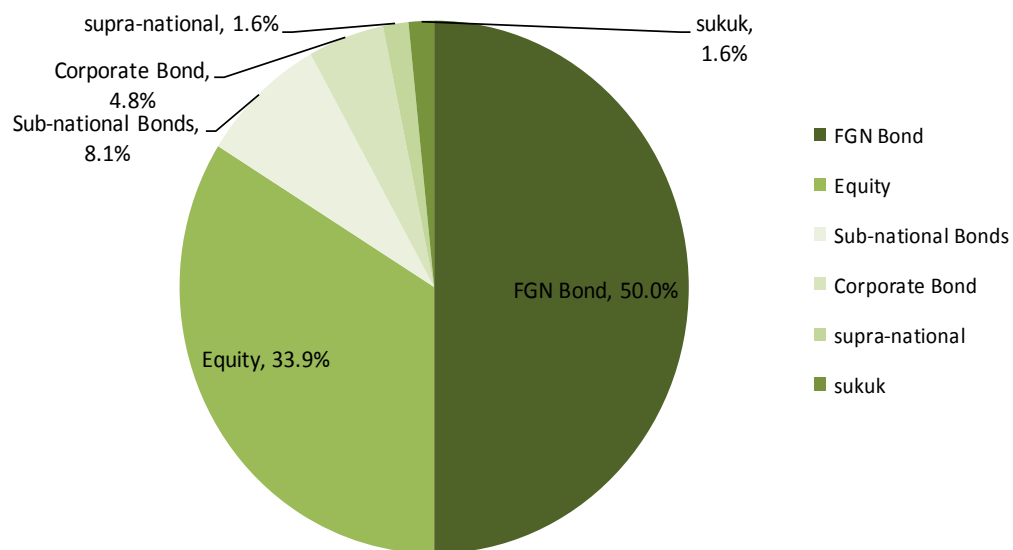
#### 4.5.2.3 The New Issues Market

The developments in the primary market segment indicated improved performance as the number of new issues rose significantly in 2013. A total of sixty-two (62) new issues, valued at ₦1,174.2 billion, were offered for public subscription, compared with fifty (50) worth ₦1,062.4 billion in the preceding year. The development reflected continued restoration of confidence in the market.

Analysis of the approved new issues showed that FGN Bonds issuance dominated, with thirty-one (31) new issues valued at ₦898.3 billion, followed by equity, twenty-one (21) valued at ₦127.4 billion; sub-national bonds, five (5) valued at ₦114.5 billion; corporate bonds, three (3) valued at ₦10.6 billion; supra-national, one (1) valued at ₦12.0 billion; and sukuk, one (1) valued at ₦11.4 billion.

Further analysis of the sub-national bonds showed that five (5) state governments, namely, Lagos, Niger, Nasarawa, Kogi and Ekiti raised a combined sum of ₦114.5 billion during the review year.

**Figure 4.39: New Issues by Sector, 2013  
(Per cent)**



Source: SEC



DRAFT

## CHAPTER FIVE

FISCAL POLICY AND GOVERNMENT  
FINANCE

**T**he fiscal policy thrust in 2013 continued to focus on fiscal consolidation with inclusive growth in order to strengthen the nation's finances and enhance job creation. At ₦9,759.8 billion or 12.0 per cent of GDP, the Federation Account revenue (gross) fell by 8.4 per cent from the level in 2012. The development was attributed to the fall in receipts from oil revenue sources. The sum of ₦7,488.3 billion was transferred to the Federation Account, an increase of 14.1 per cent from the level in the preceding year.

However, the excess crude account fell significantly from US\$11.5 billion at end-2012 to US\$3.3 billion at end-2013, following the drop in crude oil production/exports, and the substantial drawdown to augment revenue shortfall during the year.

The consolidated expenditure of general government was ₦11,103.5 billion, or 13.7 per cent of GDP, while aggregate revenue was ₦9,590.3 billion. This resulted in an overall deficit of ₦1,513.1 billion or 1.9 per cent of GDP, and was financed largely from the domestic financial market.

At ₦4,031.8 billion, Federal Government-retained revenue grew by 11.1 per cent, while aggregate expenditure at ₦5,185.3 billion grew by 12.6 per cent from their levels in 2012. Consequently, the fiscal operations of the Federal Government resulted in an overall deficit of ₦1,153.5 billion, or 1.4 per cent of GDP. Provisional data on state government finances indicated an overall deficit of ₦276.1 billion, while the finances of the local governments represented a surplus of ₦3.1 billion.

Federal Government consolidated debt stock stood at ₦8,506.4 billion, or 10.5 per cent of GDP as at end-2013, compared with ₦7,564.4 billion, or 10.4 per cent of GDP, at end-2012. External debt stock rose by US\$2.3 billion to US\$8.8 billion, following additional disbursements of concessional loans by the multilateral institutions and other non-Paris bilateral, as well as commercial debts. Domestic debt grew by 8.9 per cent to ₦7,119.0 billion as a result of new borrowings to finance critical infrastructure by the Federal Government. Overall, in tandem with the fiscal consolidation strategy of the Federal Government, the rate of debt accumulation moderated to 12.5 per cent in 2013, from 16.0 per cent in 2012.

### 5.1 THE FISCAL POLICY THRUST

The 2013 Budget, which centred on fiscal consolidation with inclusive growth, rested on the foundation of macroeconomic stability, structural reforms, governance and institutions, and investment in the priority sectors of the economy. The budget was designed against the backdrop of domestic and

global economic conditions. In this regard, the 2013 Budget was meant to continue the implementation of the Federal Government's Transformation Agenda and the long-term national objective of becoming one of the world's top twenty economies, in line with the Nigeria Vision 20:2020 strategy. Specifically, the 2013 Budget was structured to achieve the following objectives:

- Minimize the impact of external shocks on the economy, particularly with respect to the price of crude oil, which is Nigeria's main revenue earner;
- Eliminate waste in government expenditure and reduce the cost of governance by rationalizing Federal Government agencies with overlapping functions;
- Diversify the revenue base and reduce government borrowing;
- Increase allocation to capital expenditure to improve the prospects for sustained growth; and
- Create a more business-friendly environment by reducing the cost of doing business in order to attract private sector investments.

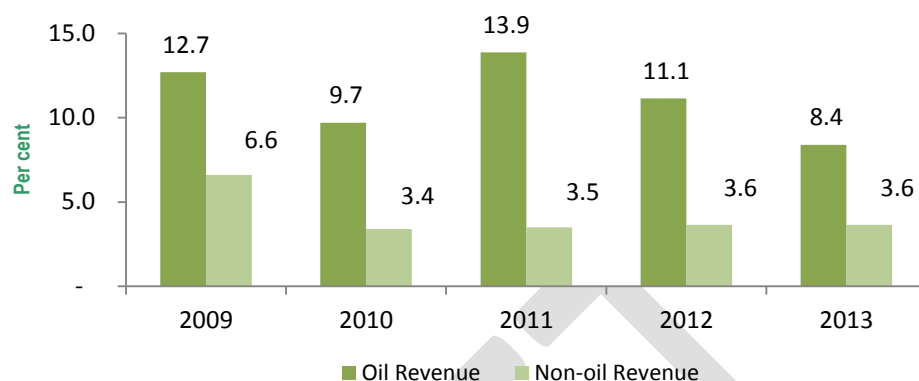
Other key priorities of the budget included national security, infrastructure renewal, food security, human capital development and gender empowerment.

## 5.2 FEDERATION ACCOUNT OPERATIONS

### 5.2.1 Federally-collected Revenue

Total federally-collected revenue fell by 8.4 per cent to ₦9,759.8 billion in 2013 and constituted 12.0 per cent of GDP. The development was attributed to the decline in receipts from oil sector resources.

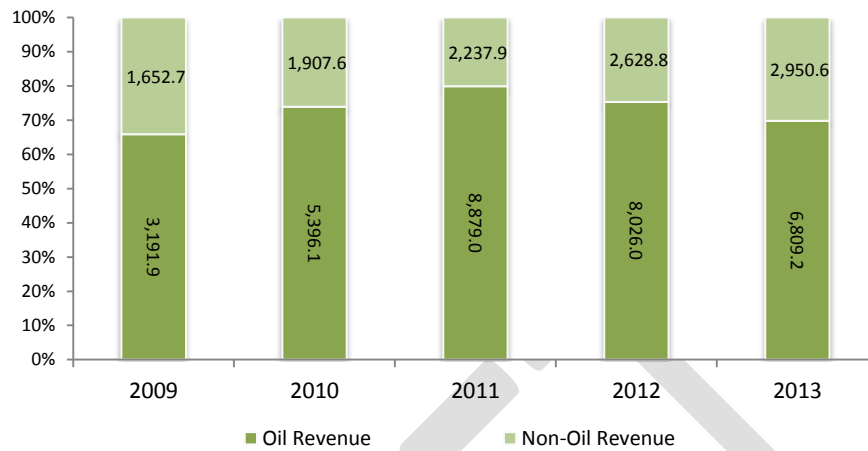
*Total federally-collected revenue fell by 8.4 per cent to ₦9,759.8 billion in 2013, and constituted 12.0 per cent of GDP.*

**Figure 5.1: Oil and Non-oil Revenue (per cent of GDP), 2009 - 2013**

**Sources:** Computed based on data from the Federal Ministry of Finance (FMF); and the Office of the Accountant General of the Federation (OAGF)

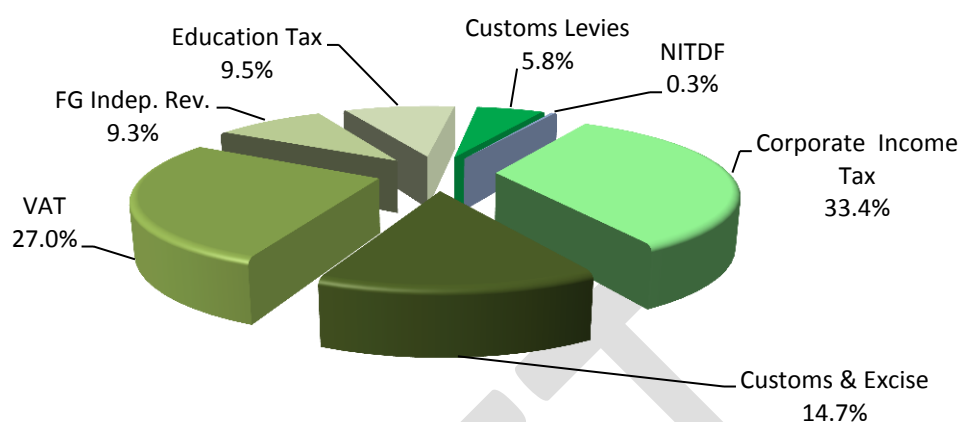
Of the total receipts, oil revenue (gross) accounted for ₦6,809.2 billion representing 69.8 per cent of the total (and 8.4 per cent of GDP), and posted a decline of 15.2 per cent from the level in 2012. A further breakdown showed that revenue from crude oil and gas exports, domestic crude oil sales, petroleum profit tax (PPT) and royalties fell by 12.5 per cent to ₦1,559.0 billion, 19.4 per cent to ₦1,510.3 billion and 14.8 per cent to ₦3,719.0 billion, respectively. The development was as a result of pipeline vandalism, which adversely affected crude oil production and lifting operations.

The sum of ₦1,030.9 billion was deducted from the gross oil receipts for Joint Venture Cash (JVC) calls and ₦1,047.4 billion in respect of excess crude/PPT/royalty proceeds and “others”, leaving a net balance of ₦4,731.0 billion for the distribution to the three tiers of government.

**Figure 5.2: Federation Account: Composition of Revenue, 2009 – 2013 (Naira Billion)**

**Sources: Computed based on data from FMF and OAGF**

Gross revenue from non-oil sources increased by 12.2 per cent to ₦2,950.6 billion, representing 30.2 per cent of the total or 3.6 per cent of GDP. A breakdown indicated that Value Added Tax (VAT) and corporate income tax (CIT) rose by 12.0 and 16.1 per cent to ₦795.6 billion and ₦985.5 billion, respectively, while customs/excise duties fell by 8.7 per cent, to ₦433.6 billion. The Independent Revenue of the Federal Government and customs levies grew by 32.7 and 5.7 per cent, to ₦274.4 billion and ₦170.8 billion, respectively. The rise in most of the components of the non-oil revenue reflected improved economic activities, particularly during the second half of the year, resulting in enhanced collection by the revenue-collecting agencies.

**Figure 5.3: Composition of Non-oil Revenue, 2013**

**Sources:** Computed based on data from FMF and OAGF

The sum of ₦193.2 billion was deducted from the non-oil revenue as cost of collection, leaving a distributable balance of ₦2,757.3 billion.

### 5.2.2 Federation Account Distribution

The sum of ₦7,488.3 billion accrued to the Federation Account, indicating an increase of 14.1 per cent over the level in 2012. Of this amount, ₦763.8 billion, ₦274.4 billion and ₦461.5 billion were transferred to the VAT Pool Account, the FG Independent Revenue, and 'other transfers'<sup>1</sup>, respectively, leaving a net revenue of ₦5,988.7 billion. In addition, ₦781.3 billion, ₦91.4 billion, ₦464.2 billion and ₦426.6 billion were drawn from the excess crude account for budget augmentation, NNPC refunds to state and local governments, excess crude revenue-sharing and SURE-P, respectively. These amounts were added to the federally-collected revenue (net) to raise the distributable balance to ₦7,752.2 billion. Analysis of the distribution among the three tiers of government<sup>2</sup>, showed that the Federal Government (including Special Funds) received the sum of ₦3,597.2 billion; state governments, ₦1,869.4 billion; and local governments,

<sup>1</sup>This includes the Education Tax, Customs Levies, and the National Information Technology Development Fund.

<sup>2</sup>The Federation Account revenue sharing formula is as follows: FG (52.68%), SGs (26.72%) and LGs (20.60%), while 13.0% of net oil revenue is shared among oil-producing states.

₦1,441.3 billion; while the sum of ₦844.3 billion was shared among the oil-producing states as 13% Derivation Fund.

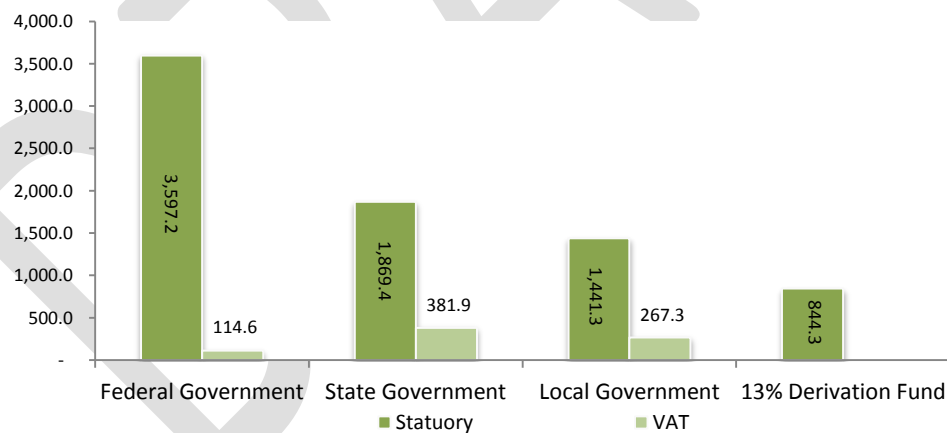
### 5.2.3 VAT Pool Account Distribution

The sum of ₦763.8 billion was transferred to the VAT Pool Account, representing an increase of 12.0 per cent over the level in 2012. Analysis of the distribution among the three tiers of government<sup>3</sup> showed that the Federal Government (including the FCT) received ₦114.6 billion (15%), while the state and local governments shared ₦381.9 billion (50%) and ₦267.3 billion (35%), respectively.

### 5.2.4 Cumulative Distribution

Cummulatively, the three tiers of government and the 13% Derivation Fund shared the sum of ₦8,515.9 billion from the statutory revenue and VAT during fiscal year 2013. This was above the preceding year's distribution by 10.3 per cent.

Figure 5.4: Cummulative Distribution of Statutory Revenue & VAT, 2013 (Naira Billion)



Sources: Computed based on data from FMF and OAGF

## 5.3 GENERAL GOVERNMENT FINANCES

### 5.3.1 Aggregate Revenue

<sup>3</sup> The VAT Pool Account revenue sharing formula is as follows: FG (15%), SGs (50%) and LGs (35%).

Provisional data showed that at ₦9,590.3 billion, the aggregate revenue of the three tiers of government in 2013 comprised ₦5,988.7 billion from the Federation Account, ₦781.3 billion from budget augmentation, ₦464.2 billion from excess crude revenue-sharing, ₦426.6 billion from SURE-P, ₦91.4 billion as NNPC refunds to states and local governments, and ₦763.8 billion from the VAT Pool Account. Others were ₦274.4 billion from the Federal Government Independent Revenue, and ₦54.4 billion from 'other funds'<sup>4</sup>. Revenue exclusive to the sub-national (state and local) governments included ₦602.4 billion, ₦112.7 billion, ₦17.7 billion and ₦12.8 billion, respectively, from internally-generated revenue, grants, the stabilization fund, and state allocation to local governments.

**Table 5.1: Sources of Funds for the Three Tiers of Government, 2013 (Naira Billion)**

SOURCE	Federal Government			State Governments			Local Governments	Grand Total
	FG's Share	FCT	Sub-Total	States	13%	Sub-Total		
Statutory Allocation	2,777.4	53.5	2,830.8	1,435.8	615.0	2,050.9	1,107.0	5,988.7
Augmentation 1/	351.3	6.8	358.1	181.6	101.6	283.2	140.0	781.3
Share from Excess Crude	208.7	4.0	212.7	107.9	60.3	168.2	83.2	464.2
NNPC Refunds	-	-	0.0	44.9	11.9	56.8	34.6	91.4
SURE-P	191.8	3.7	195.5	99.2	55.5	154.6	76.5	426.6
Share of VAT	106.9	7.6	114.6	381.9	-	381.9	267.3	763.8
FG Independent Revenue	274.4	-	274.4	-	-	0.0	-	274.4
Internally-Generated Revenue	-	11.0	11.0	574.9	-	574.9	29.3	615.2
Less State Allocation to LG	-	-	0.0	12.8	-	12.8	-	12.8
Net Internally-Generated Revenue	-	11.0	11.0	562.2	-	562.2	29.3	602.4
Grants	-	-	0.0	69.7	-	69.7	43.0	112.7
Share of Stabilization Fund	-	-	0.0	1.3	-	1.3	16.4	17.7
State Allocation to LG	-	-	0.0	-	-	0.0	12.8	12.8
Others	45.7	-	45.7	8.7	-	8.7	-	54.4
<b>TOTAL</b>	<b>3,956.2</b>	<b>86.6</b>	<b>4,042.8</b>	<b>2,893.2</b>	<b>844.3</b>	<b>3,737.5</b>	<b>1,810.0</b>	<b>9,590.3</b>

1/ Includes share of the difference between provisional distribution and actual budget

Sources: Federal Ministry of Finance (FMF),

Office of the Accountant-General of the Federation (OAGF), and

Fiscal returns from state and local governments Survey

### 5.3.2 Aggregate Expenditure

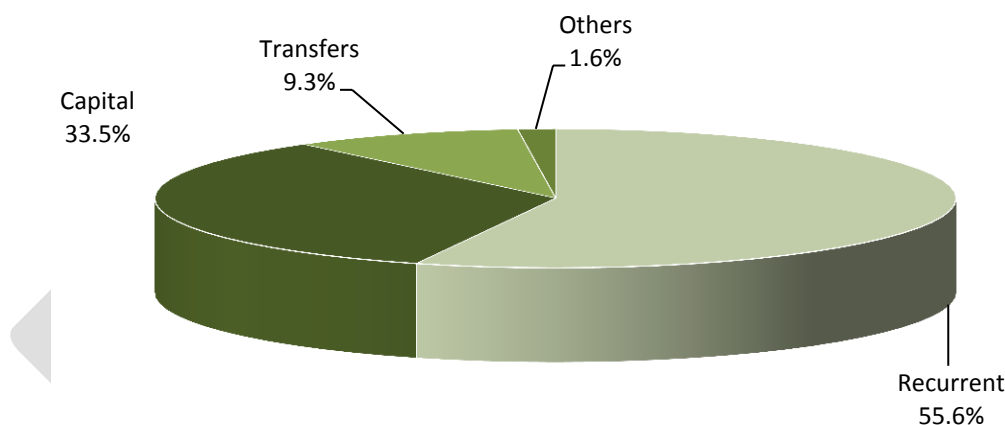
<sup>4</sup>This constitutes unspent balances from the Federal Government budget and other receipts by state and local governments not classified elsewhere.



At ₦11,103.5 billion, aggregate expenditure of general government increased by 10.0 per cent from the level in 2012. As a proportion of GDP, it represented 13.7 per cent, compared with 13.9 per cent in 2012. A breakdown showed that recurrent expenditure, which stood at ₦6,177.2 billion (7.6 per cent of GDP), accounted for 55.6 per cent of the total, and capital expenditure at ₦3,721.4 billion (4.6 per cent of GDP), represented 33.5 per cent. Transfers and 'others' at ₦1,035.7 billion (1.3 per cent of GDP) and ₦169.1 billion (0.2 per cent of GDP), respectively, accounted for 9.3 and 1.6 per cent of the total.

*At ₦11,103.5 billion, aggregate expenditure of general government rose by 10.0 per cent from the level in 2012.*

**Figure 5.5: Composition of General Government Expenditure, 2013**



**Sources:** Computed based on data from FMF & OAGF

### 5.3.3 Consolidated Fiscal Balance and Financing

The fiscal operations of general government resulted in a primary deficit of ₦648.2 billion (0.8 per cent of GDP), and an overall deficit of ₦1,513.1 billion (1.9 per cent of GDP), compared with ₦1,168.1 billion (1.6 per cent of GDP) in 2012. The deficit in the review year was financed, largely, with borrowing from

domestic sources, namely, the banking system, non-bank public and other funds.

DRAFT

### 5.3.4 Consolidated Expenditure on Key Primary Welfare Sectors

Consolidated general government spending on key primary welfare sectors indicated that expenditure on education and agriculture rose by 17.6 per cent from the level in 2012 to ₦1,308.7 billion and accounted for 11.8 per cent of the total expenditure. Also, expenditure on agriculture rose by 3.7 per cent relative to the level in 2012 to ₦320.1 billion. However, expenditure on health dropped by 4.7 per cent from the level in 2012 to ₦531.4 billion. Aggregate expenditure on key primary welfare sectors amounted to ₦2,160.2 billion, or 2.7 per cent of GDP, and accounted for 19.5 per cent of the total.

## 5.4 FEDERAL GOVERNMENT FINANCES

### 5.4.1 Overall Fiscal Balance and Financing

The current balance in 2013 showed a surplus of ₦342.8 billion, or 0.4 per cent of GDP, compared with the ₦304.4 billion, or 0.4 per cent of GDP in the preceding year. The primary balance recorded a deficit of ₦325.4 billion, or 0.4 per cent of

*The overall fiscal operations of the Federal Government resulted in a notional deficit of ₦1153.5 billion, or 1.4 per cent of GDP, compared with the deficit of ₦975.7 billion, or 1.3 per cent of GDP, recorded in 2012.*

GDP, relative to ₦296.6 billion or 0.4 per cent of GDP in 2012. The overall fiscal operations of the Federal Government resulted in a deficit of ₦1,153.5 billion, or 1.4 per cent of GDP, compared with the deficit of ₦975.7 billion, or 1.3 per cent of GDP, in 2012. Thus, the deficit

was within the WAMZ primary convergence criterion target of 4.0 per cent. The overall budget deficit was financed mainly from domestic sources, with bond issuance accounting for ₦768.2 billion, or 66.6 per cent of the total domestic financing.

Figure 5.6: FG Fiscal Deficit, 2009 - 2013 (per cent of GDP)



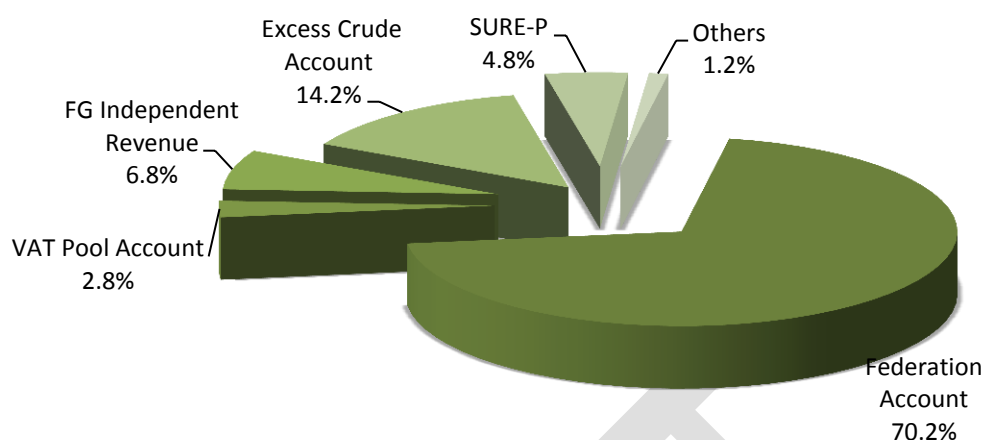
Sources: Computed based on data from FMF and OAGF

#### 5.4.2 Federal Government-retained Revenue

The Federal Government-retained revenue rose to ₦4,031.8 billion, from ₦3,629.6 billion in 2012. Analysis of the revenue showed that the share of the Federation Account was ₦2,830.8 billion, or 70.2 per cent of the total; the VAT Pool Account amounted to ₦114.6 billion (2.8%); the Federal Government Independent Revenue was ₦274.4 billion (6.8%); the excess crude sharing (including augmentation) accounted for ₦570.8 billion (14.2%); the share from SURE-P distribution was ₦195.5 billion (4.8%); while 'others' accounted for the balance of ₦45.7 billion (1.2%).

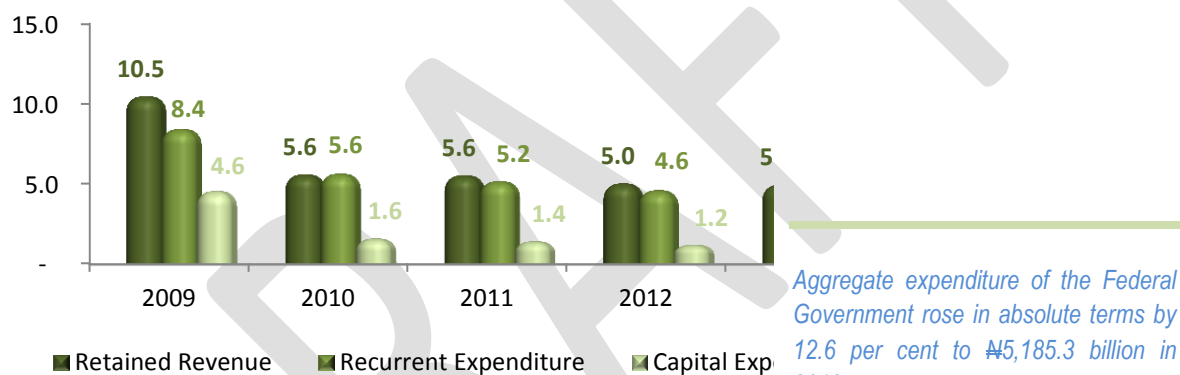
*The Federal Government-retained revenue increased to ₦4,031.8 billion, from ₦3,629.6 billion in FY2012.*

Figure 5.7: Composition of Federal Government-retained Revenue, 2013 (Per cent)



**Sources:** Computed based on data from FMF and OAGF

**Figure 5.8: Federal Government Revenue and Expenditure, 2009 - 2013 (Per cent of GDP)**



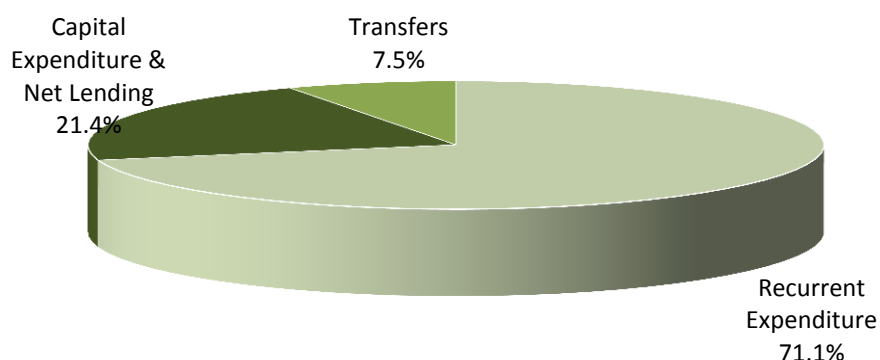
**Sources:** Computed based on data from FMF and

OAGF

### 5.4.3 Total Expenditure of the Federal Government

The provisional aggregate expenditure of the Federal Government rose by 12.6 per cent to ₦5,185.3 billion in 2013. As a proportion of GDP, it stood at 6.4 per cent, compared with 6.3 per cent in the preceding fiscal year. The non-debt expenditure fell from the level in 2012 by 11.0 per cent. Total debt service payments amounted to ₦828.1 billion, representing 16.0 per cent of the total expenditure, or 1.0 per cent of GDP.

**Figure 5.9: Composition of Federal Government Expenditure, 2013 (Per cent)**



Sources: Computed based on data from FMF and OAGF

#### 5.4.3.1 Recurrent Expenditure

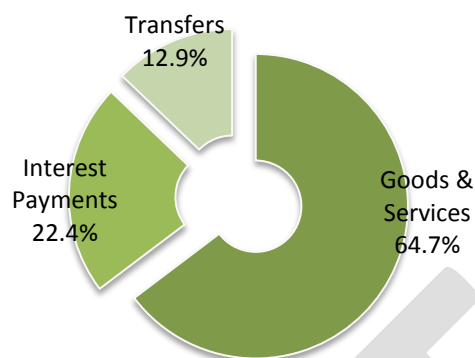
At ₦3,689.1 billion, recurrent expenditure rose by 10.9 per cent from the level in 2012 and accounted for 71.1 per cent of the total expenditure. However, as a percentage of GDP, it remained at 4.6 per cent, the same as fiscal year 2012, reflecting the sustained policy stance to rationalize recurrent expenditure. Interest payments increased by 21.9 per cent and the goods and services component fell by 0.6 per cent. Analysis of the goods and services component, at ₦2,386.8 billion (64.7% of recurrent), showed that personnel cost and pensions amounted to ₦1,861.0 billion (50.4%), while overhead cost was ₦525.8 billion (14.3%). Furthermore, interest payments<sup>5</sup> rose to ₦828.1 billion (22.4 %). A breakdown indicated that ₦55.7 billion was expended on external debt service and ₦772.4 billion on domestic debt service. Transfers to the special funds (FCT, stabilization fund, development of natural resources and ecological funds), and others, accounted for ₦474.1 billion (12.9% of the recurrent expenditure).

*Recurrent expenditure remained a 4.6 per cent of GDP, reflecting the sustained consolidation stance of the Federal Government in FY2013.*

**Figure 5.10: Economic Classification of FG Recurrent Expenditure, 2013**

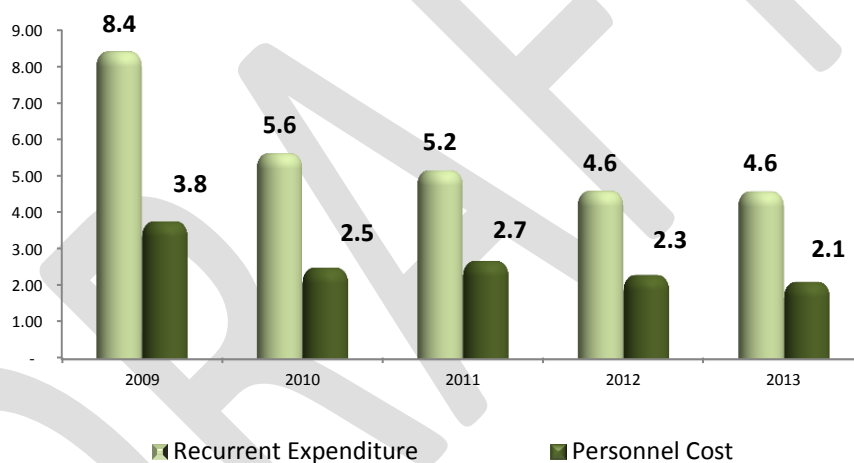
(Per cent)

<sup>5</sup>This includes interest payments on ways and means.



**Sources:** Computed based on data from FMF and OAGF

**Figure 5.11: FG Recurrent Expenditure & Personnel Cost, 2009 - 2013 (Per cent of GDP)**



**Sources:** Computed based on data from FMF and OAGF

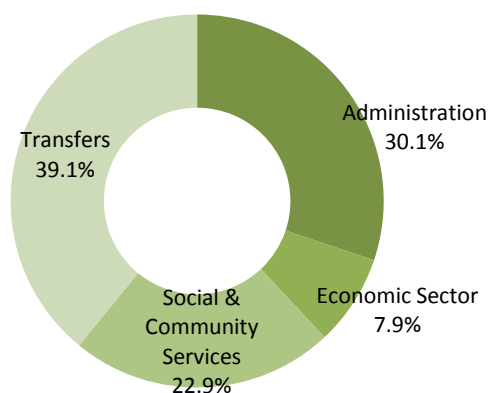
Provisional data on the functional classification of recurrent expenditure showed that the outlay on administration fell by 4.1 per cent to ₦1,111.8 billion and accounted for 30.1 per cent of the total. However, transfer payments rose by 25.9 per cent to ₦1,442.0 billion and constituted 39.1 per cent of the total. Similarly, expenditure in the economic sector, at ₦291.2 billion, rose by 26.6 per cent and accounted for 7.9 per cent of the total recurrent expenditure. Within the economic sector, agriculture absorbed 13.5 per cent, while transport and communications as well as roads and construction, collectively, absorbed 38.0

per cent. The expenditure in the social and community services sector accounted for 22.9 per cent of the total recurrent expenditure, with education and health gulping 67.6 per cent of the total outlay for the sector.

DRAFT



**Figure 5.12: Functional Classification of Recurrent Expenditure, 2013  
(Per cent)**



**Sources:** Computed based on data from FMF and OAGF

#### 5.4.3.2 Capital Expenditure

Capital expenditure rose by 26.7 per cent to ₦1,108.4 billion, or 1.4 per cent of GDP, and accounted for 21.4 per cent of the total expenditure, reflecting the fiscal stance of the Federal Government to optimize capital spending. As a

*Capital expenditure increased by 26.7 per cent to ₦1,108.4 billion and accounted for 21.4 and 1.4 per cent of total expenditure and GDP, respectively.*

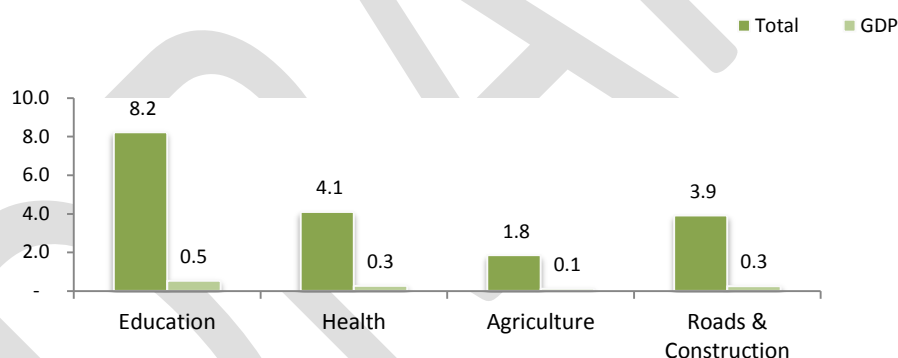
proportion of Federal Government revenue, capital expenditure was 27.5 per cent, exceeding the stipulated minimum target of 20.0 per cent under the WAMZ secondary convergence criteria. A functional analysis of capital expenditure showed that outlays in the

economic sector accounted for ₦505.8 billion, or 45.6 per cent of the total, compared with 36.7 per cent in the preceding year. Agriculture/natural resources and roads/construction absorbed 33.0 per cent of the sector's outlay. Public investment in social and community services accounted for 14.0 per cent of the total capital outlay, while administration and transfers accounted for 25.6 and 14.8 per cent, respectively. Within the social and community services sector, education and health accounted for 43.9 per cent of the total outlay. As

a ratio of capital spending, expenditure on education fell to 3.2 per cent in 2013 from 5.4 per cent in the preceding year, while that on health also fell, from 5.1 per cent in 2012 to 2.9 per cent.

Consolidated federal government spending on key primary welfare sectors indicated that expenditure on education rose by 7.5 per cent from the level in 2012 to ₦425.8 billion and accounted for 8.2 per cent of the total expenditure. However, expenditure on roads & construction, health, and agriculture dropped by 14.5, 12.5 and 0.9 per cent, respectively, relative to their levels in 2012 to ₦203.0 billion, ₦212.4 billion and ₦95.8 billion. Aggregate expenditure on key primary welfare sectors amounted to ₦937.0 billion, or 1.2 per cent of GDP, and accounted for 18.1 per cent of the total expenditure.

**Figure 5.13: Federal Government's Expenditure in Key Primary Welfare Sectors, 2013  
(Per cent of Total and GDP)**



**Sources:** Computed based on data from FMF and OAGF

## 5.5 STATE GOVERNMENTS' AND FCT's FINANCES<sup>6</sup>

### 5.5.1 Overall Fiscal Balance and Financing

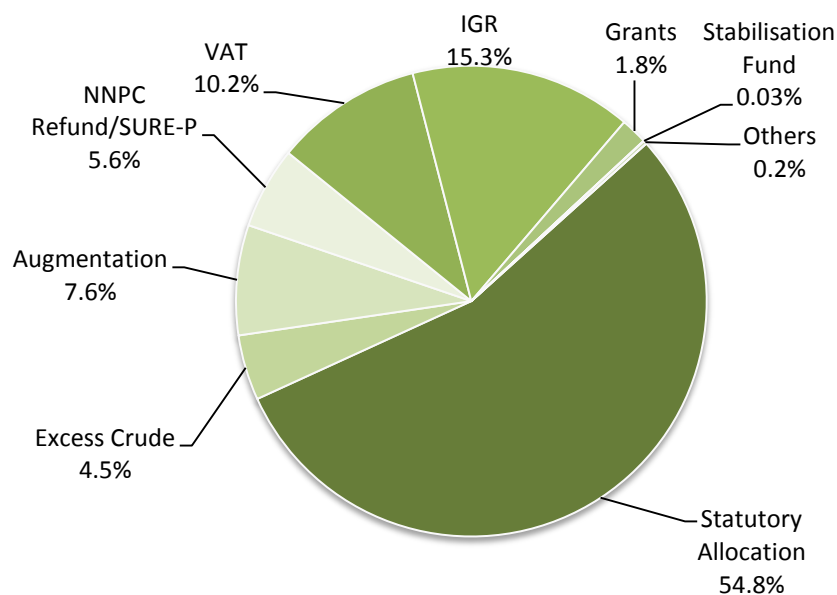
*Provisional data on state governments' finances (including FCT) indicated an increase in the overall deficit to ₦276.1 billion, up from ₦272.5 billion in 2012.*

Provisional data on state governments' finances (including the FCT) showed that the

<sup>6</sup>The provisional data are from the CBN survey returns from 36 states and the FCT.

overall deficit increased from ₦272.5 billion in 2012 to ₦276.1 billion in 2013. As a ratio of GDP, the deficit was 0.3 per cent. The deficit was financed largely from internal sources.

**Figure 5.14: State Governments' & FCT's Revenue in 2013 (Per cent)**



**Sources:** Computed based on data from FMF and OAGF

### 5.5.2 Revenue

Total revenue of the state governments and FCT increased by 7.4 per cent to ₦3,836.9 billion, or 4.7 per cent of GDP, compared with ₦3,572.6 billion or 4.9 per cent of GDP in 2012. The analysis of the sources of revenue indicated that allocations from the Federation Account (including the 13.0% Derivation Fund)

*Total revenue of the state governments increased by 7.4 per cent to ₦3,836.9 billion, or 4.7 per cent of GDP.*

was ₦2,104.3 billion, or 54.8 per cent; the VAT Pool Account was ₦389.5 billion, or 10.2 per cent; while the share of excess crude (including budget augmentation, refund to the state governments by the NNPC, and SURE-P) was ₦677.4 billion, or 17.7 per cent. The IGR increased above the level in 2012 by 6.9 per cent, indicating an

improvement in the drive for internal revenue. In terms of tax effort, measured as the ratio of IGR to total revenue (IGR/TR), Lagos state ranked highest with 53.4 per cent, followed by Kano and Ogun states, with 35.4 and 31.7 per cent, respectively, while Benue state ranked the least with 1.9 per cent. In terms of state governments' effort at improving internally-generated revenue, Rivers State topped, as the IGR/TR ratio increased from 24.3 per cent in 2012 to 26.6 per cent, followed by Cross River and Delta States in the second and third positions, respectively. Overall, the consolidated IGR/TR ratio of state governments remained at 15.3 per cent, the same as in 2012.

**Table 5.2: State Governments' Revenue**

Item	State Governments' Revenue				Share in Overall GDP	
	2012		2013 1/		2012	2013
	Amount (₦' Billion)	Share (%)	Amount (₦' Billion)	Share (%)	%	%
Federation Account 2/	1,857.0	52.0	2,104.3	54.8	2.6	2.6
Excess Crude Revenue 3/	722.8	20.2	677.5	17.7	0.7	0.8
VAT	347.7	9.7	389.5	10.2	0.5	0.5
Internally Generated Revenue	548.1	15.3	585.9	15.3	0.8	0.7
Stabilisation Fund	1.3	0.04	1.3	0.03	0.0	0.0
Grants & Others	95.7	2.7	78.4	2.0	0.3	0.1
<b>Total</b>	<b>3,572.6</b>	<b>100</b>	<b>3,836.9</b>	<b>100.0</b>	<b>4.9</b>	<b>4.7</b>

1/ Including FCT

2/ Including 13% Derivation Fund

3/ Including Budget Augmentation and Foreign Exchange Rate Gains

Sources: Federal Ministry of Finance,  
Office of the Accountant-General of the Federation, and  
Fiscal returns from state and local governments Survey

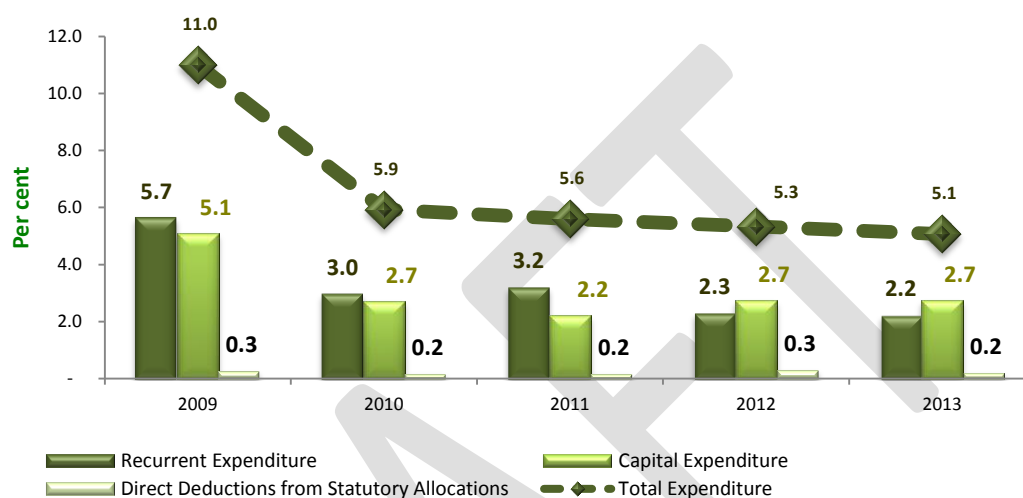
### 5.5.3 Expenditure

*The total expenditure of state governments increased by 7.0 per cent to ₦4,113.1 billion, or 5.1 per cent of GDP.*

Provisional total expenditure of state governments increased by 7.0 per cent to ₦4,113.1 billion, or 5.1 per cent of GDP. A

breakdown showed that, at ₦1,723.9 billion or 2.2 per cent of GDP, recurrent expenditure was 3.6 per cent higher than the level in the preceding year and accounted for 41.9 per cent of the total.

**Figure 5.15: State Governments' Expenditure, 2009 - 2013 (per cent of GDP)**



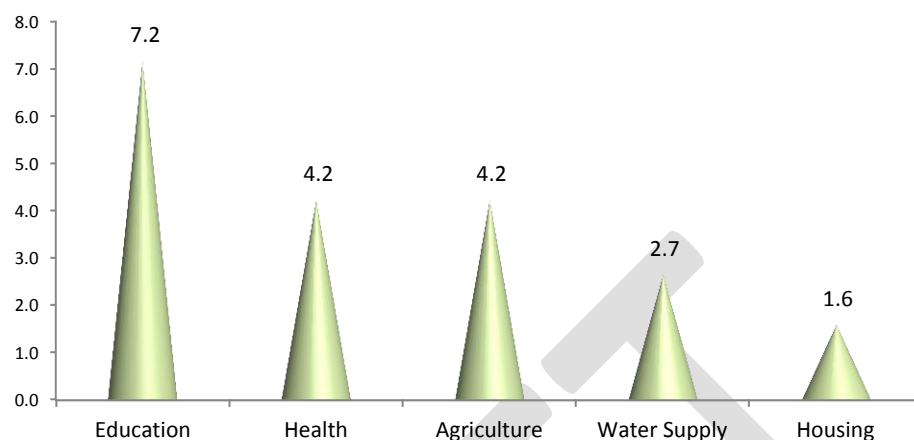
**Source: Computed from CBN's Sub-national Governments' Annual Fiscal Survey**

At ₦2,220.0 billion or 2.7 per cent of GDP, capital expenditure was 13.0 per cent higher than the level in 2012 and accounted for 54.0 per cent of the total. Direct deductions from statutory allocations, however, fell by 21.5 per cent from the level in 2012 to ₦169.1 billion and accounted for 4.1 per cent of the total.

Analysis of spending on primary welfare sectors indicated that expenditure on education rose by 8.1 per cent from the level in 2012, to ₦295.4 billion and accounted for 7.2 per cent of the total expenditure. Also, expenditure on health, agriculture, water supply and housing rose by 8.5, 8.5, 9.6 and 9.4 per cent, respectively, relative to their levels in 2012 to ₦174.1 billion, ₦174.5 billion, ₦109.3 billion and ₦65.8 billion. Aggregate expenditure on primary welfare sectors amounted to ₦819.1 billion, or 1.0 per cent of GDP, and accounted for 19.9 per cent of the total expenditure.

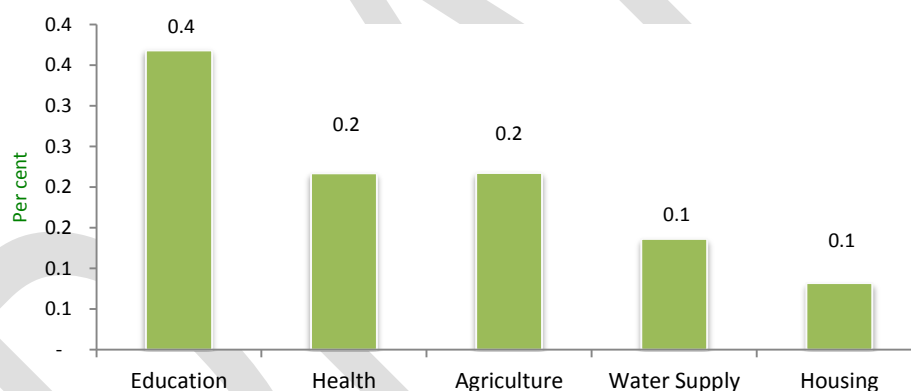
DRAFT

**Figure 5.16: State Governments' Expenditure in Key Primary Welfare Sectors, 2013**  
(Per cent of Total Expenditure)



Source: Computed from CBN's Sub-national Governments' Annual Fiscal Survey

**Figure 5.17: State Governments' Expenditure in Key Primary Welfare Sectors, 2013**  
(per cent of GDP)



Source: Computed from CBN's Sub-national Governments' Annual Fiscal Survey

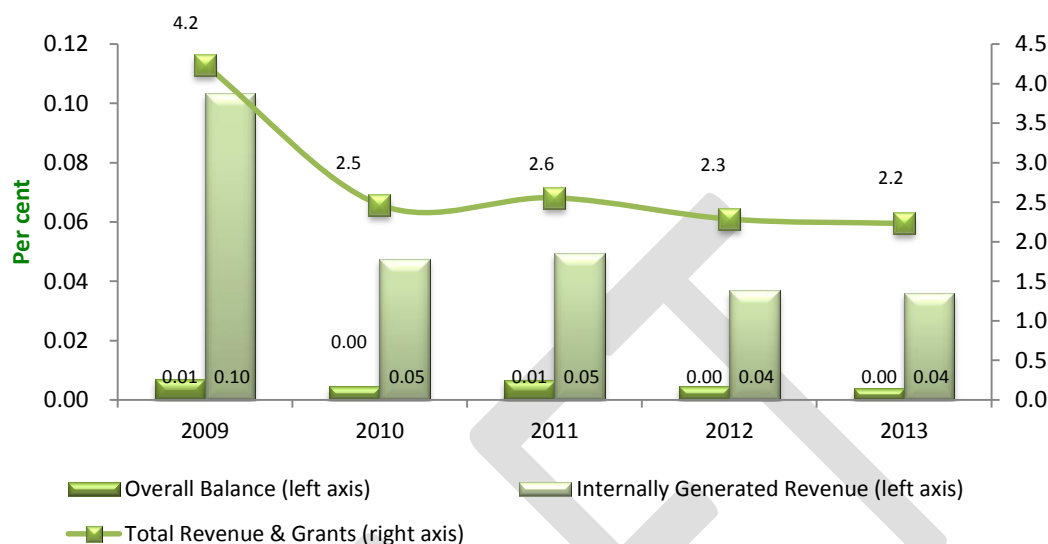
## 5.6 LOCAL GOVERNMENTS' FINANCES<sup>7</sup>

### 5.6.1 Overall Fiscal Balance and Financing

Provisional data on local governments' fiscal operations indicated a surplus of ₦3.1 billion, compared with a surplus of ₦3.4 billion in 2012.

<sup>7</sup>Provisional data

**Figure 5.18: Local Governments' Revenue & Overall Balance, 2009 - 2013**  
(Per cent of GDP)



Sources: Computed based on data from FMF and CBN's Sub-national Governments' Annual Fiscal Survey

### 5.6.2 Revenue

The estimated total revenue of local governments, at ₦1,810.0 billion, represented an increase of 9.8 per cent over the level in 2012. The revenue comprised allocations from the Federation Account, ₦1,107.0 billion; Excess Crude Account, ₦83.2 billion; NNPC refunds to LGs, ₦34.6 billion; budget augmentation, ₦140.0 billion; SURE-P, ₦76.5 billion; VAT Pool Account, ₦267.3 billion; IGR, ₦29.3 billion; grants/"others", ₦43.0 billion; Stabilization Fund, ₦16.4 billion; and state allocation, ₦12.8 billion. The IGR increased from the level in 2012 by 10.1 per cent, indicating an improvement in the drive for internal revenue. An analysis of the cumulative local governments' IGR on a state by state basis showed that Lagos State ranked the highest with 17.4 per cent of the total. Conversely, Akwa Ibom ranked the lowest with 0.2 per cent of the total.

*The total revenue of local governments was estimated at ₦1,810.0 billion, indicating an increase of 9.8 per cent.*



Table 5.3: Local Governments' Revenue

Item	Local Governments' Revenue				Share in Overall GDP	
	2012		2013		2012	2013
	Amount (₦' Billion)	Share (%)	Amount (₦' Billion)	Share (%)	%	%
Federation Account	977.4	59.3	1,107.0	61.2	1.3	1.4
Excess Crude Revenue	69.5	4.2	83.2	4.6	0.1	0.1
NNPC Refunds to LG	34.6	2.1	34.6	1.9	0.05	0.04
Budget Augmentation	100.4	6.1	140.0	7.7	0.1	0.2
Exchange Rate Gain	13.6	0.8	0.0	0.0	0.02	0.0
SURE-P	51.0	3.1	76.5	4.2	0.1	0.1
VAT	238.5	14.5	267.3	14.8	0.3	0.3
Internally Generated Revenue	26.6	1.6	29.3	1.6	0.04	0.04
Stabilization Fund	3.2	0.2	16.4	0.9	0.0	0.02
State Allocation	8.7	0.5	12.8	0.7	0.01	0.02
Grants	26.8	1.6	43.0	2.4	0.04	0.1
Others	97.9	5.9	0.0	0.0	0.1	0.0
<b>Total</b>	<b>1,648.3</b>	<b>100.0</b>	<b>1,810.0</b>	<b>100.0</b>	<b>2.2</b>	<b>2.2</b>

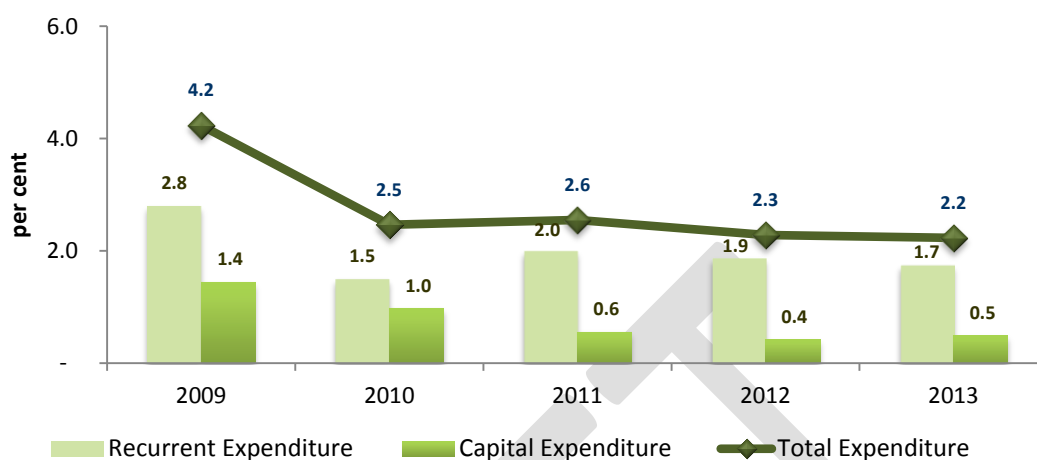
Sources: Federal Ministry of Finance,  
Office of the Accountant-General of the Federation, and  
Staff Estimates.

### 5.6.3 Expenditure

*The expenditure of the local governments was 9.9 per cent higher than the level in 2012 and represented 2.2 per cent of the GDP.*

At ₦1,806.9 billion, the estimated total expenditure of local governments increased by 9.9 per cent from the level in 2012 and represented 2.2 per cent of GDP. A breakdown indicated that recurrent outlay stood at ₦1,414.0 billion, or 78.3 per cent, while capital expenditure amounted to ₦392.9 billion, or 21.7 per cent of the total.

Figure 5.19: Local Governments' Expenditure, 2009 - 2013 (per cent of GDP)

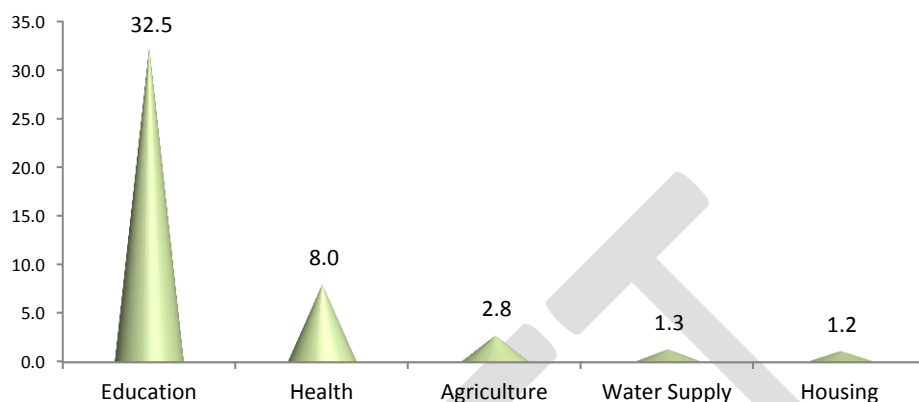


Sources: Computed based on data from FMF and CBN's Sub-national Governments' Annual Fiscal Survey

A disaggregation of recurrent expenditure showed that personnel cost was ₦993.7 billion, while overheads and consolidated fund charges/others amounted to ₦265.6 billion and ₦154.6 billion, respectively. The functional classification of capital expenditure revealed that the share of administration was ₦95.0 billion; economic services, ₦121.6 billion; social and community services, ₦127.2 billion; and transfers, ₦49.1 billion.

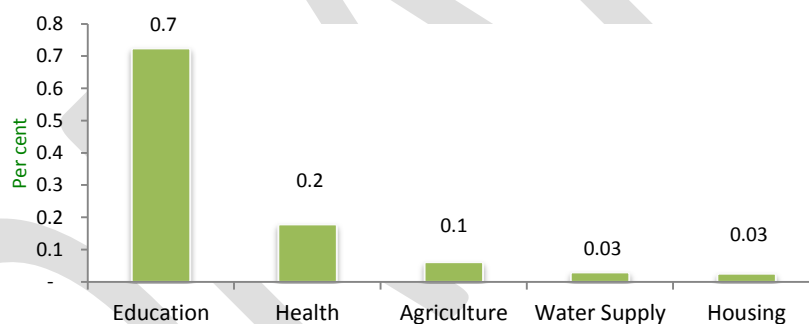
Analysis of spending on primary welfare sectors indicated that expenditure on education rose by 32.5 per cent from the level in 2012 to ₦587.4 billion and accounted for 32.5 per cent of the total expenditure. However, expenditure on health, agriculture, water supply and housing decreased by 6.2, 2.7, 55.0 and 15.7 per cent, respectively, relative to their levels in 2012 to ₦145.0 billion, ₦49.8 billion, ₦24.1 billion and ₦20.9 billion. Aggregate expenditure on primary welfare sectors amounted to ₦827.2 billion, or 1.0 per cent of GDP, and accounted for 45.8 per cent of the total expenditure.

**Figure 5.20: Local Governments' Expenditure in Key Primary Welfare Sectors, 2013**  
(Per cent of Total Expenditure)



Sources: Computed based on data from FMF and CBN's Sub-national Governments' Annual Fiscal Survey

**Figure 5.21: Local Governments' Expenditure in Key Primary Welfare Sectors, 2013**  
(Per cent of GDP)



Sources: Computed based on data from FMF and CBN's Sub-national Governments' Annual Fiscal Survey

## 5.7 CONSOLIDATED FEDERAL GOVERNMENT DEBT

The consolidated Federal Government debt stock, at end-December 2013, was

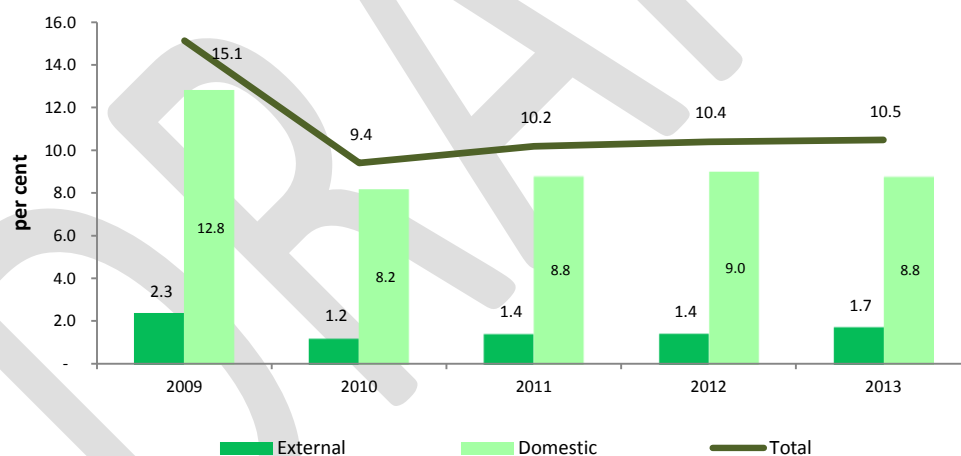
*The stock of Federal Government domestic debt outstanding at end-December 2013 stood at ₦7,119.0 billion, representing an increase of 8.9 per cent over the level in 2012.*

₦8,506.4 billion, or 10.5 per cent of GDP, compared with ₦7,564.4 billion or 10.4 per cent of GDP in 2012. Analysis of the debt stock showed that the domestic component

constituted 83.7 per cent and the external 16.3 per cent. The increase reflected, largely, the substantial borrowing through the issuance of additional FGN Bonds and treasury bills to finance infrastructure and settlement of contractual obligations. Consequently, the stock of FGN Bonds rose from ₦4,080.0 billion in 2012 to ₦4,222.0 billion and accounted for 59.3 per cent of the total, while Nigerian Treasury Bills grew from ₦2,122.9 billion in 2012 to ₦2,581.6 billion and accounted for 36.3 per cent of the total.

At end-December 2013, external debt outstanding increased by 35.2 per cent to US\$8.8 billion (₦1,387.3 billion), while the domestic component increased by 8.9 per cent from its level in 2012.

**Figure 5.22: Consolidated Public Debt Stock, 2009 - 2013**  
(Per cent of GDP)



Sources: Computed based on data from DMO and CBN

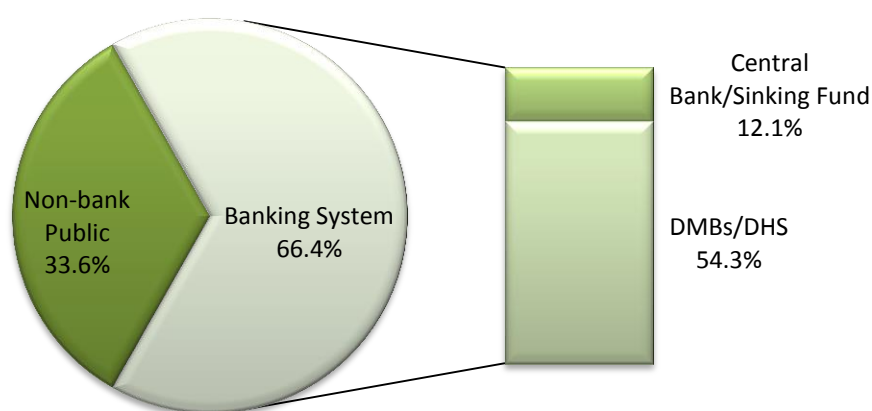
### 5.7.1 Domestic Debt

The stock of Federal Government domestic debt at end-December 2013 was ₦7,119.0 billion, representing an increase of 8.9 per cent over the level in 2012. The development reflected the significant borrowing through the issuance of additional FGN Bonds and Nigerian Treasury Bills. The banking system remained

the dominant holder of the outstanding debt instruments with 66.4 per cent, and the non-bank public accounted for the balance of 33.6 per cent. A disaggregation of the banking system holdings indicated that ₦3,865.9 billion, or 81.7 per cent, was held by the DMBs and DHs, while ₦864.6 billion, or 18.3 per cent, were held by the CBN and the Sinking Fund.

Analysis of the maturity structure of the domestic debt showed that instruments of two (2) years and below accounted for ₦4,784.5 billion, or 67.2 per cent, followed by instruments with tenors of 5 - 10 years which totalled ₦1,131.5 billion or 15.9 per cent, tenors of 2 - 5 years were ₦569.3 billion, or 8.0 per cent; and tenors of over ten (10) years were ₦633.8 billion, or 8.9 per cent.

**Figure 5.23 : Composition of Domestic Debt Stock by Holder, 2013**



Source: Computed based on data from DMO

### 5.7.2 External Debt

At US\$8.8 billion, Nigeria's external debt grew by 35.2 per cent from the level at end-December 2012. The rise reflected additional multilateral loans amounting to US\$1.7 million by the Federal Government. Of the external debt outstanding, the share from multilateral institutions was US\$6.2 billion and accounted for 71.1 per cent, while 'others' amounting to US\$2.5 billion accounted for the balance.

DRAFT

### 5.7.3 Debt Service Payments and Debt Indicators

Total debt service payments<sup>8</sup> stood at ₦935.1 billion, or 1.2 per cent of GDP, and comprised ₦46.8 billion, or US\$0.29 billion, for external and ₦888.3 billion for domestic debt.

*The analysis of debt indicators revealed that at 10.5 per cent, the debt stock/GDP ratio remained low relative to the maximum international threshold of 30.0 per cent of GDP.*

The external debt service consisted of amortization (principal repayment) of ₦24.3 billion, or 52.0 per cent, and actual interest payments of ₦22.5 billion, or 48.0 per cent. Domestic debt service indicated that amortization stood at ₦94.2 billion, or 10.6 per cent, while interest payments was ₦794.1 billion, or 89.4 per cent of the total domestic debt service payments.

The analysis of debt indicators revealed that, at 10.5 per cent, the debt stock/GDP ratio remained low relative to the international threshold of 30.0 per cent in 2013. The debt service/revenue ratio rose from 21.1 per cent in 2012 to 23.2 per cent in 2013, implying that a higher proportion of the total revenue was devoted to debt service during the year than in the previous year.

<sup>8</sup>This represents actual debt service payments by the Debt Management Office which may differ from the figures in the Federal Government finances table that indicates contribution to the external creditors' fund.

**Table 5.4: Debt Service Payments (Naira Billion) and Debt Sustainability Indicators, 2009 -2013**  
(per cent)

Indicators	International Thresholds	2009	2010	2011	2012	2013 1/
External Debt Service (Interest Payments)*	-	17.4	15.3	18.4	21.2	22.5
Amortization - External Debt	-	46.5	38.0	35.7	25.0	24.3
Domestic Debt Service (Interest Payments)	-	271.3	19.5	518.0	701.4	794.1
Amortization - Domestic Debt	-	207.4	334.7	19.4	19.2	94.2
<b>Total Debt Service</b>	-	542.6	407.5	591.5	766.7	935.1
Total Debt/GDP	30	15.1	9.4	10.2	10.4	10.5
Total External Debt/GDP	30	2.3	1.2	1.4	1.4	1.7
Total Domestic Debt/GDP	40-60	12.8	8.2	8.8	9.0	8.8
Total External Debt/Export (%)	100	8.5	6.2	5.8	6.8	9.3
Total Debt Service/Revenue (%)	20-25 (Max.=25)	20.5	13.2	16.6	21.1	23.2
Total Debt/Revenue (%)	250	144.5	169.7	183.5	208.4	211.0

**Sources:** Debt Management Office, Central Bank of Nigeria and Office of the Accountant General of the Federation



DRAFT

## CHAPTER SIX

## REAL SECTOR DEVELOPMENTS

**T**he real gross domestic product (GDP), at 2010 constant basic prices, rose by 5.5 per cent, compared with 4.2 per cent in 2012. Growth in the review period was attributed, largely, to the non-oil sector, which grew by 8.4 per cent. Oil sector output fell by 13.1 per cent. Sectoral analysis indicated that agricultural output grew by 2.9 per cent; construction, 14.2 per cent; the services sector, 9.4 per cent; and trade, 6.6 per cent, while, industrial sector fell by 0.1 per cent. Inflation remained within the targeted single-digit rate throughout 2013, with headline inflation closing at 8.0 per cent, compared with 12.0 per cent at end-December 2012. The decline in headline inflation was attributed to the fall in food prices, which resulted from the increased agricultural output and the tight monetary policy stance of the CBN throughout 2013.

### 6.1 DOMESTIC OUTPUT

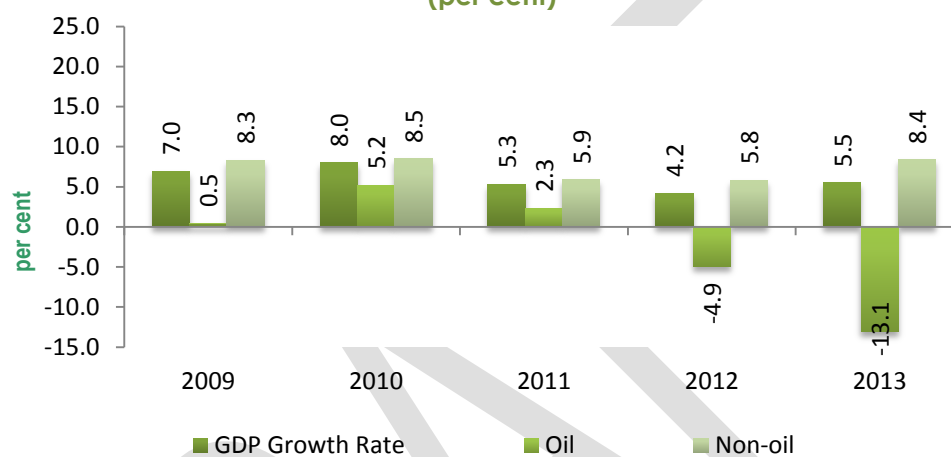
Provisional data from the National Bureau of Statistics (NBS) showed that gross domestic product (GDP), at 2010 constant basic prices, was estimated at ₦63.2 trillion in 2013. This represented a growth rate of 5.5 per cent, compared with 4.2 per cent in 2012. The services sub-sector, with a share of 3.2 per cent, accounted for the largest contribution to the GDP growth. This was followed by trade and agriculture, with 1.1 and 0.7 per cent, respectively. Construction contributed 0.5 per cent, while industry, at -0.02 per cent, contributed negatively to the GDP.

*At an estimated amount of ₦63.2 trillion in 2013, Gross Domestic Product (GDP), measured at 2010 constant basic prices, indicated a growth rate of 5.5 per cent. This was higher than the 4.2 per cent recorded in 2012.*

Growth in GDP reflected, largely, a sound and relatively stable policy environment and sustained implementation of the various Federal Government

reform programmes, including investment in power and roads, and the initiatives of the Bank to support the real sector. Other factors included favourable weather conditions, which boosted agricultural production, and sustained investment in infrastructure, especially expansion in the telecommunications sub-sector.

**Figure 6.1 GDP Growth Rate, 2009-2013  
(per cent)**



Source: National Bureau of Statistics (NBS)

Table 6.1: Sectoral Growth Rates of GDP at 2010 Constant Basic Prices					
(Per cent)					
Activity Sector	2009 2/	2010	2011 1/	2012 1/	2013 1/
<b>1. Agriculture</b>	<b>5.9</b>	<b>5.8</b>	<b>2.9</b>	<b>6.7</b>	<b>2.9</b>
Crop Production	5.8	5.8	2.9	7.5	2.5
Livestock	6.5	6.5	2.0	-2.7	6.0
Forestry	5.9	5.8	5.0	2.6	5.6
Fishing	6.2	6.0	8.3	7.8	9.0
<b>2. Industry</b>	<b>2.0</b>	<b>5.8</b>	<b>7.0</b>	<b>1.2</b>	<b>-0.1</b>
Crude Petroleum	0.5	5.3	2.3	-5.0	-13.1
Solid Minerals	12.1	12.1	14.5	19.7	16.5
Manufacturing	7.9	7.6	17.8	13.5	21.8
<b>3. Construction</b>	<b>12.0</b>	<b>11.9</b>	<b>15.7</b>	<b>9.4</b>	<b>14.2</b>
<b>4. Trade</b>	<b>11.5</b>	<b>11.2</b>	<b>7.2</b>	<b>2.2</b>	<b>6.6</b>
<b>5. Services</b>	<b>10.8</b>	<b>11.9</b>	<b>4.1</b>	<b>5.0</b>	<b>9.4</b>
Transport	6.8	6.7	6.0	-3.4	3.8
Information & Communications	34.2	34.4	2.2	3.1	8.2
Utilities	3.2	3.3	32.5	13.0	18.8
Accommodation & Food services	11.9	12.0	9.2	15.9	73.9
Finance & Insurance	4.0	4.0	-26.9	21.0	8.6
Real Estate	10.6	10.4	0.4	5.7	12.0
Human Health & Social Services	9.8	9.6	13.0	4.3	9.6
<b>TOTAL (GDP)</b>	<b>7.0</b>	<b>8.0</b>	<b>5.3</b>	<b>4.2</b>	<b>5.5</b>
<b>NON-OIL (GDP)</b>	<b>8.3</b>	<b>8.5</b>	<b>5.9</b>	<b>5.8</b>	<b>8.4</b>

Source: NBS

1/Provisional

2/Measured at 1990 Constant Basic Prices

**Table 6.2: Sectoral Contribution to Growth Rates of GDP at 2010 Constant Basic Prices (percentage points)**

Activity Sector	2009 2/	2010	2011 1/	2012 1/	2013 1/
<b>1. Agriculture</b>	<b>2.5</b>	<b>2.4</b>	<b>0.7</b>	<b>1.6</b>	<b>0.7</b>
Crop Production	2.2	2.2	0.6	1.6	0.5
<b>2. Industry</b>	<b>0.4</b>	<b>1.2</b>	<b>1.5</b>	<b>0.3</b>	<b>-0.02</b>
Crude Petroleum	0.1	0.9	0.4	-0.7	-1.8
<b>3. Construction</b>	<b>0.2</b>	<b>0.2</b>	<b>0.5</b>	<b>0.3</b>	<b>0.5</b>
<b>4. Trade</b>	<b>2.0</b>	<b>2.0</b>	<b>1.2</b>	<b>0.4</b>	<b>1.1</b>
<b>5. Services</b>	<b>1.8</b>	<b>2.1</b>	<b>1.4</b>	<b>1.7</b>	<b>3.2</b>
Information & Communication	1.0	1.3	0.2	0.3	0.9
<b>TOTAL (GDP)</b>	<b>7.0</b>	<b>8.0</b>	<b>5.3</b>	<b>4.2</b>	<b>5.5</b>
<b>NON-OIL (GDP)</b>	<b>8.3</b>	<b>8.5</b>	<b>5.9</b>	<b>5.8</b>	<b>8.4</b>

Source: NBS

1/ Provisional

2/ Measured at 1990 Constant Basic Prices

Non-oil GDP grew by 8.4 per cent in 2013, compared with 5.8 per cent in 2012. The performance was driven, largely, by industry, which grew by 21.7 per cent, followed by construction, services and trade with respective growth rates of 14.2, 9.4 and 6.6 per cent. The agricultural sector output rose by 2.9 per cent following the favourable weather conditions and increased credit to the real sector, among other factors. Analysis of the services sector revealed that accommodation and food services, utilities, real estate, human health and social services, finance and insurance; information and communications sub-sectors grew by 73.9, 18.8, 12.0, 9.6, 8.6 and 8.2 per cent, respectively. The manufacturing and solid minerals sub-sectors in the industrial sector recorded respective growth rates of 21.8 and 16.5 per cent, compared with 13.5 and 19.7 per cent in the preceding year.

Figure 6.2: Sectoral Share in GDP, 2009 - 2013



Source: NBS

Figure 6.3: Growth Rate of Major Sectors of Non-oil GDP, 2009 – 2013 (Per cent)



Source: NBS

A sectoral analysis of the share of real GDP indicated that the services sector had the largest share of 35.9 per cent of total GDP in 2013, compared with 34.6 per cent in the preceding year. The services sector components, such as information & communications, finance and insurance, transport and utilities accounted for 10.7, 2.9, 1.2 and 0.6 per cent, respectively. The share of industry fell to 20.6 per cent, compared with 21.7 per cent in 2012. Further analysis showed that the share of solid minerals and manufacturing, as components of the industrial sector was 0.1 and 9.2 per cent, respectively, compared with 0.1 and 8.0 per cent in 2012. The share of agriculture in total GDP was 23.3 per cent, compared with 23.9 per cent in the preceding year.

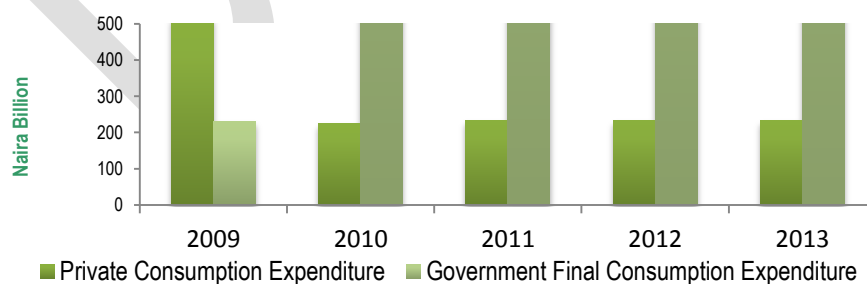
Figure 6.4: Contribution to Growth Rate of Non-oil GDP, 2009 – 2013 (Per cent)



Source: NBS

At ₦48,530.9 billion in 2013, data from the National Bureau of Statistics revealed that real domestic demand, at 2010 purchasers' price (GDP by Expenditure), rose by 29.1 per cent relative to ₦37,528.4 billion in 2012. Private consumption and government final consumption expenditure stood at ₦231.8 billion and ₦5,021.7 billion, respectively, compared with ₦231.8 billion and ₦4,953.0 billion in 2012. Government final consumption expenditure rose by 1.4 per cent, while private consumption remained at the preceding year's level. Net exports stood at ₦2,529.7 billion in 2013, representing a decrease of 77.1 per cent below the level of ₦11,030.4 billion in 2012. Real investment (gross fixed capital formation) stood at ₦7,452.2 billion in the period under review, representing an increase of 10.5 per cent over the level in the preceding year.

Figure 6.5: GDP (Expenditure Approach) at 2010 Purchasers' Price, 2009 - 2013



Source: NBS

**BOX 6: REBASING THE GROSS DOMESTIC PRODUCT (GDP) IN NIGERIA: RATIONALE, OUTCOME AND IMPLICATIONS**

**Rationale**

The base period for Nigeria's GDP was moved (rebased) from 1990 to 2010 in April 2014 to account for structural shifts which have occurred in the past two decades. In between the periods and to date, sectors such as retail trade, entertainment, information and communications, human health and social services, research, patents and copyrights, etc., have witnessed tremendous growth, arising from sustained efforts at diversifying the economy away from hydro-carbons and agriculture. Evidently, from 33 major economic activities in 1990, the economy had been reclassified to 46 in 2010. Thus, the imperative to capture growth in these sectors and provide a better estimate of the size and structure of the economy informed the rebasing of the GDP. The country's economy is now better placed among her peers, unlike hitherto when it had been grossly underestimated. In rebasing her GDP, Nigeria has joined the league of other African countries, like Botswana, Burundi, Cape Verde, Democratic Republic of Congo (DRC), Egypt, Ethiopia, Ghana, Lesotho, Morocco, Niger, Sierra-Leone, Tanzania, Tunisia, Uganda and South Africa that have undertaken similar exercises in recent years.

**Outcome**

Following the rebasing, Nigeria's GDP recorded a quantum leap by 88.9 per cent for 2013 relative to the old base. Consequently, the economy was valued at ₦80.1 trillion in 2013, compared with ₦42.4 trillion hitherto. Working backwards for earlier years indicated GDP increases of 60.7, 68.4, 76.9 per cent over the old base period, representing ₦54.6 trillion, ₦63.0 trillion and ₦71.7 trillion for 2010, 2011 and 2012, respectively. Nigeria became the largest economy in Africa, surpassing South Africa.

The exercise did not fundamentally change the structure of the economy. However, it revealed significant structural shifts in terms of sectoral contributions. For instance, while agriculture maintained its overall dominance, its contribution to total GDP was reduced from 40.9, 40.2, 39.2, and 38.5 per cent to 24.0, 23.4, 23.9 and 23.3 per cent in 2010, 2011, 2012 and 2013, respectively. Similarly, the share of services fell to 34.7, 34.3, 34.6 and 35.9 per cent, from 36.8, 38.4, 40.3 and 41.7 per cent, respectively, over the same period.

Overall, post-rebasing real GDP growth was 5.31 per cent in 2011, 4.21 per cent in 2012 and 5.49 per cent in 2013. Over the three-year period, the economy grew by an average of 5.00 per cent, and sectorally, services grew by an average of 6.20 per cent, industry by 5.42 per cent and agriculture by 4.20 per cent.

**Implications for the Economy**

The GDP rebasing exercise has several benefits for the economy. The exercise revealed evidence of structural changes to enable policy makers and analysts obtain more accurate information that reflected current realities, for evidence-based decision making. There is now a better understanding of the structure of the economy with identified sectoral growth drivers where resources could be channelled to grow the economy, create jobs, improve infrastructure and reduce poverty. In other words, the exercise has given the government a better tool to tackle the challenges of growing the economy and fighting poverty.

It also affords investors, both domestic and foreign, the opportunity of making better investment choices. Investors searching for money and equity market investments would be buoyed by a higher per capita income and a lower Debt-to-GDP ratio, which fell from 19 per cent before rebasing to 11 per cent after the exercise. Thus, there is the expectation of higher investment, and, ultimately, greater job creation and poverty eradication.

The GDP rebasing exercise has cross-cutting implications for major sectors in the economy. The Federal Government expenditure in the new nominal GDP series declined across the four-year period (2010-2013), compared with the old estimates. This implies that government will have to increase its expenditure, in line with the current size and structure of the economy.

Also, the ratio of broad money to nominal GDP and credit to the private sector declined with the rebased estimates, compared with the old. The implication of this is that there is need for greater effort at enhancing financial deepening and credit access, in tune with the current size and structure of the economy.

However, a possible downside to the rebasing exercise is that having attained middle income status, Nigeria may no longer qualify to receive concessional donor funds from multilateral and bilateral development institutions. Since donors routinely target poorer countries for development programmes, the country may be left with no option but to borrow at relatively higher interest rates.

Another downside risk could be the reversal of the fiscal consolidation policy, as government may be tempted to increase borrowing. This is because with the rebased figures, the debt to GDP ratio fell from 19 per cent to 11 per cent, thereby, enhancing government's capacity to borrow. With respect to revenue indicators, the rebasing of the GDP means that tax revenue to GDP is now much lower, implying that a lot of work still needs to be done. Similarly, the fiscal deficit to GDP ratio will improve, staying far below the 3 per cent threshold stipulated in the *Fiscal Responsibility Act*.



## 6.2 AGRICULTURE

### 6.2.1 Agricultural Policy and Institutional Support

The Federal Government continued its support to farmers, through the provision of seedlings and fertilizer under the Growth Enhancement Scheme (GES), which was expanded to cover the fisheries and livestock sub-sectors, and mechanization services. The number of farmers who benefitted under the Scheme in 2013 was 176,000, as against 34,000 in the preceding year. A total of 16,744 tonnes of fertilizer, 450 million tonnes of seeds and 738,000 stems of high quality cassava were sold at a discount to farmers during the review period. In addition, 3.5 million pods of high-yielding cocoa hybrids and 9 million sprouted nuts of high-yielding oil palm seedlings were distributed during the year.

In order to improve efficiency and raise the productivity of farmers under the “Double-up Paddy Production Programme”, the Federal Government incorporated a training segment for the farmers after which farming inputs, such as improved seeds, fertilizer, insecticides and water pump machines were sold at a discount. In addition, the effort towards enhancing the country's capacity to mill locally-cultivated rice was boosted with the establishment of 15 integrated rice mills by the Federal Government. These complemented the 14 integrated rice mills established by the private sector with a total milling capacity of 240,000 tonnes. Arrangements were concluded to establish 40 additional integrated rice mills to be fully owned by the private sector, through a low interest rate facility.

Initiatives to build the food resilience of the country were boosted with the completion of 10 new silos for strategic food reserves. The silos were made available to the private sector on concessionary terms to facilitate the establishment of agricultural commodity exchanges in the country.

The drive to develop the fresh fruit produce value chain received practical support from the private sector. Dansa Foods Ltd invested US\$75.0 million to establish a 2.5 million tonne capacity tomato paste processing and pineapple processing plants. Similarly, the Transcorp Group established a US\$6.5 million orange processing plant in the review period. To complement these efforts, the Federal Government embarked on the construction of 14 perishable cargo terminals to boost the capacity of farmers to deliver fresh fruits to local and international markets.

On agricultural financing, the World Bank approved two International Development Association (IDA) loans worth US\$300.0 million to boost government's efforts to expand agriculture, contribute to food security initiatives and improve nutrition of the poor. Of the sum, US\$100.0 million was for funding the Nigeria Agriculture Sector Development Policy Operation, while the balance of US\$200.0 million was to be used to finance the third Fadama National Development Project (Fadama III). The African Development Bank (AfDB) approved a loan of US\$152.12 million and a grant of US\$0.38 million to support Nigeria's Agricultural Transformation Agenda Support Programme (ATAP) Phase 1.

### **6.2.2 Agricultural Production**

At 294.2 (1990=100), the provisional aggregate index of agricultural production grew by 4.5 per cent, compared with 4.0 per cent in 2012. However, the growth was below the national sectoral target of 8.0 per cent. Favourable weather conditions and sustained implementation of the initiatives under the Agricultural Transformation Programme (ATAP) were largely responsible for the growth in the sector.

#### **6.2.2.1 Crop Production**

Crop production grew by 4.4 per cent, which was higher than the growth rate of 3.8 per cent in the preceding year. The output of staples and 'other crops' rose by 4.3 and 4.1 per cent, compared with 3.7 and 3.9 per cent, respectively, in 2012. Cassava output rose by 5.2 per cent, due to the wide-scale adoption of improved cassava cuttings and increased demand occasioned by the use of cassava flour for bread baking. Paddy production increased by 5.7 per cent, compared with 5.0 per cent in 2012. Paddy output was boosted by the continued use of the high-yielding NERICA rice variety, the intensification of dry season rice farming and other incentives offered by the Federal Government, pursuant to attaining the objective of self-sufficiency by 2015.

**Table 6.3: Growth in Major Crop Production (per cent)**

Crop	2012	2013	Crop	2012	2013
Wheat	2.9	3.4	Plantain	7.6	7.4
Sorghum	5.5	6.5	Potatoes	6.0	5.2
Rice	5.0	5.7	Yam	4.9	5.8
Maize	6.9	7.4	Cassava	4.7	5.2
Millet	4.8	5.9	Rubber	5.9	7.9
Soya -Bean	6.7	7.5	Palm Oil	10.2	7.9
Beans	6.3	6.5	Cocoa	8.9	7.6

Source: Staff estimates from NBS data

#### 6.2.2.2 Livestock

Livestock production increased by 5.6 per cent in 2013, marginally lower than the 5.7 per cent growth recorded in the preceding year. Further analysis of the sub-sector showed that output of poultry and beef increased by 4.9 and 6.3 per cent, respectively, compared with 5.7 and 5.7 per cent, respectively, in 2012. This was attributed to minimal operational losses in the sub-sector as no major case of disease outbreak was reported in 2013.

#### 6.2.2.3 Fishery

Fish output increased by 5.6 per cent from its level in 2012 to 899.0 tonnes in 2013, but significantly lower than the estimated annual demand of 1.5 million

tonnes. The production of fish through catches from artisanal inland rivers/lakes and artisanal coastal/brackish waters grew by 6.6 and 6.0 per cent, respectively. The development was attributed, largely, to the additional support for the fishery sub-sector under the Growth Enhancement Scheme (GES).

#### **6.2.2.4 Forestry**

Forestry production increased by 5.3 per cent to 195.02 million cubic metres in 2013, compared with 5.8 per cent growth in the preceding year.

#### **6.2.3 Agricultural Prices**

The prices of most of Nigeria's agricultural export commodities declined in 2013, compared with their levels in 2012. The all-commodities price index, in US dollar terms, stood at 334.9 (1990=100), representing a decrease of 0.5 per cent from the level in 2012. The decline in price was due to the strengthening of the United States dollar, which led to a fall in prices. Weak demand from Europe, arising from the austerity measures in some countries in the region also contributed to the price decline. Coffee recorded the highest price decline of 25.2 per cent, compared with the level in 2012, due largely to weak demand. Similarly, copra, palm oil and soya beans recorded price declines of 15.9, 18.4, and 3.6 per cent, respectively. The decline in the price of oil seeds was due, largely, to the glut in supply. However, cocoa and cotton recorded price increases, due to strong demand, brought about by a decline in output on account of bad weather conditions in some producing countries and fluctuations in currency. In naira terms, the all-commodities price index followed a similar trend with the dollar-based index. At 5,062.2 (1990=100), the index fell by 1.7 per cent, compared with the level in 2012. The price indices of coffee, copra, palm oil and soya beans declined by 25.4, 16.1, 18.6 and 3.8 per cent, respectively. However, cocoa and cotton recorded price increases of 1.7 and 1.1 per cent, respectively.

Available data indicated that the domestic producer prices of some of Nigeria's major cash crops fell in 2013, ranging from 1.1 per cent for palm kernel to 10.1 per cent for soya beans. The decline in prices was due to supply glut. The price of cocoa and cotton, however, increased by 7.7 and 7.9 per cent, respectively, in response to developments in the international commodities market.

### 6.3 INDUSTRY

#### 6.3.1 Industrial Policy and Institutional Support

The commitment of the Federal Government to enhance the contribution of the industrial sector to national economic development was demonstrated in several policy pronouncements and actions. The Nigeria Industrial Revolution Plan (NIRP) was approved, with its formal launch scheduled for early 2014. The NIRP aims to expand the country's industrial capacity by pursuing systematic development in agro-allied industries; metals and solid minerals processing; oil and gas industries; light manufacturing; construction and services. To attract investment into the sector and promote market access, the National Trade Policy was reviewed during the year. A "One-Stop Investment Centre" (OSIC) was launched to provide investors with a single-window for business investments in Nigeria. In 2013, a 24-hour timeline for business registration was achieved.

In line with the power sector's road map, the transfer of some of the operations to private enterprises to boost efficiency in the sector was implemented. To address challenges in the privatisation process, especially labour-related issues, the Federal Government released ₦72.7 billion to the Federal Ministry of Power. Of this amount, 62.0 per cent was used to offset the outstanding payments due to the PHCN workers, while the balance was utilized by power generation and distribution companies to support their operations. The acquisition of the unbundled companies from PHCN was completed with the new owners formally

taking over the companies. A Canadian firm, Manitoba Hydro International was also formally given the schedule of Delegated Authority that transferred managerial control over the Transmission Company of Nigeria (TCN) to it.

In order to ensure that power supply is not impeded after the privatisation exercise, Government proactively provided ₦50.0 billion in the escrow accounts of three selected Nigerian banks to support the power generation companies (GenCos). The money, which was part of the amount realized from the privatisation process, was to insure the gencos against any revenue loss in the course of their operations. The accounts were being managed by the Nigerian Bulk Electricity Trading Company (NBET) Plc.

The National Enterprise Development Programme (NEDEP) was launched during the year. The NEDEP aims to generate five (5) million direct jobs by focusing on skills acquisition, entrepreneurship training, business development services and access to finance. The programme targets small businesses and is being coordinated by the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN).

Similarly, the National Automotive Industry Development Plan (NAIDP) was launched during the year. The plan, among other things, aims to make the environment conducive for automotive companies by providing incentives to local manufacturers. The auto policy is expected to result in substantial savings from the US\$6.5 billion spent annually on the importation of vehicles and car spare parts. On the back of this policy, two Indian vehicle manufacturing companies, TATA Motors and TVS Motor Company had indicated interest in establishing assembly plants in Nigeria.

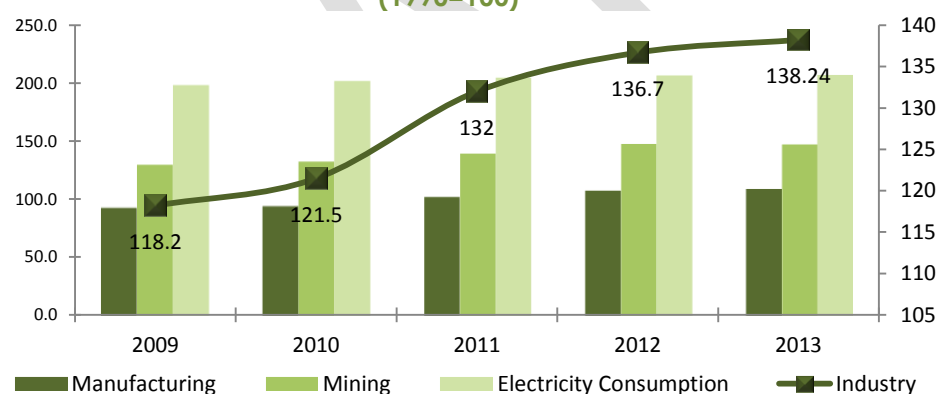
The drive to patronise made-in-Nigeria products received a boost in 2013. The maiden exhibition of "Made-in-Aba" products was held in Abuja during the year.

The fair, which featured 100 exhibitors in the fashion, food processing, footwear, textile and machines subsectors was aimed at showcasing the quality of domestically-manufactured goods. A similar exhibition of made-in-Nigeria products took place in Lome, Togo, during the year.

### 6.3.2 Industrial Production

At 138.2 (1990=100), the estimated industrial production index at end-December 2013 rose by 1.1 per cent from the level in 2012. The improved performance of the sector reflected the impact of the various intervention policies and programmes of Government. The indices of the manufacturing and electricity sub-sectors increased marginally by 1.6 and 0.3 per cent, respectively, while the index of the mining sub-sector declined by 0.1 per cent.

**Figure 6.6: Index of Industrial Production, 2009 – 2013  
(1990=100)**



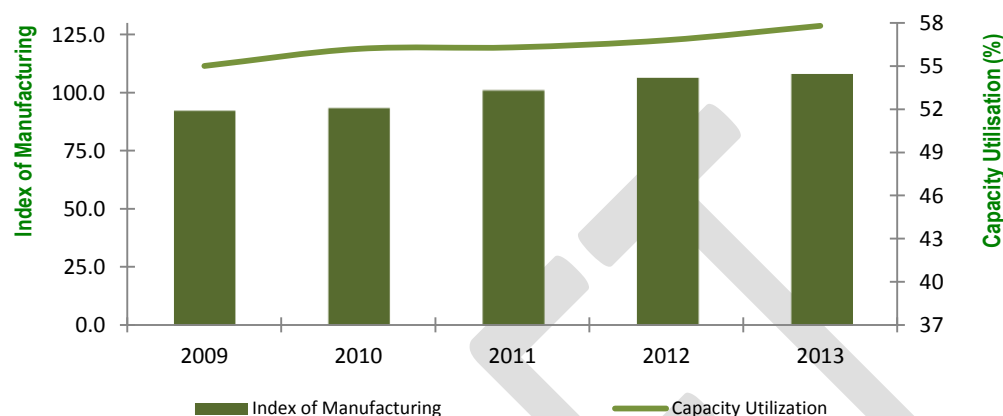
Source: CBN

#### 6.3.2.1 Manufacturing

The index of manufacturing production, estimated at 108.1 (1990=100), rose by 1.6 per cent from the level in 2012, while the average capacity utilisation of the manufacturing sector showed a marginal improvement, with 1.1 percentage points increase to 57.9 per cent in 2013. The improved performance in the cement sub-sector accounted largely for the growth in the manufacturing sector. Other sub-sectors that contributed to the growth in the sector included

petroleum refining, sugar and confectioneries, electronics and electrical components, and motor vehicle assembly.

**Figure 6.7: Index of Manufacturing Production and Capacity Utilisation, 2009 - 2013**



Source: CBN

### 6.3.2.2 Extractive Industry

#### 6.3.2.2.1 Oil & Gas

The drive for private sector participation in the downstream segment of the oil and gas sector received a major boost in 2013 with a US\$9.05 billion investment in petrochemicals and refinery by the Dangote Group. The Group signed a facility agreement with a consortium of local banks and international investors for the establishment of a refinery, petrochemicals and a fertilizer complex in Nigeria. The refinery, to be sited at the Olokola Liquefied Natural Gas (OK-LNG) Free Trade Zone, will be the country's first private and Africa's largest petroleum refinery, with a projected daily capacity of 400,000 barrels per day.

The Federal Government, on its part, completed the 136km gas pipeline from Oben to Gereggu, the 31km pipeline from Itoki to Olorunsogo and the acquisition of 250 square kilometres of 3-D seismic data for the Chad Basin. Also, the Ogidigben Gas Industrialisation Project, with investment opportunities in the



petrochemicals, fertilizer, methanol and other non-oil sectors of the economy, was flagged-off.

The second oil marginal fields licensing round, aimed at deepening the participation of indigenous oil companies in the upstream activities of the oil and gas sector, commenced in 2013. Thirty-one (31) fields were placed on offer, with sixteen (16) fields located onshore and fifteen (15) in the continental shelf.

#### **a. Crude Oil Production, Refinery Utilisation, Petroleum Products and Prices**

##### **i. Crude Oil and Condensates Production**

Nigeria's aggregate crude oil production, including condensates and natural gas liquids, averaged 1.93 million barrels per day (mbd) or 704.45 million barrels (mb) in 2013, compared with 2.10 mbd or 766.5 mb in the preceding year. This represented an 8.1 per cent decline relative to 2012, due, largely, to losses from theft and vandalism of oil production facilities. Aggregate export of crude oil was estimated at 1.48 mbd or 540.2 mb, compared with 602.25 mb in the preceding year, reflecting the reduction in output.

##### **ii. Refinery Utilisation**

The average capacity utilization of the country's three (3) refineries stood at 24.2 per cent in 2013, representing an increase of 3.2 percentage points from the level of 21.0 per cent in 2012. A breakdown showed that average capacity utilization of the Kaduna Refining and Petrochemical Company (KRPC) and the Warri Refining and Petrochemical Company (WRPC) were 29.14 and 37.62 per cent, respectively, while that of the Port Harcourt Refining Company (PHRC) was 8.20 per cent.

Aggregate production of petroleum products from the refineries was 4.7 million tonnes in 2013. This represented an increase of 17.3 per cent, compared with 4.03 million tonnes produced in 2012. The increase in output was attributed to increased capacity utilization, particularly at the WRPC. A breakdown of

products showed that the WRPC had 2.53 million tonnes, while PHRC and KRPC had 1.29, and 1.24 million tonnes, respectively.

Of the total, fuel oil accounted for the largest share at 26.3 per cent, while the shares of automotive gas oil (AGO), premium motor spirit (PMS), dual purpose kerosene (DPK), liquefied petroleum gas (LPG) and 'others' were 24.0, 23.7, 16.8, 2.5 and 6.7 per cent, respectively.

*The average spot price of Nigeria's reference crude, the Bonny Light, (37°API) stood at US\$111.36 per barrel in 2013, compared with an average of US\$113.47 per barrel in 2012.*

### iii. Petroleum Products Consumption

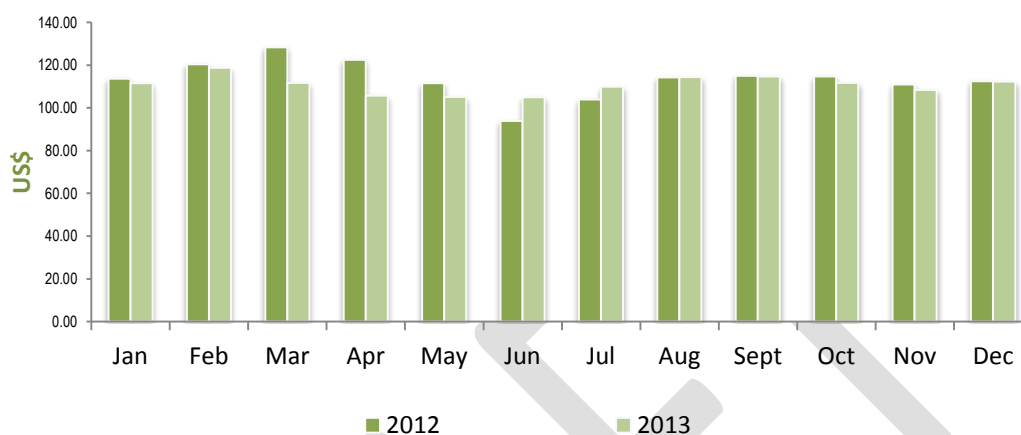
The total volume of petroleum products consumed in 2013 was 5.13 billion litres. This represented a decrease of 24.2 per cent, when compared with the 6.76 billion litres consumed in 2012. A breakdown by product showed that premium motor spirit (PMS) had the highest consumption, amounting to 3.67 billion litres, (71.6 per cent); followed by automotive gas oil (AGO), 0.62 billion litres (12.2 per cent); dual purpose kerosene (DPK), 0.5 billion litres (9.9 per cent); low pour fuel oil (LPFO), 0.2 billion litres (5.8 per cent); liquefied petroleum gas (LPG), 12 million litres (0.3 per cent); and asphalt & others, 10 million litres (0.2 per cent).

### iv. Prices

The average spot price of Nigeria's reference crude, the Bonny Light (37°API), stood at US\$111.36 per barrel in 2013, compared with the preceding year's average of US\$113.47 per barrel, a decline of 1.9 per cent. The average price of the OPEC basket of 11 crude streams also fell, by approximately 3.3 per cent, to US\$105.87 per barrel in 2013. Increased shale oil production and other alternative oil sources, accumulated strategic reserves, fuel use efficiency, especially in the Eurozone, and the financial crises that rocked most countries accounted for the marginal decline in crude oil prices. The West Texas Intermediate (WTI) recorded an increase of 6.0 per cent to settle at an average

of US\$96.34 per barrel in 2013, while the UK Brent and the Forcados-related crudes recorded losses of 3.3 and 2.1 per cent, respectively.

**Figure 6.8: Bonny Light Monthly Prices in 2012 and 2013**



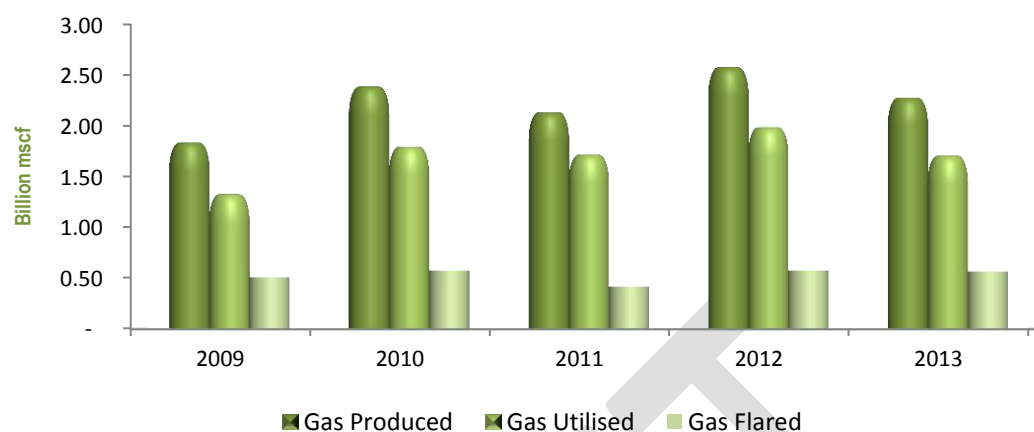
Source: REUTERS

## b. Gas

### i Gas Production and Utilisation

The volume of gas produced in 2013 stood at 2,287.96 million standard cubic feet (mscf), representing a decrease of 11.3 per cent from the level in 2012. Of the total gas produced, 74.8 per cent was utilised, while 25.2 per cent was flared. Out of the volume utilised, 32.8 per cent was sold to industries, including power, cement and steel companies; 30.2 per cent was re-injected; while gas lifted accounted for 6.0 per cent of the total. Gas sold to the Nigeria Liquefied Natural Gas (NLNG) Company, gas used as fuel, and gas converted to natural gas liquids accounted for 11.2, 7.1 and 1.9 per cent, respectively.

**Figure 6.9: Gas Production and Utilisation, 2009 – 2013**



Source: NNPC

#### 6.3.2.2.2 Solid Minerals

##### a. Institutional Support for the Sector

In its continued effort to reposition the country's solid minerals sector, the Federal Government inaugurated the Board of Solid Minerals Development Fund (SMDF) in 2013. Also, the solid minerals sector's Road Map was formally launched by the Hon. Minister, Federal Ministry of Mines and Steel Development. The road map seeks to address the challenges in the sector in a holistic manner, using the value chain approach, by focusing on exploration, development, exploitation (mining and processing) and marketing of the minerals.

The sector also recorded some remarkable achievements during the review period. These included:

- Development of new geological maps: 27 on the 1:100,000 scale and 37 on the 1:10,000 scale for iron ore, coal and ferro-alloy minerals;
- Discovery of high grade iron ore and 9 additional minerals. The newly discovered minerals were sillimanite for the production of refractories and spark plugs; chromite, cobaltite, vanadinite and stibnite which are

sources of elements essential for alloy steel production. Others are: chalcopyrite, lanthanum, pentlandite and uraninite;

- The granting of 3,007 active mineral titles, the registration of 25 private mineral buying centres, and the formalisation of additional 595 artisanal and small scale mining cooperatives, bringing the number to 845;
- Establishment of 1,154 new quarries, bringing the number of quarries in the country to 1,710 and the establishment of 127 small scale mines, bringing the number to 223 small scale mines in several locations across the country. Thus, about 1,254,200 rural-based jobs were created; and
- Establishment of one mine environmental analytical laboratory for use in determining the level of environmental pollution in mine sites.

#### **b. Solid Minerals Production**

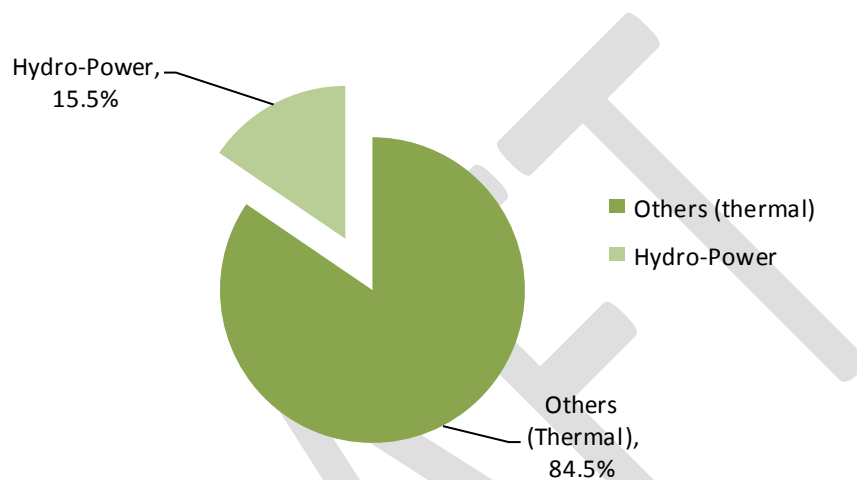
Aggregate production of solid minerals increased marginally in 2013 relative to the levels in the preceding year. Provisional data showed that aggregate output increased from 60.4 million tonnes in 2012 to 60.5 million tonnes, representing an increase of 0.13 per cent. The increase was accounted for by all the principal minerals, especially limestone, sand, granite aggregates, laterite, shale and lead/zinc.

#### **6.3.3 Electricity Generation**

Total installed electricity generation capacity stood at 12,232 MW in 2013, compared with 9,937 MW in 2012. The increase in generation capacity was as a result of the completion of the generation plants at Omotosho 2, Ihovbor and Geregu 2. A disaggregation of the installed capacity showed that thermal power and hydro-power accounted for 84.5 and 15.5 per cent, respectively. Further analysis showed that the erstwhile Power Holding Company of Nigeria

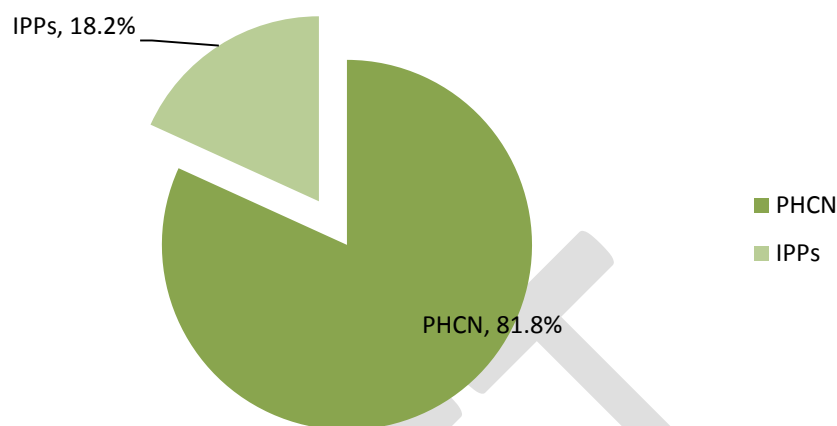
(PHCN) had 81.8 per cent of the total installed capacity, while the Independent Power Plants (IPPs) accounted for the balance.

**Figure 6.10: Nigeria's Power System: Composition in 2013 by Source (Per cent)**



**Source: Presidential Committee on Power ( The Presidency)**

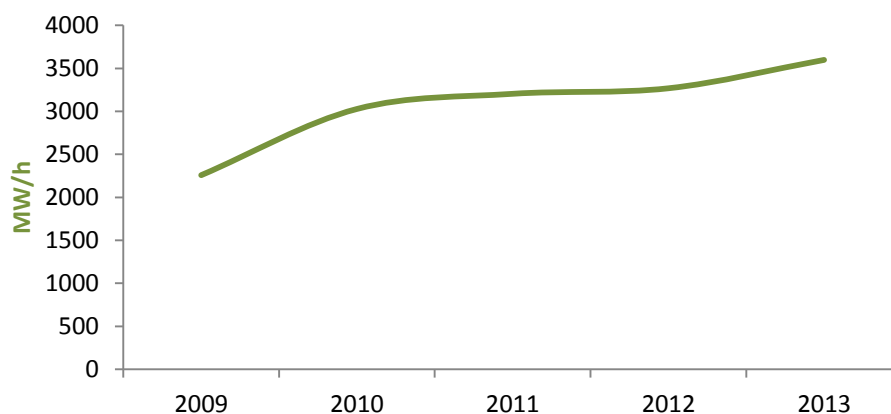
**Figure 6.11: Nigeria's Power System: Composition in 2013 by Holding (Per cent)**



**Source: Presidential Committee on Power (The Presidency)**

At 3,297.5 MW/h, average electricity generation rose marginally by 0.1 per cent over the level attained in the preceding year. The rise in power generation was attributed to the additional generation capacity from the newly commissioned turbines in Olorunshogo, Omotosho and Gereggu Power Plants. The estimated generation represented 33.2 per cent of the total installed capacity.

**Figure 6.12: Electricity Power Generation, 2009 – 2013**



**Source: CBN**

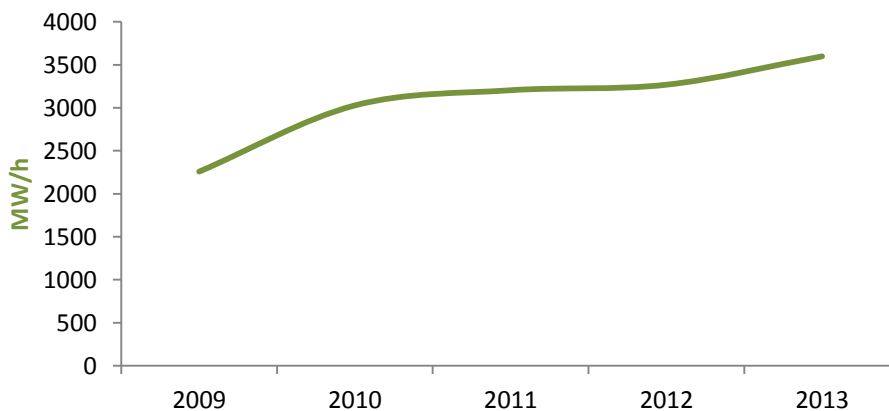
#### 6.3.4 Energy Consumption

At 160.3 (1990=100), the index of energy consumption fell by 10.7 per cent, compared with a decline of 5.2 per cent recorded in 2012. In absolute terms, aggregate energy consumed in 2013 stood at 13.4 million tonnes of coal equivalent (tce), compared with 16.6 million tce in the preceding year, representing a decline of 19.1 per cent. The decline was attributed to the fall in all components of the basket.

#### 6.3.4.1 Electricity Consumption

At 2,898.7 MW/h, average electricity consumption increased by 0.3 per cent, compared with the level in the preceding year. The development was attributed to the enhanced generation and improvement in transmission and distribution infrastructure. At this rate, total energy loss between generation and distribution amounted to 12.1 per cent, compared with 6.2 per cent in 2012. The significant increase in energy loss was due to the three major incidents of vandalism on infrastructure recorded in 2013.

Figure 6.13: Electricity Consumption, 2009 - 2013



Source: CBN

#### 6.3.4.2 Hydropower Consumption

At 3,038,355.0 ton coal equivalent (tce), hydropower consumption in 2013 declined by 5.9 per cent, compared with the level in 2012. This was due to the



fall in electricity generated at the Kainji and Shiroro power plants, which declined by 32.8 and 6.8 per cent, respectively.

DRAFT

#### 6.3.4.3 Coal Consumption

Aggregate coal consumption in 2013 stood at 40,359.39 tonnes, representing a decline of 37.3 per cent, from the 64,348.56 tonnes consumed in 2012. The fall in coal consumption was attributed to shortages in the supply of coal during the review period.

#### BOX 7: THE POWER SECTOR REFORM IN NIGERIA

In 2005, the Federal Government embarked on a comprehensive reform of the power sector with the enactment of the *Electricity Power Sector Reform Act* (2005). The reform was aimed at improving efficiency and performance in the sector, ensuring transparent and responsible management of the utility company and limiting political interference by eliminating government's involvement in utility management. Other intents of the reform programme were to promote private sector participation through management and technical operations, as well as encouraging private sector investment in generation and distribution to address inadequate supply in the country. To fully implement the 2005 Act, the Power Road Map was launched in 2010 to provide a long-term development strategy that will harness the country's abundant energy endowment. The road map was built on three main themes, namely, removing obstacles to private sector investments, establishing a government divestiture strategy from the PHCN, and reforming the fuel-to-power track with the launching of a gas-to-power project.

Removing obstacles to private sector investments involved: establishing an appropriate pricing regime; establishing an electricity bulk purchaser; providing credit enhancement through a partial risk guarantee; creating an efficient and motivated workforce; strengthening the licensing regime; enabling the Nigeria Electricity Liability Management Company to take over other assets and liabilities of the Power Holding Company of Nigeria (PHCN) that can be transferred to private operators; and strengthening the Nigerian Electricity Regulatory Commission (NERC). Establishing government's divestiture strategy from the PHCN was to be carried through: concessioning the operations of the hydropower plants; privatising the thermal generating plants; retaining the transmission sub-sector and managing it through a management contract; and privatising the distribution sub-sector.

The power sector has witnessed tremendous progress since the launch of the reform road map. Several policy measures have been implemented to enhance electricity service delivery. The assets of the Nigerian Electricity Power Authority (NEPA) were transferred to the PHCN and

subsequently unbundled to the Transmission Company of Nigeria (TCN), 6 Generating Companies (GenCos), and 11 Distribution Companies (DisCos). With the unbundling of the PHCN, Government built 10 new National Integrated Power Plants (NIPP) to generate additional 4,775 megawatts (MW) of electricity. The sector was thrown open to private sector participation and private investors were allowed to own and operate power generating plants. After the liquidation of the PHCN in 2013, the unbundled PHCN distribution companies were sold to private investors, while bids for the generation companies were opened. The sales of the plants were expected to be completed in 2014. Government, however, retained ownership of the transmission network, but transferred the management to Manitoba Hydro International of Canada, as the management consultant.

In order to ensure fair play and competitiveness in the sector, the NERC was empowered to license operators in the power sector to ensure competitive tariff and protect electricity consumers. NERC successfully reviewed and implemented the Multi-Year Tariff Order (MYTO II) in 2012. Also, the Nigerian Bulk Electricity Trading (NBET) Plc was incorporated to purchase power from the generation companies and sell the same to distribution companies.

In order to protect investors, Government engaged the World Bank for the provision of a Partial Risk Guarantee (PRG) to securitize new power generation capacities. Government also signed several MoUs for equity investments in the power generation projects with General Electric, Siemens, Daewoo, Electrobras, etc. The investment in generation plants has led to an increase in installed generating capacities, from 7,000 MW in 2008 to over 12,000 MW as at end-December 2013.

Despite the progress made in the power sector as a result of the reforms, there are several challenges that need to be addressed. Some of the challenges include: the need for an additional investment of about \$3.5 billion annually to generate the targeted 40,000 megawatts (MW) by 2020; the need for regular availability of gas as majority of the generating plants installed are powered by gas; inadequate and obsolete infrastructure, as the existing power infrastructure (generation, transmission and distribution) assets are old and requiring high operating and maintenance costs to keep them running; the need to tackle unresolved issues around the pensions of former employees of PHCN and other labour union matters; and inappropriate pricing of electricity in the country.

Overall, the future outlook for the sector appears bright in meeting of the 40,000 MW target by 2020. With the privatisation of the distribution subsector, the impressive bids received for the

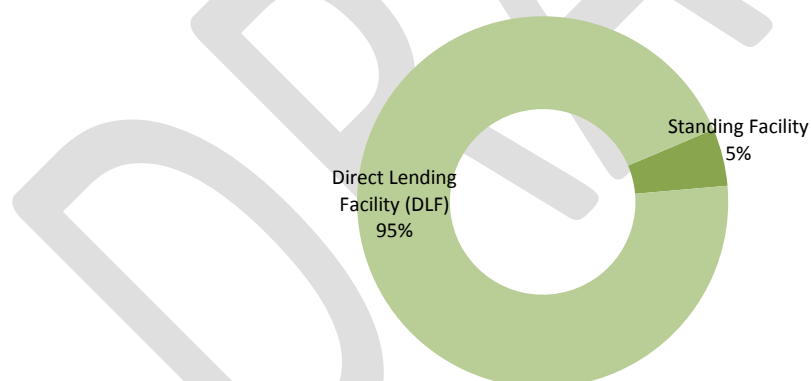
thermal generating plants, and massive investment in the transmission network, the power sector seems set to witness a massive turnaround in no distant future. However, government needs to address the bottlenecks surrounding gas supply which is critical to achieving stable power. Vandalism of power infrastructure and developing market rules that would allow for efficient development of a viable electricity market should be areas of focus. Efforts also need to be intensified in pursuing renewable energy alternatives, given the country's endowment in that area.

### 6.3.5 Industrial Financing

#### 6.3.5.1 The Nigeria Export-Import Bank (NEXIM)

The total funding support provided to the non-oil export sector under the Bank's various facilities in 2013 amounted to ₦9.44 billion, indicating an increase of 29.10 per cent, compared with ₦7.31 billion disbursed in 2012.

**Figure 6.14: NEXIM Disbursements by Facility, 2013  
(Per cent)**



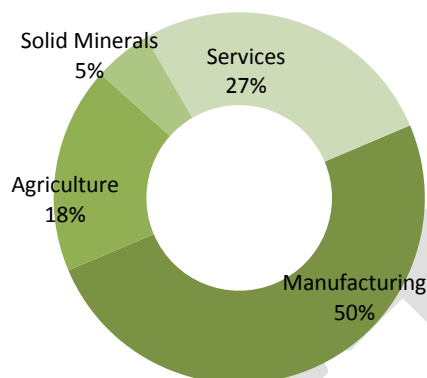
Source: NEXIM

A sectoral analysis of the disbursements showed that the manufacturing sector received ₦4.73 billion, representing 50.14 per cent of the total. This was followed by the services sector, ₦2.53 billion or 26.84 per cent; agriculture, ₦1.71 billion or 18.12 per cent; and solid minerals, ₦0.47 billion or 4.9 per cent of the total. The

facilities disbursed by NEXIM were expected to support over 5,661 direct and indirect jobs and also to generate about US\$75.75 million, annually.

DRAFT

**Figure 6.15: Summary of NEXIM Disbursements by Sector, 2013  
(Per cent)**

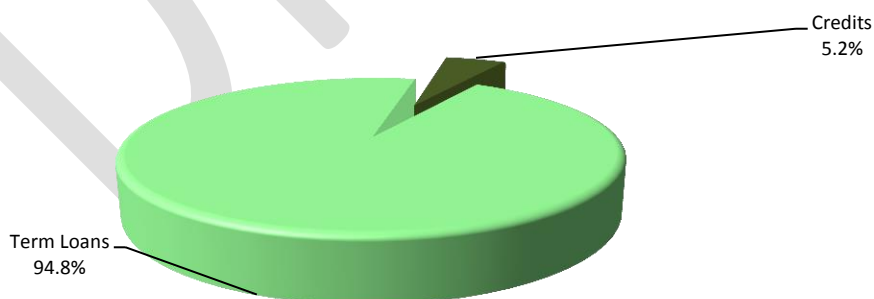


Source: NEXIM

#### 6.3.5.2 The Bank of Industry

The total credit approved and disbursed by the Bank of Industry (BOI) in 2013 amounted to ₦154.48 billion and ₦32.72 billion, respectively. Of this amount disbursed, ₦31.04 billion and ₦1.69 billion were for term-loans and micro-credit, respectively. The amount disbursed represented a decrease of 25 per cent, compared with the sum of ₦43.87 billion disbursed in 2012.

**Figure 6.16: Classification of Credit Disbursed by the Bank of Industry (BOI), 2013  
(Per cent)**



Source: BOI

**BOX 8: THE NIGERIA INDUSTRIAL REVOLUTION PLAN****Background**

The immense contribution of a robust industrial sector to output growth, employment generation and, ultimately, enhanced standard of living cannot be over-emphasized. It is basically the sector that drives growth and development of any economy. However, the Nigerian industrial sector has been plagued by several impediments which have resulted in sub-optimal performance, thereby making its contribution to the gross domestic product (GDP) and employment generation to remain far below its potential. To unlock the latent potentials of the sector, the Federal Government, therefore, established and gazetted the Nigeria Industrial Revolution Plan (NIRP) in 2013.

The NIRP is a five-year plan aimed at strengthening industrial capacity in the country. It is designed to address the impediments to industrialization in the short-term, while highlighting the reforms that must be undertaken to solve longer-term challenges. It is expected to enhance job creation, diversify the economy and revenue sources, lead to domestic substitution of imports, diversify the export base and broaden the tax base. The major objective of the Plan is to grow the contribution of the manufacturing sector to the GDP from the current level of 4.0 per cent to 6.0 per cent by 2015 and above 10.0 per cent by 2017.

The NIRP is unique because it contains strategies focusing on 'anchor sectors' that have been identified as having comparative advantage for the country. It is holistic as it uses a coherent and comprehensive framework in assessing the needs of the industrial sector. It also focuses on actionable programmes and defines clear goals, sets accountabilities, and identifies quick-wins for immediate implementation.

**Support Structures/ Enablers**

In order to unleash productivity in the sector, the Plan is hinged on support structures referred to as "enablers". The seven selected "enablers" include: infrastructure, with particular emphasis on power and transportation; skills, emphasizing the acquisition of technical and vocational skills and attuning skills acquisition to industrial needs; innovation, aiming to replicate current technologies and improving and adapting them to local needs; an investment climate with supportive and favourable policies; maintaining standards, ensuring that products are of high quality for market competitiveness; encouraging local patronage through deliberate policies; and ensuring that finance is available at affordable cost to the industrialists.

### Priority Sectors

The priority sectors under the NIRP are agro- and agro-allied businesses, solid minerals and metals, oil and gas, construction, light manufacturing, and services. The criteria used for identifying the anchor sectors were: the existing skills and installed capacities; natural endowments; a competitive cost base; labour intensity; potential for linkage with other industries; local and regional demand; and ability to export to developed markets.

### Information, Measurement and Feedback

The NIRP, having recognized the need for quality data, would embark on resource mapping provide information on: available installed plants and demand centres; supply and skill searches; companies and people with requisite skills; computation of industrial performance indices to track progress; and establish measurement matrix to indicate improvements in the sector.

### Interface with Other Development Agenda/Programmes

For the NIRP to succeed, it must interface with existing development programmes of government across all sectors. Its interface with other programmes would be symbiotic. The development plans identified as being pivotal for the success of the NIRP include: the Vision 20:2020; the Transformation Agenda; the Infrastructure Master Plan to provide infrastructure assets; the Gas Master Plan to provide inputs and assets for gas-driven industrialization; the Agricultural Transformation Agenda to provide agro-products for processing and sales; Nigeria's Transport Policy to provide assets to transport raw materials and finished products; Nigeria's Power Sector Reform Blueprint to drive energy to the industrial sector; the Science and Technology Plan to provide innovation and ideas; and the Nigerian Mining Strategy to provide solid minerals for processing and sales. The NIRP envisages a seamless coordination among the Ministries, Departments and Agencies (MDAs) driving the various development plans.

### Implementation Structure

The implementation structure would require extensive and continuing collaboration and dialogue among MDAs and with stakeholders. This would necessitate an inclusive governance model and a programme management structure to support the NIRP execution. The implementation is being coordinated by the Federal Ministry of Industry, Trade and Investment. The NIRP Steering Committee (made up of public sector implementing agencies) and an NIRP



Advisory Committee (mainly the private sector) will report directly to the President of the Federal Republic of Nigeria. The Committee would be chaired by the Honourable Minister of Industry, Trade and Investment, while the co-chair would be a leading private sector operator.

## 6.4 TRANSPORTATION AND COMMUNICATIONS

### 6.4.1 Aviation Services

#### 6.4.1.1 Policy and Airport Development

The upgrading of the twenty-two (22) federal airports, which commenced in 2011, continued in 2013 across the country. The scope of the project included the installation of modern facilities, including conveyor belts and security screening machines. Air navigational and meteorological infrastructure were installed to significantly enhance safety in Nigeria's airspace.

The Total Radar Coverage of Nigeria (TRACON) project initiated in 2011 was completed in 2013. With the completion of the project, it is now possible for the entire airspace of Nigeria, and even beyond, to be monitored by air traffic controllers. In addition, the Aeronautical Information Service Automation Project intended to digitalize aeronautical information for airspace users in real time was 95.0 per cent completed in the review period.

The construction of new terminals commenced at the Akanu Ibiam International Airport, Enugu, and the Murtala Muhammed International Airport, Lagos, under an MoU between the Nigerian and Chinese governments for the construction of five (5) new international terminals. Other locations included the Nnamdi Azikiwe International Airport, Abuja, Mallam Aminu Kano International Airport, Kano, and the Port Harcourt International Airport in Port Harcourt.

Nigeria and Israel signed a Bilateral Air Services Agreement (BASA) for direct flights between both countries. Furthermore, Nigeria joined the International Civil Aviation Organisation's (ICAO) list of fourteen (14) African countries to achieve

the status of 'effective air safety implementation above the global average of 61.0 per cent'. The rating reinforced the Category 1 certification of Nigeria in 2011 by the United States Federal Aviation Authority (FAA) for meeting stipulated international standards and practices on safety and security. The development increased the patronage of Nigeria's airspace with a record high of over 15,000 over-flyers by 364 foreign airlines in 2013.

#### **6.4.1.2 Domestic Operations**

The number of passengers airlifted by domestic airlines in 2013, at 10.5 million, declined by 1.0 per cent, relative to the level in 2012. Aircraft movements, however, rose by 2.9 per cent to 228,171 in 2013, compared with 221,803 in the preceding year.

#### **6.4.1.3 International Operations**

The number of passengers airlifted by airlines on international routes in 2013 increased by 8.3 per cent to 4.7 million, compared with 4.3 million in 2012. Aircraft movements, however, fell by 10.9 per cent to 44,381 from 49,810 in 2012.

Cargo movement at designated airports fell by 23.6 per cent to 175.53 million kg from 229.62 million kg in 2012. Mail movement also fell by 4.7 per cent to 5.78 million kg, compared with 6.06 million kg in 2012.

#### **6.4.2 Railway Services**

Efforts by the Nigeria Railway Corporation (NRC) to boost rail transportation in the country continued in 2013. The major projects undertaken were: acquisition of telescopic cranes and four 1800 HP modern locomotive engines fitted with on-board computers, a double drivers' panel, fully air-conditioned, and a speed capacity of up to 100km/hour. Other projects were: the installation of modern signal and telecommunications equipment on the Eastern Line; and the upgrade of the Microwave backbone with 72 Repeater sites nationwide to

boost station-to-station and train communications. This comprised an Automated Train Warranty (ATW) Signaling System, an intercom communication within the railway network and passenger information, CCTV, and Internet services.

In addition, the Corporation rehabilitated 143 coaches and wagons for passengers and freight during the year. This facilitated the commencement of a container service from Lagos to Kaduna and Kano. Also, work on the corridor of the Abuja-Kaduna railway modernization project reached the seventy-two (72) per cent completion level. The inter-state rail transport project is to improve the country's intermodal transport system, in addition to addressing a social need.

Furthermore, the Corporation acquired two, 100-tonne capacity, self-diagnostic railroad cranes to boost its response time to train accidents and the tracking of train movements. The NRC Mass Transit Service moved 4.3 million passengers, compared with 4.2 million in 2012.

#### 6.4.3 Maritime Services

*The Maritime services witnessed enhanced efficiency and reduced cost of doing business at the nation's seaports.*

The Nigerian maritime sector witnessed increased activities and facility upgrade during the year. Most ports recorded increases in gross registered tonnage, due to increased capital funding and maintenance dredging of channels. This significantly reduced the number of wrecks and ensured greater safety of vessels and an expanded space of operation for shipping.

The cargo throughput handled at Nigerian ports (excluding crude oil terminals) increased by 0.04 per cent to 76,886,997 from 76,855,754 tonnes in 2012. This increase was attributed to the deepened Lagos port channel by the Lagos Channel Management Company Limited (LCMCL). The number of vessels and

gross registered tonnage (grt) of vessels entering all Nigerian ports increased by 6.5 and 8.7 per cent, respectively, from 4,868 and 121,150,573 recorded in 2012.

Appreciable facility upgrades and the procurement of state-of-the-art container handling equipment were recorded, which ensured quicker container handling operations and reduced cargo dwell time.

#### 6.4.4 Communications

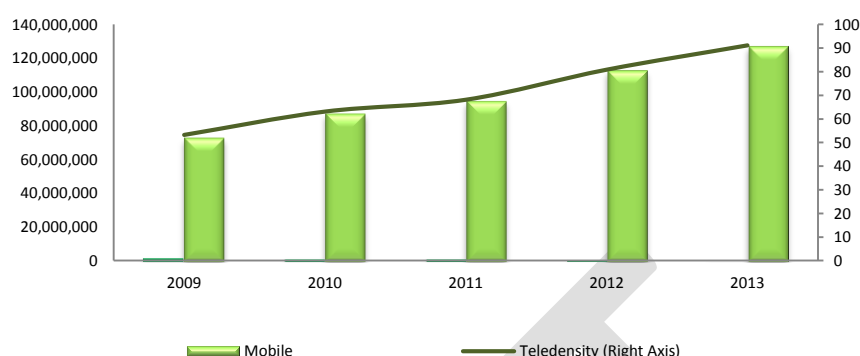
The communications sector continued to grow in 2013, driven mainly by the Global System of Mobile Communications (GSM).

**Table 6.4: The Nigerian Telecommunications Market Statistics, 2009 – 2013**

	2009	2010	2011	2012	2013
No. of Active Fixed Wired/Wireless Lines ('000)	1,481	1,050	753	406	361
No. of Active Digital Mobile Lines (million)	73.1	87.29	94.63	112.78	127.25
No. of National Carriers	2	2	2	2	2
No. of Operating ISPs	102	101	99	99	99
No. of Active Licensed Fixed Line Operators	32	30	28	25	24
Number of Licensed Mobile Operators	8	8	8	8	8
Teledensity	53.23	63.11	68.13	80.85	91.15
Cumulative Investment ( US\$ million)	18,000	-	-	-	-

**Source: Nigerian Communications Commission (NCC)**

As at end-December 2013, the combined subscriber base had increased to 127,606,629 active lines (360,537 fixed/wireless and 127,246,092 mobile lines) from 113,195,951 active lines at end-December 2012. Consequently, the teledensity increased from 80.9 to 91.2 lines per 100 inhabitants, above the International Telecommunications Union (ITU) minimum standard ratio of 1:100.

**Figure 6.17: Trends of Total Connected Mobile Lines and Teledensity, 2009 - 2013****Source: NCC**

The Nigerian Communications Commission (NCC) reiterated that all phone dealers must obtain the Commission's Type Approval Test Certificate for any communication equipment before importation, to ensure compliance with international standards. The Commission, in collaboration with the Nigeria Customs Service (NCS) and the Phone and Allied Dealers Association of Nigeria, organised a one-day forum to sensitize end-users on the health implications of purchasing unapproved telecom equipment.

## 6.5 CONSUMER PRICES

Inflationary pressure was effectively contained, as the inflation rate was within the set target of a single digit rate throughout 2013, mainly as a result of the tight monetary policy stance, and increased agricultural output on the back of favourable weather conditions.

*Inflationary pressure was effectively contained and the rate of inflation was maintained within the single digit rate target throughout 2013.*

The all-items composite consumer price index (CPI) closed at 152.3 at end-December 2013 (November 2009=100), compared with 141.1 at end-December 2012. This represented a year-on-year headline inflation rate of 8.0 per cent, which was 4.0 percentage points lower than the level at end-December 2012.

The year-on-year headline inflation rate, which stood at 9.0 per cent in January 2013, decelerated to 8.6 and 8.4 per cent at end-March and end-June 2013, respectively. It further trended downwards to 8.0 per cent at end-September, to close at that level by end-December 2013. Similarly, core inflation (all-items less farm produce) which stood at 11.3 per cent in January 2013 declined significantly to 7.2 and 5.5 per cent at end-March and end-June 2013, respectively. It trended upwards to 7.4 per cent at end-September and closed at 7.9 per cent by end-December 2013. Food inflation declined from 10.1 per cent in January 2013 to 9.5 per cent in March, 9.4 per cent at end-September, and 9.3 per cent at end-December 2013.

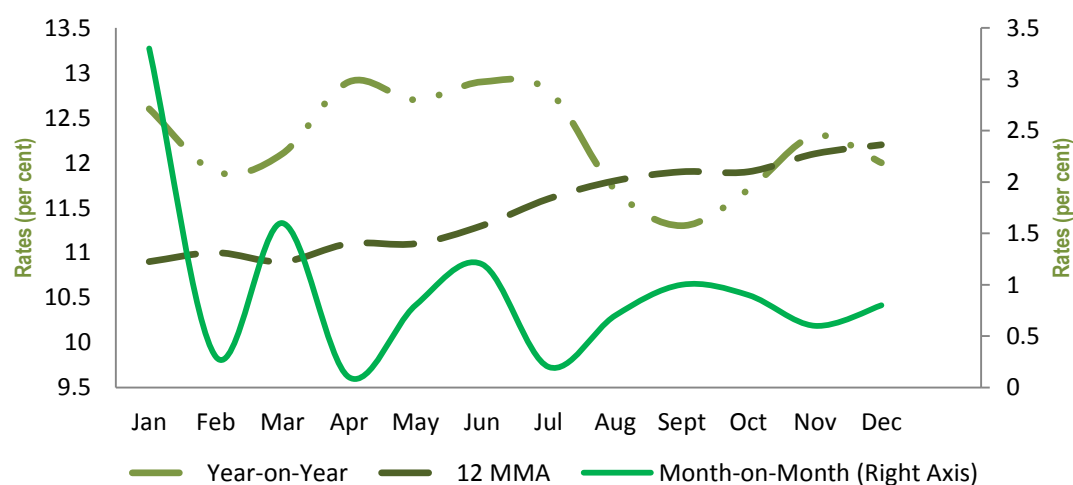
Further analysis indicated that the urban headline inflation rate (year-on-year) significantly declined from 14.5 per cent at end-December 2012 to 8.1 per cent at end-December 2013. Urban core inflation stood at 7.6 per cent at the end of 2013, compared with 14.7 per cent recorded at the end of the preceding year. Similarly, urban food inflation fell from 10.5 per cent at end-December 2012 to 9.8 per cent at end-December 2013.

Rural inflation rate (year-on-year) stood at 7.9 per cent at end-December 2013, compared with 10.2 per cent at end-December 2012. Rural core inflation declined to 8.1 per cent at the end of the review period, from 13.0 per cent at end-December 2012. Rural food inflation exhibited a similar trend, falling from 10.2 per cent in the preceding year to 8.9 per cent at end-December 2013.

Table 6.5: Annual Headline Inflation Rates (Year-on-Year) (Per cent)					
	2009	2010	2011	2012	2013
January	14.0	14.4	12.1	12.6	9.0
February	14.6	15.6	11.1	11.9	9.5
March	14.4	14.8	12.8	12.1	8.6
April	13.3	15.0	11.3	12.9	9.1
May	13.2	12.9	12.4	12.7	9.0
June	11.2	14.1	10.2	12.9	8.4
July	11.1	13.0	9.4	12.8	8.7
August	11.0	13.7	9.3	11.7	8.2
September	10.4	13.6	10.3	11.3	8.0
October	11.6	13.4	10.5	11.7	7.8
November	12.4	12.8	10.5	12.3	7.9
December	13.9	11.8	10.3	12.0	8.0
<b>Average</b>	<b>12.6</b>	<b>13.8</b>	<b>10.9</b>	<b>12.2</b>	<b>8.5</b>

Source: NBS

Figure 6.18: Trends in Inflation, 2013, (per cent)



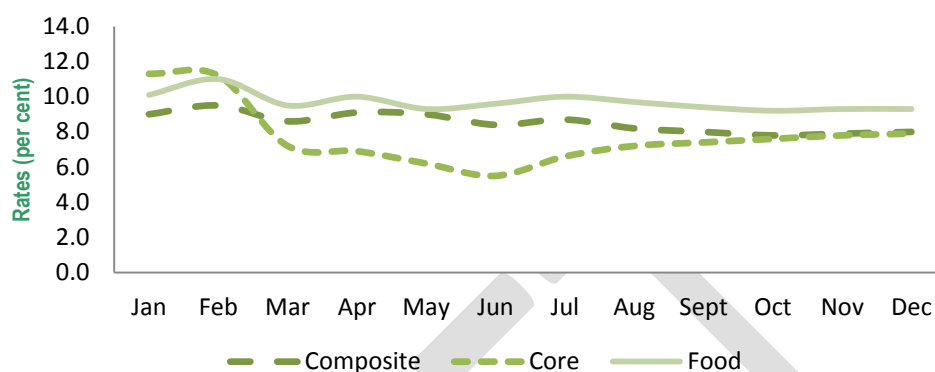
1/ 12 MMA is the 12-month moving average

Source: NBS

The 12-month moving average headline inflation rate, which was 12.2 per cent in 2012, fell to 8.5 per cent at end-December 2013. The significant decline in inflation was attributed to the steady decline in the prices of food items, due to

the increase in agricultural production on the back of favourable weather conditions.

**Figure 6.19: Trends in Inflation (Composite, Core and Food), 2013**



Source: NBS

## 6.6 UNEMPLOYMENT

The unemployment rate in Nigeria ameliorated in 2013, with the rate dropping from 10.6 per cent in 2012 to 10.0 per cent in 2013.

The Public Works and Women/Youth Employment (PW/WYE) Initiatives launched in 2012, as a component of the Subsidy Reinvestment and Empowerment Programme (SURE-P), recorded significant milestones in 2013. The Scheme engaged 119,680 unskilled youth in labour-intensive activities across the 774 Local Government Areas in the country. Of this, 70,363 were enlisted under the Graduate Internship Scheme. The graduate interns were made up of 50,231 male and 20,130 female. A total of 269 of the graduates were disabled.

**Table 6.6: Labour Statistics, 2009 - 2013**

	2009	2010	2011	2012*	2013*
<b>Total Population</b>	154,563,227	159,288,426	167,912,561	168,800,000	174,201,600
<b>Economically Active</b>	86,744,278	89,520,095	92,384,738	95,341,050	98,297,362
<b>Unemployment Rate (%)</b>	19.7	21.4	6.0	10.6	10.0

Source: NBS



**\*Staff Estimates, except Unemployment Rates**

## **6.7 THE SOCIAL SECTOR**

### **6.7.1 Demography**

Based on a projected annual population growth rate of 3.2 per cent, Nigeria's estimated population in 2013 was 174.2 million.

### **6.7.2 Education**

Efforts to transform the education sector continued in 2013 as the Federal Government sustained the implementation of the projects under the 4-year strategic plan. The major projects were: Early Childhood Care & Education (ECCE); The Almajiri Education Programme; Back-to-School Programme; Promoting Girl Child Education; Construction of Model Nomadic Education Centres; and Revitalisation of Adult and Youth Literacy.

The Federal Government commissioned eighty-nine (89) Almajiri schools during the year and handed them over to twenty-two (22) states, in addition to the thirty-five (35) schools earlier commissioned in 2012. Government, during the year, also completed the rehabilitation of 22 Federal Unity Colleges which commenced in 2012. Thus far, 44 schools had been completed.

The Tertiary Education Trust Fund (TETFUND), in the fourth phase of its High Impact Fund Scheme, granted ₦12.0 billion and ₦10.0 billion to rehabilitate facilities in Polytechnics and Colleges of Education, respectively, compared with ₦24.0 billion in 2012. The Federal Government, in addition, released the sum of ₦100.0 billion infrastructure funds to universities across the six geo-political zones during the year.

### **6.7.3 Health**

Forty nine (49) polio cases were reported from twenty-six (26) local government areas (LGAs) in nine (9) states in 2013, compared with one hundred and one (101) cases from seventy (70) LGAs in thirteen (13) states in 2012. Nigeria and Germany signed an MoU to spend €35.0 million on the 5th phase of the polio eradication programme.

#### **6.7.4 Housing And Urban Development**

The year witnessed a number of policy reviews and initiatives geared towards the implementation of the Housing and Urban Development Road Map. The major projects/policies undertaken were: the conduct of a comprehensive cadastral mapping of the entire country; the establishment of a 'one-stop shop' for land titles and registration; the recapitalisation of the Federal Mortgage Bank of Nigeria (FMBN); the establishment of a Mortgage Refinancing Company (MRC); the enactment of a bye-law to cater for the housing cooperative scheme; and undertaking an urbanization review for Nigeria. Other initiatives undertaken included: the review and update of the National Building Code and the launch of an NHF e-card collection which increased collection into the National Housing Fund by 214.3 per cent to ₦2.2 billion in 2013.

## CHAPTER SEVEN

## EXTERNAL SECTOR DEVELOPMENTS

**T**he external sector was slightly under pressure in 2013 with an estimated overall balance of payments (BOP) deficit equivalent to 0.2 per cent of gross domestic product (GDP). The outcome was reflected in the decline in external reserves, capital reversals, rising external debt and increased repatriation of investment income by foreign investors. Nevertheless, the current account recorded a higher surplus of ₦3,143.8 billion, or 3.9 per cent of GDP, driven largely by the robust trade account and huge personal home remittances. External debt stock remained at a tolerable level though up by 35.2 per cent to US\$8.8 billion. The stock of external reserves fell by 2.2 per cent to US\$42.85 billion at end-December 2013, representing 10.0 months of import financing. The relative stability of the exchange rate of the naira to the US dollar was sustained at the official segment of the foreign exchange market due to the tight monetary stance of the CBN and the re-introduction of the retail Dutch Auction System (rDAS) to curb unwholesome practices in the market.

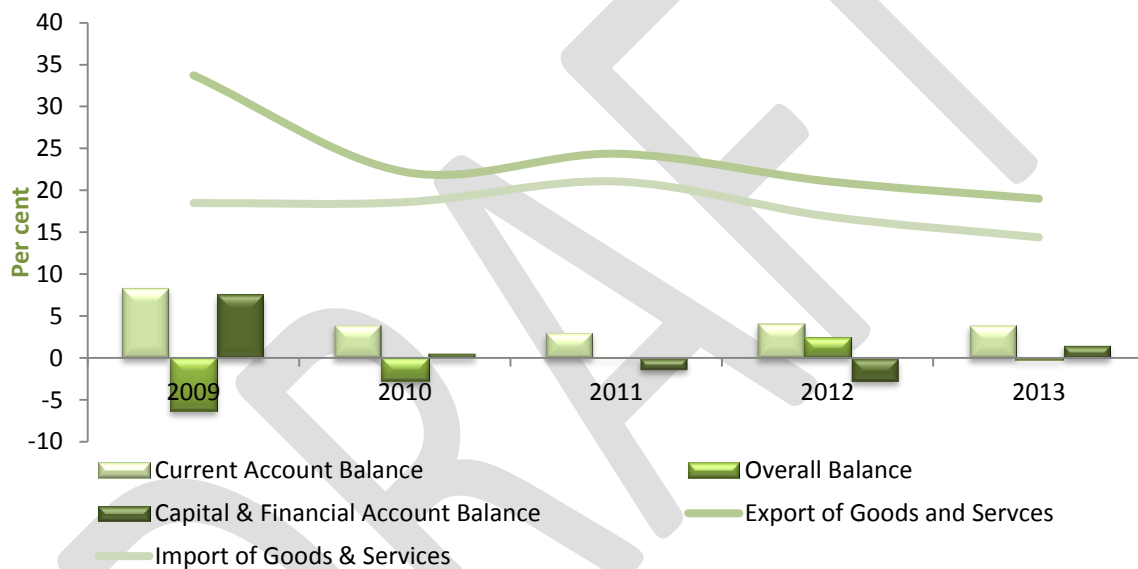
## 7.1 BALANCE OF PAYMENTS

### 7.1.1 Major Developments

The external account recorded a deficit of ₦154.2 billion (US\$1.00 billion), equivalent to 0.2 per cent of GDP in 2013, in contrast to a surplus of ₦1,747.9 billion (US\$11.2 billion) or 2.4 per cent of GDP in 2012. The development reflected, largely, the decline in external reserves, rising external debt and increased repatriation of investment income by foreign investors. The current account, however, recorded a higher surplus of ₦3,143.8 billion (US\$20.1 billion) or 3.9 per cent of GDP, compared with ₦2,957.8 billion (US\$18.9 billion) or 4.1 per cent of GDP in 2012. This development was due to the robust outcome in the goods account and huge personal home remittances which overwhelmed the deficits in the services and income accounts. Transactions in the capital and financial account resulted in a net incurrence of liability of ₦1,209.1 billion

(US\$7.7 billion) or 1.5 per cent of GDP, in contrast to the net acquisition of asset of ₦1,949.2 billion (US\$12.5 billion) or 2.7 per cent of GDP recorded in 2012. At US\$42.8 billion, the external reserves in 2013 could finance 10.0 months of import cover, while the stock of external debt, which rose by 35.2 per cent to US\$8.8 billion, remained within the sustainable threshold. The international investment position (IIP) registered a higher net liability position of US\$30.2 billion, compared with US\$13.0 billion in 2012.

**Figure 7.1: Balance of Payments, 2009-2013  
(Per cent of GDP)**



Source: CBN

Table 7.1: Summary of the Provisional Balance of Payments Statement 1/										
	N' billion					US\$' billion				
	2009	2010 3/	2011	2012 1/	2013 /2	2009	2010	2011	2012 1/	2013 /2
<b>CURRENT ACCOUNT</b>	2,064.89	2,165.17	1,931.40	2,957.78	3,143.77	14.02	14.58	12.66	18.93	20.15
<b>Goods</b>	3,780.29	4,718.27	5,340.96	6,393.80	6,829.09	25.67	31.77	35.00	40.93	43.77
<b>Exports (fob)</b>	8,363.33	11,662.46	14,826.06	14,735.98	14,841.51	56.79	78.53	97.16	94.32	95.12
<b>Imports (fob)</b>	(4,583.04)	(6,944.20)	(9,485.10)	(8,342.17)	(8,012.42)	(31.12)	(46.76)	(62.16)	(53.40)	(51.35)
<b>Services(net)</b>	(2,453.71)	(2,743.23)	(3,259.47)	(3,392.67)	(3,137.63)	(16.66)	(18.47)	(21.36)	(21.72)	(20.11)
<b>Credit</b>	330.24	463.00	521.06	378.04	376.94	2.24	3.12	3.41	2.42	2.42
<b>Debit</b>	(2,783.95)	(3,206.22)	(3,780.53)	(3,770.71)	(3,514.57)	(18.90)	(21.59)	(24.78)	(24.14)	(22.52)
<b>Income(net)</b>	(2,144.67)	(2,921.79)	(3,505.31)	(3,478.45)	(4,014.68)	(14.56)	(19.67)	(22.97)	(22.26)	(25.73)
<b>Credit</b>	139.26	149.96	138.10	150.65	138.57	0.95	1.01	0.91	0.96	0.89
<b>Debit</b>	(2,283.93)	(3,071.75)	(3,643.40)	(3,629.10)	(4,153.25)	(15.51)	(20.68)	(23.88)	(23.23)	(26.62)
<b>Current transfers(net)</b>	2,882.98	3,111.92	3,355.22	3,435.09	3,467.00	19.58	20.95	21.99	21.99	22.22
<b>Credit</b>	2,952.02	3,183.76	3,427.82	3,511.07	3,543.80	20.04	21.44	22.46	22.47	22.71
<b>Debit</b>	(69.04)	(71.84)	(72.61)	(75.98)	(76.80)	(0.47)	(0.48)	(0.48)	(0.49)	(0.49)
<b>CAPITAL AND FINANCIAL ACCOUNT</b>	1,862.60	305.56	(831.41)	(1,949.20)	1,209.07	12.65	2.06	(5.45)	(12.48)	7.75
<b>Financial account(net)</b>	1,862.60	305.56	(831.41)	(1,949.20)	1,209.07	12.65	2.06	(5.45)	(12.48)	7.75
<b>Assets</b>	248.21	(834.77)	(3,096.42)	(5,877.25)	(2,161.74)	1.69	(5.62)	(20.29)	(37.62)	(13.85)
<b>Direct investment (Abroad)</b>	(227.09)	(137.03)	(125.67)	(240.99)	(193.09)	(1.54)	(0.92)	(0.82)	(1.54)	(1.24)
<b>Portfolio investment</b>	(122.35)	(167.85)	(247.64)	(325.93)	(506.58)	(0.83)	(1.13)	(1.62)	(2.09)	(3.25)
<b>Other investment</b>	(966.05)	(2,021.37)	(2,676.05)	(3,562.42)	(1,616.25)	(6.56)	(13.61)	(17.54)	(22.80)	(10.36)
<b>Reserve assets</b>	1,563.69	1,491.48	(47.06)	(1,747.90)	154.18	10.62	10.04	(0.31)	(11.19)	(0.99)
<b>Liabilities</b>	1,614.39	1,140.33	2,265.01	3,928.05	3,370.81	10.96	7.68	14.84	25.14	21.60
<b>Direct investment (in reporting economy)</b>	1,273.82	905.73	1,360.31	1,113.51	875.10	8.65	6.10	8.91	7.13	5.61
<b>Portfolio investment</b>	70.94	556.59	792.36	2,687.23	2,130.18	0.48	3.75	5.19	17.20	13.65
<b>Other investment liabilities</b>	269.64	(321.99)	112.34	127.31	365.52	1.83	(2.17)	0.74	0.81	2.34
<b>NET ERRORS AND OMISSIONS</b>	(3,927.49)	(2,470.73)	(1,100.00)	(1,008.58)	(4,352.84)	(26.67)	(16.64)	(7.21)	(6.46)	(27.90)
<b>Memorandum Items:</b>										
<b>Current Account Balance as % of G.D.P</b>	8.33	3.96	3.07	4.12	3.93	8.33	3.96	3.07	4.12	3.93
<b>Capital and Financial Account Balance as % of G.D.P</b>	7.51	0.56	(1.32)	(2.72)	1.51	7.51	0.56	(1.32)	(2.72)	1.51
<b>Overall Balance as % of G.D.P</b>	(6.31)	(2.73)	0.07	2.44	(0.19)	(6.31)	(2.73)	0.07	2.44	(0.19)
<b>External Reserves - Stock (US \$ million)</b>	42,382.49	32,339.25	32,639.78	43,830.42	42,847.31	42,382.49	32,339.25	32,639.78	43,830.42	42,847.31
<b>Number of Months of Imports Equivalent</b>	16.34	8.30	6.30	9.85	10.01	16.34	8.30	6.30	9.85	10.01
<b>External Debt Stock (US\$ million)</b>	3,947.30	4,578.77	5,666.58	6,527.07	8,821.90	3,947.30	4,578.77	5,666.58	6,527.07	8,821.90
<b>Effective Central Exchange Rate (N/\$)</b>	147.27	148.51	152.59	156.23	156.03	147.27	148.51	152.59	156.23	156.03
<b>Average Exchange Rate (N/\$)</b>	148.90	149.74	153.85	157.50	157.31	148.90	149.74	153.85	157.50	157.31
<b>End-Period Exchange Rate (N/\$)</b>	149.58	150.66	158.27	156.05	155.98	149.58	150.66	158.27	156.05	155.98

1/ The conversion for BOP purposes was based on the mid-point or the effective central exchange rate.

2/ Provisional

3/ Overall balance mirrors the movement in external reserves

Source: CBN, Statistics Department

## 7.2 THE CURRENT ACCOUNT

At ₦3,143.8 billion (US\$20.2 billion), the current account surplus increased by 6.3 per cent over the level in 2012. The account was buoyed by the positive trade balance and huge current transfers which more than offset the net payments in the services and income accounts. Trade surplus increased by 6.8 per cent to ₦6,829.1 billion (US\$43.8 billion) from ₦6,393.8 billion (US\$40.9 billion) in 2012. The surplus in the current transfers account, driven mainly by remittances from Nigerians abroad, increased by 0.9 per cent from ₦3,435.1 billion in the preceding period to ₦3,467.0 billion, reflecting the slight recovery in the global economy. The deficit in the services account narrowed by 7.5 per cent, from ₦3,392.7 billion in 2012 to ₦3,137.6 billion. In contrast, the deficit in the income account widened by 15.4 per cent, from ₦3,478.5 billion in 2012 to ₦4,014.7 billion.

*The current account surplus increased by 6.3 per cent to ₦3,143.8 billion (US\$20.2 billion), owing largely to the positive trade balance.*

### 7.2.1 The Goods Account

The surplus in the goods account remained robust at ₦6,829.1 billion, or 8.5 per cent of GDP, due, mainly, to the higher export earnings and a decline in the import bill. Merchandise exports, representing 18.5 per cent of GDP, increased by 0.7 per cent in the review period. Further analysis revealed that crude oil and gas exports decreased by 0.9 per cent and accounted for 95.2 per cent of aggregate exports, while non-oil exports increased remarkably by 48.9 per cent and accounted for the balance. Aggregate import (fob), representing 10.0 per cent of GDP, declined by 4.0 per cent due, mainly, to the reduction in refined petroleum imports on the back of on-going reforms in the sector. Non-oil imports continued to dominate aggregate imports and accounted for 70.5 per cent of the total, while oil sector imports accounted for the balance.

**Figure 7.2: Value of Imports, Exports and Trade Balance, 2009 - 2013**  
(N' million)



Source: CBN

### 7.2.1.1 Imports (Cost and Freight (c&f))

At ~~N~~8,808.1 billion, aggregate imports unadjusted for balance of payments declined by 3.0 per cent during the review period. This development resulted from the reduction in petroleum imports which declined by 20.7 per cent from

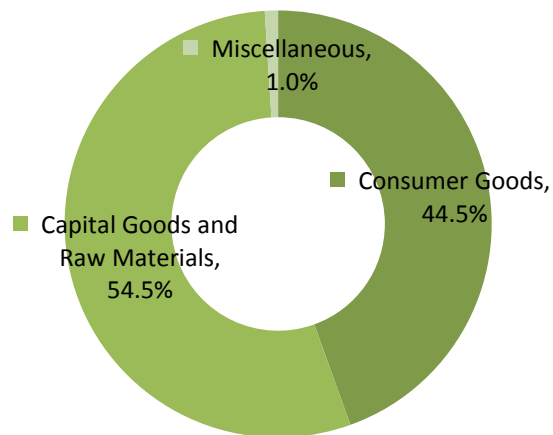
*Aggregate imports unadjusted for balance of payments declined by 3.0 per cent to ~~N~~8,808.1 billion*

the level in 2012. Analysis of imports using returns by DMBs on foreign exchange utilisation showed that except for the industrial sector imports, all major commodity groups registered lower purchases in the review period, reflecting the continued efforts by the Federal Government to grow local capacity in key sectors of the Nigerian economy. Industrial sector imports showed an increase of 11.5 per cent over the level in the preceding year and accounted for 30.1 per cent of total imports. The oil sector, food products, manufactured goods and transport sector imports accounted for 29.0, 18.0, 15.0 and 5.5 per cent, respectively, while other sectors accounted for the balance.

**(a) Imports by End-User**

Analysis of aggregate imports by end-users revealed that the share of capital goods and raw materials declined by 13.7 per cent and accounted for 54.5 per cent of total imports. Further analysis revealed that within the capital goods and raw materials category, machinery, spare parts and accessories accounted for 41.4 per cent, while raw materials (chemicals) accounted for 13.1 per cent. The share of consumer goods stood at 44.5 per cent of which durable consumer goods was 24.6 per cent, non-durable, 19.9 per cent, and miscellaneous goods accounted for the balance.

**Figure 7.3: Imports by Major Groups, 2013  
(Per cent)**



Source: CBN

**(b) Imports by Harmonised System (HS) Classification**

Disaggregation of imports by Harmonised System (HS) classification showed that machinery and mechanical appliances at 25.3 per cent of total imports topped the list, followed by vehicles, aircraft and other transport equipment, 14.9 per cent; base metals, 10.3 per cent; vegetable products, 7.0 per cent; and products of chemicals, 9.9 per cent. Plastics, prepared foodstuff and



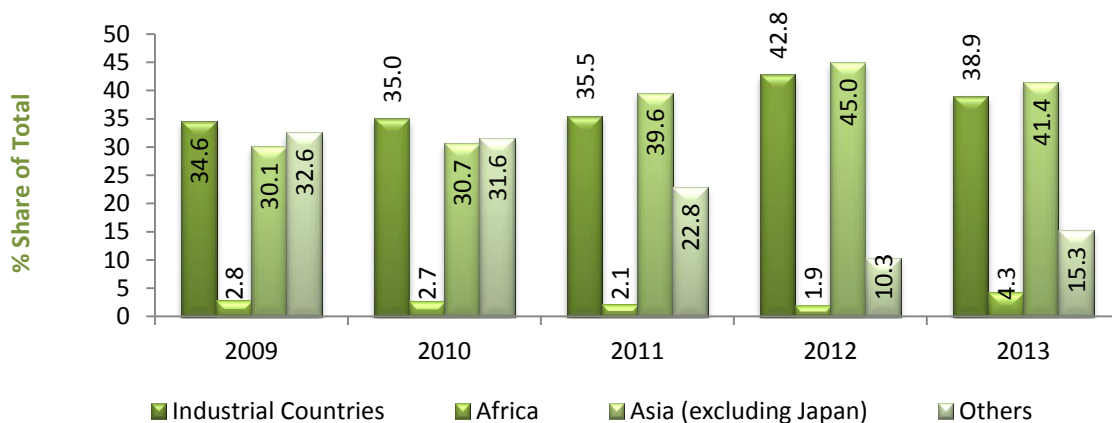
beverages, mineral products, pulp of wood and textiles accounted for 6.9, 6.3, 4.2, 2.5 and 1.4 per cent, respectively.

### (c) Non-oil Imports by Country of Origin

Available data revealed that Asian (excluding Japan) countries remained the dominant source of imports in 2013, accounting for 41.4 per cent of the total. Within the group, China P.R. and India recorded the highest shares of 27.4 and 7.0 per cent, respectively. Korea Republic, Indonesia and Thailand accounted for 2.9, 1.4 and 1.1 per cent, respectively. Imports from industrialised countries, however, declined by 3.9 percentage points to 38.9 per cent with the United States of America (USA) leading the group with a share of 13.7 per cent. Imports from the United Kingdom, Germany and France accounted for 5.5, 4.9 and 3.0 per cent, respectively. Imports from “other” countries increased from 10.3 per cent to 15.3 per cent in the review period with Brazil topping the list with a share of 3.9 per cent. The share of imports from African countries remained low at 4.3 per cent underscoring the need for improved intra-regional trade in the drive towards regional integration.

*Asian (excluding Japan) countries remained the dominant source of imports in 2013.*

**Figure 7.4: Non-oil Imports by Country of Origin, 2009-2013**  
(Percentage share of total)



Source: CBN

**7.2.1.2 Exports (Free on Board (fob))**

The value of merchandise exports increased by 0.7 per cent to ₦14,841.5 billion (US\$95.1 billion), from ₦14,736.0 billion (US\$94.3 billion) in 2012. The boost was attributable to the sustained high crude oil prices in the global market and relative stability in domestic production. Proceeds from crude oil exports remained dominant, accounting for 85.3 per cent of the total (15.8 per cent of GDP), gas sales accounted for 9.9 per cent (1.8 per cent of GDP), while non-oil exports, at 0.9 per cent of GDP, accounted for the balance. The improved performance of the non-oil sector was driven by the enhanced output from commercial agriculture.

**[a] Direction of Oil Exports**

Europe as a group remained the largest importer of Nigeria's crude oil, followed by Asia and the Far East; the Americas; and African countries in that order. Crude oil exports to Europe increased in value to ₦5,510.9 billion and accounted for 43.5 per cent of the total. On a country by country basis, the Netherlands emerged as the highest importer of Nigeria's crude oil in the region with a share of 12.2 per cent, followed by Spain (6.8%), Italy (6.7%), the United Kingdom (5.9%), France (5.6%), and Germany (2.1%).

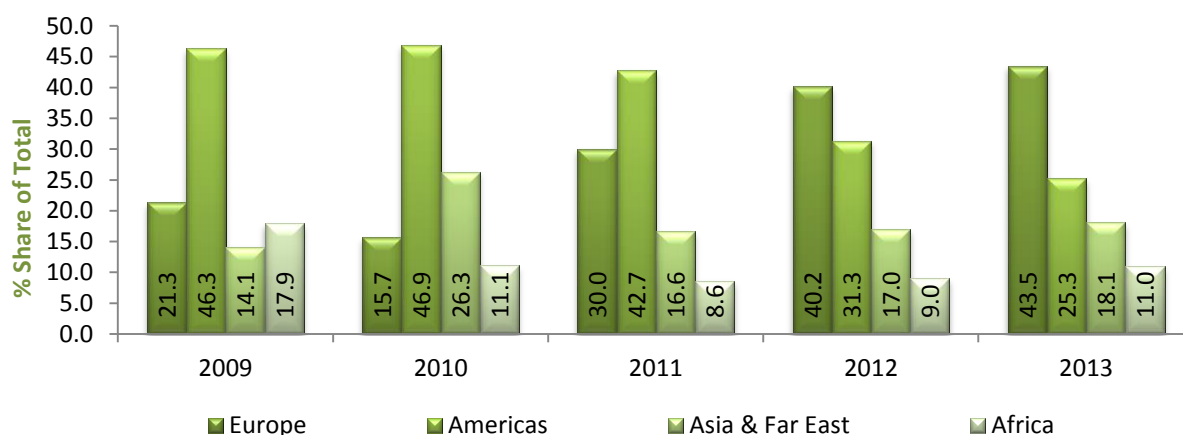
*Europe, as a group, remained the largest importer of Nigeria's crude oil, followed by the Asia and Far East, Americas, and African countries.*

The Americas as a group accounted for 25.3 per cent of the total with volume and value of 195.3 million barrels and ₦3,202.3 billion, respectively. The USA topped the group and remained the largest single importer of Nigeria's crude oil, accounting for 11.3 per cent of the total, followed by Brazil (8.4%) and Canada (2.2%).

The share of crude oil exports to Asia and the Far East, valued at ₦2,297.3 billion, rose from 16.9 per cent in 2012 to 18.2 per cent, while the volume was 140.1 million barrels. Exports to India dominated the group, accounting for 13.6 per cent, followed by Indonesia and China.

The share of crude oil exports to Africa was the least and accounted for 10.9 per cent of the total. Oil exports to South Africa accounted for 4.3 per cent, Côte d'Ivoire 3.0 per cent, Cameroun 1.7 per cent, and Ghana 1.2 per cent.

Figure 7.5: Direction of Crude Oil Exports, 2009 - 2013



Source: CBN

### [b] Non-oil Exports

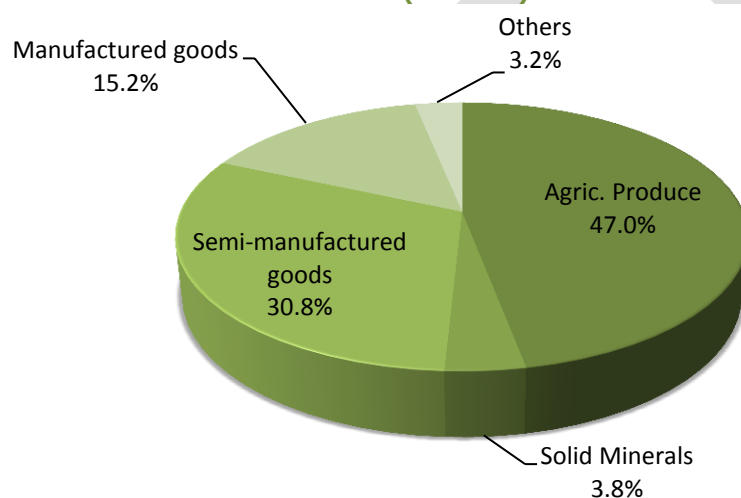
The value of non-oil exports, equivalent of 0.9 per cent of GDP, rose by 48.9 per cent to ₦708.9 billion and represented 4.8 per cent of total exports in 2013. This reflected the improvement in the domestic production of semi-manufactures and agricultural products for export, and sustained government's strategic drive to enhancing value-added chains in the sub-sector.

A breakdown of non-oil exports by product indicated that agricultural produce, semi-manufactured goods, manufactured goods, and solid minerals accounted for 47.0, 30.8, 15.2 and 3.8 per cent of the total, respectively. Other exports,

which comprised petroleum by-products, charcoal, craft and cement/limestone, accounted for the balance.

Further analysis revealed that in the agricultural produce category, cocoa beans constituted 21.4 per cent, rubber (4.7%), cotton (2.2%), fish/shrimp (2.1%), and others (16.6%) of the total. In the semi-manufactured goods category, leather and processed skin accounted for 18.5 per cent, cocoa products, 4.2 per cent, and others, 7.8 per cent of the total.

**Figure 7.6: Non-oil Exports by Product, 2013  
(Per cent)**



Source: CBN

### **[c] Non-oil Exports to the ECOWAS Sub-Region**

Available data indicated that intra-regional trade between Nigeria and other countries in the ECOWAS sub-region improved, as the total value of non-oil exports rose by 20.1 per cent, from US\$312.50 million in 2012 to US\$375.34 million in the review period. Exports to Ghana at US\$176.75 million was the highest, accounting for 47.1 per cent, followed by Niger, Côte d'Ivoire, Togo and Benin with US\$59.79 million, US\$41.70 million, US\$39.12 million and US\$25.34 million, respectively. The other countries in the Community accounted for the balance. The dominant export products to the sub-region were tobacco, plastics, rubber, footwear and poly bags.

### **[d] Activities of Top 100 Non-oil Exporters**

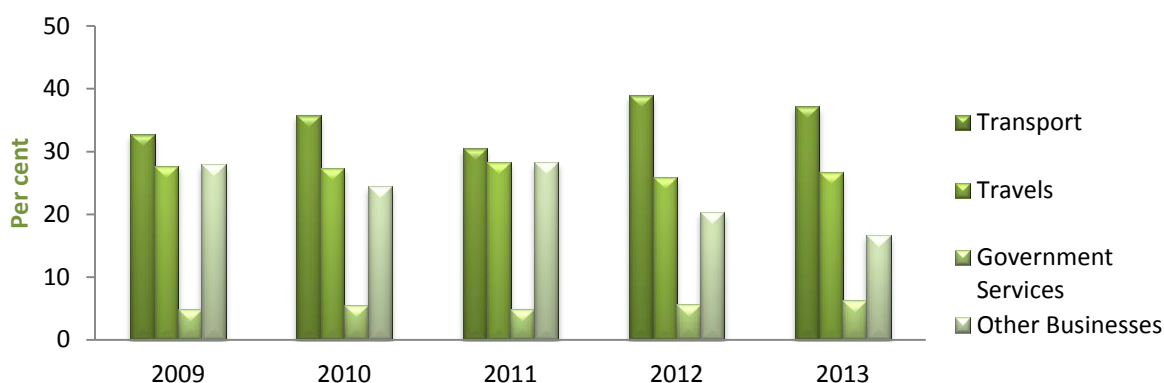
Aggregate non-oil export receipts of the top 100 exporters increased by 33.5 per cent over the proceeds in 2012 to US\$2.79 billion, due to the increased earnings from the export of cocoa beans, sesame seeds, rubber, aluminum and processed leather. The ranking of exporters by value of proceeds showed that Olam Nigeria Limited and Unique Leather Finishing Company Limited retained the first and second ranking of top 100-exporters with earnings of US\$469.39 million and US\$139.78 million, respectively. Olam Nigeria Limited exported cocoa beans and sesame seeds to Japan, while Unique Leather Finishing Company Limited exported processed leather to Italy. The two companies accounted for 16.8 and 5.0 per cent of the total non-oil export proceeds by top 100 exporters in 2013, compared with 17.7 and 6.6 per cent in 2012. Bolawole Enterprises Nigeria Limited ranked third, up from its sixth position in 2012, with 113.7 per cent increase in receipts valued at US\$128.48 million or 4.6 per cent of the total. Mamuda Industries Nigeria Limited and British American Tobacco Company maintained the fourth and fifth positions in 2013 with 24.3 and 20.4 per cent increase in export proceeds to US\$102.28 million and US\$101.27 million, respectively. Mamuda Industries Nigeria Limited exported finished leather to Italy, while British American Tobacco exported tobacco to Côte d'Ivoire. Almahmudiyya Integrated Resources Limited and African Steel Mills Nigeria were ranked ninety-ninth and hundredth, respectively, with export proceeds valued at US\$3.6 million and US\$3.5 million, through the export of sesame seeds and steel to Turkey and Ghana, respectively.

### **7.2.2 The Services Account**

The deficit in the services account (net) at 3.9 per cent of GDP decreased by 7.5 per cent to ₦3,137.6 billion due, mainly, to lower out-payments in respect of transportation (₦1,166.5 billion), travels (₦837.8 billion), other businesses (₦525.5 billion), and construction services (₦13.6 billion). Payments in respect of

transportation services accounted for 37.2 per cent of the total net payments. Under travels, business and personal travels abroad decreased by 4.8 per cent and accounted for 26.7 per cent of the total. Of the latter, education-related travels accounted for the largest share of payments in respect of overall travels. Other business services, predominantly professional and technical, accounted for 11.3 per cent, while construction services was 0.4 per cent of the total.

Figure 7.7: Percentage Share of Major Invisible Services, 2009-2013



Source: CBN

Items	2009	2010	2011	2012	2013
Transportation	32.7	35.7	30.5	38.9	37.2
Travel	27.7	27.4	28.2	25.9	26.7
Insurance Services	2.8	2.7	3.3	3.4	3.5
Communication Services	1.2	1.3	0.8	1.7	2.6
Construction Services	0.5	0.7	0.4	0.5	0.4
Financial Services	0.1	0.1	1.4	1.9	3.6
Computer and Information Services	1.3	0.7	0.8	0.8	1.6
Royalties and License Fees	0.9	1.2	1.0	1.2	1.3
Government Services	4.9	5.5	4.9	5.6	6.2
Personal, Cultural & Recreational Services	0.0	0.3	0.4	0.3	0.1
Other Business Services	27.9	24.4	28.3	20.3	16.7
Total	100.0	100.0	100.0	100.0	100.0

Source: CBN

**BOX 9: TRADE FACILITATION AND NIGERIA'S NON-OIL EXPORT**

Trade facilitation encompasses the harmonization, transparency, standardization and simplification of trade. Harmonization is the process of unifying laws and regulations in a more uniform and coherent way in order to facilitate trade, while transparency ensures that information, requirements, processes of import and export of goods are clear, specific and accessible to all involved in the process. Standardization refers to the process of developing and adopting the requisite Information and Communication Technology (ICT) to exchange information efficiently; while simplification entails reduction of complexities in administrative and commercial formalities on procedures and documentation.

Trade among countries has long been the focus of neo-colonial and modern growth theories. It has been described as an engine of growth and has tremendous benefits to all countries. Such benefits include increased production, acquisition of new ideas and technology, poverty reduction and employment generation, among others. Many developing countries, however, have not benefited much from global trade arising, largely, from the uncompetitiveness of domestic goods and services occasioned by low quality and high prices relative to foreign-produced goods and a concentration on primary products, as well as non-diversification of the economic base. These factors contributed to the low level of global trade.

Trade facilitation, therefore, is required to improve trade with other countries by reducing the transaction costs of clearing goods and ensuring transparency and effective coordination of activities at the ports. It would promote compliance with, regulatory requirements and increase the country's ability to use the benefits of market access; ensure free flow of goods and services; increase foreign direct investment; ensure efficient collection of government revenues; and generally enhance economic development.

Analysis of the structure of Nigeria's foreign trade indicates that, Nigeria's total trade, which stood at US\$87.9 billion in 2009, increased by 29.8, 21.4, 6.5 and 0.5 per cent, respectively in 2010, 2011, 2012 and 2013. Exports accounted for 61.0, 64.2 and 66.4 per cent, in 2011, 2012 and 2013 of total trade, while imports accounted for the balance. Within the exports sub-sector, crude oil exports have dominated and accounted for 83.9 and 84.2 percent, in 2012 and 2013, respectively, while non-oil exports accounted for 3.2 and 3.4 per cent, respectively.

Against this backdrop, there is the need to enhance the performance of non-oil exports through trade facilitation by strengthening the automation of clearing procedures at the ports, capacity building, destination inspection and the promotion of domestically-produced goods in the

global markets as well as improving efficient coordination between the various government agencies and the sensitization of all stakeholders.

### 7.2.3 The Income Account

The income account registered a wider deficit of ₦4,014.7 billion or 5.0 per cent of GDP. Out-payments in the account increased by 15.3 per cent and resulted from the increased repatriation of dividends and distributed branch profits and interest payments on portfolio and other investments. Inflows in the form of interest earnings on external reserve assets reduced by 17.4 per cent, due to the lower levels of external reserves and largely on the near-zero interest rates in the economies of Nigeria's external reserves custodians. Notwithstanding the deficits in the major sub-accounts, "Other" investment and compensation of employees' sub-accounts recorded surplus positions in the review period.

### 7.2.4 Current Transfers

Transactions in the current transfers account posted a higher surplus of ₦3,467.0 billion, equivalent to 4.3 per cent of GDP, compared with ₦3,435.1 in 2012. This development was attributable to the 1.1 per cent growth in personal home remittances. General government transfers that comprised payments to foreign embassies and international organisations declined by 2.5 per cent.

**Table 7.3: Current Transfers (Naira Billion), 2011 - 2013**

	2011	2012	2013
<b>INFLOWS (credit)</b>			
1.General government (Grants, ODA, Technical Assistance & Gifts)	282.0	302.4	298.4
2. Other sector workers' remittances and other transfers in kind	3,145.8	3,208.6	3,245.4
<b>OUTFLOWS (debit)</b>			
1.General government (Payments to International Organizations & other payments)	18.0	25.5	28.3
2. Other sector workers' remittances and other transfers	54.6	50.4	49.4
<b>NET CURRENT TRANSFERS</b>	<b>3,355.2</b>	<b>3,435.1</b>	<b>3,467.0</b>



Source: CBN

### 7.3 THE CAPITAL AND FINANCIAL ACCOUNT

The capital and financial account posted a net incurrence of liability of ₦1,209.1 billion (US\$7.8 billion), or 1.5 per cent of GDP, in contrast to a net acquisition of asset of ₦1,949.2 billion (US\$12.5 billion) or 2.7 per cent of GDP in 2012.

Total assets stood at ₦2,161.7 billion (US\$13.9 billion) in 2013. The breakdown of outward flows revealed that direct investment (abroad) decreased by 19.9 per cent, from ₦241.0 billion in 2012 to ₦193.1 billion, and accounted for 9.1 per cent of the total. Of this, equity capital accounted for 97.7 per cent, while reinvested earnings accounted for the balance. The level of equity capital declined by 20.2 per cent to ₦188.7 billion during the review period.

Portfolio investment (assets) increased by 55.4 per cent to ₦506.6 billion over the level in the preceding year and accounted for 23.4 per cent of the total asset. Further disaggregation showed that, equity securities accounted for 80.0 per cent of the total portfolio investment abroad (₦405.3 billion), while debt securities, mainly short-term tenor, contributed 20.0 per cent (₦101.3 billion).

Other investment (assets) decreased by 54.6 per cent to ₦1,616.2 billion, compared with ₦3,562.4 billion recorded in 2012, and contributed 74.8 per cent of the total external assets. The fall in other investment (assets) was attributed mainly to the currency and deposits component which decreased to ₦36.8 billion, from ₦2,246.2 billion in 2012.

On the liabilities side, which represents claims of non-residents on the economy, aggregate financial inflows was ₦3,370.8 billion, representing a decrease of 14.2 per cent over the level in 2012. The outcome was driven largely by the reduced inflows of portfolio and foreign direct investments. Consequently, inflows of

portfolio and foreign direct investment decreased over the levels in 2012 by 20.7 and 21.4 per cent, respectively.

Foreign direct investment fell by 21.4 per cent, from ₦1,113.5 billion in 2012 to ₦875.1 billion, and constituted 26.0 per cent of the total financial external liabilities. A breakdown of the composition of FDI revealed that equity capital, reinvested earnings and other capital accounted for 51.5, 47.9 and 0.5 per cent, respectively.

Portfolio investment (liabilities) at ₦2,130.2 billion was lower in 2013 and accounted for 63.2 per cent of the aggregate external financial liabilities. The decreased inflows reflected mainly lower equity securities which accounted for 40.9 per cent of the inflows, while debt securities contributed 59.1 per cent. Detailed analysis of the debt structure showed that long-term securities contributed 86.8 per cent, while short-term securities accounted for 13.2 per cent. The outcome in portfolio investment was driven, largely, by the consistently higher returns in the domestic markets, a relatively low yield in advanced market economies, and the positive domestic macroeconomic environment. The exposure of the external sector to short-term capital, as measured by the ratio of portfolio investment to external reserves, decreased to 31.9 from 39.2 per cent in 2012.

Gross international reserves declined by 2.2 per cent to US\$42.8 billion and could finance 10.0 months of imports (goods only) and 7.2 months (goods and services).

Other investment (liabilities) rose from ₦127.3 billion in 2012 to ₦365.5 billion and reflected mainly inflows of loans, and currency and deposits. Further analysis revealed that the external debt stock continued to trend upwards, from US\$6.5 billion in 2012 to US\$8.8 billion, due mainly to fresh government/multilateral loans. Public sector borrowings increased and were sourced from the international

capital market through the issuance of US\$1.0 billion Eurobonds to finance power projects. Overall, the debt sustainability analysis (DSA) of Nigeria's debt profile revealed that the current stock remains manageable and within tolerable limits. However, renewed accumulation of external debt reinforced the need for an efficient debt management strategy.

#### **BOX 10: MACRO-PRUDENTIAL POLICIES FOR MANAGING CAPITAL FLOWS**

Since the 1990s, there have been increased bi-directional capital flows to emerging economies as a result of increased financial openness, strong growth, and interest rate differentials. Foreign capital inflow is beneficial to developing countries like Nigeria, where domestic resources tend to be in short supply. Capital inflows can lead to increased investment, faster economic growth, improved living standards, and a deepening of the domestic financial market.

Despite these benefits, foreign capital flows have, from time, elicited deep concerns and debates because of its attendant risks and volatility. While capital flows may be needed to finance investment in recipient countries, they tend to display a boom and burst pattern and, therefore, make monetary and exchange rate policies more challenging. High volatility of capital flows has often resulted in severe financial crisis, with significant domestic and international effects. Concerns are also raised about the recipient economies' vulnerability to sudden reversals in capital flows and the resulting implications for financial and economic activity. Sudden reversals of capital flows have an adverse impact on domestic economies as was witnessed in the East Asian financial crisis of 1997–1998 and the global financial crisis of 2007–2009.

Nigeria is one of the African countries that benefited immensely from global capital movements. Foreign capital inflows to Nigeria increased from US\$14.0 billion in 2011 to US\$22.3 and US\$27.8, respectively, in 2012 and 2013. Before 2012, the share of FDI in aggregate capital inflows has been consistently above 60.0 per cent. However, the share declined to 29.3 and 28.1 per cent in 2012 and 2013. Portfolio investment inflow from a contribution of 5.3 per cent in 2009 increased rapidly to 36.8, 70.7 and 71.9 per cent, respectively, in 2011, 2012 and 2013. The increased contribution of portfolio investment has generated concerns for an appropriate policy framework for managing capital flows, given the fact that portfolio inflows are hot money and highly destabilizing. Since the global financial crisis of 2007–2009, macro-prudential policies (MPPs) have become a major concern of policy makers, the research agendas of central banks and international policy institutions. Lately, the policy discussion has also centred on assessing the use of MPPs in managing capital flows by using counter-cyclical requirements. Other

measures that could be used to tackle the challenges of capital flows include capital controls in the form of taxes on certain inflows, restrictions on investments, and specifying minimum holding periods or restrictions on capital outflows. However, these control measures could only be used on a temporary basis in response to a surge or to contain outflows.

## 7.4 CAPITAL IMPORTATION

### 7.4.1 Capital Importation by Nature of Investment

Total capital imported into the economy stood at US\$23.6 billion, compared with US\$16.7 billion in 2012 and comprised foreign direct investment (7.1%), portfolio investments (81.1%), and other investments (11.8%). FDI inflows fell by 18.1 per cent from its level in 2012 to US\$1.7 billion due, mainly, to the fall in other capital. It comprised largely of equity capital, which accounted for 71.5 per cent of the total. Portfolio inflows, at US\$19.1 billion, increased remarkably by 42.7 per cent over the sum of US\$13.4 billion recorded in 2012, and primarily reflected the growth in equity investment which accounted for 88.1 per cent of the total. Further breakdown revealed that bonds and money market instruments grew by 6.3 per cent and 5.6 per cent, respectively.

In the other investment category, loans accounted for the bulk of the inflow at 80.7 per cent; currency deposits, 0.2 per cent; and other claims constituted 19.1 per cent.

Table 7.4: New Capital Inflows (US\$' Thousand), 2009 - 2013

NATURE OF CAPITAL	2009	2010	2011	2012	2013
Foreign Direct Investment – Equity	3,305,678.28	668,350.88	1,498,906.99	1,979,333.15	1,646,108.03
Foreign Direct Investment - Other capital	20,719.32	60,602.15	254,439.30	67,858.63	30,065.76
Portfolio Investment – Equity	1,443,228.96	2,979,446.68	3,691,505.55	11,655,835.94	16,865,724.28
Portfolio Investment – Bonds	12,617.39	68,476.84	66,489.97	585,178.97	1,209,437.74
Portfolio Investment - Money Market Instruments	84,151.70	883,844.21	755,126.69	1,172,769.97	1,065,039.37
Other Investments - Trade Credits	7,915.11	154.88	1,366.51	44,537.43	-
Other Investments - Loans	816,670.00	1,399,457.35	1,611,294.41	1,134,124.00	2,237,431.06

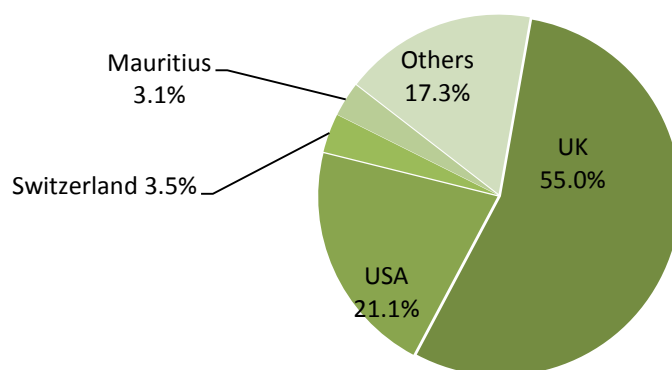
Other Investments - Currency Deposits	9,199.97	-	-	30,034.93	4,208.98
Other Investments - Other Claims	2,708.16	2,225.41	24,640.31	20,833.06	530,771.34
<b>TOTAL</b>	<b>5,702,888.88</b>	<b>5,994,150.02</b>	<b>7,903,769.73</b>	<b>16,690,560.07</b>	<b>23,588,786.56</b>

Source: CBN

#### 7.4.2 Capital Importation by Country of Origin

Capital importation by country of origin revealed that the highest inflows originated from the United Kingdom (55.0%), followed by the United States of America (21.1%), Belgium (7.1%), Switzerland (3.5%), Mauritius (3.1%) and "others" (17.3%).

**Figure 7.8: Capital Importation by Country, 2013**  
(Per cent)



Source: CBN

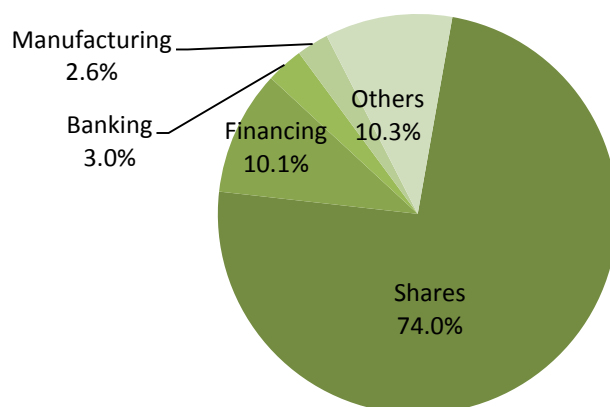
#### 7.4.3 Capital Importation by Sector

Analysis of capital importation by economic sector revealed significant inflows into the capital market. The highest inflow recorded in the purchase of shares, stood at US\$17.4 billion and accounted for 74.0 per cent of the total, indicating strong investors' confidence and the high returns on investment. The financing, telecommunications, banking and manufacturing sub-sectors accounted for

10.1, 4.1, 3.0 and 2.6 per cent, respectively. Other sectors accounted for the balance of 10.3 per cent.

DRAFT

**Figure 7.9: Capital Importation by Sector, 2013  
(Per cent)**



Source: CBN

**Table 7.5: Capital Importation: Country and Sector Inflows, 2010 - 2013  
(US\$ Million)**

Country	2010	2011	2012	2013	Sector	2010	2011	2012	2013
United Kingdom	2,732	3,644	10,227	12,981	Banking	909	876	2,041	701
United States	1,241	1,485	2,546	4,965	Shares	3,161	4,030	11,871	17,443
South Africa	537	381	512	472	Financing	171	851	636	2,380
Mauritius	161	278	462	733	Telecommunications	479	296	139	977
Netherlands	0.1	765	207	263	Prod./Manufacturing	854	520	557	620
Cyprus	45	64	41	37	Services	179	48	433	648
Switzerland	58	47	358	836	Breweries	25	73	13	38
Luxembourg	121	25	42	73	Oil and Gas	89	22	157	205
Germany	62	221	20	347	Trading	35	26	421	283
Denmark	3	-	3	-	Construction	43	42	64	55
Sweden	90	52	29	9	Hotels	2	-	23	20
China	9	58	48	86	Transport	3	-	75	-
United Arab Emirates	75	49	49	44	Marketing	0	1	27	3
Others	860	834	2,147	2,737	Others	44	1,118	234	210
<b>TOTAL</b>	<b>5,994</b>	<b>7,903</b>	<b>16,691</b>	<b>23,588</b>	<b>TOTAL</b>	<b>5,994</b>	<b>7,903</b>	<b>16,691</b>	<b>23,588</b>

Source: CBN

**BOX 11: ACHIEVING ECONOMIC DIVERSIFICATION THROUGH DEEPENING THE EUROBOND MARKET IN NIGERIA**

Development theorists have shown that most developing countries lack adequate resources to finance growth, evidenced by the huge gap between savings and investment. Consequently, foreign capital is sought to fill the savings-investment gap. Thus, the selling of bonds in the international capital market is one of the means of raising additional capital to fill the gap. Nigeria being an emerging economy had joined the league of countries that have raised funds for infrastructure financing, through the issuance of the Eurobond in the international capital market.

The issuance of foreign bonds by a country is purely an attempt to reach global markets that are inherently deeper and more liquid. The sovereign bond issuance segment is the most significant market segment of the bond market in the European Union (EU). The relative importance of this market segment is a function of the size of the market, the credit worthiness of the borrowers, and the availability of a wide range of maturities, as well as the well-developed repo and derivatives market which distinguishes it from other securities.

The performance of Nigeria's Eurobond in the international capital market has been impressive thus far. This is manifested in the oversubscription of the bond issued, a favourable rating (BB-) by international rating agencies, such as Standard and Poor and Fitch, as well as the indexation in J. P. Morgan. These developments were driven largely by domestic macroeconomic stability and robust external reserves which provided fiscal buffers and boosted confidence of foreign investors in the Nigerian economy.

The implications of this development for the Nigerian economy are multifarious. First, it is a manifestation of the continued confidence of foreign investors in the Nigerian economy. Second, it shows that Nigeria is credit worthy and foreign investors have trust in the ability of the Nigerian authorities to redeem the bonds on maturity; and third, it shows that the country is fully integrated into the global economy and, therefore, tapping the benefits of global integration.

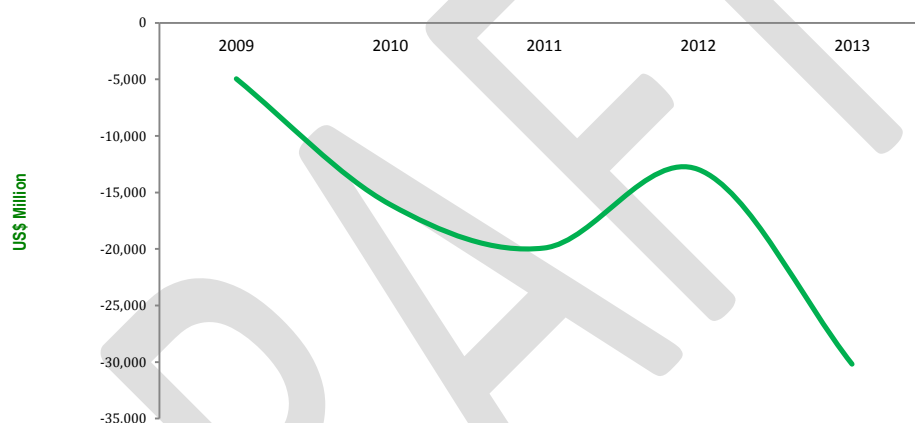
However, the major challenge to the Nigerian economy is the issue of economic diversification. Therefore, developing the Eurobond market could serve as a means of raising adequate financial resources to tackle the challenges of growth-enhancing, socio-economic infrastructure required to fast track the growth and performance of the non-oil exports in the global market arena.



## 7.5 THE INTERNATIONAL INVESTMENT POSITION (IIP)

The Nigerian International Investment Position (IIP) recorded higher net liabilities of US\$30.2 billion in 2013, compared with US\$13.0 billion in 2012. This development indicated a 16.6 per cent increase in the stock of financial liabilities (Foreign Direct and Portfolio Investments) and was driven by a predictable macroeconomic environment, a higher return on investment, as well as sustained confidence of foreign investors in the Nigerian economy.

**Figure 7.10: Net International Investment Position (IIP), 2009 - 2013  
(US\$' Million)**



Source: CBN

**Table 7.6: International Investment Position (IIP) of Nigeria (2009-2013)**

Type of Asset/Liability	2009	2010	2011	2012	2013
<b>Net international investment Position of Nigeria</b>	<b>(4,952.26)</b>	<b>(16,073.08)</b>	<b>(19,911.46)</b>	<b>(12,959.34)</b>	<b>(30,179.37)</b>
<b>Assets</b>	<b>80,804.65</b>	<b>79,064.36</b>	<b>92,200.32</b>	<b>124,633.42</b>	<b>130,314.25</b>
Direct investment abroad	4,118.29	5,041.01	5,864.59	7,407.15	8,644.65
Portfolio investment abroad	11,797.86	12,928.11	14,551.02	16,637.23	19,883.84
Equities	10,472.09	11,508.14	12,995.82	14,908.17	17,505.46
Debt Securities	1,325.78	1,419.96	1,555.21	1,729.06	2,378.38
Other foreign assets	22,506.00	28,755.99	39,144.93	56,758.62	58,938.45
Trade Credits	51.74	73.83	71.46	80.47	102.92
Loans	1,842.22	2,069.69	2,269.29	2,647.60	2,949.95
Currency and Deposits	20,612.04	26,612.46	36,804.18	54,030.56	55,885.58
Reserve Assets	42,382.49	32,339.25	32,639.78	43,830.42	42,847.31
<b>Liabilities</b>	<b>85,756.91</b>	<b>95,137.44</b>	<b>112,111.79</b>	<b>137,592.77</b>	<b>160,493.62</b>
Direct investment	54,227.71	60,326.67	69,241.56	76,368.94	81,977.41
Portfolio investment	14,368.88	18,116.78	23,309.58	40,510.07	54,162.23
Equities	6,327.36	8,506.64	11,098.92	21,138.89	26,716.30
Debt Securities	8,041.52	9,610.14	12,210.67	19,371.18	27,445.92
Other Investment Liabilities	17,160.32	16,693.98	19,560.64	20,713.75	24,353.99
Trade Credits	-	-	-	-	-
Loans	11,383.17	11,142.12	12,634.96	13,859.94	16,638.52
Currency and Deposits	5,777.15	5,551.86	6,925.68	6,853.81	7,715.47

**Source: CBN**

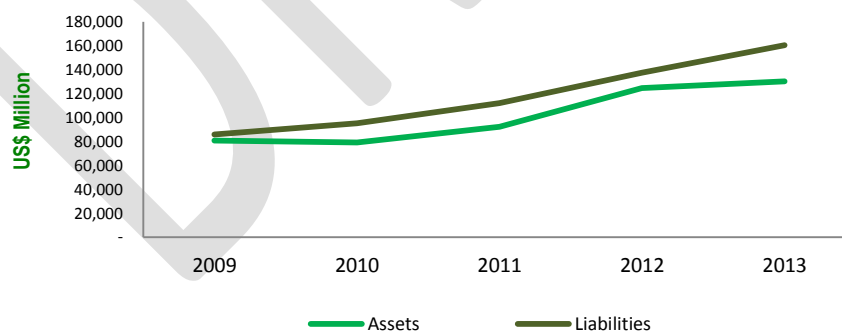
The IIP position revealed that the value of total external financial assets increased by 4.6 per cent, amounting to US\$130.3 billion, compared with US\$124.6 billion in 2012. Further analysis revealed that, financial assets abroad – direct investment, portfolio investment, external reserves and other foreign assets amounted to US\$8.6 billion, US\$19.9 billion, US\$42.8 billion and US\$58.9 billion, respectively. Direct and portfolio investment stocks abroad rose by US\$1.2

billion and US\$3.2 billion, respectively, in 2013. The increase in portfolio investment abroad was due, largely, to the acquisition of foreign equity securities. The total official reserves declined by 2.2 per cent to US\$42.8 billion in 2013 relative to the level of US\$43.8 billion in 2012. Other foreign assets accounted for 45.2 per cent of the total, followed by external reserves (32.9%), portfolio investment (15.3%), and direct investment (6.6%).

Total external financial liabilities increased by 16.6 per cent and the stock of net foreign claims on Nigeria amounted to US\$160.5 billion, compared with US\$137.6 billion in 2012. The stock of liabilities comprised: direct investment, US\$82.0 billion; portfolio investment, US\$54.2 billion; and other liabilities (loans and foreign currency deposit), US\$24.4 billion. The stock of direct and portfolio investment liabilities increased by US\$5.6 billion and US\$13.7 billion, respectively.

The financial openness of the Nigerian economy increased to 0.79 per cent, from 0.67 per cent in 2012, signaling increased integration of the Nigerian economy into the global financial landscape.

**Figure 7.11: Assets and Liabilities: International Investment Position (IIP), 2009 - 2013**



Source: CBN

## 7.6 EXCHANGE RATE MOVEMENTS

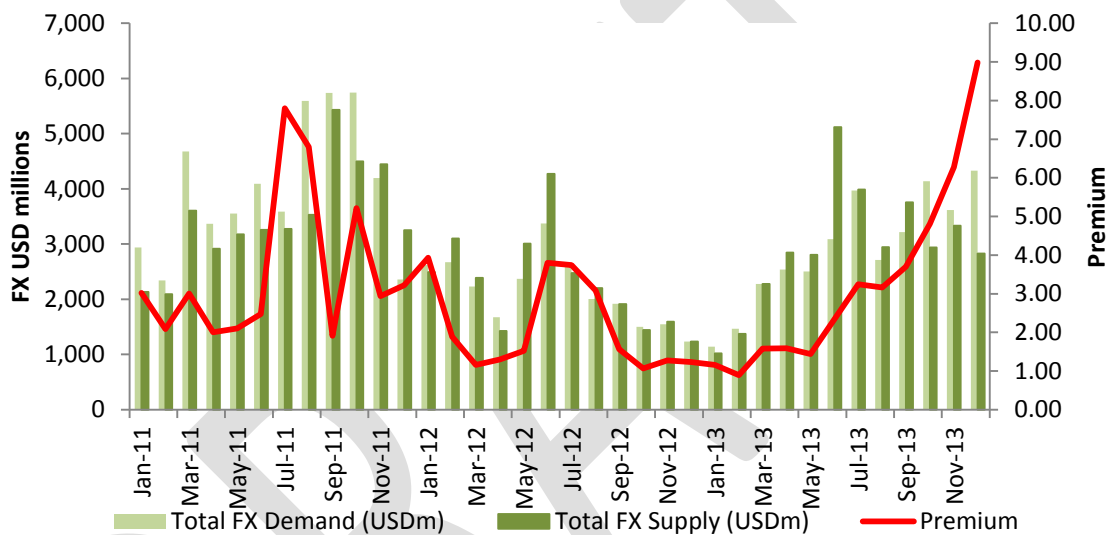
The average exchange rate of the naira per US dollar maintained relative stability at the official window, due to increased capital inflows and interventions by the CBN. The annualized performance of the average exchange rate of the naira at the wDAS/rDAS segment showed that it strengthened against the US dollar by 0.1 per cent to ₦157.31 per US dollar in 2013. At the interbank and BDC segments, the naira, however, depreciated by 0.3 and 1.0 per cent to ₦159.25 and ₦162.45 per US dollar, compared with ₦158.84 and ₦160.86 per US dollar, respectively, in 2012. Following these developments, the premium between the annualized wDAS/rDAS - interbank and wDAS/rDAS - BDC rates widened to 1.2 and 3.3 per cent in 2013, from 0.9 and 2.1 per cent in 2012, respectively.

*The average nominal exchange rate of the naira to the US dollar at the wDAS, interbank and BDC segments of the foreign exchange markets, was ₦157.26/US\$, ₦159.25/US\$ and ₦162.45/US\$, respectively*

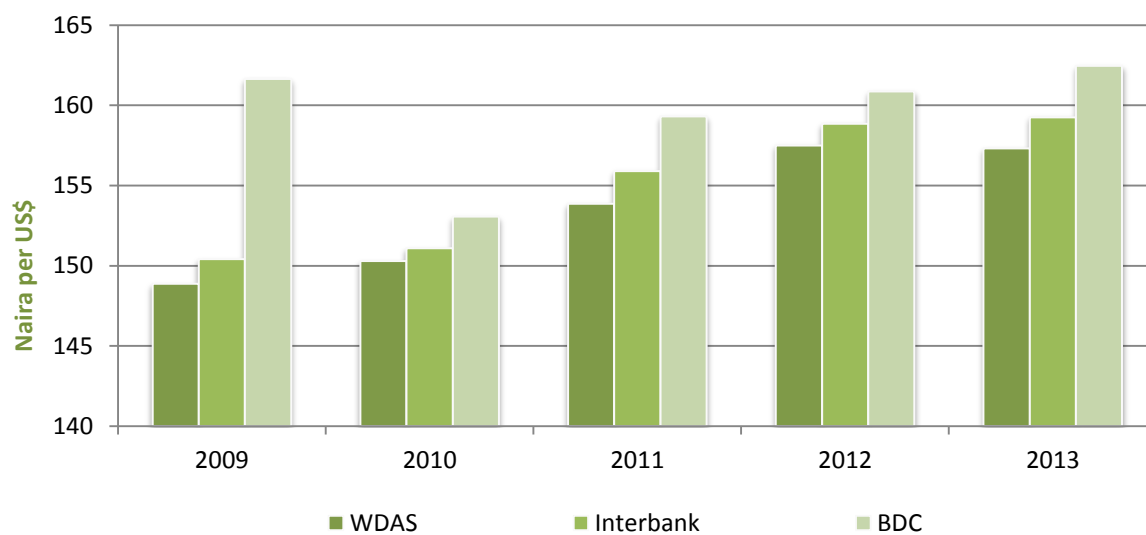
A trend analysis of the performance of the exchange rate during the year showed that in January 2013, the average nominal exchange rate of the naira per US dollar at the wDAS, interbank and BDC segments of the foreign exchange markets was ₦157.30/US\$, ₦156.96/US\$ and ₦159.12/US\$, respectively. These represented an appreciation of 0.01, 0.3 and 0.1 per cent over the levels in December 2012. The exchange rate maintained moderate stability in the three segments of the foreign exchange market in the first half of the year, due to increased capital importation. It, however, depreciated to ₦157.32/US\$, ₦161.12/US\$ and ₦162.43/US\$ at the wDAS, interbank and BDC segments in July 2013, following a surge in demand for foreign exchange induced by dividend repatriation and low activities at the interbank segment of the market. To curb the demand pressure, the Bank, on October 2, 2013, re-introduced the rDAS to restore market stability. The rate at the BDC segment, however, depreciated steadily from an average of ₦162.28/US\$ in August to

₦171.40/US\$ in December 2013. At the interbank segment, the rate depreciated to ₦161.96/US\$ in September 2013, but firmed up by 1.8 percent to close at an average rate of ₦159.05/US\$ in December 2013. Following these developments, the premium between wDAS/rDAS - BDC rates, which was 6.3 per cent in November, widened to 8.9 per cent in December 2013 thereby exceeding the international benchmark of 5.0 per cent.

**Figure 7.12: Demand and Supply of Foreign Exchange, and Exchange Rate Premium**



Source: CBN

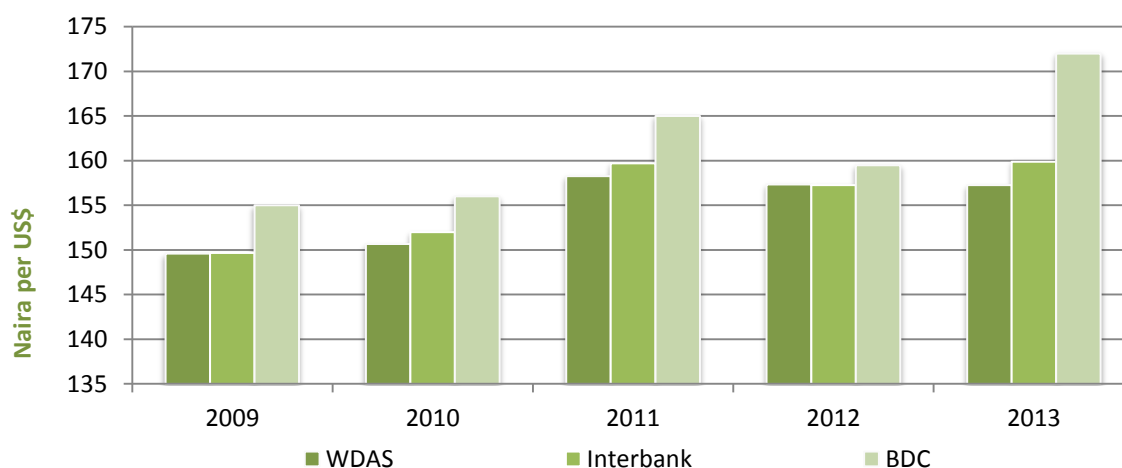
**Figure 7.13: Average Yearly Exchange Rate of the Naira per US Dollar, 2009 - 2013**

Source: CBN

The end-period exchange rate of the naira to the US dollar at the rDAS/wDAS segment was ₦157.26 per US dollar, a marginal appreciation of 0.04 per cent over the level in 2012. At the interbank and BDC segments, the naira closed at ₦159.90 and ₦172.00 per dollar, showing a depreciation of 1.7 and 7.6 per cent, respectively, compared with the levels in 2012. Consequently, the premium between the end-period wDAS/rDAS-interbank and wDAS/rDAS-BDC rates widened to 1.7 and 9.4 per cent, from (0.1) and 1.1 per cent in 2012, respectively.

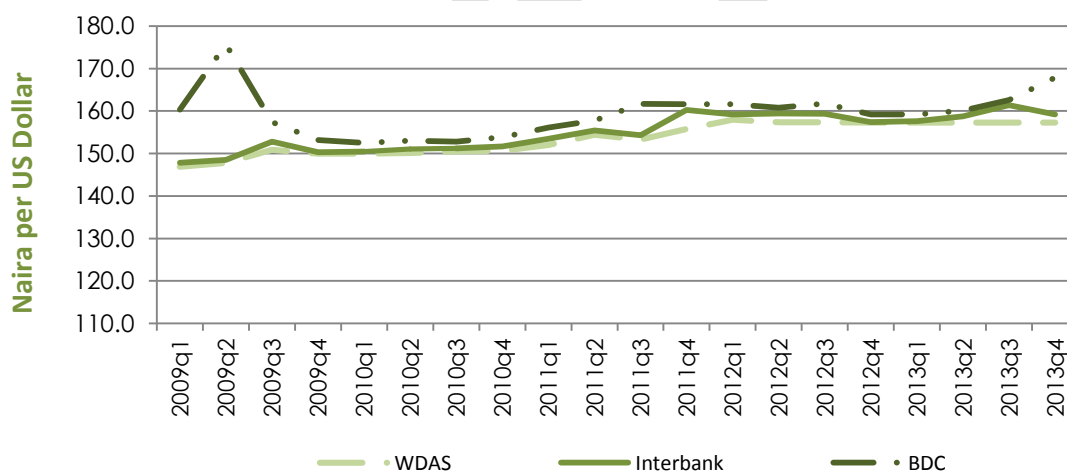
*The end-period exchange rate of the naira to the US dollar at the rDAS/wDAS segment was ₦157.26 per US dollar, a marginal appreciation of 0.04 per cent over the level in 2012.*

Figure 7.14: End-Period Exchange Rate of the Naira per US Dollar, 2009 - 2013



Source: CBN

Figure 7.15: Exchange Rate of the Naira Quarterly Average vis-à-vis US Dollar, 2009 - 2013



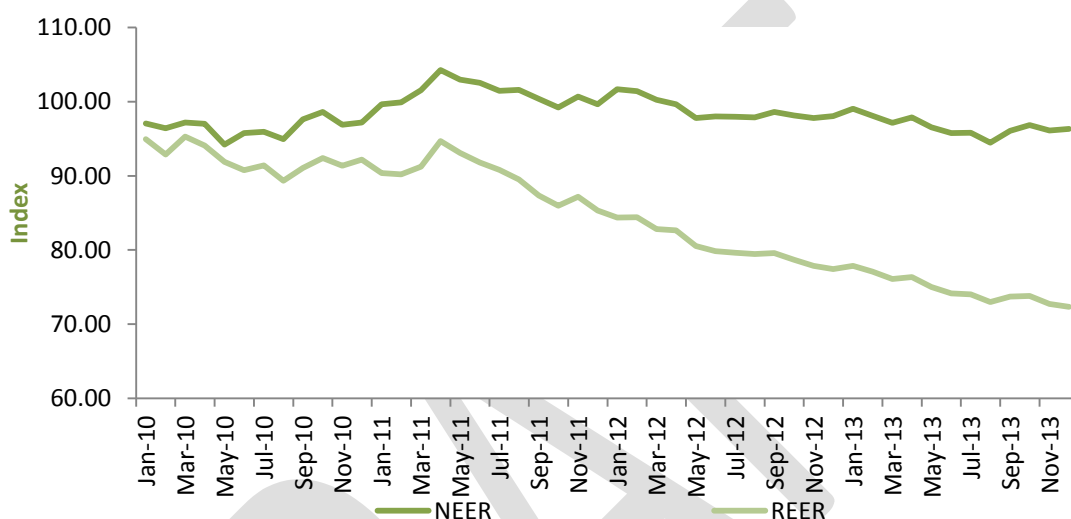
Source: CBN

## 7.7 THE NOMINAL AND THE REAL EFFECTIVE EXCHANGE RATES

The average 13-currency nominal effective exchange rate (NEER) indices declined by 2.3 per cent, from the level in 2012 to 96.69, while the average 13-currency real effective exchange rate (REER) indices fell by 7.4 per cent, from

the level in 2012 to 74.67. In real terms, the fall in REER implies that the naira appreciated against the currencies of major trading partners. The REER index opened at 77.84 in January 2013 and closed 7.1 per cent lower in December 2013.

**Figure 7.16: Nominal and Real Effective Exchange Rate Indices**



Source: CBN

**Table 7.7: Nominal and Real Effective Exchange Rate Indices (November 2009=100)**

	2012		2013		Percentage Change	
	Monthly Index	Annual Average Index	Monthly Index	Annual Average Index	Monthly Index	Annual Average Index
<b>NEER</b>	98.05	98.94	96.34	96.69	(1.7)	(2.3)
<b>REER</b>	77.41	80.61	72.34	74.67	(6.6)	(7.4)

Source: CBN



DRAFT

## CHAPTER EIGHT

INTERNATIONAL AND REGIONAL  
INSTITUTIONS

*The 2013 Spring and Annual Meetings of the Bretton Woods Institutions (BWIs) expressed concern over the high volatility in the global financial markets, following policy uncertainties and indications of US exit from the unconventional monetary policy and called on the advanced economies to exercise caution, as their actions could result in negative spillovers. At the continental level, the 2012 African Monetary Cooperation Programme (AMCP) implementation report was adopted by the Association of African Central Banks (AACB) and the Governors expressed concern about the inability of member countries to meet the convergence criteria on a sustainable basis, and recommended the deferment of Stage IV until significant progress was achieved. At the sub-regional level, the 6th Meeting of the Inter-Institutional Technical Sub-Committee on the Road Map for the ECOWAS Single Currency Programme was held in Accra, Ghana. The sub-committee reviewed the on-going implementation road map by individual regional institutions since its last meeting, and enjoined the institutions to implement the activities assigned to them in the road map.*

**8.1 THE INTERNATIONAL MONETARY SYSTEM****8.1.1 International Monetary Fund/World Bank Annual Meetings**

The 2013 Spring and Annual Meetings of the Bretton Woods Institutions were held in Washington, D.C., USA, during April 15 – 22 and October 7 – 13, 2013. The meetings were attended by the Ministers of the Inter-governmental Group of 24 (G-24), the International Monetary and Finance Committee (IMFC), and the Development Committee, amongst others.

The G24 Meetings

- Expressed concern over the high volatility in global financial markets, following policy uncertainties and indications of US exit from the unconventional monetary policy and called on the advanced economies to exercise caution as their actions could result in negative spillovers;
- Encouraged advanced economies with policy space to take concerted action to boost their contribution to global demand;
- Urged the IMF and the World Bank Group to strengthen their activism in the pursuit of a coherent global economic policy-making;
- Reiterated the need for a balanced quota realignment to reflect the dynamics of emerging markets and developing countries (EMDCs); and
- Maintained its call for a third chair for sub-Saharan Africa (SSA).

#### The IMFC Meetings

- Noted the moderate and steady private sector-led recovery in the United States of America and Japan's effort to combat deflation;
- Urged countries with fiscal space to avoid pro-cyclicality and focus on structural re-balancing, and allow automatic stabilizers to operate fully to support growth; and
- Urged the Fund to continue to provide a forum to stimulate discussions and multilateral dialogue for policy coherence and synergy in the management of spillovers.

#### The Development Committee Meetings

- Expressed strong commitment to the achievement of the Millennium Development Goals (MDGs) and called on the World Bank Group (WBG) to scale-up its support to countries towards the attainment of the MDGs; and

- Encouraged the safeguarding of the openness and fairness of the international trading system for global growth.

### 8.1.2 The World Economic Forum

The Annual Meeting of the World Economic Forum was held in Davos-Klosters, Switzerland, during January 23 – 27, 2013 on the theme, “Resilient Dynamism”. The three sub-themes were: “Leading through Adversity”, “Restoring Economic Dynamism”, and “Strengthening Societal Resilience”. There were over 250 sessions on issues related to the global economy and energy, technology, leadership, natural resources and sustainable growth, amongst others.

The Forum observed that although the worst of the economic and financial crises was over, recovery was still fragile. It drew attention to the potential risks from the outcome of the autumn general elections in Germany and the fiscal cliff in the US.

### 8.1.3 African Caucus Meeting of the IMF/World Bank

The African Caucus comprising African Governors of the International Monetary Fund and the World Bank met in Khartoum, Sudan, during August 21 – 22, 2013. Following extensive deliberations, the Governors called on the World Bank Group to:

- Partner with other donors, in particular the AfDB, to establish a Single Infrastructure Project Preparation Facility for Africa (SPPFA) to support large-scale infrastructure projects;
- Step up its assistance to national and regional institutions to deepen their capital market and unleash private financing for transformative projects similar to the International Finance Corporation's (IFC's) initiatives in Africa;

- Exercise flexibility in expanding IBRD lending to IDA countries for the purpose of structuring large-scale transformational projects with regional impact;
- Offer guarantees and leverages needed to elicit private sector investments, foster public-private partnerships (PPPs), and increase IFC's resources under its Special Initiative for Infrastructure and "Infra Venture" programme in Africa; and
- Increase financial resources to support the development of infrastructure, focusing on energy, water and sanitation, and agriculture development through the entire value chain.

The Governors called on the IMF to:

- Encourage countries to expeditiously submit their pledges on the distribution of gold sales windfall to enhance the Fund's concessional resources under the Poverty Reduction and Growth Trust (PRGT);
- Ensure that no PRGT-eligible country is worse off for raising additional resources, including bilateral contributions, and continued non-reimbursement to the General Resources Account (GRA) of administrative expenses of the PRGT;
- Allow for more flexibility in setting debt limits for low income countries under the Fund's supported programmes, and ensure that the limits preserve debt sustainability without unduly constraining the timely implementation of African investment programmes; and
- Enhance Africa's voice and representation at the IMF Executive Board through a third chair for SSA and, an upward revision of basic votes as part of the 15<sup>th</sup> General Review of Quotas.

#### 8.1.4 Group of 20 (G-20) Meetings

The G20 Leaders Summit was held during 5 – 6 September, 2013 in St. Petersburg, Russia. The meeting was attended by the G20 members and heads of international organisations. Key outcomes of the summit included:

- The St. Petersburg Action Plan which sets out reforms for achieving strong, sustainable and balanced growth, coupled with an Accountability Assessment describing progress made on past commitments;
- Extending the G20's commitment to stymie the introduction of new trade or investment protectionist measures until the end of 2016;
- Full endorsement of the OECD-created Action Plan aimed at addressing tax base erosion and profit shifting;
- The St. Petersburg Accountability Report on G20 Development Commitments, which sets out the progress achieved since the G20 adopted the 2010 Seoul Multi-Year Action Plan on Development;
- Endorsement of the St. Petersburg Development Outlook, which states the core priorities, new initiatives and ongoing commitments for the G20's development work;
- Extending the mandate for the Task Force on Employment by another year;
- Commitment to identify and commence the implementation of a set of collective and country-specific actions, that tangibly improve domestic investment environments as agreed at the Brisbane Summit; and
- A re-affirmed commitment to the implementation of agreed financial regulatory and International Monetary Fund reforms.

G20 Leaders also marked their 5<sup>th</sup> Anniversary, re-affirming their conviction that the foundation for sustainable growth and rising prosperity for all in an open world economy is based on market principles, effective regulation, inclusiveness and strong global institutions. These enablers should be strengthened by closer

partnerships, collective action and shared responsibility of the G20, underpinned by effective policy coordination.

### **8.1.5 The Group of Developing Eight (D-8) Central Banks**

The D-8 Workshop on Microfinance for SMEs was jointly held in Abuja with the 7<sup>th</sup> Annual Micro, Small and Medium Enterprises (MSMEs) Conference of the CBN, during August 15 -16, 2013. The theme of the Workshop was, “Strategies for Sustainable MSMEs Financing”.

At the Workshop, the representatives of Member States made the following recommendations:

- Creation of technical assistance and capacity building programmes among the D-8 Member States;
- Development of additional initiatives, geared at finding sustainable options for MSMEs financing; and
- Encourage exchange programmes at the top management level of SME agencies and present opportunities for sharing experiences among the D-8 countries.

### **8.1.6 Bilateral Relations**

#### **8.1.6.1 The Nigeria-United States Bi-National Commission**

The Nigeria-U.S Bi-National Commission meeting on Regional Security Cooperation was held on August 15, 2013 in Abuja, Nigeria. The session was co-chaired by the Permanent Secretary, Ministry of Foreign Affairs, Ambassador (Dr.) Martin Uhomoibhi and Ms. Wendy R. Sherman, the Under-Secretary of State for Social Affairs, State Department, U.S.A.

The Nigerian delegation included officials from the Ministry of Foreign Affairs, the Office of the National Security Adviser, the Ministry of Defense, the Federal Ministry of Justice, the Nigeria Police Force, the Department of State Security,

the National Intelligence Agency, Borno State Government and Civil Society Organizations, while the United States delegation included officials from the Department of State, the Department of Defense, the United States Agency for International Development, and the White House. Highlights of the meeting include the following:

- The representative of the Department of State Security advocated synergy in the efforts of the Police, the Department of State Security, the Army and international allies, such as the US and the UK in the fight against Boko Haram insurgents;
- Both Governments restated their pledge to work for progress, good governance and civilian security that will lead to permanent peace, democracy and prosperity for Nigeria and its citizenry;
- They reemphasised their determination and commitment to improve and support procedures put in place by the Nigerian Government to its security challenges;
- Both countries are to develop collaborative communication strategies and involve Nigerian communities in matters of seeking peace and security;
- The U. S. Government confirmed its pledge to support the Nigeria Police Force to pinpoint areas of increased partnership; and
- Both countries plan to seek for involvement from the private sector, civil society, local governments and other democratic partner countries during the next meeting of the regional Security Cooperation Working Group.



The meeting considered various aspects of the security challenges of the Boko Haram insurgency and culminated in the signing of a Joint Communiqué.

#### **8.1.6.2 The Nigeria-Singapore Business and Investment Forum (NSBIF)**

The Nigeria-Singapore Business and Investment Forum (NSBIF) was held in Singapore during October 28 – 30, 2013. It was organized by the Nigeria High Commission in Singapore, in collaboration with the Singapore Business Federation and International Enterprise, Singapore. The aim of the Forum was to bring together both public and private sector officials to discuss and explore business and investment opportunities in both countries.

A Memorandum of Understanding (MoU) between the Nigeria Investment Promotion Commission and the Board of International Enterprise, Singapore, Board was signed by the representatives of the two countries. The MoU covers five main areas, including: Collaboration in growth sectors of the Nigerian Economy, bilateral Agreements, sharing of information and best practices, mutual support in business missions, and capability development.

#### **8.1.6.3 The Nigeria-China Business and Investment Forum (NCBIF)**

The 11<sup>th</sup> edition of the Nigeria-China Business and Investment Forum (NCBIF) was held in three (3) Chinese cities of Yinchuan, Xi'an, and Taiyuan during September 14 – 25, 2013. The Forum focused on both export-oriented trade opportunities and avenues for the encouragement of direct investment by the Chinese in the Nigerian economy. During the Forum, eleven (11) Memoranda of Understanding (MoUs) were signed by Nigerian companies and State Governments, and the Chinese. The objectives of the event, amongst others, included to:

- Providing a platform to present Nigeria's vast investment opportunities as well as its improved investment climate;
- Providing a platform to showcase Nigerian businesses/projects to Chinese businesses;

- Preparing new opportunities for investment partnership between the private sectors of both countries;
- Targeting more inflow of Foreign Direct Investment (FDI) from China to Nigeria; and
- Providing a forum for one-on-one business-to-business discussions.

#### **8.1.6.4 The Nigeria-South Africa Bi-National Commission**

The President of the Federal Republic of Nigeria, His Excellency, Dr Goodluck Ebele Jonathan, GCFR, was on a State visit to the Republic of South Africa on the invitation of His Excellency, Jacob Zuma, during May 6 – 8, 2013. The meeting was preceded by the 13th Session of the Special Implementation Committee (SIC) meeting of the Nigeria-South Africa Bi-National Commission held in Cape Town from May 3 – 4, 2013. The following outcomes of the meeting are as follows:

- The Governments of Nigeria and South Africa signed eight (8) Memoranda of Understanding (MoUs) in the areas of; Defence Cooperation, Legal matters, Oil and Gas, Geology, Mining, Mineral Processing and Metallurgy, Women and Child Development, Power Sector Development, Environment, and Information and Communication Technology;
- A Working Group agreed on the Terms of Reference (ToRs) of the Nigeria-South Africa Joint Ministerial Advisory Council on Industry, Trade and Investment;
- The Working Group noted that a document specifying Nigeria's investment incentives, compiled by the Nigeria Investment Promotion Commission (NIPC), would be shared with South Africa's Department for Trade and Investment (DTI). The document outlines incentives that the

NIPC could utilize to attract potential investors to various sectors of the Nigerian economy;

- The Nigerian representatives informed the Working Group that the country was proposing to open a Trade Office in South Africa;
- Awareness was boosted regarding the MoUs by involving relevant stakeholders, such as the Chambers of Commerce of both countries, the Oil Producers Trade Section (OPTS) or its South African counter-part;
- Both Presidents reaffirmed their commitment to the efforts of their respective sub-regional organisations towards peace and security and their support for the African Union (AU) in achieving its objectives;
- On multilateral issues, both Presidents reiterated their commitment to working together towards the reform of the UN system, especially the United Nations Security Council (UNSC); and
- Both Presidents also indicated the importance of their cooperation in addressing bilateral, sub-regional, regional and multilateral issues, and urged Ministers and officials of both countries to monitor the implementation of the Agreements/MoUs that were signed by the two countries.

#### **8.1.6.5 The Nigeria-Côte d'Ivoire Bi-National Commission**

The 1<sup>st</sup> Session of the Nigeria-Côte d'Ivoire Bi-National Commission was held on August 1, 2013 in Abuja, Nigeria. The delegation of the Federal Republic of Nigeria was led by His Excellency, Arch. Namadi Sambo, GCON, Vice President, while the delegation of the Republic of Côte d'Ivoire was led by His Excellency, Daniel Kablan Duncan, Prime Minister and Minister of the Economy and Finance. The meeting was preceded by the meeting of experts of both countries, held in Abuja during July 30 -31, 2013. The meeting deliberated on various issues, including: Political Matters, Regional Integration, Defence, Security, the Economy, Commerce, Industry, Investment, Mines, Energy,

Petroleum, Infrastructure, Agriculture, Sustainable Development, and the Promotion of Small and Medium Enterprises. Sequel to the meeting, both parties agreed on the following:

- A re-affirmation of their will to further strengthen relations, and a strong commitment to the efforts of the respective governments to develop and reduce poverty in both economies;
- The two countries expressed the need to reinforce the process of integration in ECOWAS, the African Union, and at sub-regional and international levels for the advancement of peace, security, stability, democracy and sustainable development; and
- A reiteration of the need to support the call for reforms in the UN system, particularly the Security Council;

The countries called for the formation of a new world economic order which would take into consideration the welfare of poor countries, with the purpose of reducing the growing gap between the poor and rich countries.

### **8.1.7 International Commodity Organisations**

#### **8.1.7.1 The International Cocoa Organisation (ICCO)**

The Eighty Seventh Regular Session of the International Cocoa Organisation (ICCO) took place in Bali, Indonesia, during 18th – 22nd March, 2013. The following are the major highlights of the meeting:

- The new International Cocoa Agreement 2010, which replaced the Cocoa Agreement of 2001, was made available at the United Nations Headquarters in New York on 1st October, 2010 for member countries to sign. It was noted that while 27 cocoa-importing countries that made up the European Union had signed the Agreement, only 5 of the producing

countries had signed it, and others had submitted the Agreement for ratification;

- It was reported that the world cocoa market was characterised by uncertainties, especially in the availability of cocoa beans, resulting in price volatility during the cocoa season. The world production of cocoa beans decreased by over 6 per cent to 4.05 million tonnes in the 2011/2012 cocoa season. However, Africa still maintained its leadership in world cocoa production, with 58 per cent of the total world output. The ICCO daily average price for cocoa was US\$1,558 per tonne in 2012/2013;
- Market integration and price transmission in major cocoa producing countries was of concern to members. Members observed that there was no efficient transmission of price information from cocoa's terminal markets to cocoa farmers. The producing countries were also of the opinion that there was no market transparency between exporters/importers in cocoa statistics and terminal access; and
- In order to address the issues raised, it was proposed that an International Workshop on Certification, as well as a Seminar on Cocoa Terminal Market and Econometric Modelling of the cocoa market should be organized to enlighten member countries on the mechanisms and dynamics of the cocoa market.

The Eighty-Eighth Regular Session of the ICCO and its Subsidiary Meetings were held in Wembley, London, during 23rd – 27th September, 2013. Major issues discussed at the meeting included:

- Lack of statistical data on the cocoa industry in Nigeria, Guinea and the Democratic Republic of the Congo. These countries were rated zero (0) per cent for non-provision of quarterly statistical data on cocoa and other agricultural commodities;

- The ICCO *Quarterly Statistical Data* pegged world cocoa production for the 2012/2013 season at 3.078 million metric tonnes. This showed a slight decrease, compared with 4.078 million metric tonnes in the previous season. Grinding, on the other hand, recorded an improvement over the previous season's figure of 3.967 million metric tonnes at 3.987 million metric tonnes;
- It was generally observed that the cocoa demand/supply situation had been characterized by fluctuations. Cocoa futures prices from March 2013 ranged between £1,576 per tonne in London and US\$2,421 in New York. The price declined by mid-May through June to £1,495 and US\$2,201. The downward trend in futures cocoa trade continued to the end of August as prices dropped to £1,436 per tonne in London and US\$2,159 per tonne in New York; and
- The suspension of Nigeria as a result of the non-payment of its £84,604 contribution to the ICCO. The voting rights of Nigeria were distributed to other countries. The implication of this was that the country was an observer at the meeting. In the production ranking, Nigeria is placed fourth behind Cameroon in the world cocoa production.

## 8.2 REGIONAL INSTITUTIONS

### 8.2.1 The African Development Bank (AfDB) Group

The Annual Meetings of the Board of Governors of the African Development Bank (AfDB) Group were held in Marrakesh, Morocco from May 27 to June 1, 2013. The theme of the Meetings was, "Africa's Structural Transformation", and focused on developmental issues facing the continent, such as the financing gap, leadership challenges, youth unemployment, inclusive growth, climate change, and social business development.

The Meetings noted that over the three decades, 1980-2009, capital flight from Africa amounted to US\$1.4 trillion. The Bank's Governor also traced capital flight to corruption, economic crimes and corporate deals, among others, and called for provisioning on asset repatriation.

The AfDB Board launched a new 10-Year Strategy, spanning 2013-2022, to address Africa's development challenges. The Strategy focuses on five key areas, namely, infrastructure financing, regional economic integration, private sector development, governance and accountability, and skills and technology development. An Africa 50 Fund was launched to scale up infrastructure financing for transformational, bankable projects and mobilize Africa's domestic resources. The Board formally signed a US\$100.0 million unfunded Risk Participation Agreement (RPA) with Commerzbank AG. Under the Agreement, the two banks would share the default risk on a portfolio of eligible trade transactions originated by African issuing banks.

At the Africa Group 1 Constituency meeting on May 28, 2013, two new Alternative Executive Directors were presented, namely, Dr. Okwu Joseph Nnanna from Nigeria and Ms. Chileshe Mpundu Kapwepwe from Zambia. The Group agreed on the following:

- The establishment and endorsement of a Rules Review Committee (RRC) which comprised Panel Deputies; and
- Retaining the process of selection of Alternative Directors based on merit and political endorsement by member countries.

### **8.2.2 The Association of African Central Banks (AACB)**

The 37<sup>th</sup> Ordinary Meeting of the Assembly of Governors of the Association of African Central Banks (AACB) was held in Port Louis, Mauritius, on August 22, 2013. The Meeting was preceded by the AACB Technical Committee and the AACB Bureau, and the Governors' Symposium was held on August 23, 2013. The

issues discussed included the implementation of the African Monetary Cooperation Programme (AMCP); a progress report on the activities of the AUC-AACB Joint Committee; and the inaugural meeting of the Community of the African Banking Supervisors. Other issues discussed were accession to AACB membership, African representation on the IMF Governance, and the election of a new Bureau.

The 37<sup>th</sup> Meeting of the Bureau of the Association of African Central Banks (AACB) was held on February 27, 2013 in Dakar, Senegal. The Bureau considered reports and recommendations on the Joint AUC-AACB Task Force, as well as the AACB Technical Committee and:

- Agreed that the Joint AUC-AACB Study Group should update the main report and strategy document, with a detailed analysis of the costs and benefits of economic and monetary Union;
- Adopted the recommendation on the creation of an African Monetary Institute (AMI) as an organ of the African Union;
- Considered the year 2012 (provisional) progress report on the African Monetary Cooperation Programme (AMCP) and prospects for year 2013;
- Urged the AUC to conduct a study establishing the basis for a review of the convergence criteria;
- Considered the status and governance structure of the Community of African Banking Supervisors (CABS) and agreed that it should have a flexible structure as an organ under the AACB. It also adopted the recommendation that CABS should table its reports to the Financial Stability Board; and
- Urged the Secretariat to take note of the suggestion that other central banks and the AACB should buy into the African Mobile Payment Initiative (AMPI), and encouraged currency convertibility in the continent.



Following the adoption of the 2012 AMCP implementation report, the Governors expressed concern about the inability of member countries to meet the convergence criteria on a sustainable basis, and recommended the deferment of Stage IV until significant progress was achieved, as well as the review of the performance criteria after two years.

The 2013 Association of African Central Banks (AACB) Continental Seminar was held in Maseru, Lesotho, during May 6 - 8, 2013 on the theme, "The Role of Central Banks in Promoting Sustainable Economic Growth in Africa". The main recommendations were that:

- African central banks should identify the missing links among the objectives of price, financial and macroeconomic stability, and sustained economic growth;
- The mandate of African central banks should be extended to include promoting economic growth and development;
- Strong and efficient regulation of the financial system should be pursued without inhibiting financial innovation;
- Central banks should continue to promote financial inclusion and the development of financial markets; and
- Central banks should collaborate with government and the private sector to ensure effective transmission of monetary policy.

With regard to the meeting of the Community of African Banking Supervisors, the Governors resolved that the body would operate in the AACB Secretariat to ensure synergy with the functions of regional supervisory bodies. They further decided that a Working Committee comprising bank supervisors should develop a comprehensive work-plan and budget for consideration, through the AACB Bureau. The need for a Third Chair for Africa at the IMF Executive Board was stressed and the AACB Chairman was authorized to convey the AACB's request to the Managing Director of the IMF.

The Governors' Symposium was held on the theme, "Financial Inclusion in Africa: The Challenges of Financial Innovations for Monetary Policy and Stability of the Financial System". After deliberation, the Governors agreed on the need to implement an appropriate mix of regulations and policies that would facilitate financial inclusion. They noted that sound supervisory structures were a pre-requisite for accommodating innovations associated with financial inclusion.

### 8.2.3 The Committee of Ten

The Committee of Ten (C10) Finance Ministers and Central Bank Governors met on April 18, 2013 in Washington, D.C., USA. It was attended by the following countries and institutions: Algeria, Botswana, Cameroun, Egypt, Kenya, Nigeria, South Africa, Tanzania, the Central Bank of West African States (BCEAO), the Central Bank of Central African States (BEAC), the Economic Commission for Africa (ECA), and the African Development Bank (AfDB). Members reviewed the G-20 work plan and agreed as follows:

- That real GDP growth in Africa in 2012 was robust at 6.6 per cent, but Africa faced significant risks ahead, given the falling terms of trade, foreign aid, external demand, and portfolio inflows;
- To commence the rebuilding of fiscal, monetary and social policy buffers that were used up during the 2008/2009 global financial and economic crises to reduce vulnerability to external shocks ;
- To build the necessary institutional and technological capacity, and mobilize the necessary investment for diversification and promote inclusive growth and poverty reduction;
- Urged the G-20 countries to fulfil their funding commitments on approved projects, and to immediately implement the 2011 Cannes Leaders' Declaration on the reduction of the average cost of remittances to developing countries, especially those to Africa;

- To scale up intra-Africa trade, currently at 11.0 per cent, and encourage South-South economic cooperation for the robust replenishment of the African Development Fund, as well as implementation of appropriate policies; and
- Urged Africa to focus on improving project preparation facilities; building capacity to improve legal and institutional frameworks; encouraging public-private partnerships on infrastructure financing and transformative regional infrastructure projects; as well as supporting innovations in project financing instruments and modalities.

### 8.3 SUB-REGIONAL INSTITUTIONS

#### 8.3.1 Statutory Meetings of the Sub-Regional Institutions

Two meetings of the sub-regional Institutions, namely, the West African Monetary Institute (WAMI), the West African Monetary Agency (WAMA), and the West African Institute for Financial and Economic Management (WAIFEM) were held during the year. The first was held from January 11 to 18, 2013 in Abuja, Nigeria, while the second was held in Accra, Ghana, from July 17 to 26, 2013.

At the meetings, the Convergence Council of the WAMZ decided that member states:

- Continue to implement prudent macroeconomic policies to achieve and sustain price stability, and execute sectoral and structural policies to promote food production and dampen inflationary pressures;
- Intensify rehabilitation and building of infrastructure to remove supply-side bottlenecks and improve output growth and employment;
- Adhere to fiscal consolidation, by prioritizing expenditure and enhancing domestic revenue mobilization to facilitate the achievement of the WAMZ quantitative and qualitative convergence criteria;

- Review the existing legal framework on fiscal responsibility, in line with the Model Act to ensure strong fiscal management;
- Deepen the implementation of reforms that would reduce domestic borrowing and rising interest payments, as well as adopt debt restructuring to transform the maturity profile of debt from short-term to medium and long-term;
- Provide monthly data to enable WAMI to regularly update the analysis of macroeconomic developments and convergence;
- Liberalize their capital accounts, beginning with the intra-regional capital account, while urging member states with small open economies to be cautious of the inherent risks; and
- Approved the appointment of Dr. Abwaku Englama of the Central Bank of Nigeria as the substantive Director-General of WAMI, effective February 1, 2013.

The meeting of the Board of Governors of the West African Institute for Financial and Economic Management (WAIFEM) was held on January 17, 2013 in Banjul, The Gambia. The Board approved the following:

- That WAIFEM should adopt the CBN model in the evaluation of the Institute's course participants at the end of each programme;
- A Visiting Scholars and Attachment Programme for the Institute;
- The engagement of a consultant to prepare a five-year (2013-2018) Strategic Plan for the sustainability of the Institute; and
- The Training Programme for Fiscal 2013.

The 43<sup>rd</sup> and 44<sup>th</sup> Meetings of the Committee of Governors of the Central Banks of ECOWAS Member States was held in Abuja, Nigeria, on January 17, 2013 and in Accra, Ghana, in July 2013, respectively. The Committee:

- Adopted the 2012 first half Macroeconomic Convergence Report, which urged member states to, amongst others, explore modalities for

enhancing tax revenue mobilization while rationalising the costs of governance;

- Noted the report on exchange rate developments of ECOWAS currencies since November 2012, and called on WAMA to provide technical advice to central banks experiencing excessive exchange rate volatility;
- Endorsed the recommendation for setting up a crisis resolution mechanism for ECOWAS, based on the experience of the Euro Zone debt crisis;
- Adopted the Work Programme for 2013; and
- Called for an economic policy geared towards growth in employment and poverty reduction, and reiterated the need for the removal of all forms of tariff and non-tariff barriers to intra-regional and African trade to accelerate the monetary integration process.

### 8.3.2 Meeting on the Road Map for the ECOWAS Single Currency Programme

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, during July 29–30, 2013. The sub-Committee reviewed progress on the implementation of the roadmap by individual regional institutions, since the 5<sup>th</sup> Meeting of January 21–23, 2013, in Abuja, Nigeria. The sub-Committee agreed that all regional institutions would continue with the activities they were assigned in the Road Map.

The West African Monetary Agency (WAMA), in collaboration with the Central Bank of West African States (BCEAO), organized a “Regional Workshop on Harmonization of Regulations Governing Current and Capital Account Transactions in ECOWAS” during May 13 – 15, 2013. The goal of the workshop was to develop a common regional framework to facilitate the liberalization of

the current and capital accounts in the sub-region. The workshop recommended that Member Countries should:

- Gradually lift restrictions on foreign exchange and foreign direct investment; liberalize their foreign exchange markets; and accede to Article VIII of the IMF Statutes;
- Ensure compliance with the macroeconomic convergence criteria by implementing sound macroeconomic policies;
- Strengthen their financial sector supervisory framework and harmonize the regulatory and supervisory frameworks of financial institutions;
- Develop capital market infrastructure and accelerate the process of financial markets integration in ECOWAS;
- Remove tariff and non-tariff barriers for effective enforcement of the ECOWAS protocol on free movement of persons and goods;
- Set up the process for the adoption of an ECOWAS Liberalization Scheme on Services;
- Conduct a study to determine an appropriate exchange rate regime for the sub-region;
- Fast-track the harmonization process of accounting and financial reporting frameworks for banks and non-bank financial institutions;
- Speed up the adoption, ratification and implementation of the regional code on investment;
- Establish effective systems for monitoring capital flows and short-term debt in foreign currency to limit excessive risk-taking by financial market operators; and
- Strengthen capacity for combating money laundering and terrorism financing.

WAMA, in collaboration with the Central Bank of The Gambia, organized a 3-day “Regional Workshop on Harmonization of Monetary Policy Frameworks in

ECOWAS" in Banjul, The Gambia, during June 27 – 29, 2013. The workshop had representations from all the central banks in the ECOWAS except Cape Verde, regional institutions and the IMF. The workshop recommended that:

- Inflation Targeting (IT) Lite should be adopted as the common monetary policy framework for the region;
- At each country level, two committees should be established, namely the Monetary Policy Committee and the Financial Stability Committee;
- Central banks should institutionalise an efficient forecasting framework to support the proposed IT;
- Deployment of other data-gathering approaches, especially the Composite Index of Economic Activity (CIEA) as the availability of high frequency data were noted to be a challenge;
- Efforts should be made to enhance the payments system, deepen the financial system, and enhance the interest rate transmission channel;
- A transition framework should be developed, taking into account each country's peculiarities, to facilitate the migration towards IT;
- Sharing experience among central banks in the region should be encouraged;
- The process of harmonization of statistics in the ECOWAS sub-region should be pursued with vigour, especially with respect to consumer price index;
- A committee comprising experts of central banks should be set up for the preparation of the legal/monetary policy framework; and
- Coordination of fiscal, monetary and macro-prudential policies be strengthened.

### 8.3.3 The 6<sup>th</sup> WAMZ Trade Ministers Forum

The 6<sup>th</sup> West African Monetary Zone (WAMZ) Trade Ministers' Forum was convened by the West African Monetary Institute (WAMI) and hosted by the Ministry of Trade of the Republic of Guinea on December 13, 2013. The Forum was preceded by the 2<sup>nd</sup> Meeting of the Technical Committee, from December 11 to 12, 2013. The following reports were presented and discussed: the maiden WAMZ Trade Integration Report; the Concept Note on Trade and Transport Facilitation Assessment project (TTFA); Improving Developing Countries' Capacities to Promote Services Export; and the Sea Link Project for West and Central Africa. The following were the highlights of the meeting:

- The Trade Integration Report showed that trade intensity was low at 0.4 and 0.36 per cent in 2011 and 2012, respectively. Intra-WAMZ trade, estimated at US\$2.8 billion (0.91 per cent of GDP) in 2012, was relatively lower than the US\$3.3 billion (1.13 per cent of GDP) recorded in 2011. During the period, three member-countries experienced improvements in trade openness, while the others recorded a decline. Liberia was found to be the most open, while The Gambia was the least. Nigeria's trade openness was below the regional average;
- WAMI and the World Bank were carrying out a Transport and Trade Facilitation Assessment (TTFA) project to identify key obstacles to international and regional trade in the WAMZ sub-region and to clarify what the priorities were for carrying out a trade facilitation mandate; and
- The International Trade Centre, Geneva, offered to build the export capacity of service providers in the WAMZ sub-region, with emphasis on three pillars: trade intelligence, institutional strengthening, and enhancement of the services of small and medium enterprises (SMEs).



DRAFT

## Appendix A

## APPENDIX

## A

## GLOSSARY OF SELECTED TERMS

**Approval in Principle:** This refers to the granting of an initial permit/permission to any financial institution, pending the time it would meet the necessary requirements for operations to qualify it for a formal licence.

**Balance of Payments (BOP):** These are records of economic transactions between the residents of a country and the rest of the world during a given period of time. The major components of a BOP are the **current account, the capital and financial account and the official settlement balance**. The current account comprises transactions arising from the sale or purchase of goods and services and unrequited transfers, while the capital and financial account is the record of assets and financial transactions. The official settlement account is used to equalise any imbalance that may exist in the current and capital accounts so that all the BOP accounts sum to zero.

**Balance of Payments Position:** see **Foreign Exchange and Balance of Payments Position**

**Bank Credit** is a major determinant of the money supply and is the amount of loans and advances given by the CBN as well as deposit money banks to economic agents. This is the banking system credit to the economy which can be broken down into bank credit to government (net) and the private sector.

**Capital Expenditure:** Payment for non-financial assets used in the production process for more than one year. Loan amortisation (capital repayment) is included.

**Cost of Capital** is the cost incurred in securing funds or capital for productive purposes. The cost includes interest rate, legal, administrative and information search charges. This means that the cost of capital is likely to be greater than or equal to interest rates on loans.

**Cost of Funds:** This refers to net expenses incurred in raising funds, including a reasonable profit margin. The expenses include the interest on deposits, reserve requirements and other administrative expenses, as a proportion of total funds borrowed.

**Credit Risk:** Credit risk arises from the potential that an obligor is either unwilling to perform an obligation, or its ability to perform such an obligation is impaired, resulting in a loss to the Bank. In addition to direct accounting loss, credit risk should be viewed in the context of other economic exposures which include opportunity costs, transaction costs and expenses associated with non-performing assets over and above the accounting loss.

**Debentures** are fixed interest-bearing securities. They are usually of two types, debenture with floating charge and debenture with fixed charge. Debenture holders are creditors to the company rather than owners.

**Debt Stock/GDP:** This measures the level of domestic indebtedness relative to the country's economic activity.

**Discount House** is a financial institution devoted to trading in government secondary instruments (treasury bills and certificates and other eligible instruments). The discount house submits bids from authorised dealers, including its needs for OMO instruments, to the Central Bank and facilitates the payments and settlement of the transactions.

**Distressed Banks:** These are banks with problems relating to illiquidity, poor earnings and non-performing assets. The extreme case of distress is referred to as insolvency, which implies that a bank's liabilities are more than its assets.

**Dutch Auction System (DAS):** This is a method of exchange rate determination, through auction, where the bidders pay according to their bid rates. The ruling rate is arrived at with the last bid rate that clears the market where the authorities elect to operate a single exchange rate.

**Equity Price Risk:** Equity price risk is the risk to earnings or capital resulting from adverse changes in the value of the equity-related portfolios of a financial institution. The price risk could relate to changes in the overall level of equity prices or price volatility that is determined by firm specific characteristics.

**Exchange Rate:** This is the price of one currency in terms of another.

**External Assets:** These are the reserves held by the monetary authorities, as well as the banking and non-bank public, in foreign countries. Thus, external assets comprise the external reserves and the private sector holdings of foreign exchange.

**External Reserves:** These are portions of foreign exchange receipts saved by the monetary authorities for the purpose of enhancing the creditworthiness of the economy, protecting the international value of the domestic currency, and financing temporary shocks in the balance of payments. Reserves are held in the form of monetary gold, the reserve position at the International Monetary Fund (IMF), Special Drawing Rights (SDRs), and foreign bank balances.

**Federation Account:** This is an account opened by the Federal Republic of Nigeria into which all revenues of the Federation are paid for eventual distribution to all tiers of government in Nigeria.

**Fiscal Deficit** refers to the excess of expenditure over revenue of government. It is usually assessed by its size in relation to the nominal Gross Domestic Product (GDP). The fiscal deficits may be financed in various ways – external borrowing and internal borrowing (banking system and non-bank public). It is inflationary when financed by the banking system, especially the central banks.

**Fiscal Operations:** This refers to government financial transactions involving the collection, spending and borrowing of government for a given period.

**Fixed Deposit Rate:** When deposits are for a fixed period of time, say 90 or 180 days, the interest rates paid are called fixed deposit rates. They normally attract higher interest rates; early withdrawals may attract penalties in terms of forfeiture of interest income.

**Foreign Exchange:** This is a means of international payments. It includes the currencies of other countries that are freely acceptable in effecting international transactions.

**Foreign Exchange and Balance of Payments Position:** The foreign exchange position is the difference between foreign exchange receipts and foreign exchange disbursements. If receipts are higher than disbursements, there is a net inflow or an accretion to reserves. On the other hand, if receipts are lower, there is a net outflow and the reserves would be depleted. The balance of payments position is the difference between the receipts by the residents of one economy from the rest of the world and the payments by these residents to the rest of the world. An excess of receipts over payments shows a balance of payments surplus, while the reverse represents a deficit. When foreign exchange receipts and payments are adjusted for valuation changes in reserves, the net position would be identical to the balance of payments position.

**Foreign Exchange Risk:** Foreign exchange risk is the current or prospective risk to earnings and capital arising from adverse movements in currency exchange rates. Foreign exchange risk may also arise as a result of exposures of banks to interest rate risk arising from the maturity mismatch of foreign currency positions.

**Government Expenditure:** Payment or flow of financial resources out of government.

**High-powered Money:** see **Monetary Base**

**Interbank Interest Rate:** This is the rate that applies to transactions among banks, mostly for overnight and other short-term funds.

**Interest Rate** is the price of money. It is the opportunity cost of holding money and the return for parting with liquidity.

**Interest Rate Risk:** Interest rate risk arises when there is a mismatch between positions, which are subject to interest rate adjustments within a specified period. Interest rate risk is usually assessed from two perspectives: the earnings perspective which focuses on the impact of variation in interest rate on accruals or reported earnings, and the economic value perspective which reflects the impact of fluctuations in interest rates on the economic value of a financial institution.

Interest rate risk also includes risks associated with the term structure of interest rates and basis risk. Basis risk is also known as spread risk and it arises when a bank prices its assets and liabilities using different interest rate basis. On the other hand, risks associated with the term structure of interest rates are also known as the yield curve risk. The impact of shifts in the yield curve on earnings is evaluated using stress tests.

**Internal Balance:** This refers to a state of convergence between domestic output and absorption or expenditure. When output is identical with

expenditure, internal balance is considered to have been achieved and the rate of inflation is expected to be stable. The achievement of the savings-investment identity is also viewed as internal balance. Monetary and fiscal policies and external debt management measures are usually applied to achieve internal balance.

**Key Risk Indicator:** A key risk indicator is a risk item that has been assessed to be important, given all relevant factors. This indicator is used to monitor exposure to risks and could be quantitative or qualitative in nature. It should be forward-looking in order to serve as an effective risk mitigant.

**Liquidity Ratio:** This ratio is defined as the ratio of total specified liquid assets to total current liabilities and reflects the liquidity position of a bank.

**Liquidity Risk:** Liquidity risk is the potential loss to a bank, arising from either its inability to meet its obligations as they fall due or to fund increases in assets without incurring unacceptable costs or losses. Liquidity risk should not be seen in isolation, because financial risks are not mutually exclusive and liquidity risk is often triggered by consequences of other bank risks, such as credit, market and operational risks.

**Market Capitalisation** is the market value of a company's issued share capital. It is the product of the current quoted price of shares and the number of shares outstanding. The term is also used as a performance indicator of the capital market.

**Maximum Lending Rate:** This refers to the rate charged by banks for lending to customers with a low credit rating.

**Minimum Rediscount Rate:** This refers to the amount that is charged by the CBN for lending to banks in the performance of its function of lender-of-last resort and also as a signal of the desired direction of monetary policy.

**Monetary Base (or High-powered Money or Reserve Money)** comprises certain liabilities of the CBN and includes currency in circulation and total bank reserves. The main sources of monetary base are the net foreign assets of the CBN, net claims on government, claims on deposit money banks, and other assets (net) of the CBN.

**Money Supply (or Money Stock)** refers to the total value of money in the economy and this consists of currency outside banks with the non-bank public (notes and coins) and deposits with the deposit money banks (DMBs). For purposes of policy, there are two variants of money supply in Nigeria –  $M_1$  and  $M_2$ .  $M_1$  is the narrow measure of money supply which includes currency outside banks with the non-bank public and demand deposits (current accounts) at the deposit money banks.  $M_2$  is the broad measure of money supply and includes  $M_1$  and savings and time deposits and foreign currency deposits at the DMBs. Savings and time deposits and foreign currency deposits are also called quasi-money.  $M_2$  measures total liquidity in the economy. Excess liquidity is the amount of liquidity over and above the optimum level of liquidity, determined by the levels of output and prices.

**Net Foreign Assets (NFA)** constitute the foreign exchange holdings of the CBN and the deposit money banks, after netting out the claims of foreigners. Changes in NFA should reflect developments in the balance of payments. A deficit in the balance of payments would lead to a decrease in foreign asset holdings and ultimately the money stock. A surplus in the balance of payments produces the opposite effect.

**New Issues** are securities raised in the primary market for the first time.

**Nominal Exchange Rate:** The nominal exchange rate is the price of one currency relative to another.



**Nominal Interest Rate:** This is the actual rental value paid for the use of money or credit. It includes the effects of inflation and uncertainty.

**Offer for Sale** is an offer by shareholders to sell existing shares to the public. The sale is effected usually through stockbrokers and does not affect the capital base of a company.

**Offer for Subscription** is an invitation by a company to the public to subscribe to new issues. This increases the capital base of the company.

**Open Market Operations** involve the discretionary power of the CBN to purchase or sell securities in the financial markets in order to influence the volume of liquidity and levels of interest rates which ultimately would affect money supply. When the CBN sells financial instruments, the liquidity (excess reserves) of the banking system reduces. This restricts the capacity of banks to extend credit or induce monetary expansion. On the other hand, when the CBN purchases such instruments, it injects money into the system and banks' ability to expand credit is enhanced.

**Operational Risk:** Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Operational risk is present in virtually all banking transactions and activities.

**Other Assets (net)** is the other assets of CBN and deposit money banks less (their) other liabilities.

**Preference Shares** are shares of companies on which dividends must be paid before any other shares.

**Prime Lending Rate:** This is the interest rate applied to loans made to customers with the highest rating. For each bank, this rate also represents the minimum lending rate.

**Prudential Guidelines:** These are guidelines and practices which all licensed banks are required to adhere to in reviewing and reporting their performance, particularly in the areas of credit portfolio classification and disclosure; the provision for non-performing facilities and interest accrual; the classification of other assets; and off-balance sheet engagements.

**Real Exchange Rate:** This is the nominal exchange rate deflated by change in relative prices. See also **Nominal Exchange Rate**

**Real Interest Rate:** This is the nominal interest rate adjusted for expected inflation. In order to encourage savings, real interest rate is expected to be positive.

**Recurrent Expenditure:** Expenditure on goods and services (other than capital assets) used in the process of production within one year. Interest on loans is included.

**Required Reserves** are a fraction of commercial and merchant banks' money held for the purpose of backing up their deposit operations and partly to control the level of liquidity in the economy. They are made up of cash reserves and liquid assets and specified in the form of ratios. The cash reserves ratio is the percentage of deposit money banks' cash deposits with the CBN in relation to their total demand, savings and time deposits liabilities. The liquidity ratio is the percentage of banks' liquid assets to their total deposits liabilities.

**Reserve Money:** see **Monetary Base**

**Reserve Requirement** refers to the proportion of total deposit liabilities which the deposit money banks are expected to keep as cash in vaults and deposits with the CBN. The CBN can control the money stock by varying the requirement as desirable. Usually, banks keep reserves over and above the legal requirement for safety. The cash ratio requires the deposit banks to keep a certain

proportion of their total deposit liabilities as cash balances with the CBN, while the liquidity ratio stipulates the proportion of total deposits to be kept in specified liquid assets, mainly to safeguard the ability of banks to meet depositors' cash withdrawals and ensure confidence in the banking system. The CBN also has powers to call for special deposits from banks for the purpose of controlling liquidity.

**Rights Issues** are shares offered to companies' existing shareholders in proportion to the number of shares held and usually at below the market price to make the offer attractive.

**Savings Deposit Rate:** The savings deposit rate is the amount paid by banks for funds withdrawable after seven days' notice. This restriction is, however, seldomly applied.

**Total Reserves:** This is the sum of required reserves and excess reserves.

**Vault Cash:** Deposit money banks keep "petty cash" in their vaults for emergency transactions before they can access their accounts with the CBN. The amount so kept is called vault cash.

**Ways and Means Advances** constitute a portion of credit by the CBN to government. These are temporary loans to government to bridge shortfalls in revenue. Statutorily, the CBN must not give more than 12.5 per cent of government's current revenue.

**Yield Curve:** Shows the relationship between the rate of interest and the time to maturity of different financial assets.

## Appendix B

### Policy Circulars and Guidelines Issued in 2013

APPENDIX

B

#### 1. BANKING SUPERVISION DEPARTMENT

S/N	Name of Circular	Reference No.	Date Issued
1.	Closure of Accounts of Bureau De Change Whose Licenses were Revoked.	BSD/DIR/GEN/LAB/06/001	01/01/2013
2.	De-Listing of Suleiman Ndanusa & 3 Others on AMCON Barred Debtors.	BSD/DIR/GEN/LAB/06/002	23/01/2013
3.	Review Of Risk Weights on Certain Exposures in the Computation of Capital Adequacy.	BSD/DIR/GEN/LAB/06/003	30/01/2013
4.	Cash Reserve Requirement (CRR) Maintenance Calendar for 2013.	BSD/DIR/GEN/LAB/06/004	31/01/2013
5.	Implementation of the Pilot Phase of the Financial Inclusion Strategy in Borno State.	BSD/DIR/GEN/LAB/06/005	02/02/2013
6.	Prohibition of New Credit Facilities to Debtors of Asset Management Corporation of Nigeria (AMCON)- De-Listing of Zenon Petroleum & Gas LTD.	BSD/DIR/GEN/LAB/06/006	06/02/2013
7.	Conversion of Problem Loans into Commercial Papers or Bankers Acceptance.	BSD/DIR/GEN/LAB/06/007	12/02/2013
8.	Resolution of Cost Fund Deed	BSD/DIR/GEN/LAB/06/008	26/02/2013
9.	GIS Mapping of Nigerian Financial Institutions.	BSD/DIR/GEN/LAB/06/009	27/02/2013
10.	Second Reminder: Disclosure of Interest of All Entities Engaged in Financial Transactions.	BSD/DIR/GEN/LAB/06/0101	27/02/2013
11.	Request for Information on DMBs' Branches.	BSD/DIR/GEN/LAB/06/011	05/03/2013
12.	Contribution Towards Flood Disaster Victims in the Country (Account Opening).	BSD/DIR/GEN/LAB/06/012	11/03/2013
13.	Exposure Draft of the Guideline for the Licensing, Operation & Regulation of Credit Bureau related Transaction in Nigeria.	BSD/DIR/GEN/LAB/06/013	14/03/2013
14.	Prudential Adjustment to Financial Statements of All DMBs.	BSD/DIR/GEN/LAB/06/014	19/03/2013

## APPENDIX

## B

## POLICY CIRCULARS AND GUIDELINES

15.	New Applications for Returns Rendition by Reporting Institutions.	BSD/DIR/GEN/LAB/06/015	19/03/2013
16.	Recapitalisation of Foreign Subsidiaries.	BSD/DIR/GEN/LAB/06/016	28/03/2013
17.	Re: Review of Risk Weights on Certain Exposures in the Computation of Capital Adequacy	BSD/DIR/GEN/LAB/06/017	02/04/2013
18.	Request for Information on Lending to All the Three Tiers of Government in the Federation, Ministries, Departments, Agencies & Corporations	BSD/DIR/GEN/LAB/06/018	04/04/2013
19.	New Applications for Returns Rendition by Reporting Institutions.	BSD/DIR/GEN/LAB/06/019	05/04/2013
20.	Prohibition of New Credit Facilities to Debtors of Asset Management Corporation of Nigeria (AMCON).	BSD/DIR/GEN/LAB/06/020	17/04/2013
21.	Fraud and Forgeries in the Nigeria Banking Industry	BSD/DIR/GEN/LAB/06/021	22/04/2013
22.	Review of Appointment of Staff to Top Management Position	BSD/DIR/GEN/LAB/06/024	30/05/2013
23.	External Auditors Recommendations in the Management Letters in Audited Financial Statements.	BSD/DIR/GEN/LAB/06/025	30/05/2013
24.	Regulatory Reporting of FGN-Issued and CBN-Issued Treasury Bills.	BSD/DIR/GEN/LAB/06/027	06/06/2013
25.	Information on Financial Inclusion Related Activities of Deposit Money Banks.	BSD/DIR/GEN/LAB/06/028	16/06/2013
26.	Request for Information on Particulars of all Customers without Outstanding Credit Facilities of ₦1.0 Billion as at April 30, 2014.	BSD/DIR/GEN/LAB/06/032	16/07/2013
27.	Review of Cash Reserve Requirement (CRR) for Deposit Money Banks	BSD/DIR/GEN/LAB/06/034	25/07/2013
28.	Deadline for Submission of Data on the New Regulatory Reporting Application (FINA)	BSD/DIR/GEN/LAB/06/038	30/08/2013
29.	RE: Review of Cash Reserve Requirement (CRR) for Deposit Money Banks.	BSD/DIR/GEN/LAB/06/039	10/09/2013
30.	Reporting of All Credit Facilities of ₦1 Million and Above in the Credit Risk Management System	BSD/DIR/GEN/LAB/06/040	10/09/2013
31.	RE: Prohibition of New Credits Facilities to Debtors of AMCON	BSD/DIR/GEN/LAB/06/041	12/09/2013
32.	RE: Draft Framework for Supervision of Domestic Systemically Important Banks in Nigeria	BSD/DIR/GEN/LAB/06/042	13/09/2013

33.	RE: Fraud and Forgeries in the Nigerian Banking Industry	BSD/DIR/GEN/LAB/06/043	16/09/2013
34.	Review of the IFRS 17 Implementation status and Impairment Methodology in the Nigerian Banking Sector	BSD/DIR/GEN/LAB/06/045	27/09/2013
35.	RE: Prohibition of New Credit Facilities to Debtors of Asset Management Corporation of Nigeria (AMCON).	BSD/DIR/GEN/LAB/06/050	11/11/2013
36.	Publication for New Guidelines for the Licensing, Operations & Regulations of Credit Bureaux in Nigeria.	BSD/DIR/GEN/LAB/06/051	14/11/2013
37.	Implementation of Basel II/III in Nigeria	BSD/DIR/GEN/LAB/06/053	25/11/2013
38.	Rendition of IFRS Statutory Returns Through the New E-Fass stop Gap Application	BSD/DIR/GEN/LAB/06/054	22/11/2013
39.	RE: Update on the Provision of Physical Access to the Physically Challenged Members of the Society	BSD/DIR/GEN/LAB/06/056	02/12/2013
40.	Late Response to Information Request & Returns Submissions in Respect of Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT).	BSD/DIR/GEN/LAB/06/059	12/12/2013
41.	Determination of the Banks' Contribution to the Banking Sector Resolution Trust Fund.	BSD/DIR/GEN/LAB/06/060	12/2013
42.	Divestment of Investment Properties by DMBs.	BSD/DIR/GEN/LAB/06/062	12/2013

APPENDIX

B

POLICY CIRCULARS AND GUIDELINES

**2. FINANCIAL POLICY & REGULATION DEPARTMENT**

S/N	Reference No.	Name of Circular	Date Issued
1.	FPD/DIR/CIR/GEN/02/001	Circular to all Banks and Other Financial Institutions on Three Tiered KYC	01/23/2013
2	FPR/DIR/GEN/CIR/03/001	Additional Know Your Customer (KYC) Requirement in respect of Designated Non-Financial Businesses and Professions (DNFBPs)	02/26/2013
3	FPR/DIR/GEN/ADM/01/001	Three Tiered KYC Requirements Implementation Strategy	02/26/2013
4	FPR/DIR/GEN/CIR/03/002	Circular to All Banks and Discount Houses: The Revised Guide to Bank Charges	03/28/2013
5	FPR/DIR/GEN/CIR/03/003	Amendment of Anti-Money Laundering/Combating The Financing of Terrorism (AML/CFT) Regulation, 2009 (As Amended), Terrorism (Prevention) Act (TPA), 2011 (As Amended) and the Revised FATF 40 Recommendations (2012)	5/6/2013
6	FPR/DIR/CIR/GEN/03/004	Exposure Draft of the Reporting Template for the Nigeria Sustainable Banking Principles (NSBP)	05/8/2013
7	FPR/DIR/GEN/ADM/01/003	Terrorism (Prevention) (Proscription Order) Notice, 2013	06/12/2013
8	FPR/DIR/CIR/GEN/03/005	Additional Know Your Customer (KYC) Requirement in Respect of Designated Non-Financial Businesses and Professions (DNFBPs)- Extension of Deadline	06/18/2013
9	FPR/DIR/CIR/GEN/03/004	Section 2 of Money Laundering Prohibition ACT: Duty to Report International Transfer of Funds- Transportation of Cash or Negotiable Instruments in Excess of US\$10,000 or its Equivalent	06/28/2013
10.	FPR/DIR/CIR/GEN/03/005	Circular to Banks and Other Financial Institutions on Dud/Dishonored Cheques	07/10/2013
11.	FPR/DIR/GEN/ADM/01/004	Proposed Visit of the International Cooperation Review Group (ICRG) of the Financial Action Task Force (FATF) to Nigeria in September, 2013	07/11/2013
12.	FPR/DIR/GEN/001/022	Status of Chief Compliance Officers of Banks	07/23/2013

13	FPR/DIR/CIR/GEN/03/006	Revocation of the Operating Licenses of 20 Bureaux de Change	09/27/2013
14.	FPR/DIR/CIR/GEN/03/006	To All Authorized Dealers, Bureaux De Change and General Public	09/30/2013
15.	FPR/DIR/GEN/ADM/01/010	Letter to Banks and Other Financial Institutions on Suspicious Transactions Reports (STRs) and Currency Transaction Reports (CTRs)	11/1/2013
16.	FPR/DIR/GEN/ADM/01/011	RE: Rendition of AML/CFT Returns to CBN	12/24/2013

APPENDIX

B

### 3. OTHER FINANCIAL INSTITUTIONS SUPERVISION DEPARTMENT

S/N	Name of Circular
1.	Amendment of the Revised Regulatory and Supervisory Guidelines for Microfinance Banks (MFBs) in Nigeria to Allow Unit MFBs to have One Branch in the same Local Government Area.
2	Prudential Adjustments to financial statements of Other Financial Institutions
3.	Recognition of Investment Properties/Real Estate Developments in the Financial Statements of Primary Mortgage Banks in Nigeria
4.	Extension of The Deadline For Compliance With The Revised Guidelines For Primary Mortgage Banks
5.	Extension of the Deadline for Compliance with the Revised Microfinance Policy Regulatory and Supervisory Framework in Nigeria

### GUIDELINES

S/N	Name of Circular
1.	Regulatory And Supervisory Framework For The Operations of A Mortgage Refinance Company (MRC)
2.	Regulatory And Supervisory Guidelines for Microfinance Banks (MFBs) in Nigeria



**4. BANKING AND PAYMENTS SYSTEM DEPARTMENT**

S/N	Reference No.	Name of Circular	Date Issued
1.	BPS/DIR/GEN/CIR/01/042	Exposure Draft of the Guidelines on Electronic payments of Salaries, Pensions, Suppliers and Taxes in Nigeria	25/9/2013
2	BPS/DIR/CIR/GEN/02/031	Submission of Fraud Report on E-Channels using a Common Portal for the Payments Industry	02/7/2013
3	BPS/DIR/GEN/CIR/01/015	Extension of Cash-Less Policy in Five States and the FCT	17/5/2013
4	BPS/DIR /CIR/04/2013	Circular on Deposit Money Banks, Cheque Printers and Other Stakeholders on the Accreditation of Cheque Printers for 2013/14	09/5/2013
5	BPS/DIR/GEN/CIR/01/001	Circular to all Nigerian Deposit Money Banks, Microfinance Banks & Primary Mortgage Banks on the Nationwide Encashment of 3rd Party Cheques Above N150,000.00 over the Counter of Banks and Stoppage of Charges on 3rd Party Cheques Below N150,000.00	04/3/2013
6	BPS/PSP/GEN/CWD/03/038	Guidelines for the Regulation of Agent Banking and Agent Banking Relationships in Nigeria	08/2/2013

APPENDIX

B

DRAFT

## 5. TRADE AND EXCHANGE DEPARTMENT

1.	TED/FEM/FPC/GEN/01/039	Re: Year 2012 Christian Pilgrimage Purchase of Pilgrims Travelling Allowance	2/1/2013
2.	TED/FEM/FPC/GEN/01/040	Re: Year 2012 Christian Pilgrimage Purchase of Pilgrims Travelling Allowance	3/1/2013
3.	TED/FEM/FPC/GEN/01/041	Revocation of Operation Licenses of 236 BDCs	15/1/2013
4.	TED/FEM/FPC/GEN/01/042	Re: European Investment Bank's (EIB) Investments in Nigerian Banks for Period January 2008 to December 2012	28/1/2013
5.	TED/FEM/FPC/GEN/01/001	Fiscal Policy Measures 2013	6/2/2013
6.	TED/FEM/FPC/GEN/01/002	Introduction of Fee Charge on E-Form 'M'	21/1/2013
7.	TED/FEM/FPC/GEN/01/003	Self-Submission of E-Form 'M' by Importers/Traders	22/1/2013
8.	TED/FEM/FPC/GEN/01/004	Uncollected Risk Assessment Reports (RAR)	19/1/2013
9.	TED/FEM/FPC/GEN/01/005	Notice of 2013 Workshop on Foreign Exchange Management Issues	16/1/2013
10.	TED/FEM/FPC/GEN/01/006	Re: Extension of Destination Inspection Scheme for Imports and Appointment of Inspection Agents	17/1/2013
11.	TED/FEM/FPC/GEN/01/007	Re: Extension of Contract Agreement for Pre-shipment Inspection of Oil & Gas and Monitoring Agents	25/1/2013
12.	TED/FEM/FPC/GEN/01/008a	New Standards Organisation of Nigeria Conformity Assessment Programme (SONCAP)	30/1/2013
13.	TED/FEM/FPC/GEN/01/008b	2013 Hajj Operations Purchase of Pilgrims Travelling Allowance	6/9/2013
14.	TED/FEM/FPC/GEN/01/009	Developments in the Foreign Exchange Market	26/9/2013
15.	TED/FEM/FPC/GEN/01/010	Year 2013 Christian Pilgrimage Purchase of Pilgrims Travelling Allowance	14/10/2013
16.	TED/FEM/FPC/GEN/01/011	Re: Year 2013 Christian Pilgrimage Purchase of Pilgrims Travelling Allowance	17/10/2013

APPENDIX

R

POLICY CIRCULARS AND GUIDELINES

## APPENDIX

## B

## POLICY CIRCULARS AND GUIDELINES

17.	TED/FEM/FPC/GEN/01/012	Re: Year 2013 Christian Pilgrimage Purchase of Pilgrims Travelling Allowance	23/10/2013
18.	TED/FEM/FPC/GEN/01/013a	Re: Year 2013 Christian Pilgrimage Purchase of Pilgrims Travelling Allowance	24/10/2013
19.	TED/FEM/FPC/GEN/01/013b	Re: Year 2013 Christian Pilgrimage Purchase of Pilgrims Travelling Allowance	5/11/2013
20.	TED/FEM/FPC/GEN/01/015	Re: Year 2013 Christian Pilgrimage Purchase of Pilgrims Travelling Allowance	14/11/2013
21.	TED/FEM/FPC/GEN/01/016	Re: Transactions in “Free Funds” by Authorised Dealers	14/11/2013
22.	TED/FEM/FPC/GEN/01/017	Re: Year 2013 Christian Pilgrimage Purchase of Pilgrims Travelling Allowance	22/11/2013
23.	TED/FEM/FPC/GEN/01/018	Re: Year 2013 Christian Pilgrimage Purchase of Pilgrims Travelling Allowance	27/11/2013
24.	TED/FEM/FPC/GEN/01/019	Re: Year 2013 Christian Pilgrimage Purchase of Pilgrims Travelling Allowance	28/11/2013
25.	TED/FEM/FPC/GEN/01/020	Development in the Foreign Exchange Market	28/11/2013
26.	TED/FEM/FPC/GEN/01/021	Re: Year 2013 Christian Pilgrimage Purchase of Pilgrims Travelling Allowance	4/12/2013
27.	TED/FEM/FPC/GEN/01/022	Re: Year 2013 Christian Pilgrimage Purchase of Pilgrims Travelling Allowance	17/12/2013
28.	TED/FEM/FPC/GEN/01/023	Re: Year 2013 Christian Pilgrimage Purchase of Pilgrims Travelling Allowance	24/12/2013

**Table 1**  
**Selected Interest Rates**  
**(Per cent)**

	2009				2010				2011				2012 /1				2013 /2			
	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec
<b>Government Securities</b>																				
Treasury Bill Issue Rate	4.00	7.40	6.40	6.40	1.49	3.05	5.23	9.10	8.89	8.83	9.32	15.67	14.92	14.98	13.08	11.82	10.33	12.28	11.68	11.42
Monetary Policy Rate 3/	9.75	8.00	6.00	6.00	6.00	6.00	6.25	6.25	7.50	8.00	9.25	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
<b>Deposit Rates (Weighted Average)</b>																				
Savings	2.62	2.67	2.36	3.33	3.03	1.95	1.49	1.51	1.41	1.40	1.46	1.41	1.67	1.76	1.79	1.66	1.77	2.04	2.43	2.53
Call	5.36	4.55	6.04	4.80	2.66	1.63	3.34	1.82	4.67	6.50	1.73	5.00	6.27	8.85						
Term Deposits Maturing in:																				
7 days	5.90	6.71	6.08	5.77	2.91	2.64	1.80	1.77	2.04	2.06	2.13	3.39	4.30	4.47	4.84	5.16	5.08	4.45	4.61	5.14
1 month	12.92	11.69	11.12	12.73	7.36	4.51	3.58	3.66	4.21	4.52	4.71	6.58	7.45	7.46	8.09	8.15	7.95	7.58	7.61	7.78
3 months	12.84	12.63	12.17	13.15	8.60	4.98	5.16	4.63	5.36	5.14	5.49	6.80	8.15	7.80	8.79	9.15	7.99	7.49	7.41	7.96
6 months	12.57	13.12	12.42	13.34	7.59	4.85	4.40	3.50	4.44	5.26	4.79	5.63	7.34	8.08	8.23	10.87	7.43	7.07	6.90	7.44
12 months	11.44	12.67	13.25	12.17	5.55	4.90	3.68	3.53	4.25	4.68	4.47	7.12	7.99	7.51	6.77	10.63	6.09	5.32	4.58	5.02
Over 12 months	13.02	13.24	4.98	14.13	6.59	4.23	2.17	5.49	5.16	7.39	7.36	6.13	7.11	6.22	8.04	9.95	7.38	6.19	5.26	6.81
<b>Lending Rates (Weighted Average)</b>																				
Prime	19.19	19.08	18.91	19.55	19.03	17.65	16.66	15.74	15.81	15.76	15.87	16.75	17.27	16.93	16.37	16.54	16.61	16.56	16.76	17.01
Maximum	22.62	22.67	22.81	23.77	23.62	22.03	22.20	21.86	22.02	22.02	22.09	23.21	23.22	23.44	24.67	24.61	24.49	24.58	25.11	24.90
Average Term Deposit	11.45	11.68	10.00	11.88	6.43	4.35	3.47	3.76	4.25	4.84	4.82	5.94	7.06	6.92	7.46	8.99	6.99	6.35	6.06	6.69
Spread (Maximum Lending-Average Term Deposit)	11.17	10.99	12.81	11.89	17.19	17.68	18.74	18.09	17.77	17.18	17.27	17.27	16.16	16.52	17.21	15.62	17.50	18.23	19.05	18.21
Inter-bank call Rate (weighted average)	20.60	18.60	9.70	4.68	1.50	2.73	2.71	8.03	9.33	11.15	9.37	15.50	14.13	14.92	13.50	11.88	10.39	11.59	16.88	10.75

/1 Revised

/2 Provisional

/3 MRR was changed to MPR in December 2006

Source: Central Bank of Nigeria

DRAFT

**Table 2**  
**Loans Guaranteed under ACGSF by Size and Purpose**  
**(January – December 2013)**

DRAFT

Purpose	5,000 & Below		5,001 - 20,000		20,001 - 50,000		50,001 - 100,000		Above 100,000		Total		Percentage of Total	
	No	Amount (N' Thousand)	No	Amount (N' Thousand)	No	Amount (N' Thousand)	No	Amount (N' Thousand)	No	Amount (N' Thousand)	No	Amount (N' Thousand)	No	Amount (N' Thousand)
<b>LIVESTOCK</b>														
Poultry	-	-	-	-	11	550.00	93	8,850.00	255	112,745.00	359	122,145.0	6.21	13.00
Cattle	-	-	-	-	30	1,200.00	17	1,660.00	41	3,270.00	88	6,130.0	1.52	0.65
Sheep/Goat	-	-	-	-	2	100.00	4	400.00	1	550.00	7	1,050.0	0.12	0.11
Others	-	-	-	-	-	-	21	2,100.00	13	9,670.00	34	11,770.0	0.59	1.25
<b>Sub-Total</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0.00</b>	<b>43</b>	<b>1,850.00</b>	<b>135</b>	<b>13,010.00</b>	<b>310</b>	<b>126,235.00</b>	<b>488</b>	<b>141,095.0</b>	<b>8.44</b>	<b>15.02</b>
<b>FISHERIES</b>	-	-	-	0.00	3	132.00	51	4,453.00	98	29,805.00	152	34,390.0	2.63	3.66
<b>MIXED FARMING</b>	-	-	-	-	92	4,340	317	28,980.00	585	120,110	994	153,430.0	17.19	16.33
<b>FOOD CROPS</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vegetables	25	490.00	22	330.00	42	1,670.00	13	1,000.00	-	-	102	3,490.0	1.76	0.37
Beans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Soya Beans	-	-	-	-	-	-	-	-	1	6,000.00	1	6,000.0	0.02	0.64
Grains	2	10.00	124	1,785.00	1,124	47,878.00	1,104	99,759.00	893	261,109.00	3,247	410,541.0	56.15	43.71
Tuber/Roots	-	-	2	40.00	116	4,915.00	198	17,391.00	400	145,820.00	716	168,166.0	12.38	17.90
<b>Sub-Total</b>	<b>27</b>	<b>500.00</b>	<b>148</b>	<b>2,155.00</b>	<b>1,282</b>	<b>54,463.00</b>	<b>1,315</b>	<b>118,150.00</b>	<b>1,294</b>	<b>412,929.00</b>	<b>4,066</b>	<b>588,197.0</b>	<b>70.31</b>	<b>62.62</b>
<b>CASH CROPS</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Oil Palm	-	-	-	-	-	-	-	-	13	6,060.00	13	6,060.0	0.22	0.65
Rubber	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ginger	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cotton	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Groundnuts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cocoa	-	-	-	-	23	930.00	3	230.00	6	2,670.00	32	3,830.0	0.55	0.41
<b>Sub-Total</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0.00</b>	<b>23</b>	<b>930.00</b>	<b>3</b>	<b>230.00</b>	<b>19</b>	<b>8,730.00</b>	<b>45</b>	<b>9,890.0</b>	<b>0.78</b>	<b>1.05</b>
<b>OTHERS</b>	-	-	-	-	31	975.00	1	55.00	6	11,250.00	38	12,280.0	0.66	1.31
<b>Total</b>	<b>27</b>	<b>500.00</b>	<b>148</b>	<b>2,155.00</b>	<b>1,474</b>	<b>62,690.00</b>	<b>1,822</b>	<b>164,878.00</b>	<b>2,312</b>	<b>709,059.00</b>	<b>5,783</b>	<b>939,282.00</b>	<b>100.00</b>	<b>100.00</b>



**Table 3**  
**Currency in Circulation**  
**(Naira Billion)**

Year	Month	Vault Cash	Currency Outside Banks	Currency in Circulation
<b>2009</b>	December	254.3	927.2	1,181.5
<b>2010</b>	January	247.7	820.5	1,068.2
	February	237.3	812.1	1,049.4
	March	252.9	833.6	1,086.5
	April	241.3	831.3	1,072.6
	May	239.3	817.4	1,056.7
	June	268.2	795.4	1,063.6
	July	271.2	805.7	1,076.9
	August	272.5	822.2	1,094.7
	September	244.5	880.9	1,125.4
	October	278.3	874.9	1,153.2
	November	335.3	892.3	1,227.6
	December	295.8	1,082.3	1,378.1
<b>2011</b>	January	307.0	1,033.4	1,340.4
	February	312.2	1,024.7	1,336.8
	March	303.7	1,112.7	1,416.4
	April	351.2	1,141.1	1,492.3
	May	346.6	1,055.2	1,401.8
	June	337.5	1,016.4	1,354.0
	July	303.9	1,040.3	1,344.2
	August	319.2	1,061.1	1,380.3
	September	330.6	1,011.8	1,342.4
	October	321.4	1,037.6	1,359.0
	November	321.6	1,069.4	1,391.0
	December	320.9	1,245.1	1,566.0
<b>2012</b>	January	382.3	1,093.7	1,476.1
	February	356.9	1,081.7	1,438.6
	March*	291.4	1,141.4	1,432.8
	April*	311.1	1,111.1	1,422.4
	May*	277.2	1,121.6	1,399.0
	June*	275.3	1,088.3	1,363.7
	July*	285.4	1,076.8	1,362.6
	August*	287.1	1,080.8	1,368.2
	September*	278.3	1,070.2	1,348.8
	October*	304.1	1,153.6	1,458.2
	November*	289.9	1,140.6	1,431.0
	December*	329.8	1,301.2	1,631.7
<b>2013</b>	January	301.5	1,155.7	1,457.2
	February	273.7	1,163.7	1,437.5
	March	265.9	1,242.6	1,508.5
	April	284.8	1,185.3	1,470.1
	May	297.0	1,160.6	1,457.7
	June	297.7	1,127.8	1,425.5
	July	315.7	1,141.6	1,457.3
	August	290.8	1,152.6	1,443.3
	September	305.9	1,168.2	1,474.0
	October	300.0	1,249.5	1,549.5
	November	272.5	1,298.5	1,571.0
	December**	329.8	1,447.1	1,776.8

\* Revised

**\*\* Provisional**

DRAFT

**Table 4**  
**Money Supply and Its Determinants 1/**  
**(Naira Billion)**

DRAFT

Category	Dec-09	Dec-10	Dec-11	Dec-12	Dec-13 2/
<b>1.Domestic Credit (net)</b>	<b>7,862,641.39</b>	<b>8,498,646.42</b>	<b>13,152,869.08</b>	<b>12,698,205.05</b>	<b>15,040,696.01</b>
(a) Claims on Federal Government (net)	-2,356,694.72	-1,331,697.66	-1,030,722.73	-2,453,557.09	-1,468,776.49
By Central Bank	-3,731,603.83	-2,884,013.44	-3,514,447.09	-3,574,376.40	-2,101,616.08
By Commercial Banks	1,374,909.12	1,552,315.78	2,483,724.36	1,120,543.34	596,989.86
By Merchant Banks					36,606.47
By Non Interest Banks				275.98	-756.74
(b) Claims on Private Sector	10,219,336.11	9,830,344.08	14,183,591.82	15,151,762.15	16,509,472.50
By Central Bank	551,459.43	632,171.02	4,569,146.02	4,708,311.82	4,917,493.06
By Commercial Banks	9,667,876.68	9,198,173.06	9,614,445.80	10,440,956.33	11,543,649.93
By Merchant Banks					37,919.13
By Non Interest Banks				2,493.99	10,410.38
(i) Claims on State and Local Governments 3/	310,324.27	369,809.82	513,218.66	665,879.27	778,126.93
By Central Bank	0.00	0.00	0.00	0.00	0.00
By Commercial Banks	310,324.27	369,809.82	513,218.66	665,879.27	776,698.03
By Merchant Banks					1,428.90
By Non Interest Banks				0.00	0.00
(ii) Claims on Non-Financial Public Enterprises	13,249.36	0.00	0.00	0.00	23,578.28
By Central Bank	13,249.36	0.00	0.00	0.00	23,578.28
By Commercial Banks	0.00	0.00	0.00	0.00	0.00
By Merchant Banks					0.00
By Non Interest Banks				0.00	0.00
(iii) Claims on Other Private Sector	9,895,762.48	9,460,534.26	13,670,373.16	14,485,882.87	15,707,767.28
By Central Bank	538,210.07	632,171.02	4,569,146.02	4,708,311.82	4,893,914.78
By Commercial Banks	9,357,552.41	8,828,363.23	9,101,227.14	9,775,077.06	10,766,951.89
By Merchant Banks					36,490.23
By Non Interest Banks				2,493.99	10,410.38
(2) Foreign Assets (net) 4/	7,593,321.82	6,506,618.59	7,138,672.78	9,043,678.68	8,513,268.89
By Central Bank	6,522,239.52	5,372,285.81	5,823,794.26	7,393,557.68	6,898,546.52
By Commercial Banks	1,071,082.30	1,134,332.78	1,314,878.51	1,647,936.45	1,611,727.94
By Merchant Banks				0.00	1,089.63
By Non Interest Banks				2,184.56	1,904.80
(3) Other Assets (net)	-4,675,336.07	-3,479,734.66	-6,988,047.36	-6,258,036.21	-7,885,012.61
<b>Total Monetary Assets</b>	<b>10,780,627.14</b>	<b>11,525,530.34</b>	<b>13,303,494.50</b>	<b>15,483,847.53</b>	<b>15,668,952.29</b>
Quasi-Money 5/	5,763,511.22	5,954,260.45	6,531,913.01	8,062,901.35	8,656,124.80
Money Supply	5,017,115.93	5,571,269.89	6,771,581.49	7,420,946.18	7,012,827.49
Currency Outside Banks	927,236.44	1,082,295.07	1,245,135.35	1,301,160.63	1,447,060.44
Demand Deposits 6/	4,089,879.48	4,488,974.82	5,526,446.14	6,119,785.55	5,565,767.05
<b>Total Monetary Liabilities</b>	<b>10,780,627.14</b>	<b>11,525,530.34</b>	<b>13,303,494.50</b>	<b>15,483,847.53</b>	<b>15,668,952.29</b>
<b>GROWTH RATE OVER THE PRECEDING DECEMBER (%)</b>					
Credit to the Domestic Economy (net)	59.88	8.09	54.76	-3.46	18.45
Credit to the Private Sector	26.80	-3.81	44.28	6.83	8.96
Claims on Federal Government (net)	25.92	43.49	22.60	-138.04	40.14
By Central Bank	17.66	22.71	-21.86	-1.71	41.20
Claims on State and Local Governments	107.21	19.17	38.78	29.75	16.86
Claims on Non-Financial Public Enterprises					
Credit to the Other Private Sector	25.11	-4.40	44.50	5.97	8.44
Foreign Assets (net)	-11.19	-14.31	9.71	26.69	-5.86
Other Assets (net)	-9.09	25.57	-100.82	10.45	-26.00
Quasi-Money	33.74	3.31	9.70	23.44	7.36
Money Supply (M1)	3.29	11.05	21.54	9.59	-5.50
Broad Money (M2)	17.60	6.91	15.43	16.39	1.20

## NOTES :

- 1/ Revised
- 2/ Provisional
- 3/ For the purpose of monetary and credit survey, credit to government sector refers strictly to Federal Government and excludes state and local governments.
- 4/ External assets and liabilities were converted into naira at the official rate on the balance sheet date, except holdings purchased at the AFEM.
- 5/ Quasi-Money consists of Time, Savings and Foreign Currency Deposits of Commercial, Merchant and Non-Interest Banks, excluding takings from Discount Houses.
- 6/ Demand Deposits consist of state, local and parastatals deposits at the CBN; state, local and private sector deposits as well as demand deposits of non-financial public enterprises at commercial, merchant and non-interest banks.

Source: Central Bank of Nigeria

**Table 5**  
**Banking System Credit to the Economy**  
**(Naira Million)**

End of Month	Aggregate Credit to the Economy	Credit to Federal Govt	Credit to Private Sector	Credit to State & Local Governments	Credit to Non-Financial Public Enterprises	Credit to 'Other' Private Sector	Central Bank Credit to					Deposit Money Banks Credit to				
							Federal Government	Private Sector	State & Local Governments	Non-Financial Public Enterprises	'Other' Private Sector	Federal Government	Private Sector	State & Local Governments	'Other' Private Sector	
2009																
January	5,001,648.4	-3,506,931.1	8,508,579.5	264,287.9	0.0	8,244,291.6	-4,583,401.3	295,217.5	0.0	0.0	295,217.5	1,076,470.1	8,213,362.0	264,287.9	7,949,074.0	
February	4,324,858.2	-4,143,119.9	8,467,978.1	260,251.6	0.0	8,207,726.5	-5,040,270.0	340,924.2	0.0	0.0	340,924.2	897,150.2	8,127,053.9	260,251.6	7,866,802.3	
March	4,620,518.2	3,605,924.4	8,226,442.6	210,869.8	0.0	8,015,572.8	-4,658,177.1	313,611.6	0.0	0.0	313,611.6	1,052,252.8	7,912,830.9	210,869.8	7,701,961.2	
April	5,038,211.1	-3,106,511.3	8,379,909.0	213,670.0	0.0	8,166,239.1	-4,350,533.7	324,755.9	0.0	0.0	324,755.9	1,008,835.8	8,055,153.1	213,670.0	7,841,483.1	
May	5,246,649.1	-3,262,697.1	8,509,346.3	250,069.4	0.0	8,259,276.9	-4,304,546.8	321,497.9	0.0	0.0	321,497.9	1,041,849.6	8,187,848.3	250,069.4	7,937,778.9	
June	5,406,926.5	-3,150,018.1	8,556,944.7	251,661.2	0.0	8,305,283.5	-4,348,811.3	336,125.0	0.0	0.0	336,125.0	1,198,793.2	8,220,819.7	251,661.2	7,969,158.5	
July	5,723,916.2	-3,302,158.3	9,026,074.5	274,338.8	0.0	8,751,735.7	-4,393,800.8	423,809.9	0.0	0.0	423,809.9	1,091,642.5	8,602,264.6	274,338.8	8,327,925.8	
August	6,394,216.5	-3,280,802.2	9,675,017.7	280,416.2	0.0	9,394,601.5	-4,309,740.0	468,378.8	0.0	0.0	468,378.8	1,028,937.8	9,206,638.9	280,416.2	8,926,222.7	
September	6,854,251.4	-2,957,111.8	9,811,363.3	294,951.7	0.0	9,516,411.6	-3,970,780.4	445,686.8	0.0	0.0	445,686.8	1,013,668.6	9,365,676.4	294,951.7	9,070,724.8	
October	7,131,494.8	-2,722,121.4	9,853,616.2	282,892.8	0.0	9,570,723.4	-3,977,385.1	362,376.3	0.0	0.0	362,376.3	1,255,263.7	9,491,239.9	282,892.8	9,208,347.1	
November	7,424,739.0	-2,585,242.4	9,989,981.5	302,620.3	0.0	9,687,361.2	-3,949,873.5	398,900.9	0.0	0.0	398,900.9	1,384,631.0	9,591,080.6	302,620.3	9,288,460.4	
December	7,917,041.1	-2,302,294.7	10,219,336.1	310,324.3	13,249.4	9,895,762.5	-3,731,603.8	551,459.4	0.0	13,249.4	538,210.1	1,429,309.2	9,667,876.7	310,324.3	9,357,552.4	
Monthly Average	5,923,705.9	-2,559,423.7	9,102,049.1	266,362.8	1,104.1	8,834,582.2	-4,301,577.0	381,895.4	0.0	1,104.1	380,791.2	1,123,233.7	8,720,153.8	266,362.8	8,453,790.9	
2010																
January	7,748,513.4	-2,333,484.9	10,081,998.3	310,251.1	13,249.4	9,758,497.8	-3,892,223.4	502,448.7	0.0	13,249.4	489,199.3	1,558,738.5	9,579,549.6	310,251.1	9,269,298.5	
February	8,044,868.0	-2,024,593.1	10,069,461.1	304,693.3	13,249.4	9,751,518.5	-3,577,465.3	418,836.0	0.0	13,249.4	405,586.6	1,552,872.2	9,650,625.1	304,693.3	9,345,931.9	
March	8,268,423.5	-1,782,248.4	10,050,671.9	321,814.4	13,249.4	9,715,608.1	-3,434,395.3	438,681.9	0.0	13,249.4	425,432.6	1,652,146.9	9,611,990.0	321,814.4	9,290,175.6	
April	8,165,066.4	-1,914,158.8	10,079,225.2	331,350.3	13,249.4	9,734,625.5	-3,424,015.6	389,077.2	0.0	13,249.4	375,827.9	1,509,856.8	9,690,148.0	331,350.3	9,358,797.7	
May	8,561,185.7	-1,465,783.4	10,026,969.1	315,763.9	13,249.4	9,697,955.8	-3,043,976.1	375,484.3	0.0	13,249.4	362,234.9	1,578,192.7	9,651,484.7	315,763.9	9,335,720.8	
June	8,516,895.6	-1,585,921.9	10,102,817.5	319,167.1	0.0	9,783,650.4	-3,272,806.1	396,545.3	0.0	0.0	396,545.3	1,686,884.2	9,706,272.2	319,167.1	9,387,105.1	
July	8,343,791.6	-1,566,914.0	9,910,705.6	286,697.3	0.0	9,624,008.3	-3,270,122.2	488,181.4	0.0	0.0	488,181.4	1,703,208.1	9,422,524.2	286,697.3	9,135,826.9	
August	9,160,305.0	-952,896.4	10,113,201.4	294,724.9	0.0	9,818,476.5	-2,748,070.5	493,564.1	0.0	0.0	493,564.1	1,795,174.1	9,619,637.3	294,724.9	9,324,912.4	
September	9,012,118.5	-1,323,996.3	10,336,114.8	341,241.2	0.0	9,994,873.6	-3,037,356.8	564,780.9	0.0	0.0	564,780.9	1,713,360.5	9,771,333.9	341,241.2	9,430,092.7	
October	9,315,228.3	-1,219,137.5	10,534,365.8	384,831.2	0.0	10,149,534.6	-2,894,776.9	664,063.8	0.0	0.0	664,063.8	1,675,639.4	9,870,302.1	384,831.2	9,485,470.8	
November	9,326,056.8	-1,422,322.6	10,748,379.3	365,652.0	0.0	10,382,727.3	-2,976,072.8	683,581.8	0.0	0.0	683,581.8	1,553,750.3	10,064,797.6	365,652.0	9,699,145.6	
December	8,498,646.4	-1,331,697.7	9,830,344.1	369,809.8	0.0	9,460,534.3	-2,884,013.4	632,171.0	0.0	0.0	632,171.0	1,552,315.8	9,198,173.1	369,809.8	8,828,363.2	
Monthly Average	8,580,091.6	-1,576,929.6	10,157,021.2	328,833.0	5,520.6	9,822,667.6	-3,204,607.9	503,951.4	0.0	5,520.6	498,430.8	1,627,678.3	9,653,069.8	328,833.0	9,324,236.8	
2011																
January	8,580,840.0	-835,866.9	9,416,706.9	391,043.7	0.0	9,025,663.2	-2,823,207.4	532,558.4	0.0	0.0	532,558.4	1,987,340.5	8,884,148.5	391,043.7	8,493,104.9	
February	8,311,078.5	-867,211.1	9,178,289.6	355,550.5	0.0	8,822,739.0	-2,965,983.0	424,370.6	0.0	0.0	424,370.6	2,098,772.0	8,753,919.0	355,550.5	8,398,368.4	
March	7,996,427.3	-1,450,519.0	9,446,946.3	376,771.7	0.0	9,070,174.6	-3,401,443.7	437,507.5	0.0	0.0	437,507.5	1,950,924.7	9,009,438.9	376,771.7	8,632,667.2	
April	8,904,957.0	-995,077.2	9,900,034.2	364,193.4	0.0	9,535,840.7	-2,544,344.0	447,451.8	0.0	0.0	447,451.8	1,549,266.8	9,452,582.4	364,193.4	9,088,388.9	
May	8,758,459.8	-1,090,788.9	9,849,248.7	379,327.5	0.0	9,469,921.2	-2,718,423.3	633,818.1	0.0	0.0	633,818.1	1,627,634.4	9,215,430.6	379,327.5	8,836,103.1	
June	8,695,736.7	-1,262,213.2	9,957,949.9	420,237.9	0.0	9,537,711.9	-2,733,579.8	726,392.5	0.0	0.0	726,392.5	1,471,366.6	9,231,557.4	420,237.9	8,811,319.4	
July	7,920,555.8	-2,031,258.6	9,951,814.4	369,903.9	0.0	9,581,910.5	-3,464,889.4	792,614.9	0.0	0.0	792,614.9	1,433,630.8	9,159,199.5	369,903.9	8,789,295.6	
August	9,689,881.4	-1,194,345.0	10,884,226.4	411,873.8	0.0	10,472,352.6	-2,992,863.6	823,353.3	0.0	0.0	823,353.3	1,798,518.7	10,060,873.1	411,873.8	9,648,999.3	
September	9,894,881.0	-1,215,856.0	11,110,737.0	400,160.8	0.0	10,710,576.2	-3,248,412.9	870,333.5	0.0	0.0	870,333.5	2,032,556.9	10,240,403.5	400,160.8	9,840,242.7	
October	9,769,718.2	-1,868,707.2	11,638,425.3	432,826.2	0.0	11,205,599.1	-3,992,274.9	2,145,513.7	0.0	0.0	2,145,513.7	2,123,567.7	9,492,911.7	432,826.2	9,060,085.5	
November	10,847,558.2	-1,555,333.4	12,402,891.6	405,517.0	0.0	11,997,374.6	-3,670,432.3	2,689,502.2	0.0	0.0	2,689,502.2	2,115,098.9	9,713,389.4	405,517.0	9,307,872.4	
December	13,152,869.1	-1,030,722.7	14,183,591.8	513,218.7	0.0	13,670,373.2	-3,514,447.1	4,569,146.0	0.0	0.0	4,569,146.0	2,483,724.4	9,614,445.8	513,218.7	9,101,227.1	
Monthly Average	9,376,913.6	-1,283,158.3	10,660,071.8	401,718.8	0.0	10,258,353.1	-3,172,525.1	1,257,713.5	0.0	0.0	1,257,713.5	1,889,366.9	9,402,358.3	401,718.8	9,000,639.5	

/1 Revised

/2 Provisional

DRAFT

**Table 5 Cont.**  
**Banking System Credit to the Economy**  
**(Naira Million)**

End of Month	Aggregate Credit to the Economy	Credit to Federal Govt	Credit to Private Sector	Credit to State & Local Governments	Credit to Non-Financial Public Enterprises	Credit to 'Other' Private Sector	Central Bank Credit to					Deposit Money Banks Credit to			
							Federal Government	Private Sector	State & Local Governments	Non-Financial Public Enterprises	'Other' Private Sector	Federal Government	Private Sector	State & Local Governments	'Other' Private Sector
<b>2012 /1</b>															
January	13,162,285.9	-1,479,265.1	14,641,551.0	494,149.6	0.0	14,147,401.4	-3,546,326.9	4,584,940.0	0.0	0.0	4,584,940.0	2,067,061.8	10,056,611.1	494,149.6	9,562,461.4
February	12,849,847.5	-1,160,964.9	14,010,812.4	508,129.6	0.0	13,502,682.7	-3,264,912.7	4,579,149.1	0.0	0.0	4,579,149.1	2,103,947.9	9,431,663.3	508,129.6	8,923,533.6
March	13,264,928.9	-854,957.1	14,119,886.1	538,114.3	0.0	13,581,771.7	-3,202,625.7	4,599,334.1	0.0	0.0	4,599,334.1	2,347,668.6	9,520,552.0	538,114.3	8,982,437.6
April	12,936,330.1	-1,256,292.7	14,192,622.8	552,117.2	0.0	13,640,505.5	-3,494,482.4	4,642,383.4	0.0	0.0	4,642,383.4	2,238,189.8	9,550,239.4	552,117.2	8,998,122.1
May	12,609,078.3	-1,863,509.9	14,472,588.2	572,132.3	0.0	13,900,455.9	-3,998,576.0	4,730,614.1	0.0	0.0	4,730,614.1	2,135,066.1	9,741,974.2	572,132.3	9,169,841.9
June	13,019,453.7	-1,681,604.7	14,701,058.4	586,273.7	0.0	14,114,784.7	-3,723,009.9	4,652,650.4	0.0	0.0	4,652,650.4	2,041,405.2	10,048,408.0	586,273.7	9,462,134.4
July	12,846,189.5	-1,999,193.8	14,845,383.3	592,398.4	0.0	14,252,984.9	-3,897,081.7	4,610,184.7	0.0	0.0	4,610,184.7	1,897,887.8	10,235,198.7	592,398.4	9,642,800.2
August	12,725,514.1	-1,982,468.0	14,707,982.1	580,624.5	0.0	14,127,357.6	-3,518,392.2	4,448,812.6	0.0	0.0	4,448,812.6	1,535,924.1	10,259,169.5	580,624.5	9,678,545.1
September	12,886,595.3	-1,867,404.2	14,753,999.5	599,030.7	0.0	14,154,968.8	-3,412,289.4	4,478,198.7	0.0	0.0	4,478,198.7	1,544,885.2	10,275,800.8	599,030.7	9,676,770.1
October	13,093,616.6	-1,847,500.9	14,941,117.5	615,248.1	27.3	14,325,842.2	-4,114,644.9	4,619,913.5	0.0	27.3	4,619,886.3	2,267,144.0	10,321,204.0	615,248.1	9,705,955.9
November	13,827,813.6	-1,424,740.4	15,252,554.0	644,846.8	54.5	14,607,652.7	-3,712,145.1	4,651,086.7	0.0	54.5	4,651,032.2	2,287,404.7	10,601,467.3	644,846.8	9,956,620.5
December	12,698,205.1	-2,453,557.1	15,151,762.1	665,879.3	0.0	14,485,882.9	-3,574,376.4	4,708,311.8	0.0	0.0	4,708,311.8	1,120,819.3	10,443,450.3	665,879.3	9,777,571.1
<b>Monthly Average</b>	<b>12,993,321.6</b>	<b>-1,655,954.9</b>	<b>14,649,276.5</b>	<b>579,078.7</b>	<b>6.8</b>	<b>14,070,190.9</b>	<b>-3,621,571.9</b>	<b>4,608,798.2</b>	<b>0.0</b>	<b>6.8</b>	<b>4,608,791.4</b>	<b>1,965,617.0</b>	<b>10,040,478.2</b>	<b>579,078.7</b>	<b>9,461,399.5</b>
<b>2013 /2</b>															
January	12,489,950.8	-2,502,762.4	14,992,713.2	680,685.4	0.0	14,312,027.9	-3,538,254.0	4,698,428.5	0.0	0.0	4,698,428.5	1,035,491.6	10,294,284.7	680,685.4	9,613,599.3
February	12,808,673.4	-2,276,494.7	15,085,168.1	649,633.7	0.0	14,435,534.4	-3,351,341.3	4,741,575.2	0.0	0.0	4,741,575.2	1,074,846.5	10,343,592.9	649,633.7	9,693,959.2
March	12,740,967.9	-2,520,968.2	15,261,936.1	662,014.3	0.0	14,599,921.8	-3,375,852.3	4,754,751.8	0.0	0.0	4,754,751.8	854,884.1	10,507,184.3	662,014.3	9,845,170.0
April	13,205,410.9	-2,202,764.5	15,408,175.4	690,871.3	0.0	14,717,304.1	-3,041,688.8	4,795,017.2	0.0	0.0	4,795,017.2	838,924.3	10,613,158.2	690,871.3	9,922,286.9
May	13,235,702.5	-2,249,527.4	15,485,229.9	652,143.0	0.0	14,833,086.9	-3,022,021.9	4,687,396.6	0.0	0.0	4,687,396.6	772,494.5	10,797,833.4	652,143.0	10,145,690.3
June	13,149,382.5	-2,542,654.4	15,692,036.9	661,034.9	0.0	15,031,002.0	-3,519,920.5	4,703,313.2	0.0	0.0	4,703,313.2	977,266.1	10,988,723.7	661,034.9	10,327,688.8
July	13,820,799.6	-1,975,740.9	15,796,540.5	723,398.1	0.0	15,073,142.4	-2,854,748.1	4,651,415.6	0.0	0.0	4,651,415.6	879,007.2	11,145,124.9	723,398.1	10,421,726.8
August	13,187,602.7	-2,913,532.9	16,101,135.6	724,922.2	0.0	15,376,213.3	-3,007,231.7	4,638,051.2	0.0	0.0	4,638,051.2	93,698.8	11,463,084.4	724,922.2	10,738,162.2
September	13,087,827.9	-3,191,362.4	16,279,190.3	704,921.5	0.0	15,574,268.8	-2,990,577.3	4,820,183.7	0.0	0.0	4,820,183.7	-200,785.1	11,459,006.5	704,921.5	10,754,085.1
October	13,627,217.6	-2,649,138.7	16,276,356.3	707,413.3	0.0	15,568,943.0	-2,735,348.5	4,835,381.8	0.0	0.0	4,835,381.8	86,209.8	11,440,974.6	707,413.3	10,733,561.2
November	14,092,824.7	-2,358,883.3	16,451,708.0	731,202.6	0.0	15,720,505.4	-2,606,418.5	4,829,926.2	0.0	0.0	4,829,926.2	247,535.2	11,621,781.8	731,202.6	10,890,579.2
December	15,040,696.0	-1,468,776.5	16,509,472.5	778,126.9	23,578.3	15,707,767.3	-2,101,616.1	4,917,493.1	0.0	23,578.3	4,893,914.8	632,839.6	11,591,979.4	778,126.9	10,813,852.5
<b>Monthly Average</b>	<b>13,373,921.4</b>	<b>-2,404,383.9</b>	<b>15,778,305.2</b>	<b>697,197.3</b>	<b>1,964.9</b>	<b>15,079,143.1</b>	<b>-3,012,084.9</b>	<b>4,756,077.8</b>	<b>0.0</b>	<b>1,964.9</b>	<b>4,754,113.0</b>	<b>607,701.0</b>	<b>11,022,227.4</b>	<b>697,197.3</b>	<b>10,325,030.1</b>

/1 Revised  
/2 Provisional

DRAFT



**Table 6**  
**Summary of Deposit Money Banks' Activities**

	2009	2010	2011	2012 /1	2013 /2	2009	2010	2011	2012 /1	2013 /2
Item						Growth (%)				
Reserves /3	710,264.45	793,721.12	1,820,936.26	3,543,381.66	4,179,454.40	-27.98	11.75	129.42	94.59	17.95
Aggregate Credit (Net)	11,340,061.50	11,217,244.84	12,878,259.06	11,793,742.42	12,207,717.51	14.57	-1.08	14.81	-8.42	3.51
Loans and Advances	8,451,378.22	6,629,580.72	6,489,761.77	6,833,636.59	9,609,579.85	11.17	-21.56	-2.11	5.30	40.62
Total assets	17,522,858.25	17,331,559.02	19,396,633.76	21,303,951.77	24,468,266.24	10.07	-1.09	11.92	9.83	14.85
Total Deposit Liabilities	9,150,037.67	9,784,542.41	11,452,763.25	13,135,887.35	13,825,188.77	14.95	6.93	17.05	14.70	5.25
Demand deposits	3,386,526.45	3,830,281.95	4,920,850.24	5,072,986.00	5,169,063.97	-7.23	13.10	28.47	3.09	1.89
Time, Savings & Foreign Currencies Deposits	5,763,511.22	5,954,260.45	6,531,913.01	8,062,901.35	8,656,124.80	33.74	3.31	9.70	23.44	7.36
Foreign Assets (Net)	1,071,082.30	1,134,332.78	1,314,878.51	1,650,121.00	1,614,722.37	-16.30	5.91	15.92	25.50	-2.15
Credit from Central Bank	409,159.05	418,714.00	294,984.06	228,036.25	262,170.55	209.51	2.34	-29.55	-22.70	14.97
Capital Accounts	4,930,613.04	2,217,804.45	3,682,121.44	3,640,682.01	3,915,303.30	46.54	-55.02	66.03	-1.13	7.54
Capital & Reserves	2,201,835.97	429,608.99	2,486,966.78	2,408,141.11	2,649,166.02	-21.04	-80.49	478.89	-3.17	10.01
Other Provisions	2,728,777.07	1,788,195.45	1,195,154.66	1,232,540.90	1,266,137.28	373.62	-34.47	-33.16	3.13	2.73
Average Liquidity Ratio (%)	31.01	29.59	25.50	43.67	59.58	-15.82	-4.59	-13.81	71.22	36.45
Average Loan/Deposit Ratio (%)	87.96	76.93	46.91	45.49	38.32	1.73	-12.54	-39.02	-3.03	-15.76

/1 Revised

/2 Provisional

/3 Includes CBN Bills held by Deposit Money Banks

DRAFT

**Table 7**  
**Deposit Money Banks' Sources and Application of Funds**  
**(Naira Million)**

DRAFT

Item	2009		2010		2011		2012		2013 /2	
	Sources	Application	Sources	Application	Sources	Application	Sources	Application	Sources	Application
<b>Assets</b>										
Reserves	-23,657.6	0.0	-34,043.2	0.0	0.0	41,578.9	0.0	149,762.6	0.0	558,665.5
Foreign assets	-22,565.8	0.0	-11,164.1	0.0	-125,026.6	0.0	-115,631.6	0.0	0.0	15,351.8
Claims on Central Bank									(102,352.9)	0.0
Claims on Central Government	0.0	101,251.3	0.0	94,667.8	0.0	377,661.2	0.0	38,585.6	0.0	482,584.7
Claims on State & Local Government	0.0	19,727.4	0.0	4,157.8	0.0	107,701.7	0.0	21,032.5	0.0	46,924.3
Claims on Private Sector	0.0	80,113.3	-954,169.1	0.0	-206,645.2	0.0	-177,702.4	0.0	(83,189.7)	0.0
Claims on Other Financial Institutions	-24,662.7	0.0	0.0	23,934.8	0.0	114,686.0	-31,271.5	0.0	(18,003.5)	0.0
Unclassified Assets	0.0	92,228.6	-97,416.6	0.0	-184,403.4	0.0	-428,197.1	0.0	(87,821.8)	0.0
<b>Liabilities</b>										
Demand Deposits	163,341.5	0.0	34,651.4	0.0	678,265.6	0.0	26,223.8	0.0	390,190.1	0.0
Time, Savings & Foreign Currency Deposits	0.0	0.0	85,851.2	0.0	94,722.6	0.0	0.0	-118,630.1	288,700.7	0.0
Money Market Instruments	43,709.2	0.0	0.0	-34,296.3	12,936.5	0.0	0.0	-130,923.6	0.0	(2,078.6)
Bonds	0.0	-3,340.6	843.6	0.0	2,966.2	0.0	0.0	-1,303.1	44,123.0	0.0
Foreign Liabilities	0.0	-38,197.9	393.6	0.0	41,827.1	0.0	0.0	-13,473.5	65,366.0	0.0
Central Government Deposits	0.0	-28,116.1	24,018.9	0.0	0.0	-162,599.8	104,438.1	0.0	100,654.8	0.0
Credit from Central Bank	0.0	-46,949.9	0.0	-45,589.9	51,554.2	0.0	0.0	-31,297.8	0.0	(13,574.9)
Capital Accounts	403,437.8	0.0	0.0	-1,131,709.7	0.0	-242,626.9	1,722.7	0.0	0.0	(17,796.7)
Unclassified Liabilities	0.0	-268,206.2	91,804.6	0.0	0.0	-351,492.9	0.0	-380,178.4	0.0	(43,425.9)
<b>Funds Sourced &amp; Used</b>	<b>681,374.5</b>	<b>681,374.5</b>	<b>1,334,356.4</b>	<b>1,334,356.4</b>	<b>1,398,347.5</b>	<b>1,398,347.5</b>	<b>885,187.2</b>	<b>885,187.2</b>	<b>1,180,402.5</b>	<b>1,180,402.5</b>

/1 Revised

/2 Provisional

**Table 8**  
**Summary of Microfinance Banks' Activities**  
**(Naira Million/ unless otherwise stated)**

Item	2009	2010	2011	2012 /1	2013 /2
Number of Licensed CBs/MFBs	828	801	873	879	820
Number of Reporting CBs/MFBs	828	801	474	566	820
Number of Non-Reporting CBs/MFBs					
Capital and Reserves	45,258.60	43,997.50	29,094.80	53,282.13	72,963.74
Total Assets	158,795.90	170,338.90	117,872.10	222,766.59	270,896.14
Deposit Liabilities	72,750.60	75,739.60	59,375.90	132,154.70	135,918.73
Loans & Advances (Net)	55,818.90	52,867.50	50,928.30	96,971.56	129,026.97
Investments	7,753.60	8,674.20	8,959.80	14,529.43	14,703.04
Average Loan/ Deposit Ratio (%)	76.73	69.80	85.77	87.85	94.90
Percentage Change (%)					
Number of Reporting Banks	11	-3	-41	19	45
Capital and Reserves	35.66	-2.79	-33.87	32.46	36.94
Total Assets	37.93	7.27	-30.80	44	21.61
Deposit Liabilities	24.40	4.11	-21.61	45.64	2.85
Loans & Advances (Net)	32.82	-5.29	-3.67	49.16	33.06
Investments	5.96	11.87	3.29	32.01	1.19
Sectoral Distribution of Loans & Advances					
(i) Agriculture and Forestry	5,957.80	5,102.90	4,679.22	4,511.68	4,803.12
(ii) Mining & Quarrying	491.98	520.40	329.44	490.52	603.25
(iii) Manufacturing	2,624.97	2,172.80	1,728.85	2,318.02	2,937.27
(iv) Real Estate and Construction	2,411.45	2,257.40	1,725.45	4,047.36	2,616.01
(v) Commerce	25,036.66	23,333.77	32,873.24	48,811.69	50,008.04
(vi) Transportation/Communication	3,357.01	2,642.10	3,241.71	3,245.49	3,401.44
(vii) Others	20,554.89	16,957.00	12,118.47	21,848.46	48,257.90
Deposits and Lending Rates (average %)					
(i) Savings deposits	Negotiable	Negotiable	Negotiable	Negotiable	Negotiable
(ii) Time/Term deposits	Negotiable	Negotiable	Negotiable	Negotiable	Negotiable
(iii) Interest rate on Loan & Advances	Negotiable	Negotiable	Negotiable	Negotiable	Negotiable

/1 Revised  
/2 Provisional

**Table 9**  
**Discount Houses' Statements of Assets and Liabilities**  
**(Naira Million)**

DRAFT

Item	2009	2010	2011	2012 /1	2013 /2
<b>ASSETS</b>					
<b>CASH AND BALANCES WITH BANKS</b>	<b>2,398.27</b>	<b>5,917.80</b>	<b>2,415.55</b>	<b>4,315.18</b>	<b>1,278.47</b>
i) Cash on hand	0.74	1.00	1.52	1.34	0.20
ii) Balances with CBN	695.76	1,090.20	1,282.60	2,615.04	93.74
iii) Balances with other banks	1,701.77	4,826.60	1,131.43	1,698.80	1,184.53
<b>CLAIMS ON FEDERAL GOVERNMENT</b>	<b>230,233.24</b>	<b>261,044.83</b>	<b>223,277.50</b>	<b>266,823.58</b>	<b>94,394.70</b>
i) Treasury Bills	52,366.02	60,883.40	60,768.40	124,865.72	31,359.85
ii) FGN Bonds	177,867.22	200,161.43	162,509.10	141,957.87	63,034.85
iii) Treasury Certificate Maturing	0.00	0.00	0.00	0.00	0.00
iv) Treasury Bonds	0.00	0.00	0.00	0.00	0.00
v) Eligible Development Stock	0.00	0.00	0.00	0.00	0.00
<b>CLAIMS ON STATE GOVERNMENTS</b>	<b>0.00</b>	<b>1,350.57</b>	<b>5,186.80</b>	<b>5,696.40</b>	<b>2,536.65</b>
<b>CLAIMS ON BANKS</b>	<b>2,150.39</b>	<b>8,767.14</b>	<b>10,807.44</b>	<b>2,549.45</b>	<b>9,948.59</b>
i) Money at Call	0.00	6,700.00	10,751.94	250.00	9,948.59
ii) Loans and Advances	0.00	500.00	0.00	0.00	0.00
iii) Commercial Bills:	2,150.39	1,019.90	0.00	1,523.78	0.00
a) Bankers Acceptances	0.00	0.00	0.00	0.00	0.00
b) Promissory Notes	0.00	0.00	0.00	0.00	0.00
c) Negotiable Certificate of Deposit	0.00	0.00	0.00	0.00	0.00
d) Stabilisation Securities	0.00	0.00	0.00	0.00	0.00
iv) Others	0.00	547.25	55.50	775.67	0.00
<b>CLAIMS ON OTHER FINANCIAL INSTITUTIONS</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Money at Call	0.00	0.00	0.00	0.00	0.00
Loans and advances	0.00	0.00	0.00	0.00	0.00
Commercial Bills:	0.00	0.00	0.00	0.00	0.00
a) Promissory Notes	0.00	0.00	0.00	0.00	0.00
b) Negotiable Certificate of Deposit/Others	0.00	0.00	0.00	0.00	0.00
<b>CLAIMS ON OTHERS</b>	<b>88,269.07</b>	<b>60,375.60</b>	<b>35,048.36</b>	<b>35,834.56</b>	<b>12,276.58</b>
i) Commercial Bills	67,770.25	40,134.50	12,553.22	12,992.44	9,363.47
ii) Loans and Advances	20,863.87	19,200.80	17,898.97	14,685.80	0.00
iii) Others	-365.05	1,040.30	4,596.17	8,156.32	2,913.11
<b>OTHER ASSETS</b>	<b>22,250.08</b>	<b>23,745.40</b>	<b>42,436.16</b>	<b>26,121.00</b>	<b>12,053.75</b>
<b>FIXED ASSETS</b>	<b>653.09</b>	<b>1,207.40</b>	<b>1,581.32</b>	<b>3,378.67</b>	<b>1,274.14</b>
<b>TOTAL ASSETS</b>	<b>345,954.13</b>	<b>362,408.50</b>	<b>320,753.13</b>	<b>344,718.83</b>	<b>133,762.88</b>
<b>LIABILITIES</b>					
<b>CAPITAL AND RESERVES</b>	<b>41,997.32</b>	<b>41,374.92</b>	<b>49,612.17</b>	<b>34,970.52</b>	<b>18,044.50</b>
i) Paid-up Capital	14,590.63	15,590.63	15,645.23	15,479.99	6,784.60
ii) Statutory Reserves	7,873.95	8,553.21	10,535.84	12,141.60	5,090.19
iii) Share Premium	4,737.25	4,737.25	4,737.30	4,737.30	3,090.28
iv) Other Reserves	7,762.92	6,579.17	11,019.80	11,099.07	1,346.28
v) General Reserve	7,032.59	5,914.66	7,674.00	-8,487.44	1,733.15
<b>MONEY-AT-CALL</b>	<b>206,713.23</b>	<b>247,727.66</b>	<b>152,927.72</b>	<b>206,301.85</b>	<b>62,559.15</b>
i) Commercial Banks	180,874.07	221,977.06	127,372.80	191,790.66	17,521.78
ii) Merchant Banks	0.00	0.00	0.00	0.00	0.00
iii) Non-Bank Financial Institutions	0.00	0.00	0.00	0.00	0.00
iv) Others	25,839.15	25,750.59	25,554.92	14,511.19	45,037.37
v) Associated Treasury Notes	0.00	0.00	0.00	0.00	0.00
<b>OTHER AMOUNT OWING TO:</b>	<b>69,467.87</b>	<b>22,833.10</b>	<b>54,242.50</b>	<b>56,458.80</b>	<b>40,018.54</b>
i) Commercial Banks	63,419.39	21,020.30	40,672.60	14,908.96	73.55
ii) Merchant Banks	0.00	0.00	0.00	0.00	0.00
iii) Non-Bank Financial Institutions	0.00	0.00	0.00	0.00	0.00
iv) Others	6,048.48	1,812.80	13,569.90	41,549.84	39,944.99
<b>BORROWINGS</b>	<b>16.90</b>	<b>5,850.00</b>	<b>3,000.00</b>	<b>0.00</b>	<b>0.00</b>
i) Central Bank of Nigeria	0.00	0.00	0.00	0.00	0.00
ii) Overdrafts	16.90	0.00	0.00	0.00	0.00
iii) Other Banks	0.00	5,850.00	3,000.00	0.00	0.00
<b>OTHER LIABILITIES</b>	<b>27,758.81</b>	<b>44,622.90</b>	<b>60,970.74</b>	<b>46,987.63</b>	<b>13,140.70</b>
<b>TOTAL LIABILITIES</b>	<b>345,954.13</b>	<b>362,409.50</b>	<b>320,753.13</b>	<b>344,718.81</b>	<b>133,762.89</b>

/1 Revised

/2 Provisional

**Table 10**  
**Summary of Assets and Liabilities of Finance Companies**  
**(Naira Million)**

Item	2009 /2	2010	2011	2012 /3	2013 /4
<b>1 Cash and Cash Items</b>	5,364.20	5,821.60	12,799.10	2,669.27	2,605.60
<b>2 Investments</b>	28,742.60	27,123.30	26,806.80	16,868.30	19,448.76
<b>3 Due from other Finance Companies</b>	27,648.10	22,044.00	12,324.10	10,961.88	11,571.85
<b>4. Loans and Advances</b>	32,345.60	30,646.30	33,356.70	23,772.24	46,679.83
<b>5. Fixed Assets</b>	7,593.40	9,046.50	9,814.70	8,584.81	7,548.55
<b>6. Other Assets</b>	16,442.50	19,099.90	19,819.30	15,450.98	15,197.73
<b>Total Assets</b>	<b>118,136.40</b>	<b>113,781.60</b>	<b>114,920.70</b>	<b>78,307.48</b>	<b>103,052.32</b>
<b>1.Capital and Reserves</b>	11,984.80	10,216.10	10,996.00	13,008.69	18,276.13
<b>2. Share Deposits</b>	0.00	0.00	0.00	0.00	0.00
<b>3. Due to other Finance Companies</b>	8,197.80	8,351.30	8,330.30	574.42	742.61
<b>4. Borrowings</b>	87,698.70	81,232.10	78,552.10	47,578.81	59,220.84
<b>5. Other Liabilities</b>	10,255.10	13,982.10	17,042.30	17,145.56	24,812.72
<b>Total Liabilities</b>	<b>118,136.40</b>	<b>113,781.60</b>	<b>114,920.70</b>	<b>78,307.48</b>	<b>103,052.30</b>

/1 56 Finance Companies out of 113 reported

/2 75 Finance Companies out of 114 reported. 2009 data are revised

/3 Revised



/4 Provisional

DRAFT

**Table 11**  
**Value of Money Market Assets 1/**  
**(Naira Million)**

	2009	2010	2011	2012	2013 /2
Treasury Bills	797,482.5	1,277,100.0	1,727,910.0	2,122,927.0	2,581,550.6
Treasury Certificates	0.0	0.0	0.0	0.0	0.0
Development Stocks	520.0	220.0	0.0	0.0	0.0
Certificates of Deposits	50,500.0	0.0	0.0	34,000.0	20,500.0
Commercial Papers	509,079.1	189,216.4	203,008.3	1,050.4	9,324.8
Bankers' Acceptances	62,243.6	79,172.3	73,406.1	9,863.8	20,470.0
FGN Bonds	1,974,930.0	2,901,600.0	3,541,200.0	4,080,048.8	4,222,037.7
<b>Total</b>	<b>3,394,755.2</b>	<b>4,447,308.7</b>	<b>5,545,524.4</b>	<b>6,247,890.0</b>	<b>6,853,883.1</b>
<b>Growth (%)</b>					
Treasury Bills	69.0	60.1	35.3	22.9	21.6
Treasury Certificates	0.0	0.0	0.0	0.0	0.0
Eligible Development Stocks	0.0	-57.7	-100.0	0.0	0.0
Certificates of Deposits	-100.00	0.0	0.0	0.0	-39.71
Commercial Papers	-38.1	-62.8	7.3	-99.5	787.8
Bankers' Acceptances	-6.3	27.2	-7.3	-86.6	107.5
FGN Bonds	36.6	49.9	22.0	15.2	3.5
<b>Total</b>	<b>20.9</b>	<b>31.0</b>	<b>24.7</b>	<b>12.7</b>	<b>9.7</b>

/1 Revised

/2 Provisional

**Table 12**  
**Treasury Bills: Issues and Subscriptions**  
**(Naira Million)**

Period	Issues	S u b s c r i b e r		
		Central Bank	Deposit Money Banks	Non-Bank Public /1
<b>2009</b>				
January	115,470.00	30.00	87,680.00	27,760.00
February	80,110.00	0.00	64,460.00	15,650.00
March	80,000.00	0.00	41,510.00	38,490.00
April	101,360.00	0.00	47,780.00	53,580.00
May	120,220.00	0.00	95,430.00	24,790.00
June	120,000.00	0.00	79,070.00	40,930.00
July	125,360.00	0.00	83,030.00	42,330.00
August	105,220.00	0.00	76,180.00	29,040.00
September	91,760.00	0.00	54,440.00	37,320.00
October	170,260.00	0.00	127,410.00	42,850.00
November	120,220.00	0.00	74,640.00	45,580.00
December	162,560.00	0.00	125,240.00	37,320.00
<b>Total</b>	<b>1,392,540.00</b>	<b>30.00</b>	<b>956,870.00</b>	<b>435,640.00</b>
<b>Average</b>	<b>116,045.00</b>	<b>2.50</b>	<b>79,739.17</b>	<b>36,303.33</b>
<b>2010</b>				
January	149,830.00	0.00	140,590.00	9,240.00
February	100,220.00	0.00	97,910.00	2,310.00
March	65,000.00	0.00	54,960.00	10,040.00
April	160,490.00	0.00	127,420.00	33,070.00
May	100,220.00	0.00	93,530.00	6,690.00
June	158,700.00	0.00	116,150.00	42,550.00
July	250,910.00	0.00	185,640.00	65,270.00
August	141,160.00	0.00	130,260.00	10,900.00
September	206,570.00	0.00	165,740.00	40,830.00
October	167,010.00	0.00	151,870.00	15,140.00
November	205,930.00	0.00	175,890.00	30,040.00
December	297,910.00	0.00	239,910.00	58,000.00
<b>Total</b>	<b>2,003,950.00</b>	<b>0.00</b>	<b>1,679,870.00</b>	<b>324,080.00</b>
<b>Average</b>	<b>166,995.83</b>	<b>0.00</b>	<b>139,989.17</b>	<b>27,006.67</b>
<b>2011</b>				
January	205,590.00	0.00	167,610.00	37,980.00
February	216,920.00	0.00	173,140.00	43,780.00
March	284,060.00	0.00	205,670.00	78,390.00
April	215,070.00	0.00	148,200.00	66,870.00
May	204,600.00	0.00	131,360.00	73,240.00
June	340,240.00	0.00	210,770.00	129,470.00
July	209,740.00	0.00	156,800.00	52,940.00
August	218,920.00	0.00	142,430.00	76,490.00
September	280,570.00	0.00	202,370.00	78,200.00
October	309,950.00	0.00	167,550.00	142,400.00
November	242,930.00	0.00	140,340.00	102,590.00
December	319,910.00	0.00	176,590.00	143,320.00
<b>Total</b>	<b>3,048,500.00</b>	<b>0.00</b>	<b>2,022,830.00</b>	<b>1,025,670.00</b>
<b>Average</b>	<b>254,041.67</b>	<b>0.00</b>	<b>168,569.17</b>	<b>85,472.50</b>
<b>2012 /2</b>				
January	316,300.00	163860.0	91,230.00	61,210.00
February	298,920.00	0.0	176,640.00	122,280.00
March	332,230.00	0.0	217,650.00	114,580.00
April	324,270.00	0.0	223,660.00	100,610.00
May	273,400.00	0.0	180,820.00	92,570.00
June	373,160.00	0.0	249,120.00	124,040.00
July	250,460.00	0.0	151,900.00	98,550.00
August	222,700.00	0.0	140,970.00	81,740.00
September	348,890.00	0.0	253,180.00	95,710.00
October	283,110.00	0.0	159,430.00	123,680.00
November	246,030.00	0.0	116,930.00	129,100.00
December	340,190.00	0.0	180,460.00	159,730.00
<b>Total</b>	<b>3,609,660.00</b>	<b>163,860.00</b>	<b>2,141,990.00</b>	<b>1,303,800.00</b>
<b>Average</b>	<b>300,805.00</b>	<b>13,655.00</b>	<b>178,499.17</b>	<b>108,650.00</b>
<b>2013</b>				
January	331,296.66	0.00	204,317.08	126,979.58
February	354,924.18	0.00	243,734.06	111,190.12
March	398,285.09	0.00	190,441.99	207,843.10
April	324,269.40	0.00	200,048.22	124,221.18
May	278,388.72	0.00	179,760.34	98,628.38
June	397,845.75	0.00	152,626.18	245,219.57
July	185,451.25	0.00	51,972.97	133,478.28
August	222,705.12	0.00	114,303.78	108,401.34
September	331,217.97	0.00	135,605.36	195,612.61
October	226,109.77	0.00	125,326.54	100,783.22
November	199,782.18	0.00	116,364.93	83,417.25
December	400,605.12	0.00	139,214.85	261,390.28
<b>Total</b>	<b>3,650,881.21</b>	<b>0.00</b>	<b>1,853,716.30</b>	<b>1,797,164.91</b>
<b>Average</b>	<b>304,240.10</b>	<b>0.00</b>	<b>154,476.36</b>	<b>149,763.74</b>

/1 Includes Discount Houses, Government Parastatals, Savings type institutions, e.t.c.

/2 Revised

DRAFT

**Table 13**  
**Holdings of Treasury Bills Outstanding**  
**(Naira Million)**

DRAFT

Period	Total Outstanding	Central Bank including Rediscount	Deposit Money Banks	Others
<b>2009</b>				
January	532.40	0.62	386.79	144.98
February	521.93	0.00	404.43	117.50
March	546.93	2.94	400.96	143.03
April	561.93	3.77	376.28	181.88
May	601.93	1.26	408.69	191.98
June	641.93	23.42	417.14	201.37
July	676.93	3.11	476.53	197.28
August	711.93	5.69	539.59	166.65
September	753.58	2.08	559.72	191.78
October	787.48	1.38	650.34	135.76
November	792.48	1.53	667.32	123.63
December	797.48	1.90	644.78	150.80
<b>Average</b>	<b>660.58</b>	<b>3.98</b>	<b>494.38</b>	<b>162.22</b>
<b>2010</b>				
January	837.32	0.00	710.97	126.35
February	837.32	0.00	645.32	192.00
March	837.32	0.00	634.30	203.02
April	837.32	0.00	511.34	325.98
May	837.32	0.00	578.96	258.36
June	901.02	0.00	785.23	115.79
July	977.03	0.00	679.85	297.18
August	1,017.97	0.00	764.25	253.72
September	1,064.27	24.48	658.32	381.47
October	1,106.34	24.48	729.58	352.28
November	1,191.12	24.48	698.25	468.39
December	1,277.10	24.48	925.32	327.30
<b>Average</b>	<b>976.79</b>	<b>8.16</b>	<b>693.47</b>	<b>275.15</b>
<b>2011</b>				
January	837.32	0.00	710.97	126.35
February	837.32	0.00	645.32	192.00
March	100.00	0.00	75.75	24.25
April	837.32	0.00	511.34	325.98
May	837.32	0.00	578.96	258.36
June	901.02	0.00	785.23	115.79
July	977.03	0.00	679.85	297.18
August	1,017.97	0.00	764.25	253.72
September	1,064.27	24.48	658.32	381.47
October	1,106.34	24.48	729.58	352.28
November	1,191.12	24.48	698.25	468.39
December	1,277.10	24.48	925.32	327.30
<b>Average</b>	<b>915.34</b>	<b>8.16</b>	<b>646.93</b>	<b>260.26</b>
<b>2012</b>				
January	1,812.80	164.00	1,252.47	396.33
February	1,872.80	164.00	1,304.99	403.81
March	1,947.19	163.89	1,643.02	140.27
April	1,986.19	111.76	1,482.57	391.85
May	2,047.19	111.76	1,494.91	440.51
June	2,084.59	111.73	1,340.87	631.98
July	2,094.59	60.74	1,633.92	399.93
August	2,124.59	60.74	1,594.52	469.33
September	2,132.93	62.32	1,618.20	452.40
October	2,132.93	62.32	1,688.49	382.11
November	2,132.93	62.31	1,636.33	434.29
December	2,122.93	62.32	1,419.58	641.02
<b>Average</b>	<b>2,040.97</b>	<b>99.83</b>	<b>1,509.16</b>	<b>431.99</b>
<b>2013</b>				
January	2,197.93	1.65	1,632.16	564.12
February	2,260.93	1.67	1,599.91	659.35
March	2,371.69	0.09	1,716.83	654.77
April	2,371.69	0.12	1,674.27	697.30
May	2,392.44	0.09	1,673.37	718.98
June	2,483.29	0.13	1,649.38	833.77
July	2,483.29	0.72	1,112.43	1,370.13
August	2,483.29	0.60	1,137.32	1,345.36
September	2,483.29	0.01	1,013.82	1,469.46
October	2,483.29	64.91	1,070.09	1,348.28
November	2,483.29	61.32	1,059.96	1,362.01
December	2,581.55	59.02	1,317.88	1,204.65
<b>Average</b>	<b>2,422.99</b>	<b>15.86</b>	<b>1,388.12</b>	<b>1,019.02</b>

/1 Revised

**Table 14**  
**Open Market Operations (at OMO Sessions)**

DRAFT

Period	Total Bids (N 'Million)	Amount Sold (N 'Million)	Average Tenor (Days)	Average Yield (%)
<b>2009</b>				
January	68,540.00	20,290.00	2	n/a
February	0.00	0.00	n/a	n/a
March	71,000.00	42,000.00	3	n/a
April	128,150.00	95,150.00	4	n/a
May	77,100.00	39,250.00	4	n/a
June	126,850.00	57,800.00	5	n/a
July	n/a	n/a	n/a	n/a
August	n/a	n/a	n/a	n/a
September	n/a	n/a	n/a	n/a
October	n/a	n/a	n/a	n/a
November	n/a	n/a	n/a	n/a
December	n/a	n/a	n/a	n/a
<b>Total</b>	<b>471,640.00</b>	<b>254,490.00</b>		
<b>Average</b>	<b>78,606.67</b>	<b>42,415.00</b>	<b>4</b>	
<b>2010</b>				
January	0.00	0.00	0	0.00
February	0.00	0.00	0	0.00
March	0.00	0.00	0	0.00
April	280,500.00	120,000.00	186	2.40
May	116,942.00	40,000.00	130	2.40
June	200.00	2,000.00	44	1.20
July	0.00	0.00	0	0.00
August	0.00	0.00	0	0.00
September	70,250.00	24,000.00	79	5.10
October	2,000.00	2,000.00	181	8.60
November	47,250.00	29,500.00	240	10.00
December	99,181.00	53,250.00	148	7.40
<b>Total</b>	<b>616,323.00</b>	<b>270,750.00</b>		
<b>Average</b>	<b>51,360.25</b>	<b>22,562.50</b>	<b>84</b>	<b>3.09</b>
<b>2011</b>				
January	255,940.00	140,540.00	176	8.30
February	0.00	0.00	0	0.00
March	170,490.00	94,530.00	33	7.03
April	142,520.00	23,390.00	37	9.17
May	119,340.00	48,610.00	150	9.25
June	80,450.00	25,470.00	157	9.25
July	227,410.00	97,810.00	258	7.85
August	590,150.00	344,670.00	207	8.30
September	327,020.00	170,990.00	43	10.50
October	830,466.00	643,620.00	176	14.25
November	811,600.00	343,670.00	132	15.20
December	806,920.00	428,810.00	184	16.32
<b>Total</b>	<b>4,362,306.00</b>	<b>2,362,110.00</b>		
<b>Average</b>	<b>363,525.50</b>	<b>196,842.50</b>	<b>129</b>	<b>9.62</b>
<b>2012</b>				
January	799,840.0	246,660.0	173	16.36
February	1,124,220.0	297,000.0	238	15.89
March	1,150,240.0	491,600.0	297	15.27
April	973,640.0	304,180.0	289	14.57
May	956,240.0	363,130.0	69	13.99
June	48,220.0	14,110.0	62	14.50
July	17,320.0	50.0	48	14.10
August	137,790.0	4,500.0	69	14.00
September	714,000.0	318,420.0	64	14.25
October	1,330,810.0	882,800.0	75	14.03
November	1,525,360.0	939,540.0	90	13.77
December	952,950.0	650,270.0	112	13.40
<b>Total</b>	<b>9,730,630.00</b>	<b>4,512,260.00</b>		
<b>Average</b>	<b>810,885.83</b>	<b>376,021.67</b>	<b>132</b>	<b>14.51</b>
<b>2013 /1</b>				
January	2,958,460.00	1,756,660.00	77	13.73
February	2,302,710.00	1,351,600.00	105	12.54
March	2,061,290.00	1,265,240.00	118	13.30
April	2,228,780.00	1,516,690.00	169	13.55
May	1,476,320.00	1,127,400.00	159	13.22
June	505,190.00	81,950.00	156	14.09
July	1,078,590.00	508,740.00	161	14.02
August	96,480.00	91,730.00	132	13.37
September	337,350.00	150,510.00	141	13.41
October	1,956,950.00	1,206,860.00	127	12.80
November	1,109,670.00	791,090.00	102	12.52
December	797,960.00	599,470.00	125	12.51
<b>Total</b>	<b>16,909,750.00</b>	<b>10,447,940.00</b>		
<b>Average</b>	<b>1,409,145.83</b>	<b>870,661.67</b>	<b>131</b>	<b>13.25</b>

/1 Provisional



**Table 15**  
**Transactions on the Nigerian Stock Exchange**

Items	2009	2010	2011 /1	2012	2013 /2
<b>Volume of Stocks ('000)</b>					
Government	0.00	11.00	0.00	7.41	342.35
Industrial	412.80	0.00	6.71	0.00	0.00
Second-Tier Securities	1,127,466.46	1,369,489.40	284,732.96	4,827.16	51,549.94
Bonds	0.10	2.00	0.00	11.00	18.90
Equities	101,724,204.41	92,317,994.32	90,442,020.83	104,244,687.72	267,336,933.23
<b>Total</b>	<b>102,852,083.77</b>	<b>93,687,496.72</b>	<b>90,726,760.50</b>	<b>104,249,747.89</b>	<b>267,388,844.42</b>
<b>Number of Deals</b>					
Government	0	5	0	44	1,155
Industrial	15	0	33	0	0
Second-Tier Securities	1,043	1,182	253	196	924
Bonds	1	2	0	2	82
Equities	1,738,306	1,924,125	1,235,181	1,146,932	3,222,478
<b>Total</b>	<b>1,739,365</b>	<b>1,925,314</b>	<b>1,235,467</b>	<b>1,147,174</b>	<b>3,224,639</b>
<b>Value of Stocks (N' Million)</b>					
Government	0.00	14.14	0.00	7.19	292.34
Industrial	412.80	0.00	17.12	0.00	0.00
Second-Tier Securities	1,372.26	702.53	154.67	4.64	61.14
Bonds	0.12	0.00	0.00	1.05	23.06
Equities	683,932.11	799,194.30	638,753.91	808,420.62	2,350,499.16
<b>Total</b>	<b>685,717.29</b>	<b>799,910.95</b>	<b>638,925.70</b>	<b>808,991.42</b>	<b>2,350,875.70</b>
<b>Market Capitalization (N' Million)</b>	<b>7,030,841.53</b>	<b>9,918,218.71</b>	<b>10,275,344.76</b>	<b>14,800,944.40</b>	<b>19,077,418.18</b>
<b>Value Index of Equities (1984 = 100)</b>	<b>20,827.17</b>	<b>24,770.52</b>	<b>20,730.63</b>	<b>28,078.81</b>	<b>41,329.19</b>

/1 Revised

/2 Provisional

Source: Nigerian Stock Exchange

DRAFT

**Table 16**  
**Market Capitalisation of Quoted Companies: Equities Only**  
**(Naira Thousand)**

C A T E G O R Y	2009	2010	2011	2012	2013 /1
A G R I C U L T U R E	19,899,543.4	17,331,955.6	22,162,860.1	40,609,786.7	90,683,237.5
F I N A N C I A L	2,455,225,199.6	2,885,224,164.1	2,013,252,151.8	3,048,916,817.5	3,992,616,108.9
Banking	2,238,130,310.2	2,710,167,833.0	1,839,313,950.9	2,251,306,558.2	2,939,978,141.8
Managed Funds	0.0		0.0	0.0	0.0
Insurance	201,522,031.5	147,896,811.9	140,982,339.4	142,403,695.5	173,111,364.92
Other Financial Institutions	13,572,857.8	12,718,530.3	12,074,171.0	635,541,873.2	850,070,935.55
Real Estate Investment Trust	2,000,000.0	14,440,989.1	Re-classified	Re-classified	Re-classified
Mortgage	24,850,814.5	23,154,065.5	20,881,690.5	19,664,690.5	29,455,666.68
M A N U F A C T U R I N G / C O N S U M E R G O O D S	1,591,107,747.6	3,935,471,347.6	2,001,395,869.1	2,857,577,046.8	3,758,912,594.85
Breweries	599,067,028.7	881,806,021.9	1,100,737,056.1	1,575,787,255.9	1,737,545,456.63
Building Materials	300,124,243.6	2,063,168,046.6	Re-classified	Re-classified	Re-classified
Chemical & Paints	14,929,765.0	21,507,491.5	Re-classified	Re-classified	Re-classified
Food, Beverages & Tobacco	594,372,544.5	880,718,117.1	663,727,747.3	985,534,262.4	1,661,498,970.96
Industrial and Domestic Products	19,676,872.0	17,484,154.2	Re-classified	Re-classified	Re-classified
Packaging	25,210,330.2	28,712,726.8	Re-classified	Re-classified	Re-classified
Healthcare	36,124,724.1	41,442,326.5	Re-classified	Re-classified	Re-classified
Textiles	1,602,239.4	632,462.9	0.0	0.0	0.0
Automobile & Tyres			2,386,334.6	2,386,334.6	2,386,334.61
Household Durables			13,655,782.5	6,772,561.0	7,032,843.75
Household Products			220,888,948.5	287,096,632.9	350,448,988.92
HEALTHCARE			33,677,670.4	54,298,997.9	80,495,363.67
CONGLOMERATES			64,089,327.4	106,881,865.3	308,527,707.12
C O M M E R C I A L S	528,164,461.2	637,025,809.0	0.0	0.0	0.0
Automobile & Tyres	8,023,488.2	4,755,379.4	Re-classified	Re-classified	Re-classified
Conglomerates	233,275,243.2	294,157,765.4	Re-classified	Re-classified	Re-classified
Commercial / Services	28,099,539.9	14,613,343.0	0.0	0.0	0.0
Computer & Office Equipments	5,646,712.7	4,698,426.8	Re-classified	Re-classified	Re-classified
Footwear	298,898.9	244,170.9	0.0	0.0	0.0
Machinery (Marketing)	1,290.5	1,290.5	0.0	0.0	0.0
Petroleum (Marketing)	252,819,287.8	318,555,432.9	0.0	0.0	0.0
CONSTRUCTION/REAL ESTATE			129,352,427.9	130,365,895.4	210,268,356.5
INDUSTRIAL GOODS			1,912,341,706.0	2,459,194,855.3	4,198,484,130.3
NATURAL RESOURCES			8,326,882.1	7,784,836.5	7,990,028.5
OIL & GAS			217,464,195.0	147,524,965.5	446,213,032.1
S E R V I C E S	204,284,024.9	231,900,469.7	68,511,321.3	56,880,832.7	54,803,536.2
Construction	60,279,219.4	92,633,786.8	Re-classified	Re-classified	Re-classified
Real Estate	21,845,999.9	22,701,249.9	Re-classified	Re-classified	Re-classified
Advertising			2,017,748.6	2,219,523.5	2,219,523.5
Apparel Retailers			244,170.9	244,170.9	232,243.0
Engineering Technology	2,161,697.0	3,298,759.9	0.0	0.0	0.0
Airline Services	10,514,865.6	13,641,261.3	0.0	0.0	0.0
Printing & Publishing	10,476,916.0	10,187,738.3	5,865,418.5	5,802,511.6	6,107,360.2
Hotel, Hospitality & Tourism	9,956,087.1	17,291,774.9	38,013,335.4	23,156,063.4	19,439,689.0
Automobile and Auto Part s Retailers			1,195,959.2	1,788,062.5	1,729,244.6
Maritime	7,076,852.9	8,767,782.4	0.0	0.0	0.0
Aviation	1,740,000.0	1,740,000.0	0.0	0.0	0.0
Road Transport	1,145,320.0	798,710.0	753,500.0	753,500.0	1,235,740.0
Courier/Freight/Delivery			2,094,825.4	2,321,209.2	2,838,194.8
Employment Solutions			1,186,175.9	941,409.5	941,409.5
Speciality			5,439,797.9	5,045,590.3	4,876,644.1
Leasing	4,161,544.4	2,474,025.3	0.0	0.0	0.0
Information, Communications & Telecommunications	67,217,124.7	52,105,502.3	Re-classified	Re-classified	Re-classified
Media	7,708,397.8	6,259,878.5	4,000,000.0	4,000,000.0	4,000,000.0
Transport Related Services			7,700,389.4	10,608,791.9	11,183,487.5
ICT			62,009,178.3	64,412,619.5	77,250,803.8
ETFS			988,000.0	1,012,800.0	280,050.0
ASeM			4,072,137.0	4,005,592.1	4,005,980.4
The Foreign Listing	163,729,199.5	188,356,567.6	0.0	0.0	0.0
<b>Total</b>	<b>4,989,385,147.5</b>	<b>7,913,752,224.6</b>	<b>6,537,643,726.3</b>	<b>8,979,466,911.2</b>	<b>13,230,530,929.8</b>

/1 Provisional

Source: Nigerian Stock Exchange

DRAFT

**Table 17**  
**Value Index of All Common Stocks Listed by Sector on the Nigerian Stock Exchange**  
**(1984 =100)**

Category	2009	2010	2011	2012	2013 /1	Growth Rate (%)				
						2009	2010	2011	2012	2013 /1
<b>A G R I C U L T U R E</b>	<b>83.1</b>	<b>54.3</b>	<b>70.3</b>	<b>127.0</b>	<b>283.3</b>	<b>-46.0</b>	<b>-34.6</b>	<b>29.4</b>	<b>80.7</b>	<b>123.1</b>
<b>F I N A N C I A L</b>	<b>10,248.8</b>	<b>9,039.7</b>	<b>6,383.9</b>	<b>9,534.0</b>	<b>12,472.0</b>	<b>-44.4</b>	<b>-11.8</b>	<b>-29.4</b>	<b>49.3</b>	<b>30.8</b>
Banking	9,342.6	8,491.3	5,832.4	7,039.8	9,183.8	-44.4	-9.1	-31.3	20.7	30.5
Managed Funds/ Microfinance Banks			0.0	0.0	0.0					
Insurance	841.2	463.4	447.0	445.3	540.8	-40.7	-44.9	-3.5	-0.4	21.4
Other Financial Institutions	56.7	39.8	38.3	1,987.3	2,655.4	-73.8	-29.7	-3.9	5,090.7	33.6
Real Estate Investment Trust	8.3	45.2	Re-classified	Re-classified	Re-classified	-16.8	442.0			
Mortgage	103.7	72.5	66.2	61.5	92.0	-57.7	-30.1	-8.7	-7.1	49.6
<b>M A N U F A C T U R I N G</b>	<b>6,641.8</b>	<b>12,330.3</b>	<b>6,346.4</b>	<b>8,935.6</b>	<b>11,742.0</b>	<b>9.4</b>	<b>85.6</b>	<b>-48.5</b>	<b>40.8</b>	<b>31.4</b>
Breweries	2,500.7	2,762.8	3,490.4	4,927.5	5,427.7	17.0	10.5	26.3	41.2	10.2
Building Materials	1,252.8	6,464.1	Re-classified	Re-classified	Re-classified	56.4	416.0			
Chemical & Paints	62.3	67.4	Re-classified	Re-classified	Re-classified	-34.0	8.1			
Food, Beverages & Tobacco	2,481.1	2,759.4	2,104.7	3,081.8	5,190.1	-2.2	11.2	-23.7	46.4	68.4
Industrial and Domestic Products	82.1	54.8	Re-classified	Re-classified	Re-classified	-29.3	-33.3			
Packaging	105.2	90.0	Re-classified	Re-classified	Re-classified	-46.5	-14.5			
Healthcare	150.8	129.8	Re-classified	Re-classified	Re-classified	-13.5	-13.9			
Textiles	6.7	2.0	0.0	0.0	0.0	-53.2	-70.4	-100.0		
Automobile & Tyres			7.6	7.5	7.5				-1.4	-0.1
Household Durables			43.3	21.2	22.0				-51.1	3.7
Household Products			700.4	897.8	1,094.7				28.2	21.9
<b>HEALTHCARE</b>			<b>106.8</b>	<b>169.8</b>	<b>251.4</b>				<b>59.0</b>	<b>48.1</b>
<b>CONGLOMERATES</b>			<b>203.2</b>	<b>334.2</b>	<b>963.8</b>				<b>64.5</b>	<b>188.4</b>
<b>C O M M E R C I A L S</b>	<b>2,204.7</b>	<b>1,995.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-45.0</b>	<b>-9.5</b>	<b>-100.0</b>		
Automobile & Tyres	33.5	14.9	Re-classified	Re-classified	Re-classified	-57.6	-55.5			
Conglomerates	973.8	921.6	Re-classified	Re-classified	Re-classified	20.4	-5.4			
Commercial / Services	117.3	45.8	0.0	0.0	0.0	-68.8	-61.0	-100.0		
Computer & Office Equipments	23.6	14.7	Re-classified	Re-classified	Re-classified	-51.4	-37.5			
Footwear	1.2	0.8	0.0	0.0	0.0	-79.0	-38.7	-100.0		
Machinery (Marketing)	0.0	0.0	0.0	0.0	0.0	-7.7	-24.9	-100.0		
Petroleum (Marketing)	1,055.3	998.1	0.0	0.0	0.0	-60.7	-5.4	-100.0		
<b>CONSTRUCTION/REAL ESTATE</b>			<b>410.2</b>	<b>407.7</b>	<b>656.8</b>				<b>-0.6</b>	<b>61.1</b>
<b>INDUSTRIAL GOODS</b>			<b>6,064.0</b>	<b>7,689.9</b>	<b>13,115.1</b>				<b>26.8</b>	<b>70.5</b>
<b>NATURAL RESOURCES</b>			<b>26.4</b>	<b>24.3</b>	<b>25.0</b>				<b>-7.8</b>	<b>2.5</b>
<b>OIL &amp; GAS</b>			<b>689.6</b>	<b>461.3</b>	<b>1,393.9</b>				<b>-33.1</b>	<b>202.2</b>
<b>S E R V I C E S</b>	<b>852.7</b>	<b>726.6</b>	<b>217.2</b>	<b>177.9</b>	<b>171.2</b>	<b>-70.6</b>	<b>-14.8</b>	<b>-70.1</b>	<b>-18.1</b>	<b>-3.8</b>
Construction	251.6	290.2	Re-classified	Re-classified	Re-classified	-47.9	15.3			
Real Estate	91.2	71.1	Re-classified	Re-classified	Re-classified	-31.7	-22.0			
Advertising			6.4	6.9	6.9				8.5	-0.1
Apparel Retailers			0.8	0.8	0.7				-1.4	-5.0
Engineering Technology	9.0	10.3	0.0	0.0	0.0	-65.1	14.5	-100.0		
Airline Services	43.9	42.7	0.0	0.0	0.0	-51.7	-2.6	-100.0		
Printing & Publishing	43.7	31.9	18.6	18.1	19.1	16.2	-27.0	-41.7	-2.4	5.1
Hotel, Hospitality and Tourism	41.6	54.2	120.5	72.4	60.7	-68.0	30.4	122.5	-39.9	-16.1
Automobile and Auto Parts Retailers			3.8	5.6	5.4				47.4	-3.4
Maritime	29.5	27.5	0.0	0.0	0.0	-71.5	-7.0	-100.0		
Aviation	7.3	5.5	0.0	0.0	0.0	-7.7	-24.9	-100.0		
Road Transport	4.8	2.5	2.4	2.4	3.9	-62.5	-47.7	-4.5	-1.4	63.8
Courier/Freight/Delivery			6.6	7.3	8.9				9.3	22.1
Employment Solutions			3.8	2.9	2.9				-21.7	-0.1
Speciality			17.2	15.8	15.2				-8.5	-3.4
Leasing	17.4	7.8	0.0	0.0	0.0	-42.3	-55.4	-100.0		
Information, Communications & Telecommunications	280.6	163.3	Re-classified	Re-classified	Re-classified	14.6	-41.8			
Media	32.2	19.6	12.7	12.5	12.5	-73.1	-39.0	-35.3	-1.4	-0.1
Transport Related Services			24.4	33.2	34.9				35.9	5.3
<b>ICT</b>			<b>196.6</b>	<b>201.4</b>	<b>241.3</b>				<b>2.4</b>	<b>19.8</b>
<b>ETFs</b>			<b>3.1</b>	<b>3.2</b>	<b>0.9</b>				<b>1.1</b>	<b>-72.4</b>
<b>ASeM</b>			<b>12.9</b>	<b>12.5</b>	<b>12.5</b>				<b>-3.0</b>	<b>-0.1</b>
<b>The Foreign Listing</b>	<b>683.5</b>	<b>590.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-44.7</b>	<b>-13.7</b>	<b>-100.0</b>		
<b>Total</b>	<b>20,827.2</b>	<b>24,770.5</b>	<b>20,730.6</b>	<b>28,078.8</b>	<b>41,329.2</b>	<b>-33.8</b>	<b>18.9</b>	<b>-16.3</b>	<b>35.4</b>	<b>47.2</b>

/1 Revised

Source: Nigerian Stock Exchange

DRAFT

**Table 18**  
**Federation Accounts Operations**  
**(Naira Billion)**

	2009	2010	2011	2012 1/	2013 2/
<b>Total Revenue(Gross) 3/</b>	<b>4,844.6</b>	<b>7,303.7</b>	<b>11,116.9</b>	<b>10,654.7</b>	<b>9,759.8</b>
<b>Oil Revenue (Gross)</b>	<b>3,191.9</b>	<b>5,396.1</b>	<b>8,879.0</b>	<b>8,026.0</b>	<b>6,809.2</b>
Crude Oil / Gas Exports	897.8	1,696.2	2,287.9	1,780.9	1,559.0
PPT and Royalties etc.	1,256.5	1,944.7	3,976.3	4,365.4	3,719.0
Domestic Crude Oil Sales	953.0	1,746.3	2,608.8	1,874.2	1,510.3
Other Oil Revenue	84.5	8.8	6.0	5.5	21.0
<b>Less:</b>					
Deductions 4/	1,174.8	2,393.7	4,863.6	3,843.7	2,078.2
<b>Oil Revenue (Net)</b>	<b>2,017.2</b>	<b>3,002.4</b>	<b>4,015.4</b>	<b>4,182.3</b>	<b>4,731.0</b>
<b>Non- Oil Revenue</b>	<b>1,652.7</b>	<b>1,907.6</b>	<b>2,237.9</b>	<b>2,628.8</b>	<b>2,950.6</b>
Corporate Tax	568.1	657.3	700.5	848.6	985.5
Customs & Excise Duties	297.5	309.2	438.3	474.9	433.6
Value-Added Tax (VAT)	468.4	562.9	649.5	710.2	795.6
FG Independent Revenue	73.2	153.6	182.5	206.8	274.4
Education Tax	139.5	114.5	101.7	214.6	281.0
Custom Levies	98.5	103.4	156.8	161.5	170.8
National Information Technology Development Fund (NITDF)	7.5	6.8	8.6	12.3	9.8
<b>Less:</b>					
Deductions 4/	69.8	125.5	94.9	245.8	193.2
<b>Non- Oil Revenue (Net)</b>	<b>1,582.9</b>	<b>1,782.0</b>	<b>2,143.0</b>	<b>2,383.0</b>	<b>2,757.3</b>
<b>Federally - collected revenue + Transfers</b>	<b>3,600.1</b>	<b>4,784.5</b>	<b>6,158.4</b>	<b>6,565.2</b>	<b>7,488.3</b>
<b>Less</b>	<b>768.4</b>	<b>918.6</b>	<b>1,073.1</b>	<b>1,276.9</b>	<b>1,499.6</b>
Transfer to Federal Govt. Ind. Revenue	73.2	153.6	182.5	206.8	274.4
Transfer to VAT Pool Account	449.7	540.3	623.5	681.7	763.8
Other Transfers 5/	245.6	224.7	267.1	388.4	461.5
<b>Federally Collected Revenue (Net)</b>	<b>2,831.7</b>	<b>3,865.9</b>	<b>5,085.4</b>	<b>5,288.4</b>	<b>5,988.7</b>
<b>Memorandum Items:</b>					
<b>Deductions:</b>	<b>1,244.5</b>	<b>2,519.2</b>	<b>4,958.5</b>	<b>4,089.5</b>	<b>2,271.5</b>
<b>Oil Revenue</b>	<b>1,174.8</b>	<b>2,393.7</b>	<b>4,863.6</b>	<b>3,843.7</b>	<b>2,078.2</b>
JVC Cash calls	809.6	962.9	1,008.8	1,132.6	1,030.9
Excess Crude Proceeds	60.4	615.8	1,226.2	2,420.0	50.6
Excess PPT & Royalty	218.0	179.3	1,812.2	-	960.8
Others	86.7	635.7	816.4	291.1	36.0
<b>Non -oil Revenue</b>	<b>69.8</b>	<b>125.5</b>	<b>94.9</b>	<b>245.8</b>	<b>193.2</b>
4% FIRS collection cost	22.7	26.3	28.7	33.9	39.4
7% NCS collection cost	20.8	21.6	29.5	33.2	30.4
Cost of collection for VAT	18.7	22.5	26.0	28.4	31.8
Others	7.5	55.1	10.7	150.2	91.6

1/ Revised

2/ Provisional

3/ Includes other receipts from Education Tax, FGN Independent Revenue and Levies

4/ As contained in memorandum items

5/ Includes Education Tax and Custom Levies

Source: Federal Ministry of Finance

DRAFT



**Table 19**  
**Federally-collected Revenue Distributions**  
**(Naira Billion)**

	2009	2010	2011	2012 1/	2013 2/
<b>Federally Collected Revenue (Net)</b>	<b>2,831.7</b>	<b>3,865.9</b>	<b>5,085.4</b>	<b>5,288.3</b>	<b>5,988.7</b>
Add					
<b>Other Revenue</b>	<b>1,706.1</b>	<b>1,365.3</b>	<b>1,856.5</b>	<b>1,923.6</b>	<b>1,763.5</b>
Excess Crude	812.4	886.5	450.0	387.7	464.2
Share of Budgetary Difference	119.1	-	873.6	-	-
NNPC Refund	-	-	-	91.4	91.4
Recovery of Understated Revenue	-	-	-	373.9	-
Excess Non-Oil Revenue	-	-	-	150.0	-
Revenue Augmentation	615.9	439.0	502.4	560.4	781.3
Exchange Rate Gain	158.7	39.9	30.5	75.8	-
SURE-P	-	-	-	284.4	426.6
<b>Total Revenue</b>	<b>4,537.8</b>	<b>5,231.2</b>	<b>6,941.8</b>	<b>7,212.0</b>	<b>7,752.2</b>
<b>Distributed as Follows</b>					
<b>Statutory Allocation</b>	<b>2,831.7</b>	<b>3,865.9</b>	<b>5,085.4</b>	<b>5,288.3</b>	<b>5,988.7</b>
Federal Government	1,353.6	1,830.9	2,403.9	2,499.5	2,830.8
State Government	686.6	928.7	1,219.3	1,267.8	1,435.8
Local Government	529.3	716.0	940.0	977.4	1,107.0
13% Derivation	262.2	390.3	522.0	543.7	615.0
<b>Excess Crude</b>	<b>812.4</b>	<b>886.5</b>	<b>450.0</b>	<b>387.7</b>	<b>464.2</b>
Federal Government	296.8	405.0	206.2	177.7	212.7
State Government	265.0	225.6	104.6	90.1	107.9
Local Government	145.0	159.9	80.6	69.5	83.2
13% Derivation	105.6	96.0	58.5	50.4	60.3
<b>Share of Diff.Btw. Provisional Distribution and Actual Budget</b>	<b>119.1</b>	<b>-</b>	<b>873.6</b>	<b>0.00</b>	<b>0.00</b>
Federal Government	54.6	-	400.4	-	-
State Government	27.7	-	203.1	-	-
Local Government	21.3	-	156.6	-	-
13% Derivation	15.5	-	113.6	-	-
<b>NNPC Refund to SGs &amp; LGs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>91.4</b>	<b>91.4</b>
State Government	-	-	-	44.9	44.9
Local Government	-	-	-	34.6	34.6
13% Derivation	-	-	-	11.9	11.9
<b>Recovery of Understated Revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>373.9</b>	<b>0.00</b>
Federal Government	-	-	-	171.4	-
State Government	-	-	-	86.9	-
Local Government	-	-	-	67.0	-
13% Derivation	-	-	-	48.6	-
<b>Share of Excess Non-Oil Revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150.0</b>	<b>0.00</b>
Federal Government	-	-	-	79.0	-
State Government	-	-	-	40.1	-
Local Government	-	-	-	30.9	-
13% Derivation	-	-	-	-	-
<b>Federation Revenue Augmentation</b>	<b>615.9</b>	<b>439.0</b>	<b>502.4</b>	<b>560.4</b>	<b>781.3</b>
Federal Government	282.3	201.2	230.3	256.8	358.1
State Government	143.2	102.0	116.8	130.3	181.6
Local Government	110.4	78.7	90.0	100.4	140.0
13% Derivation	80.1	57.1	65.3	72.9	101.6
<b>SURE-P</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>284.4</b>	<b>426.6</b>
Federal Government	-	-	-	130.3	195.5
State Government	-	-	-	66.1	99.2
Local Government	-	-	-	51.0	76.5
13% Derivation	-	-	-	37.0	55.5
<b>EXCHANGE GAIN</b>	<b>158.7</b>	<b>39.9</b>	<b>30.5</b>	<b>75.8</b>	<b>0.00</b>
Federal Government	72.7	18.3	-	34.7	-
State Government	36.9	9.3	15.0	17.6	-
Local Government	28.4	7.1	11.5	13.6	-
13% Derivation	20.6	5.2	4.0	9.9	-
<b>Total Statutory Revenue Distribution</b>	<b>4,537.8</b>	<b>5,231.2</b>	<b>6,941.8</b>	<b>7,042.3</b>	<b>7,752.2</b>
Federal Government	2,060.0	2,455.4	3,240.8	3,271.7	3,597.2
State Government	1,159.3	1,265.5	1,658.8	1,704.3	1,869.4
Local Government	834.5	961.7	1,278.8	1,314.0	1,441.3
13% Derivation	484.0	548.5	763.4	752.3	844.3
<b>VAT POOL</b>	<b>449.6</b>	<b>540.3</b>	<b>623.5</b>	<b>681.7</b>	<b>763.8</b>
Federal Government	67.4	81.1	93.5	102.3	114.6
State Government	224.8	270.2	311.8	340.9	381.9
Local Government	157.4	189.1	218.2	238.6	267.3
<b>Total Statutory Revenue and VAT Distribution</b>	<b>4,987.5</b>	<b>5,771.5</b>	<b>7,565.3</b>	<b>7,893.7</b>	<b>8,515.9</b>
Federal Government	2,127.5	2,536.5	3,334.4	3,451.8	3,711.7
State Government	1,384.1	1,535.7	1,970.5	2,084.6	2,251.3
Local Government	991.8	1,150.8	1,497.1	1,583.0	1,708.6
13% Derivation	484.0	548.5	763.4	774.3	844.3

1/ Revised

2/ Provisional

Source: Federal Ministry of Finance and Central Bank of Nigeria

DRAFT

**Table 20**  
**Summary of General Government Finances**  
**(Naira Billion)**

	2009	2010	2011	2012 1/	2013 2/
<b>Total Revenue (Gross) 3/</b>	<b>7,753.5</b>	<b>10,375.8</b>	<b>13,779.1</b>	<b>13,256.7</b>	<b>12,326.1</b>
<b>Oil Revenue (Gross)</b>	<b>3,191.9</b>	<b>5,396.1</b>	<b>8,879.0</b>	<b>8,026.0</b>	<b>6,809.2</b>
Less:					
Deductions	1,174.8	2,393.7	4,863.6	3,843.7	2,078.2
Oil Revenue (Net)	2,017.1	3,002.4	4,015.4	4,182.3	4,731.0
Add:					
Revenue Augmentation from Excess Crude	1,706.1	1,334.8	1,856.4	1,773.6	1,763.5
<b>Revenue from Oil Sources</b>	<b>3,723.2</b>	<b>4,337.2</b>	<b>5,871.8</b>	<b>5,955.8</b>	<b>6,494.5</b>
<b>Non-Oil Revenue (Gross) 3/</b>	<b>1,652.7</b>	<b>1,907.6</b>	<b>2,237.9</b>	<b>2,628.8</b>	<b>2,950.6</b>
of which: VAT	468.4	562.9	649.5	710.2	795.6
International Trade Taxes	297.5	309.2	438.3	474.9	433.6
Corporate Tax	568.1	657.3	700.5	848.6	985.5
FGN Independent Revenue	73.2	153.6	182.5	206.8	274.4
Less:					
Deductions	69.8	125.5	94.9	245.8	193.2
Non-Oil Revenue (Net)	1,582.9	1,782.1	2,143.0	2,383.0	2,754.6
Add:					
SG Internally-Generated Revenue 4/	461.2	757.9	495.3	543.4	585.9
LG Internally-Generated Revenue 5/	26.1	27.2	41.3	26.6	29.3
Non-oil excess revenue				150.0	-
Grants & Others	269.2	352.8	165.3	131.6	141.9
<b>Revenue from Non-Oil Sources</b>	<b>2,339.4</b>	<b>2,920.0</b>	<b>2,844.9</b>	<b>3,234.6</b>	<b>3,511.6</b>
Add:					
Balances in FG Special Accounts for the Previous Year \$ Others	446.3	599.4	103.9	126.8	45.7
<b>Total Collected Revenue (Net)</b>	<b>6,508.9</b>	<b>7,856.6</b>	<b>8,820.6</b>	<b>9,317.2</b>	<b>10,051.8</b>
Transfers:					
Education Tax & Other Levies	245.6	224.3	258.5	376.1	451.7
Others 6/	-	49.7	75.6	12.3	9.8
<b>TOTAL REVENUE</b>	<b>6,263.3</b>	<b>7,582.5</b>	<b>8,486.5</b>	<b>8,928.8</b>	<b>9,590.3</b>
<b>TOTAL EXPENDITURE</b>	<b>7,258.0</b>	<b>8,789.4</b>	<b>9,774.3</b>	<b>10,097.0</b>	<b>11,103.5</b>
<b>Recurrent Expenditure</b>	<b>3,925.8</b>	<b>5,222.8</b>	<b>6,011.9</b>	<b>5,843.4</b>	<b>6,177.2</b>
<b>Goods &amp; Services</b>	<b>3,541.1</b>	<b>4,636.8</b>	<b>5,252.5</b>	<b>5,131.6</b>	<b>5,312.3</b>
Personnel Cost	1,697.4	2,217.4	3,150.7	3,423.9	3,589.5
Pension	269.4	272.6	216.6	251.6	247.6
Overhead Cost	1,246.4	1,775.9	1,933.0	1,270.8	1,245.1
Others	327.9	371.0	495.3	185.3	230.1
<b>Interest Payments</b>	<b>384.7</b>	<b>586.0</b>	<b>759.4</b>	<b>711.8</b>	<b>864.9</b>
Foreign	37.2	39.9	41.8	46.4	55.7
Domestic	347.5	546.1	717.6	665.4	809.2
<b>Capital Expenditure</b>	<b>2,800.0</b>	<b>2,942.9</b>	<b>2,715.5</b>	<b>3,144.4</b>	<b>3,721.4</b>
<b>Transfers</b>	<b>465.5</b>	<b>528.3</b>	<b>935.9</b>	<b>893.8</b>	<b>1,035.7</b>
NDDC	51.3	44.9	56.1	38.7	61.3
NJC	78.0	91.0	95.0	57.1	67.0
UBE	39.3	46.1	64.6	63.1	76.1
Subnational Governments' Transfers	169.2	179.5	263.6	76.6	92.5
Special funds	124.1	147.5	260.1	245.6	292.5
Other Transfers	3.6	19.3	196.5	412.7	446.3
<b>Others (incl. sub. govt. extrabudgetary exp.)</b>	<b>66.7</b>	<b>95.4</b>	<b>111.0</b>	<b>215.4</b>	<b>169.1</b>
<b>Balances</b>					
Current Balance	1,805.3	1,736.0	1,427.7	1,976.3	3,413.1
Primary Balance	(610.0)	(620.9)	(528.4)	(456.3)	(648.2)
<b>OVERALL BALANCE</b>	<b>(994.7)</b>	<b>(1,206.9)</b>	<b>(1,287.8)</b>	<b>(1,168.1)</b>	<b>(1,513.1)</b>
<b>FINANCING</b>	<b>994.7</b>	<b>1,206.9</b>	<b>1,287.8</b>	<b>1,168.1</b>	<b>1,513.1</b>
Foreign (Net)	101.7	82.6	114.6	10.4	10.4
Domestic (Net)	893.0	1,124.3	1,173.2	1,157.7	1,502.7
Banking System	279.3	841.8	673.1	227.6	762.0
CBN/Sinking Fund	318.5	118.5	6.2	-	58.7
DMBs	(39.2)	723.3	666.9	227.6	703.3
Non-Bank Public	796.8	354.5	355.8	744.4	257.7
Other Funds	(183.1)	(72.0)	144.3	185.7	483.0

1/ Revised

2/ Provisional

3/ Non-Oil Revenue (Gross) 2007 – 2010 were revised to capture FG Independent Revenue

4/ This excludes SG Statutory Allocation to LGs in 2012

5/ This excludes SG Statutory Allocation to LGs in 2012

6/ Includes Transfers to FCT, NITDF and Transfer to NHIS

Source: Federal Ministry of Finance

DRAFT

**Table 20A**  
**General Government's Expenditure on Selected Primary Welfare Sectors**  
**(Naira Billion)**

SELECTED SECTORS	2012 1/			2013 2/		
	Recurrent	Capital	Total	Recurrent	Capital	Total
Education	909.2	203.3	1,112.5	1,101.0	207.7	1,308.7
Health	410.2	147.6	557.8	384.4	147.1	531.4
Agriculture	146.3	162.4	308.7	148.7	171.4	320.1
<b>TOTAL</b>	<b>1,465.7</b>	<b>513.3</b>	<b>1,979.0</b>	<b>1,634.0</b>	<b>526.2</b>	<b>2,160.2</b>

1/ Revised

2/ Provisional

Source: Federal Ministry of Finance and Central Bank of Nigeria

**Table 21**  
**Summary of Federal Government Finances**  
**(Naira Billion)**

	2009	2010	2011	2012 1/	2013 2/
<b>FEDERAL GOVERNMENT RETAINED REVENUE</b>	<b>2,643.0</b>	<b>3,089.2</b>	<b>3,553.5</b>	<b>3,629.6</b>	<b>4,031.8</b>
Share of Federation Account	1,353.6	1,830.9	2,403.9	2,499.5	2,830.8
Share of VAT Pool Account	67.4	81.1	93.5	102.3	114.6
Federal Government Independent Revenue	73.2	153.6	182.5	206.8	274.4
Share of Excess Crude Account (incl. Augment.)	815.4	464.1	836.9	485.0	570.8
Share from SURE-P Distribution	-	-	-	130.3	195.5
Others 3/	333.3	559.5	36.7	205.8	45.7
<b>TOTAL EXPENDITURE</b>	<b>3,453.0</b>	<b>4,194.6</b>	<b>4,712.1</b>	<b>4,605.4</b>	<b>5,185.3</b>
<b>Recurrent Expenditure</b>	<b>2,128.0</b>	<b>3,109.4</b>	<b>3,314.5</b>	<b>3,325.2</b>	<b>3,689.1</b>
<b>Goods and Services</b>	<b>1,712.5</b>	<b>2,546.2</b>	<b>2,527.3</b>	<b>2,400.3</b>	<b>2,386.8</b>
Personnel Cost	952.6	1,380.5	1,722.4	1,663.5	1,721.3
Pension	195.7	183.5	131.5	147.1	139.7
Overhead Cost	564.2	982.3	673.3	589.6	525.8
<b>Interest Payments</b>	<b>251.8</b>	<b>415.6</b>	<b>527.2</b>	<b>679.3</b>	<b>828.1</b>
Foreign	37.2	39.9	41.8	46.4	55.7
Domestic	214.5	375.8	485.4	632.9	772.4
<b>Transfers</b>	<b>163.7</b>	<b>147.5</b>	<b>260.1</b>	<b>245.6</b>	<b>474.1</b>
Special funds (including FCT VAT) and Others	163.7	147.5	260.1	245.6	474.1
<b>Capital Expenditure &amp; Net Lending</b>	<b>1,152.8</b>	<b>883.9</b>	<b>918.5</b>	<b>874.8</b>	<b>1,108.4</b>
Domestic Financed Budget	1,152.8	883.9	918.5	874.8	1,108.4
Budgetary	1,152.8	883.9	918.5	744.4	912.9
SURE-P Implementation	-	-	-	130.3	195.5
<b>Transfers</b>	<b>172.2</b>	<b>201.3</b>	<b>479.0</b>	<b>405.4</b>	<b>387.9</b>
NDDC	51.3	44.9	56.1	38.7	61.3
NJC	78.0	91.0	95.0	57.1	67.0
UBE	39.3	46.1	64.6	63.1	76.1
Others	3.6	19.3	263.4	246.5	183.4
<b>BALANCES</b>					
Primary Surplus(+)/Deficit(-)	(558.2)	(689.8)	(631.3)	(296.6)	(325.4)
Current Surplus(+)/Deficit(-)	515.0	(20.2)	239.0	304.4	342.8
<b>OVERALL SURPLUS(+)/DEFICIT(-)</b>	<b>(810.0)</b>	<b>(1,105.4)</b>	<b>(1,158.5)</b>	<b>(975.7)</b>	<b>(1,153.5)</b>
<b>FINANCING</b>	<b>810.0</b>	<b>1,105.4</b>	<b>1,158.5</b>	<b>975.7</b>	<b>1,153.5</b>
Foreign (Net)	29.8	75.0	73.3		
Domestic (Net)	577.6	1,110.5	855.3	975.7	1,153.5
Banking System	175.6	749.7	496.4	471.3	510.4
Central Bank	-	118.5	6.2	45.4	58.7
Deposit Money Banks	175.6	631.3	490.2	426.0	451.7
Non-Bank Public	395.0	354.5	355.8	273.1	257.7
Privatization Proceed	7.0	6.4	3.0	7.5	-
Other Funds 4/	202.6	(80.2)	229.9	223.8	385.3

1/ Revised

2/ Provisional

3/ Includes FG's Share of non-oil excess revenue, unspent balances from previous FY &amp; FG balances of special accounts

4/ Includes FG's Contribution to External Creditors' Fund

Source: Federal Ministry of Finance

**Table 22**  
**Functional Classification of Federal Government Recurrent and Capital Expenditure**  
**(Naira Billion)**

	2009	2010	2011	2012 1/	2013 2/
<b>TOTAL EXPENDITURE</b>	<b>3,453.0</b>	<b>4,194.6</b>	<b>4,712.1</b>	<b>4,605.4</b>	<b>5,185.3</b>
<b>A. RECURRENT EXPENDITURE</b>	<b>2,128.0</b>	<b>3,109.4</b>	<b>3,314.5</b>	<b>3,325.2</b>	<b>3,689.1</b>
<b>A1. ADMINISTRATION</b>	<b>714.4</b>	<b>1,117.4</b>	<b>1,262.4</b>	<b>1,159.4</b>	<b>1,111.8</b>
General Administration	437.9	694.5	699.2	500.1	546.8
Defence	54.8	198.7	283.2	296.8	272.3
Internal Security	221.7	224.2	280.0	362.5	292.7
<b>A2. ECONOMIC SERVICES</b>	<b>423.6</b>	<b>562.7</b>	<b>310.5</b>	<b>230.1</b>	<b>291.2</b>
Agriculture	22.4	28.2	41.2	33.3	39.4
Roads Construction	80.6	57.1	195.9	83.3	92.2
Transport & Communications	90.0	42.4	13.1	23.2	18.5
Others	230.5	435.0	60.3	90.3	141.1
<b>A3. SOCIAL &amp; COMMUNITY SERVICES</b>	<b>354.2</b>	<b>550.9</b>	<b>785.4</b>	<b>790.1</b>	<b>844.1</b>
Education	137.1	170.8	335.8	348.4	390.4
Health	90.2	99.1	231.8	197.9	180.0
Others	126.9	281.0	217.8	243.8	273.7
<b>A4. TRANSFERS</b>	<b>635.8</b>	<b>878.3</b>	<b>956.2</b>	<b>1,145.6</b>	<b>1,442.0</b>
Public Debt Charges (Int)	251.8	415.7	527.2	679.3	828.1
Domestic	214.5	375.8	485.4	632.9	772.4
Foreign	37.3	39.9	41.8	46.4	55.7
Pensions & Gratuities	195.7	183.5	131.5	147.1	139.7
FCT & Others	163.7	147.5	260.1	245.6	474.1
Others	24.5	131.7	37.4	73.6	-
<b>B. CAPITAL EXPENDITURE</b>	<b>1,152.8</b>	<b>883.9</b>	<b>918.5</b>	<b>874.8</b>	<b>1,108.4</b>
<b>B1. ADMINISTRATION</b>	<b>291.7</b>	<b>260.2</b>	<b>231.8</b>	<b>190.5</b>	<b>283.6</b>
General Administration	212.2	171.1	138.0	94.9	237.8
Defence	47.3	28.8	28.1	37.5	33.7
Internal Security	32.1	60.3	65.7	58.1	12.1
<b>B2 ECONOMIC SERVICES</b>	<b>506.0</b>	<b>412.2</b>	<b>386.4</b>	<b>321.0</b>	<b>505.8</b>
Agriculture & Natural Resources	138.9	78.0	62.9	63.4	56.4
Manuf., Mining & Quarrying	31.0	20.6	7.6	7.2	4.3
Transport & Communications	106.2	68.9	58.8	59.6	58.4
Housing	-	20.4	22.0	27.1	11.4
Roads & Construction	138.5	195.4	150.7	154.2	110.8
National Priority Projects	3.4	-	-	-	-
Counterpart Funding	3.4	-	-	-	-
Others	88.1	29.0	84.4	9.5	264.5
<b>B3 SOCIAL &amp; COMMUNITY SERVICES</b>	<b>144.9</b>	<b>151.8</b>	<b>92.8</b>	<b>97.4</b>	<b>154.7</b>
Education	43.4	87.9	35.4	47.6	35.4
Health	52.5	35.0	39.5	45.0	32.4
Others	49.1	28.9	17.9	4.8	86.9
<b>B4 TRANSFERS</b>	<b>210.2</b>	<b>59.7</b>	<b>207.5</b>	<b>265.9</b>	<b>164.3</b>
Financial Obligations	-	-	-	-	-
Capital Repayments	-	-	-	-	-
Domestic	-	-	-	-	-
Foreign	-	-	-	-	-
Capital Supplementation	210.2	59.7	207.5	265.9	15.4
Others	-	-	-	-	148.9
<b>C. STATUTORY TRANSFERS</b>	<b>172.2</b>	<b>201.3</b>	<b>479.0</b>	<b>405.4</b>	<b>387.9</b>
NDDC	51.3	44.9	56.1	38.7	61.3
NJC	78.0	91.0	95.0	57.1	67.0
UBE	39.3	46.1	64.6	63.1	76.1
Others	3.6	19.3	263.4	246.5	183.4

/1 Revised

/2 Provisional

Source: Federal Ministry of Finance, Office of the Accountant-General of the Federation and Central Bank of Nigeria.

DRAFT



**Table 22A**  
**Federal Government Expenditure on Key Primary Welfare Sectors**  
**(Naira Billion)**

SELECTED SECTORS	2012 1/			2013 2/		
	Recurrent	Capital	Total	Recurrent	Capital	Total
Education	348.4	47.6	396	390.4	35.4	425.8
Health	197.9	45.0	242.9	180.0	32.4	212.4
Agriculture	33.3	63.4	96.7	39.4	56.4	95.8
Roads and Contruction	83.3	154.2	237.5	92.2	110.8	203.0
<b>TOTAL</b>	<b>662.9</b>	<b>310.2</b>	<b>973.1</b>	<b>702.0</b>	<b>235.0</b>	<b>937.0</b>

1/ Revised

2/ Provisional

Source: Federal Ministry of Finance and Central Bank of Nigeria

**Table 23**  
**Summary of State Governments' and FCT's Finances**  
**(Naira Billion)**

	2009	2010	2011	2012 1/	2013 2/
<b>Total Revenue plus Grants</b>	<b>2,590.7</b>	<b>3,162.5</b>	<b>3,410.1</b>	<b>3,572.6</b>	<b>3,836.9</b>
Share of Federation Account 3/	973.8	1,353.7	1,786.3	1,857.0	2,104.3
Share of Excess Oil Revenue	376.8	322.4	167.0	143.9	172.3
Augmentation	272.8	162.9	510.7	208.0	290.0
Exchange Gain/NNPC Refund/SURE-P	58.9	14.8	18.9	190.5	215.2
Share of VAT	229.3	275.6	318.0	347.7	389.5
Internally Generated Revenue	461.2	757.9	509.3	548.1	585.9
Grants	188.0	224.2	88.7	95.7	69.7
Share of Stabilization Fund	29.7	51.0	11.2	1.3	1.3
Others 3/	-	-	-	180.4	8.7
<b>Total Expenditure</b>	<b>2,776.9</b>	<b>3,266.2</b>	<b>3,542.0</b>	<b>3,845.1</b>	<b>4,113.1</b>
<b>Recurrent Expenditure</b>	<b>1,426.1</b>	<b>1,648.4</b>	<b>2,055.8</b>	<b>1,664.4</b>	<b>1,723.9</b>
Personnel Cost	438.5	505.3	680.2	806.0	874.5
Overhead Cost	353.5	402.8	484.9	418.1	453.6
CRF Charges	144.4	181.9	70.9	60.4	75.5
Pensions	73.7	89.1	85.1	104.5	107.8
Debt Charges	133.0	170.3	232.2	32.6	36.8
Transfer to LGs	101.7	106.8	68.9	-	92.5
Other Transfers	67.5	72.7	208.7	76.6	83.1
Others	113.8	119.5	224.9	166.2	-
<b>Capital Expenditure</b>	<b>1,284.2</b>	<b>1,522.4</b>	<b>1,375.2</b>	<b>1,965.3</b>	<b>2,220.0</b>
<b>Direct Deductions from Statutory Allocations 4/</b>	<b>66.7</b>	<b>95.4</b>	<b>111.0</b>	<b>215.4</b>	<b>169.1</b>
<b>Current Balance 5/</b>	<b>1,164.6</b>	<b>1,514.1</b>	<b>1,354.3</b>	<b>1,908.2</b>	<b>2,113.0</b>
<b>Overall Balance 5/</b>	<b>(186.2)</b>	<b>(103.7)</b>	<b>(131.9)</b>	<b>(272.5)</b>	<b>(276.1)</b>
<b>Financing</b>	<b>186.2</b>	<b>103.7</b>	<b>131.9</b>	<b>272.5</b>	<b>276.1</b>
External Loans	8.0	7.6	41.3	10.4	10.4
Internal Loans	162.3	88.1	170.4	223.4	242.4
Other Funds	16.0	8.0	(79.8)	38.7	23.4

1/ Revised

2/ Provisional and comprises 36 states and FCT

3/ Gross Statutory Allocation

4/ Includes contribution to external debt fund and other deductions at source

5/ positive (+) sign connotes surplus while negative (-) sign connotes deficit

Sources: State Governments' Ministries of Finance and Office of the Accountant-General of the Federation's reports

DRAFT

**Table 24**  
**Functional Classification of State Governments' Recurrent and Capital Expenditure**  
**(Naira Billion)**

	2009	2010	2011	2012 1/	2013 2/
<b>Total Expenditure</b>	<b>2,776.9</b>	<b>3,266.2</b>	<b>3,540.9</b>	<b>3,845.1</b>	<b>4,113.1</b>
<b>A. RECURRENT EXPENDITURE</b>	<b>1,426.1</b>	<b>1,648.4</b>	<b>2,055.7</b>	<b>1,664.4</b>	<b>1,723.9</b>
<b>A1. ADMINISTRATION</b>	<b>321.7</b>	<b>427.9</b>	<b>378.7</b>	<b>371.4</b>	<b>384.6</b>
General Administration	186.1	265.4	207.5	216.2	223.9
State Assembly	36.0	58.0	43.8	45.0	46.6
State Judiciary	45.1	51.0	34.3	43.3	44.9
Others	54.5	53.5	93.1	66.9	69.3
<b>A2. ECONOMIC SERVICES</b>	<b>486.4</b>	<b>401.6</b>	<b>546.9</b>	<b>472.0</b>	<b>488.9</b>
Agriculture	59.3	52.8	42.5	52.1	54.0
Livestock	17.8	8.1	18.3	14.2	14.7
Forestry	12.6	6.4	10.4	9.6	9.9
Industry	35.5	21.9	13.7	24.0	24.8
Commerce	29.4	15.5	15.4	20.0	20.7
Finance	31.4	49.9	44.8	42.6	44.1
Transport	50.9	55.8	61.0	55.9	57.9
Cooperative/Supply	10.4	6.8	10.0	8.9	9.2
Power (Incl. Rural Electrification)	76.9	54.5	28.5	54.4	56.4
Roads Construction	91.1	25.1	86.5	64.2	66.5
Others	71.2	104.8	215.8	126.2	130.7
<b>A3. SOCIAL SERVICES</b>	<b>381.5</b>	<b>351.1</b>	<b>462.8</b>	<b>391.5</b>	<b>405.5</b>
Education	140.8	154.1	130.1	142.1	147.2
Health	77.3	75.0	75.8	75.7	78.4
Water Supply	47.7	37.5	20.4	36.0	37.3
Information & Culture	8.9	9.5	18.5	11.8	12.2
Social & Comm. Dev.	16.9	12.9	28.8	18.7	19.4
Housing	35.8	16.1	15.2	22.5	23.3
Town & Country Planning	18.2	11.5	10.6	13.5	14.0
Others	36.0	34.4	163.4	71.2	73.7
<b>A4. TRANSFERS</b>	<b>236.5</b>	<b>467.8</b>	<b>667.3</b>	<b>429.5</b>	<b>444.9</b>
Debt Charges (Interest Payments)	134.0	170.3	232.2	183.1	189.6
Pensions & Gratuities	73.9	89.1	85.1	90.3	93.5
Others	28.6	208.4	350.0	156.2	161.8
<b>B. CAPITAL EXPENDITURE</b>	<b>1,284.2</b>	<b>1,522.4</b>	<b>1,375.2</b>	<b>1,965.3</b>	<b>2,220.0</b>
<b>B1. ADMINISTRATION</b>	<b>171.0</b>	<b>281.6</b>	<b>225.4</b>	<b>315.8</b>	<b>356.7</b>
General Administration	112.0	206.5	90.2	188.2	212.6
State Assembly	11.1	33.2	13.8	25.7	29.0
State Judiciary	7.8	17.6	27.1	24.1	27.2
Others	40.0	24.3	94.3	77.8	87.8
<b>B2. ECONOMIC SERVICES</b>	<b>677.1</b>	<b>746.4</b>	<b>705.5</b>	<b>1,002.7</b>	<b>1,132.6</b>
Agriculture	52.2	53.5	35.1	66.3	74.9
Livestock	9.3	8.1	3.3	9.8	11.0
Forestry	7.5	4.2	6.8	8.8	10.0
Industry	18.4	21.3	6.5	21.7	24.5
Commerce	26.3	51.1	54.5	61.7	69.7
Finance	26.8	31.8	27.2	40.4	45.6
Transport	90.8	141.9	59.5	136.6	154.3
Cooperative/Supply	5.7	7.8	8.6	10.4	11.7
Power (Incl. Rural Electrification)	48.0	64.5	66.4	84.0	94.9
Roads Construction	339.4	310.6	263.7	431.5	487.5
Others	52.7	51.6	173.9	131.5	148.5
<b>B3. SOCIAL SERVICES</b>	<b>401.2</b>	<b>442.4</b>	<b>331.5</b>	<b>552.9</b>	<b>624.6</b>
Education	93.5	101.9	82.4	131.2	148.2
Health	72.4	65.0	43.8	84.7	95.7
Water Supply	52.1	46.8	36.6	63.8	72.0
Information & Culture	10.8	17.8	18.4	22.6	25.5
Social & Comm. Development	19.8	20.5	14.0	25.4	28.7
Housing	28.0	40.6	14.0	37.6	42.4
Town & Country Planning	55.6	89.5	50.9	91.2	103.0
Others	69.0	60.3	71.4	96.5	109.0
<b>B4. TRANSFERS</b>	<b>34.9</b>	<b>52.0</b>	<b>112.8</b>	<b>93.9</b>	<b>106.1</b>
Capital Repayments	6.1	6.7	26.3	16.8	19.0
Grants to LGs/Parastatals/Higher Inst.	23.7	39.2	68.9	64.0	72.2
Others	5.1	6.1	17.6	13.1	14.8
<b>C. Direct Deductions from Statutory Allocations 3/</b>	<b>66.7</b>	<b>95.4</b>	<b>110.0</b>	<b>215.4</b>	<b>169.1</b>

Revised

2/ Provisional and comprises 36 states and FCT

3/ Gross Statutory Allocation

4/ Includes contribution to external debt fund, contractual obligations (ISPOs) , e.t.c.  
Sources: State Governments' Accountants-General and OAGF

DRAFT

**Table 25**  
**Summary of State Governments' and FCT's Finances: State-By-State, 2013 1/**  
**(Naira Billion)**

S/N	STATES	REVENUE & OTHER RECEIPTS									
		Share of Federation Account 2/	Share of Excess Oil Revenue	Augmentation	Exch. Gain/NNPC Refund/SURF	Share of VAT	Internally Gen. Rev. (IGR)	Grants	Share of Stabilization Fund	Others	TOTAL
1	Abia	41.5	3.2	5.4	4.2	7.9	10.8	-	-	-	73.0
2	Adamawa	38.5	2.9	4.9	3.9	8.2	7.5	13.4	-	-	79.2
3	Akwa Ibom	219.9	18.2	30.6	21.7	10.2	12.5	-	0.6	-	313.8
4	Anambra	38.8	2.9	4.9	3.9	9.2	7.6	3.5	-	-	70.9
5	Bauchi	45.3	3.4	5.7	4.5	9.4	13.0	0.4	-	-	81.7
6	Bayelsa	153.2	15.5	26.1	15.4	7.6	6.2	3.7	-	-	227.8
7	Benue	41.8	3.1	5.3	4.2	9.0	1.2	-	-	-	64.7
8	Borno	46.2	3.5	5.8	4.6	9.0	2.6	-	-	-	71.6
9	Cross River	36.5	2.7	4.6	4.3	8.1	12.7	0.9	-	-	69.8
10	Delta	168.3	15.3	25.7	18.6	10.1	16.7	-	-	-	254.6
11	Ebonyi	32.3	2.4	4.1	3.3	7.4	6.3	0.6	-	2.4	58.8
12	Edo	50.3	3.9	6.5	5.0	8.6	18.1	1.0	-	-	93.4
13	Ekiti	32.6	2.4	4.1	3.3	7.5	5.3	1.6	0.3	-	57.0
14	Enugu	36.7	2.7	4.6	3.7	8.3	4.4	-	-	-	60.5
15	Gombe	34.5	2.6	4.3	3.4	7.7	9.5	0.5	-	-	62.5
16	Imo	45.5	3.6	6.0	4.5	8.9	7.3	-	-	-	75.9
17	Jigawa	42.7	3.2	5.4	4.3	9.3	2.5	0.0	0.0	-	67.4
18	Kaduna	48.9	3.7	6.2	4.9	10.9	3.9	-	-	-	78.4
19	Kano	60.9	4.6	7.7	6.1	14.6	50.0	-	-	-	143.9
20	Katsina	46.5	3.5	5.9	4.6	10.4	6.9	-	-	-	77.7
21	Kebbi	39.0	2.9	4.9	3.9	8.3	4.7	-	-	2.9	66.7
22	Kogi	39.3	2.9	4.9	3.9	8.3	5.3	-	-	-	64.5
23	Kwara	35.0	2.7	4.5	3.5	7.5	12.1	42.9	-	-	108.2
24	Lagos	54.4	4.1	7.0	5.5	68.3	157.3	-	-	-	296.7
25	Nassarawa	33.4	2.5	4.2	3.3	7.0	4.9	-	0.4	-	55.6
26	Niger	45.1	3.4	5.7	4.5	8.8	4.3	-	-	-	71.8
27	Ogun	37.3	2.8	4.8	3.8	8.8	26.2	0.6	-	-	84.3
28	Ondo	60.3	5.2	8.7	6.1	8.4	7.6	-	-	-	96.4
29	Osun	35.6	2.7	4.5	3.6	8.4	7.9	-	-	-	62.7
30	Oyo	44.7	3.4	5.7	4.5	10.4	17.1	-	-	3.4	89.2
31	Plateau	37.1	2.8	4.8	17.0	8.4	9.2	-	-	-	79.4
32	Rivers	174.6	17.9	30.1	7.7	15.0	84.3	-	-	-	329.6
33	Sokoto	40.5	3.0	5.1	4.0	8.7	11.7	-	-	-	73.2
34	Taraba	37.9	2.9	4.8	3.8	7.4	6.2	0.1	-	-	63.0
35	Yobe	37.8	2.8	4.8	3.8	7.5	8.6	-	-	-	65.3
36	Zamfara	37.9	2.9	4.8	3.8	8.3	2.8	-	-	-	60.5
37	FCT	53.5	4.0	6.8	3.7	7.6	11.0	0.5	-	-	87.1
38	Escrow (Disputed Fund)	-	-	-	0.2	-	-	-	-	-	0.2
TOTAL		2,104.3	172.3	290.0	215.2	389.5	585.9	69.7	1.3	8.7	3,836.9

1/ Provisional

2/ Gross allocation

3/ Positive (+) sign connotes decrease while (-) sign connotes increase in funds

Sources: State Governments' and FCT Abuja Accountants- General's Reports

DRAFT

**Table 25 Contd.**  
**Summary of State Government and FCT's Finances: State-By-State, 2013 1/**  
**(Naira Billion)**

S/N	STATES	EXPENDITURE & TRANSFERS								BALANCE		FINANCING				
		RECURRENT				SUB-TOTAL	CAPITAL	Direct Deductions from Statutory Allocations	TOTAL EXPENDITURE	Current	Overall	LOANS		Sub-Total	OTHER FUNDS 3/	TOTAL
		Personnel Cost	Overhead Cost	Transfers	Others							Internal	External			
1	Abia	8.7	0.4	28.9	-	38.0	36.2	1.1	75.2	35.1	(2.2)	9.2	0.1	9.3	(7.1)	2.2
2	Adamawa	19.5	22.4	2.1	-	44.0	49.9	0.2	94.1	35.2	(14.9)	10.8	0.2	11.0	3.9	14.9
3	Akwa Ibom	29.9	4.7	4.9	-	39.4	266.5	10.4	316.3	274.3	(2.6)	-	0.2	0.2	2.4	2.6
4	Anambra	6.2	5.8	9.5	-	21.5	50.8	0.6	72.9	49.4	(2.1)	-	0.3	0.3	1.8	2.1
5	Bauchi	13.6	16.5	11.2	-	41.3	62.0	3.6	106.9	40.4	(25.3)	1.5	0.7	2.2	23.0	25.3
6	Bayelsa	35.8	13.8	36.1	-	85.8	58.1	26.2	170.1	142.0	57.7	84.3	0.1	84.4	(142.1)	(57.7)
7	Benue	24.8	9.7	3.0	-	37.5	41.8	5.1	84.3	27.2	(19.7)	-	0.0	0.0	19.6	19.7
8	Borno	21.8	9.3	5.7	-	36.8	39.6	0.4	76.8	34.8	(5.2)	-	(0.1)	(0.1)	5.3	5.2
9	Cross River	20.4	10.3	7.3	-	38.0	39.2	2.2	79.4	31.8	(9.7)	-	0.6	0.6	9.1	9.7
10	Delta	31.8	19.3	66.7	-	117.8	85.1	18.1	220.9	136.8	33.7	-	(0.2)	(0.2)	(33.5)	(33.7)
11	Ebonyi	11.8	3.8	3.0	-	18.6	46.0	7.1	71.7	40.2	(12.9)	0.9	0.1	1.0	11.9	12.9
12	Edo	28.4	20.7	8.8	-	57.9	40.5	8.9	107.4	35.4	(14.0)	-	(0.1)	(0.1)	14.0	14.0
13	Ekiti	19.0	2.6	21.7	-	43.3	31.4	5.5	80.1	13.7	(23.1)	7.8	0.0	7.8	15.3	23.1
14	Enugu	17.8	7.4	3.0	-	28.2	29.1	0.7	58.1	32.2	2.4	8.6	0.2	8.9	(11.3)	(2.4)
15	Gombe	12.4	16.7	7.7	-	36.8	40.6	5.4	82.8	25.8	(20.2)	7.0	0.3	7.3	12.9	20.2
16	Imo	11.3	13.1	14.8	-	39.2	5.4	5.6	50.2	36.6	25.7	9.7	0.0	9.7	(35.4)	(25.7)
17	Jigawa	2.8	6.4	3.5	-	12.7	79.7	0.6	93.0	54.7	(25.6)	0.3	0.2	0.6	25.0	25.6
18	Kaduna	20.2	15.8	9.9	-	45.9	45.1	4.3	95.3	32.4	(17.0)	0.0	1.4	1.4	15.6	17.0
19	Kano	109.0	23.9	2.8	-	135.7	20.8	1.3	157.9	8.2	(14.0)	-	0.6	0.6	13.4	14.0
20	Katsina	27.7	5.8	3.2	-	36.8	48.8	1.1	86.7	40.9	(9.0)	-	0.1	0.1	8.8	9.0
21	Kebbi	7.6	6.0	12.4	-	26.0	60.3	0.5	86.7	40.7	(20.1)	1.1	0.1	1.1	18.9	20.1
22	Kogi	15.3	3.5	5.0	-	23.8	35.1	0.4	59.3	40.8	5.3	3.2	0.1	3.3	(8.6)	(5.3)
23	Kwara	10.2	14.3	11.0	-	35.6	41.2	0.5	77.4	72.6	30.8	-	0.8	0.8	(31.7)	(30.8)
24	Lagos	54.4	43.1	14.2	-	111.7	260.9	22.2	394.8	184.9	(98.1)	44.0	3.3	47.3	50.8	98.1
25	Nassarawa	9.5	14.8	19.4	-	43.7	18.0	3.6	65.4	11.9	(9.7)	4.6	0.3	4.9	4.8	9.7
26	Niger	30.0	6.7	0.9	-	37.7	10.3	5.7	53.7	34.2	18.1	-	0.1	0.1	(18.3)	(18.1)
27	Ogun	21.9	11.0	1.7	-	34.6	14.1	0.4	49.0	49.7	35.2	-	0.9	0.9	(36.1)	(35.2)
28	Ondo	23.9	31.5	2.2	-	57.6	29.1	7.4	94.1	38.8	2.3	-	0.5	0.5	(2.8)	(2.3)
29	Osun	23.8	31.3	3.7	-	58.7	20.8	8.6	88.1	3.9	(25.4)	-	(0.1)	(0.1)	25.6	25.4
30	Oyo	18.6	6.4	5.9	-	30.9	43.7	1.3	75.9	58.2	13.3	-	(0.8)	(0.8)	(12.5)	(13.3)
31	Plateau	20.5	17.0	9.7	-	47.2	41.0	1.0	89.2	32.2	(9.8)	4.2	(0.3)	3.9	6.0	9.8
32	Rivers	60.7	16.3	8.7	-	85.8	376.4	6.4	468.6	243.9	(138.9)	32.2	0.1	32.3	106.6	138.9
33	Sokoto	30.0	6.7	0.9	-	37.7	10.3	0.5	48.5	35.5	24.7	-	0.1	0.1	(24.8)	(24.7)
34	Taraba	17.7	5.7	8.7	-	32.1	43.3	0.6	76.0	30.9	(13.0)	8.1	0.0	8.1	4.9	13.0
35	Yobe	14.1	4.3	3.1	-	21.6	34.1	0.3	56.0	43.7	9.4	-	0.1	0.1	(9.4)	(9.4)
36	Zamfara	24.6	1.8	26.9	-	53.3	17.2	0.8	71.2	7.2	(10.7)	4.8	0.1	4.8	5.9	10.7
37	FCT	18.7	4.4	7.6	-	30.7	47.7	0.5	78.9	56.5	8.3	-	0.4	0.4	(8.7)	(8.3)
38	Escrow (Disputed Fund)	-	-	-	-	-	-	-	-	0.2	0.2	-	-	-	(0.2)	(0.2)
TOTAL		874.5	453.6	395.7	-	1,723.9	2,220.0	169.1	4,113.1	2,113.0	(276.1)	242.4	10.4	252.8	23.4	276.1

1/ Provisional  
2/ Gross allocation



3/ Positive (+) sign connotes decrease while (-) sign connotes increase in funds  
Sources: State Governments' and FCT Abuja Accountants- General's Reports

DRAFT

**Table 26**  
**State Governments' and FCT's Expenditures on Key Primary Welfare Sectors**  
**(Naira Billion)**

SELECTED SECTORS	2012 1/			2013 2/					2012	2013 1/
	Recurrent	Capital	Total	Recurrent	Capital	Total	Changes	% Change	As % of GDP	
Education	142.1	131.2	273.3	147.2	148.2	295.4	22.1	8.1	0.38	0.37
Health	75.7	84.7	160.4	78.4	95.7	174.1	13.7	8.5	0.22	0.22
Agriculture	75.9	84.9	160.8	78.6	96.0	174.5	13.7	8.5	0.22	0.22
Water Supply	36.0	63.8	99.8	37.3	72.0	109.3	9.6	9.6	0.14	0.14
Housing	22.5	37.6	60.1	23.3	42.4	65.8	5.7	9.4	0.08	0.08
<b>TOTAL</b>	<b>352.2</b>	<b>402.2</b>	<b>754.4</b>	<b>364.8</b>	<b>454.3</b>	<b>819.1</b>			1.05	1.02

1/ Revised

2/ Provisional

**Table 27**  
**Summary of Local Governments' Finances**  
**(Naira Billion)**

	2009	2010	2011	2012 1/	2013 2/
<b>A. Gross Revenue</b>	<b>1,069.4</b>	<b>1,359.2</b>	<b>1,636.2</b>	<b>1,648.3</b>	<b>1,810.0</b>
Share of Federation Account 3/	529.3	716.0	940.0	977.4	1,107.0
Share of VAT	157.4	189.1	218.2	238.5	267.3
Internally Generated Revenue	26.1	26.2	31.6	26.6	29.3
Grants and Others	20.3	36.3	51.1	26.8	43.0
Stabilization/Ecology Fund	11.4	12.6	21.3	3.2	16.4
State Allocation	19.7	12.7	35.2	8.7	12.8
Share of Excess Crude	145.0	158.9	80.7	69.5	83.2
SURE-P	-	-	-	51.0	76.5
NNPC refund to LGs	-	78.7	11.5	34.6	34.6
Budget Augmentation	131.7	121.6	246.6	100.4	140.0
Exchange Gain	28.4	7.1	-	13.6	-
Non-oil excess revenue	-	-	-	30.8	-
Others 5/	-	-	-	67.0	-
<b>B. Total Expenditure</b>	<b>1,067.6</b>	<b>1,356.7</b>	<b>1,631.9</b>	<b>1,644.9</b>	<b>1,806.9</b>
<b>Recurrent Expenditure</b>	<b>704.6</b>	<b>823.7</b>	<b>1,279.8</b>	<b>1,345.5</b>	<b>1,414.0</b>
Personnel Cost	306.3	316.5	973.7	956.5	993.7
Overhead Cost	328.7	395.0	204.2	259.5	265.6
CRFC & Others	69.7	112.2	101.9	129.5	154.6
<b>Capital Expenditure</b>	<b>363.0</b>	<b>533.0</b>	<b>352.1</b>	<b>299.4</b>	<b>392.9</b>
Administration	57.4	78.7	130.3	50.6	95.0
Economic Services	175.0	247.2	122.0	111.7	121.6
Social & Community Services	124.2	183.3	92.5	103.1	127.2
Transfers	6.5	23.7	7.4	34.0	49.1
<b>C. Current Balance</b>	<b>364.8</b>	<b>535.5</b>	<b>356.5</b>	<b>302.8</b>	<b>396.1</b>
<b>D. Overall Balance</b>	<b>1.8</b>	<b>2.5</b>	<b>4.3</b>	<b>3.4</b>	<b>3.1</b>
<b>E. Financing</b>	<b>(1.8)</b>	<b>(2.5)</b>	<b>(4.3)</b>	<b>(3.4)</b>	<b>(3.1)</b>
External Loans	-	-	-	-	-
Internal Loans	6.1	3.2	6.7	4.3	9.2
Opening Cash Balance	38.5	30.4	(36.2)	25.1	(32.8)
Other Funds 4/	(46.3)	(36.2)	25.1	(32.8)	20.4

1/ Revised

2/ Provisional: Consisting of 649 returns from the Annual Survey and 125 were staff estimates

3/ Gross

4/ Including Closing Balance

5/ Distribution of N143.069 billion &amp; N230.854 billion to the three tiers of govt being recovered understated statutory fund in 2012

Sources: Federal Ministry of Finance, Office of the Accountant General of the Federation and Staff Estimates

DRAFT

**Table 28**  
**Summary of Local Governments' Finances (State-By-State, 2013) 1/**  
**(Naira Billion)**

S/N	STATES	REVENUE & OTHER RECEIPTS												
		Gross Statutory Allocation 2/	Share of Excess Oil Revenue	SURE-P	Budget Augmentation	VAT	Internally Gen. Rev. (IGR)			State Allocation	NNPC refund	Grants and Others	Stabilization Funds & Others 3/	TOTAL
							Tax	Non-Tax	Sub-Total					
1	3	4	5	6	7	8	9	10	12	13	14	16		
1	Abia	23.07	1.73	1.59	2.92	4.68	0.00	0.12	0.1	-	0.71	0.38	-	35.21
2	Adamawa	29.59	2.21	2.05	3.76	5.57	0.76	0.94	1.7	0.03	0.95	0.06	0.13	46.06
3	Akwa Ibom	39.08	2.93	2.71	4.96	8.51	0.01	0.06	0.1	0.07	1.16	-	-	59.48
4	Anambra	29.40	2.21	2.03	3.73	6.26	0.01	0.16	0.2	-	1.00	0.39	-	45.18
5	Bauchi	33.90	2.53	2.35	4.31	6.26	0.00	0.36	0.4	0.23	0.98	3.18	0.20	54.30
6	Bayelsa	12.68	0.97	0.87	1.59	2.85	0.03	0.44	0.5	0.00	0.38	0.15	-	19.96
7	Benue	34.85	2.64	2.39	4.38	6.50	0.02	0.49	0.5	-	1.11	3.60	0.02	55.99
8	Borno	39.68	2.97	2.75	5.03	7.18	-	-	-	-	1.21	-	-	58.83
9	Cross River	24.81	1.87	1.71	3.13	4.95	0.16	0.55	0.7	0.02	0.81	0.11	-	38.11
10	Delta	32.62	2.45	2.26	4.14	7.47	0.04	1.04	1.1	4.47	1.07	6.27	-	61.81
11	Ebonyi	17.79	1.35	1.22	2.23	3.68	0.07	1.72	1.8	0.43	0.55	0.35	-	29.39
12	Edo	24.75	1.86	1.71	3.13	5.25	0.00	0.52	0.5	-	0.86	0.21	-	38.29
13	Ekiti	20.05	1.50	1.39	2.55	4.26	0.13	0.11	0.2	0.37	0.64	-	-	30.99
14	Enugu	24.06	1.82	1.65	3.02	4.99	0.11	0.45	0.6	-	0.73	0.00	-	36.84
15	Gombe	17.37	1.30	1.20	2.20	3.48	0.16	0.40	0.6	0.05	0.52	0.14	0.21	27.05
16	Imo	34.39	2.57	2.39	4.37	7.18	0.00	0.10	0.1	-	1.04	0.01	-	52.06
17	Jigawa	36.09	2.70	2.50	4.58	7.38	0.02	0.97	1.0	0.03	1.11	0.02	1.48	56.89
18	Kaduna	39.02	2.94	2.68	4.92	7.77	0.28	0.93	1.2	0.65	1.22	0.04	0.05	60.51
19	Kano	63.71	4.78	4.41	8.07	13.86	0.07	1.38	1.4	0.23	1.93	3.10	12.46	114.00
20	Katsina	46.89	3.54	3.22	5.90	9.34	0.05	0.51	0.6	0.03	1.45	0.29	0.03	71.25
21	Kebbi	29.21	2.21	2.00	3.66	5.68	0.21	1.62	1.8	-	0.90	-	-	45.48
22	Kogi	30.26	2.29	2.07	3.80	5.70	0.21	0.24	0.4	0.04	0.89	0.03	0.17	45.71
23	Kwara	22.92	1.71	1.59	2.92	4.28	0.04	0.26	0.3	0.66	0.74	1.12	0.05	36.29
24	Lagos	38.61	2.89	2.68	4.90	40.20	0.00	5.09	5.1	0.98	1.30	4.80	0.06	101.50
25	Nassarawa	18.68	1.42	1.27	2.33	3.41	0.06	0.24	0.3	0.05	0.57	0.72	-	28.77
26	Niger	37.28	2.79	2.58	4.73	6.70	0.06	0.72	0.8	1.94	1.16	1.97	-	59.94
27	Ogun	27.43	2.04	1.91	3.50	5.80	0.00	0.72	0.7	-	0.89	0.08	-	42.38
28	Ondo	25.46	1.91	1.76	3.23	5.24	0.01	0.16	0.2	-	0.80	-	-	38.56
29	Osun	34.66	2.59	2.40	4.40	7.31	0.08	0.19	0.3	-	1.17	-	-	52.81
30	Oyo	44.22	3.30	3.07	5.63	9.16	0.01	0.52	0.5	1.01	1.39	1.90	1.49	71.72
31	Plateau	25.70	1.95	1.76	3.22	5.03	0.05	0.23	0.3	-	0.79	0.28	-	39.01
32	Rivers	33.34	2.50	2.30	4.22	9.70	0.00	0.88	0.9	0.05	1.03	0.79	-	54.82
33	Sokoto	32.23	2.44	2.21	4.05	6.30	0.13	0.22	0.3	0.38	1.01	1.93	-	50.88
34	Taraba	25.40	1.90	1.76	3.22	4.19	0.12	0.29	0.4	0.03	0.79	0.92	-	38.62
35	Yobe	24.77	1.87	1.71	3.12	4.43	0.37	1.82	2.2	0.55	0.78	4.09	0.09	43.61
36	Zamfara	23.11	1.73	1.60	2.93	4.49	0.01	0.71	0.7	-	0.68	6.05	-	41.32
37	FCT	9.90	0.75	0.68	1.25	12.28	0.00	0.82	0.8	0.48	0.28	-	-	26.44
TOTAL		1,107.0	83.2	76.5	140.0	267.3	3.3	26.0	29.3	12.8	34.6	43.0	16.4	1,810.0

1/ Provisional: Consisting of 649 returns from the Annual Survey and 125 were staff estimates

2/ Gross

3/ Including Special Reserve Account

4/ Positive (+) sign connotes decrease while (-) sign connotes increase in funds

Sources: Federal Ministry of Finance, Office of the Accountant General of the Federation, CBN/NBS/NCC Collaborative Survey and Staff Estimates

DRAFT

**Table 28 Cont'd**  
**Summary of Local Governments' Finances (State-by-State, 2013) 1/**  
**(Naira Billion)**

S/N	STATES	EXPENDITURE & TRANSFERS							BALANCE		FINANCING						OUTSTANDING DEBT		
		RECURRENT				SUB-TOTAL	CAPITAL	TOTAL EXPENDITURE	Current	Overall	OPENING BALANCE	LOANS			OTHER FUNDS 4/	TOTAL	Domestic	Foreign	TOTAL
		Personnel Cost	Overhead Cost	CRFC	Others 4/							Internal	External	Sub-Total					
		17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34
1	Abia	27.60	1.82	0.33	2.04	31.8	3.61	35.4	3.4	(0.2)	0.85	0.49	-	0.5	(1.15)	0.2	-	-	-
2	Adamawa	22.57	4.24	0.95	8.93	36.7	8.87	45.55	9.38	0.51	0.10	0.09	-	0.09	(0.70)	(0.51)	0.07	-	0.07
3	Akwa Ibom	42.77	4.24	4.40	1.86	53.3	7.00	60.3	6.2	(0.8)	(0.17)	1.13	-	1.1	(0.17)	0.8	-	-	-
4	Anambra	19.68	5.03	4.65	6.30	35.7	9.22	44.9	9.5	0.3	(0.23)	-	-	-	(0.08)	(0.3)	0.04	-	0.04
5	Bauchi	44.18	8.27	(0.21)	-	52.2	3.77	56.0	2.1	(1.7)	(0.44)	0.07	-	0.1	2.08	1.7	-	-	-
6	Bayelsa	8.17	3.59	2.05	1.07	14.9	4.53	19.4	5.1	0.5	(0.09)	0.05	-	0.1	(0.51)	(0.5)	-	-	-
7	Benue	34.43	5.20	4.01	0.94	44.6	11.71	56.3	11.4	(0.3)	(1.93)	0.31	-	0.3	1.92	0.3	0.03	-	0.03
8	Borno	26.93	6.48	3.24	1.62	38.3	20.90	59.2	20.6	(0.3)	(8.17)	1.46	-	1.5	7.06	0.3	-	-	-
9	Cross River	27.47	3.29	0.89	0.63	32.3	6.26	38.5	5.8	(0.4)	0.92	-	-	-	(0.49)	0.4	0.35	-	0.35
10	Delta	42.97	7.09	3.48	0.18	53.7	6.97	60.7	8.1	1.1	(1.97)	0.38	-	0.4	0.46	(1.1)	0.07	-	0.07
11	Ebonyi	13.20	3.02	0.57	1.86	18.7	10.10	28.8	10.7	0.6	(1.16)	-	-	-	0.52	(0.6)	-	-	-
12	Edo	20.98	5.13	2.42	1.51	30.0	7.82	37.9	8.2	0.4	(0.11)	0.06	-	0.1	(0.38)	(0.4)	0.02	-	0.02
13	Ekiti	19.23	4.59	3.20	1.02	28.0	3.22	31.3	3.0	(0.3)	0.31	-	-	-	(0.05)	0.3	0.16	-	0.16
14	Enugu	19.87	4.87	0.03	0.19	25.0	12.14	37.1	11.9	(0.3)	0.38	-	-	-	(0.12)	0.3	0.29	-	0.29
15	Gombe	12.82	11.05	1.69	-	25.6	3.27	28.8	1.5	(1.8)	0.65	0.00	-	0.0	1.14	1.8	-	-	-
16	Imo	38.02	7.52	0.71	1.62	47.9	4.33	52.2	4.2	(0.1)	(2.23)	0.27	-	0.3	2.11	0.1	0.00	-	0.00
17	Igawa	23.71	19.68	2.77	0.65	46.8	10.49	57.3	10.1	(0.4)	(0.27)	0.56	-	0.6	0.12	0.4	-	-	-
18	Kaduna	44.58	8.99	1.30	0.41	55.3	6.85	62.1	5.2	(1.6)	(2.15)	0.05	-	0.1	3.71	1.6	0.15	-	0.15
19	Kano	50.40	22.91	4.26	0.01	77.6	24.55	102.1	36.4	11.9	0.07	0.72	-	0.7	(12.66)	(11.9)	0.05	-	0.05
20	Katsina	44.07	8.35	3.25	3.27	58.9	13.26	72.2	12.3	(1.0)	(0.35)	0.27	-	0.3	1.03	1.0	0.04	-	0.04
21	Kebbi	19.22	2.05	1.74	-	23.0	26.08	49.1	22.5	(3.6)	(5.22)	-	-	-	8.82	3.6	0.23	-	0.23
22	Kogi	31.60	7.37	1.18	1.32	41.5	5.22	46.7	4.2	(1.0)	(1.61)	-	-	-	2.60	1.0	3.39	-	3.39
23	Kwara	22.92	4.17	1.00	0.30	28.4	8.07	36.5	7.9	(0.2)	0.35	-	-	-	(0.19)	0.2	-	-	-
24	Lagos	32.05	23.55	5.76	4.75	66.1	31.97	98.1	35.4	3.4	(0.17)	0.96	-	1.0	(4.20)	(3.4)	0.19	-	0.19
25	Nasarawa	21.63	1.46	2.57	0.01	25.7	5.77	31.5	3.1	(2.7)	(0.50)	-	-	-	3.19	2.7	0.00	-	0.00
26	Niger	25.36	8.10	0.60	3.01	37.1	18.19	55.3	22.9	4.7	(1.84)	0.12	-	0.1	(2.97)	(4.7)	-	-	-
27	Ogun	32.96	3.46	5.10	1.01	42.5	1.70	44.2	(0.2)	(1.9)	(1.54)	0.35	-	0.4	3.04	1.9	0.01	-	0.01
28	Ondo	26.01	2.32	1.35	1.08	30.8	8.20	39.0	7.8	(0.4)	(1.32)	-	-	-	1.72	0.4	0.02	-	0.02
29	Osun	19.48	9.42	9.35	0.40	38.6	16.04	54.7	14.2	(1.9)	0.23	-	-	-	1.65	1.9	-	-	-
30	Oyo	35.86	14.36	6.44	0.49	57.1	12.31	69.5	14.6	2.3	1.22	-	-	-	(3.49)	(2.3)	0.02	-	0.02
31	Plateau	22.74	7.43	1.29	0.42	31.9	6.75	38.6	7.1	0.4	0.93	0.12	-	0.1	(1.42)	(0.4)	0.30	-	0.30
32	Rivers	34.23	9.39	2.68	2.53	48.8	6.76	55.6	6.0	(0.8)	(1.92)	0.42	-	0.4	2.27	0.8	0.01	-	0.01
33	Sokoto	21.86	6.92	5.36	1.38	35.5	14.90	50.4	15.4	0.5	1.24	-	-	-	(1.69)	(0.5)	0.51	-	0.51
34	Taraba	23.58	7.17	(0.08)	0.70	31.4	9.91	41.3	7.2	(2.7)	(1.41)	0.04	-	0.0	4.03	2.7	0.82	-	0.82
35	Yobe	13.94	3.68	2.18	1.41	21.2	21.98	43.2	22.4	0.4	(2.22)	-	-	-	1.80	(0.4)	-	-	-
36	Zamfara	10.78	6.53	6.41	0.34	24.1	16.61	40.7	17.3	0.7	(1.96)	1.05	-	1.0	0.26	(0.7)	0.01	-	0.01
37	FCT	15.83	2.90	3.70	0.75	23.2	3.6	26.8	3.3	(0.4)	(1.01)	0.20	-	0.2	1.16	0.4	1.50	-	1.50
TOTAL		993.7	265.6	100.6	54.0	1,414.0	392.9	1,806.9	396.1	3.1	(32.8)	9.2	-	9.2	20.4	(3.1)	8.3	-	8.3

1/ Provisional: Consisting of 649 returns from the Annual Survey and 125 were staff estimates

2/ Gross

3/ Including Special Reserve Account

4/ Positive (+) sign connotes decrease while (-) sign connotes increase in funds

Sources: Federal Ministry of Finance, Office of the Accountant General of the Federation, CBN/NBS/NCC Collaborative Survey and Staff Estimates

DRAFT



**Table 28A**  
**Local Governments' Expenditure on Selected Primary Welfare Sectors**  
**(Naira Billion)**

	<b>2012 1/</b>			<b>2013 2/</b>		
	<b>Recurrent</b>	<b>Capital</b>	<b>Total</b>	<b>Recurrent</b>	<b>Capital</b>	<b>Total</b>
<b>Education</b>	418.7	24.5	<b>443.2</b>	563.3	24.1	<b>587.4</b>
<b>Health</b>	136.7	17.9	<b>154.6</b>	126.0	19.0	<b>145.0</b>
<b>Agriculture</b>	37.1	14.0	<b>51.1</b>	30.7	19.1	<b>49.8</b>
<b>Water Supply</b>	39.6	14.1	<b>53.7</b>	13.3	10.8	<b>24.1</b>
<b>Housing</b>	18.5	6.3	<b>24.8</b>	15.0	5.9	<b>20.9</b>
<b>TOTAL</b>	<b>650.5</b>	<b>76.9</b>	<b>727.4</b>	<b>748.3</b>	<b>78.9</b>	<b>827.2</b>

1/ Revised

2/ Provisional

Sources: CBN/NBS/NCC Collaborative Survey and Staff Estimates

**Table 29**  
**Consolidated Debt of the Federal Government**  
**(Naira Billion)**

Type	2009	2010	2011	2012 1/	2013 2/
<b>External Debt</b>	590.4	689.8	896.8	1,026.9	1,387.3
<b>Domestic Debt</b>	3,228.0	4,551.8	5,622.8	6,537.5	7,119.0
<b>Total</b>	<b>3,818.4</b>	<b>5,241.7</b>	<b>6,519.6</b>	<b>7,564.4</b>	<b>8,506.4</b>
<b>Domestic Public Debt (end - Period)</b>					
Item	2009	2010	2011	2012	2013 1/
<b>COMPOSITION OF DEBT.</b>					
<b>Instruments</b>					
Treasury Bills	797.5	1,277.1	1,727.9	2,122.9	2,581.6
Treasury Bonds	392.1	372.9	353.7	334.6	315.4
Development Stocks	0.5	0.2	-	-	-
FGN Bonds	1,974.9	2,901.6	3,541.2	4,080.0	4,222.0
Special FGN Bonds	-	-	-	-	-
Promisory Notes 3/	63.0	-	-	-	-
<b>HOLDERS</b>					
Banking System	1,882.5	3,092.5	4,286.0	4,139.0	4,730.5
Central Bank	323.2	343.1	348.0	398.3	544.1
Deposit Money Banks (DMBs)	1,274.6	2,605.0	3,790.8	3,580.4	3,865.9
Sinking Fund	284.7	144.4	147.2	160.3	320.5
Non-Bank Public	1,345.6	1,459.3	1,336.8	2,398.5	2,388.5
<b>TENOR**</b>					
2 years and below	1,421.4	1,995.3	3,124.9	4,088.9	4,784.5
2-5 years	947.3	1,316.8	1,064.4	751.7	569.3
5-10 years	294.7	496.4	715.2	1,028.6	1,131.5
Over 10 years	564.6	743.3	718.3	668.3	633.8
<b>Total Debt Outstanding</b>	<b>3,228.0</b>	<b>4,551.8</b>	<b>5,622.8</b>	<b>6,537.5</b>	<b>7,119.0</b>

1/ Revised

2/ Provisional

3/ Introduced 30<sup>th</sup> September, 2009

**Table 30**  
**External Public Debt Outstanding**  
**External Debt Stock**

Holder	US\$ <sup>1</sup> Million					Naira Billion				
	2009	2010	2011	2012 1/	2013 2/	2009	2010	2011	2012 1/	2013 2/
Multilateral	3,504.5	4,217.8	4,568.9	4,622.9	6,275.2	524.2	635.4	723.1	727.3	986.8
Paris Club	-	-	-	-	-	-	-	-	-	-
London Club	-	-	-	-	-	-	-	-	-	-
Par Bonds	-	-	-	-	-	-	-	-	-	-
Promissory Notes	-	-	-	-	-	-	-	-	-	-
Others 3/	442.8	361.0	1,097.7	1,904.2	2,546.7	66.2	54.4	173.7	299.6	400.5
<b>Total Debt Outstanding</b>	<b>3,947.3</b>	<b>4,578.8</b>	<b>5,666.6</b>	<b>6,527.1</b>	<b>8,821.9</b>	<b>590.4</b>	<b>689.8</b>	<b>896.8</b>	<b>1,026.9</b>	<b>1,387.3</b>
<b>External Debt Service Payments</b>										
Holder	US\$ <sup>1</sup> Million					Naira Billion				
	2009	2010	2011	2012 1/	2013 2/	2009	2010	2011	2012 1/	2013 2/
Multilateral	260.5	212.6	172.3	126.9	143.0	38.8	32.0	26.5	20.0	22.5
I.B.R.D.	141.4	73.3	36.8	6.9	-	21.1	11.0	5.7	1.1	-
E.I.B.	-	-	6.9	6.3	6.5	-	-	1.1	1.0	1.0
A.D.B. & Others	119.0	139.3	128.5	113.7	136.5	17.7	20.9	19.8	17.9	21.5
Paris Club	-	-	-	-	-	-	-	-	-	-
London Club	-	-	-	-	-	-	-	-	-	-
Promissory Notes	-	-	-	-	-	-	-	-	-	-
Others 4/	167.5	141.8	179.3	166.1	154.3	24.9	21.3	27.6	26.2	24.3
<b>Total</b>	<b>428.0</b>	<b>354.4</b>	<b>351.6</b>	<b>293.0</b>	<b>297.3</b>	<b>63.7</b>	<b>53.3</b>	<b>54.1</b>	<b>46.1</b>	<b>46.8</b>

1/ Revised

2/ Provisional

3/ Includes Non-Paris Bilateral and Commercial debts and ICM (Euro-Bond)

4/ Includes Non-Paris Bilateral, Non-Paris Commercial, Oil Warrants and ICM (Euro Bond)

Sources: Debt Management Office, The Presidency, Abuja

DRAFT

**Table 31**  
**Gross Domestic Product at 2010 Constant Basic Prices**  
**(Naira Billion, unless otherwise stated)**

Activity Sector	2009*	2010 /1	2011 /1	2012 /1	2013 /1	Percentage Share in Total Real GDP (%)				
						2009*	2010 /1	2011 /1	2012 /1	2013 /1
<b>1. Agriculture</b>	<b>299.82</b>	<b>13,048.89</b>	<b>13,429.38</b>	<b>14,329.71</b>	<b>14,750.52</b>	<b>41.70</b>	<b>23.89</b>	<b>23.35</b>	<b>23.91</b>	<b>23.33</b>
(a) Crop Production	267.18	11,683.90	12,017.19	12,919.54	13,247.80	37.16	21.39	20.90	21.56	20.96
(b) Livestock	19.04	979.56	999.40	972.76	1,030.94	2.65	1.79	1.74	1.62	1.63
(c) Forestry	3.80	135.72	142.46	146.09	154.31	0.53	0.25	0.25	0.24	0.24
(d) Fishing	9.81	249.71	270.32	291.31	317.47	1.36	0.46	0.47	0.49	0.50
<b>2. Industry</b>	<b>149.49</b>	<b>12,033.20</b>	<b>12,874.25</b>	<b>13,028.05</b>	<b>13,014.51</b>	<b>20.79</b>	<b>22.03</b>	<b>22.39</b>	<b>21.74</b>	<b>20.59</b>
(a) Crude Petroleum & Natural Gas	117.12	8,402.68	8,598.64	8,173.26	7,105.28	16.29	15.39	14.95	13.64	11.24
(b) Solid Minerals	2.37	51.88	59.42	71.13	82.87	0.33	0.09	0.10	0.12	0.13
(c) Manufacturing	29.99	3,578.64	4,216.19	4,783.66	5,826.36	4.17	6.55	7.33	7.98	9.22
<b>3. Construction</b>	<b>13.82</b>	<b>1,570.97</b>	<b>1,817.83</b>	<b>1,989.46</b>	<b>2,272.38</b>	<b>1.92</b>	<b>2.88</b>	<b>3.16</b>	<b>3.32</b>	<b>3.59</b>
<b>4. Trade</b>	<b>130.44</b>	<b>8,992.65</b>	<b>9,640.90</b>	<b>9,853.68</b>	<b>10,507.90</b>	<b>18.14</b>	<b>16.47</b>	<b>16.76</b>	<b>16.44</b>	<b>16.62</b>
<b>5. Services</b>	<b>125.41</b>	<b>18,966.55</b>	<b>19,748.68</b>	<b>20,729.00</b>	<b>22,673.41</b>	<b>17.44</b>	<b>34.73</b>	<b>34.34</b>	<b>34.59</b>	<b>35.87</b>
(a) Transport	19.45	694.77	736.24	711.08	738.08	2.70	1.27	1.28	1.19	1.17
(b) Information and Communication	26.30	5,955.06	6,083.05	6,268.51	6,783.07	3.66	10.90	10.58	10.46	10.73
(c) Utilities	23.73	222.26	294.55	332.94	395.58	3.30	0.41	0.51	0.56	0.63
(d) Accommodation and Food Services	3.47	245.76	268.42	310.95	540.63	0.48	0.45	0.47	0.52	0.86
(e) Finance & Insurance	26.62	1,908.81	1,394.70	1,687.91	1,833.65	3.70	3.50	2.43	2.82	2.90
(f) Real Estate	13.02	4,127.99	4,145.87	4,379.94	4,904.64	1.81	7.56	7.21	7.31	7.76
(g) Professional, Scientific & Technical Services	-	1,711.70	2,031.47	2,190.07	2,265.11	-	3.13	3.53	3.65	3.58
(h) Administrative and Support Services Business Services	-	13.14	13.82	13.37	13.72	-	0.02	0.02	0.02	0.02
(i) Public Administration	6.66	1,998.47	2,307.38	1,838.73	1,828.84	0.93	3.66	4.01	3.07	2.89
(j) Education	-	826.67	1,087.67	1,105.90	1,278.41	-	1.51	1.89	1.85	2.02
(k) Human Health & Social Services	6.17	330.96	374.12	390.30	427.72	0.86	0.61	0.65	0.65	0.68
(l) Arts, Entertainment & Recreation	-	30.93	76.81	97.83	112.44	-	0.06	0.13	0.16	0.18
(m) Other Services	-	900.02	934.60	1,401.47	1,551.53	-	1.65	1.63	2.34	2.45
<b>TOTAL (GDP)</b>	<b>718.98</b>	<b>54,612.26</b>	<b>57,511.04</b>	<b>59,929.89</b>	<b>63,218.72</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>NON-OIL (GDP)</b>	<b>601.86</b>	<b>46,209.59</b>	<b>48,912.41</b>	<b>51,756.64</b>	<b>56,113.44</b>	<b>83.71</b>	<b>84.61</b>	<b>85.05</b>	<b>86.36</b>	<b>88.76</b>
<b>TOTAL GDP GROWTH RATE (%)</b>	<b>6.96</b>		<b>5.31</b>	<b>4.21</b>	<b>5.49</b>					
<b>OIL GDP GROWTH RATE (%)</b>	<b>0.45</b>		<b>2.33</b>	<b>(4.95)</b>	<b>(13.07)</b>					
<b>NON-OIL GDP GROWTH RATE (%)</b>	<b>8.32</b>		<b>5.85</b>	<b>5.81</b>	<b>8.42</b>					
<b>Growth in Total GDP</b>										
Agriculture (%)	5.88		2.92	6.70	2.94					
Industry (%)	2.02		6.99	1.19	(0.10)					
Services (%)	10.82		4.12	4.96	9.38					
Finance & Insurance (%)	4.01		(26.93)	21.02	8.63					
Manufacturing (%)	7.85		17.82	13.46	21.80					
Solid Minerals (%)	12.08		14.54	19.71	16.50					
Information and Communication (%)	34.18		2.15	3.05	8.21					

\* Real GDP figures are at 1990 constant basic prices, comprising 33 activity sectors

1/ Revised rebased real GDP figures at 2010 constant basic prices. The new GDP classification comprises 46 activity sectors; formerly, there were 33 activity sectors  
Source: National Bureau of Statistics (NBS)

DRAFT

**Table 32**  
**Gross Domestic Product at Current Basic Prices**  
**(Naira Billion, unless otherwise stated)**

Activity Sector	2009*	2010 /1	2011 /1	2012 /1	2013 /1	Percentage Share in Total Real GDP (%)				
						2009*	2010 /1	2011 /1	2012 /1	2013 /1
<b>1. Agriculture</b>	<b>9,186.31</b>	<b>13,048.89</b>	<b>14,037.83</b>	<b>15,816.00</b>	<b>16,816.55</b>	<b>37.05</b>	<b>23.89</b>	<b>22.29</b>	<b>22.05</b>	<b>21.00</b>
(a) Crop Production	8,200.92	11,683.90	12,484.85	14,071.24	14,862.32	33.08	21.39	19.82	19.62	18.56
(b) Livestock	583.62	979.56	1,115.60	1,251.93	1,399.48	2.35	1.79	1.77	1.75	1.75
(c) Forestry	111.07	135.72	153.05	170.16	187.95	0.45	0.25	0.24	0.24	0.23
(d) Fishing	290.69	249.71	284.33	322.67	366.79	1.17	0.46	0.45	0.45	0.46
<b>2. Industry</b>	<b>8,071.07</b>	<b>12,033.20</b>	<b>15,626.42</b>	<b>16,975.34</b>	<b>17,614.29</b>	<b>32.55</b>	<b>22.03</b>	<b>24.81</b>	<b>23.67</b>	<b>21.99</b>
(a) Crude Petroleum & Natural Gas	7,418.15	8,402.68	11,039.41	11,315.03	10,296.33	29.92	15.39	17.53	15.78	12.86
(b) Solid Minerals	40.61	51.88	59.57	71.49	84.64	0.16	0.09	0.09	0.10	0.11
(c) Manufacturing	612.31	3,578.64	4,527.45	5,588.82	7,233.32	2.47	6.55	7.19	7.79	9.03
<b>3. Construction</b>	<b>347.69</b>	<b>1,570.97</b>	<b>1,905.57</b>	<b>2,188.72</b>	<b>2,676.28</b>	<b>1.40</b>	<b>2.88</b>	<b>3.03</b>	<b>3.05</b>	<b>3.34</b>
<b>4. Trade</b>	<b>4,082.35</b>	<b>8,992.65</b>	<b>10,325.57</b>	<b>11,843.53</b>	<b>13,702.84</b>	<b>16.46</b>	<b>16.47</b>	<b>16.39</b>	<b>16.51</b>	<b>17.11</b>
<b>5. Services</b>	<b>3,106.82</b>	<b>18,966.55</b>	<b>21,085.01</b>	<b>24,890.35</b>	<b>29,282.60</b>	<b>12.53</b>	<b>34.73</b>	<b>33.48</b>	<b>34.71</b>	<b>36.56</b>
(a) Transport	506.72	694.77	779.35	917.32	1,051.22	2.04	1.27	1.24	1.28	1.31
(b) Information and Communication	256.00	5,955.06	6,379.56	7,266.72	8,359.41	1.03	10.90	10.13	10.13	10.44
(c) Utilities	62.15	222.26	321.12	423.66	563.27	0.25	0.41	0.51	0.59	0.70
(d) Accommodation and Food Services	98.96	245.76	283.38	353.22	648.39	0.40	0.45	0.45	0.49	0.81
(e) Finance & Insurance	444.24	1,908.81	1,493.74	2,028.76	2,391.17	1.79	3.50	2.37	2.83	2.99
(f) Real Estate	1,213.01	4,127.99	4,584.96	5,545.00	6,677.10	4.89	7.56	7.28	7.73	8.34
(g) Professional, Scientific & Technical Services	-	1,711.70	2,175.73	2,632.34	2,953.82	-	3.13	3.45	3.67	3.69
(h) Administrative and Support Services Business	-	13.14	14.81	16.07	17.89	-	0.02	0.02	0.02	0.02
(i) Public Administration	255.44	1,998.47	2,471.24	2,210.05	2,384.90	1.03	3.66	3.92	3.08	2.98
(j) Education	-	826.67	1,110.72	1,252.72	1,549.93	-	1.51	1.76	1.75	1.94
(k) Human Health & Social Services	270.30	330.96	387.19	442.94	518.74	1.09	0.61	0.61	0.62	0.65
(l) Arts, Entertainment & Recreation	-	30.93	82.23	117.08	143.49	-	0.06	0.13	0.16	0.18
(m) Other Services	-	900.02	1,000.97	1,684.48	2,023.27	-	1.65	1.59	2.35	2.53
<b>TOTAL (GDP)</b>	<b>24,794.24</b>	<b>54,612.3</b>	<b>62,980.4</b>	<b>71,713.9</b>	<b>80,092.56</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>NON-OIL (GDP)</b>	<b>17,376.09</b>	<b>46,209.59</b>	<b>51,940.99</b>	<b>60,398.90</b>	<b>69,796.24</b>	<b>70.08</b>	<b>84.61</b>	<b>82.47</b>	<b>84.22</b>	<b>87.14</b>
<b>TOTAL GDP GROWTH RATE (%)</b>	<b>2.05</b>		<b>15.32</b>	<b>13.87</b>	<b>11.68</b>					
<b>OIL GDP GROWTH RATE (%)</b>	<b>(18.46)</b>		<b>31.38</b>	<b>2.50</b>	<b>(9.00)</b>					
<b>NON-OIL GDP GROWTH RATE (%)</b>	<b>14.33</b>		<b>12.40</b>	<b>16.28</b>	<b>15.56</b>					
<b>Growth in Total GDP</b>										
<b>Agriculture (%)</b>	<b>15.10</b>		<b>7.58</b>	<b>12.67</b>	<b>6.33</b>					
<b>Industry (%)</b>	<b>(16.96)</b>		<b>29.86</b>	<b>8.63</b>	<b>3.76</b>					
<b>Services (%)</b>	<b>11.53</b>		<b>11.17</b>	<b>18.05</b>	<b>17.65</b>					
<b>Finance &amp; Insurance (%)</b>	<b>13.31</b>		<b>(21.74)</b>	<b>35.82</b>	<b>17.86</b>					
<b>Manufacturing (%)</b>	<b>4.57</b>		<b>26.51</b>	<b>23.44</b>	<b>29.42</b>					
<b>Solid Minerals (%)</b>	<b>12.22</b>		<b>14.83</b>	<b>20.01</b>	<b>18.40</b>					
<b>Information and Communication (%)</b>	<b>2.45</b>		<b>7.13</b>	<b>13.91</b>	<b>15.04</b>					

\* Nominal GDP figures based on the old GDP structure, comprising 33 activity sectors

1/ Revised rebased nominal GDP figures at current basic prices. The new GDP classification comprises 46 activity sectors; formerly, there were 33 activity sectors

Source: National Bureau of Statistics (NBS)

**Table 33**  
**Gross Domestic Product at 2010 Purchasers' Price 1/**  
**(Expenditure Approach)**  
**(Naira Billion)**

COMPONENT	2009 /2	2010	2011	2012	2013
<b>Domestic demand</b>	<b>869.12</b>	<b>51,418.15</b>	<b>54,365.44</b>	<b>56,558.79</b>	<b>59,909.82</b>
Private Consumption Expenditure	518.22	37,874.75	39,525.08	40,775.80	42,639.33
Government Final Expenditure	230.62	6,890.42	7,779.76	8,443.47	9,448.43
Gross Fixed Capital Formation	120.27	6,652.98	7,060.60	7,339.52	7,822.06
<b>Increase in Stocks</b>	<b>0.08</b>	<b>3.40</b>	<b>3.79</b>	<b>4.15</b>	<b>4.62</b>
<b>Net Export of Goods and Non-Factor Service</b>	<b>-133.34</b>	<b>4,047.81</b>	<b>3,811.13</b>	<b>4,107.11</b>	<b>4,028.41</b>
Export of Goods and Non-Factor Services	174.96	11,662.46	12,855.76	13,905.78	15,242.50
Less Import of Goods and Non-Factor Services	308.30	7,614.66	9,044.63	9,798.67	11,214.09
<b>Gross Domestic Product (At 2010 Purchasers' Prices)</b>	<b>735.86</b>	<b>55,469.35</b>	<b>58,180.35</b>	<b>60,670.05</b>	<b>63,942.85</b>

1/ Staff Estimate (2010 - 2013) based on the newly rebased GDP statistics by the National Bureau of Statistics (NBS)

2/ Figures are from GDP at 1990 purchasers' prices table

Source: NBS and CBN

**Table 34**  
**Gross Domestic Product at Current Purchasers' Price**  
**(Expenditure Approach)**  
**(Naira Billion)**

COMPONENT	2009 /2	2010	2011	2012	2013
<b>Domestic demand</b>	<b>25,301.46</b>	<b>51,418.15</b>	<b>59,118.17</b>	<b>66,941.98</b>	<b>74,970.90</b>
Private Consumption Expenditure	18,980.96	37,874.75	42,557.52	47,133.62	54,106.87
Government Final Consumption Expenditure	3,269.93	6,890.42	9,278.66	11,708.14	11,501.00
Gross Fixed Capital Formation	3,050.58	6,652.98	7,281.99	8,100.22	9,363.03
<b>Increase in Stocks</b>	<b>1.63</b>	<b>3.40</b>	<b>4.30</b>	<b>6.13</b>	<b>5.66</b>
<b>Net Export of Goods and Non-Factor Service</b>	<b>-67.03</b>	<b>4,047.81</b>	<b>4,590.89</b>	<b>5,651.52</b>	<b>6,033.41</b>
Export of Goods and Non-Factor Services	7,764.79	11,662.46	14,826.06	14,735.98	14,841.51
Less Import of Goods and Non-Oil Services	7,831.82	7,614.66	10,235.17	9,084.45	8,808.10
<b>Gross Domestic Product (At Current Purchasers' Prices)</b>	<b>25,236.06</b>	<b>55,469.35</b>	<b>63,713.36</b>	<b>72,599.63</b>	<b>81,009.96</b>

1/ Staff Estimate (2010 - 2013) based on the newly rebased GDP statistics by the National Bureau of Statistics (NBS)

2/ Figures are from the old GDP at current purchasers' prices table before the rebasing carried out by the NBS

Source: NBS and CBN



DRAFT

Table 35  
National Income at 2010 Constant Market Prices  
(Naira Billion)

COMPONENT	2009 /2	2010	2011	2012	2013
<b>1. Gross Domestic Product (At Constant Market Prices)</b>	<b>735.86</b>	<b>55,469.35</b>	<b>58,180.35</b>	<b>60,670.05</b>	<b>63,942.85</b>
<b>LESS</b>					
Net Factor Income From Abroad	-87.12	(6,981.32)	(7,774.03)	(7,082.39)	(6,737.73)
Other Current Transfers	-2.07	(136.08)	4,047.74	3,633.02	3,739.97
<b>2. Gross National Income</b>	<b>646.66</b>	<b>48,351.96</b>	<b>54,454.06</b>	<b>57,220.67</b>	<b>60,945.08</b>
<b>LESS</b>					
Consumption of Fixed Capital (Depreciation)	17.56	1,460.72	1,485.44	1,488.76	1,526.96
<b>3. Net National Income (Market Prices)</b>	<b>629.10</b>	<b>46,891.24</b>	<b>52,968.62</b>	<b>55,731.92</b>	<b>59,418.12</b>

1/ Staff Estimate (2010 - 2013) based on the newly rebased GDP statistics by the National Bureau of Statistics (NBS)

2/ Figures are from the old GDP at current purchasers' prices table before the rebasing carried out by the NBS

Source: NBS and CBN

**Table 36**  
**Index of Agricultural Production by Type of Activity**  
**(1990=100)**

Sub-Sector	2009	2010	2011	2012	2013 1/
<b>Crops</b>	<b>237.1</b>	<b>250.6</b>	<b>264.8</b>	<b>274.9</b>	<b>287.1</b>
(a) Staples	268.2	287.5	308.4	319.9	333.7
(b) Other Crops	113.8	120.8	128.6	133.7	139.2
<b>Livestock</b>	<b>319.4</b>	<b>340.0</b>	<b>361.9</b>	<b>382.6</b>	<b>404.0</b>
<b>Fishery</b>	<b>270.0</b>	<b>288.8</b>	<b>306.0</b>	<b>324.1</b>	<b>342.2</b>
<b>Forestry</b>	<b>155.5</b>	<b>163.0</b>	<b>172.6</b>	<b>182.7</b>	<b>192.4</b>
<b>Aggregate</b>	<b>242.1</b>	<b>255.9</b>	<b>270.6</b>	<b>281.5</b>	<b>294.2</b>

1/ Provisional

Source: Derived from data compiled by National Bureau of Statistics (NBS)

**Table 37**  
**Estimated Output of Major Agricultural Commodities**  
**('000 Tonnes, Except Otherwise Stated)**

Item	Area planted (Million Ha)					Production ('000Tonnes)				
	2009	2010	2011	2012	2013 /1	2009	2010	2011	2012	2013 /1
<b>Crop Production</b>	<b>112,902.1</b>	<b>145,087.5</b>	<b>146,644.5</b>	<b>164,433.5</b>	<b>172,422.4</b>	<b>158,679.3</b>	<b>167,795.5</b>	<b>177,307.4</b>	<b>183,990.3</b>	<b>192,150.24</b>
<b>Staples</b>	<b>103,480.7</b>	<b>135,423.0</b>	<b>136,709.4</b>	<b>154,203.5</b>	<b>160,280.1</b>	<b>146,680.2</b>	<b>155,064.5</b>	<b>163,865.4</b>	<b>170,000.2</b>	<b>177,321.01</b>
Maize	8,775.1	8,950.3	8,102.0	8,102.2	8,392.1	13,450.1	14,240.8	15,160.9	16,199.5	17,398.50
Millet	6,034.4	6,100.9	5,930.3	5,996.8	6,167.4	9,417.4	9,882.0	10,400.8	10,899.2	11,547.23
Guineacorn/Sorghum	9,680.3	9,352.2	9,139.7	9,042.9	9,332.4	13,316.7	13,849.6	14,599.6	15,398.6	16,404.6
Rice	3,143.6	33,124.2	32,756.6	47,701.2	50,056.8	5,213.9	5,420.2	5,690.2	5,971.9	6,309.9
Wheat	16.7	17.5	18.4	19.2	20.0	75.4	79.6	84.6	87.0	90.0
Acha	231.9	238.7	246.0	253.9	266.9	127.2	133.6	140.6	145.3	149.3
Beans/Cowpeas	11,123.9	11,504.5	11,900.9	12,313.3	13,127.5	5,793.0	6,146.0	6,546.0	6,960.6	7,480.6
Cassava Old	4,717.2	5,049.2	5,361.6	5,654.5	5,829.0	49,631.6	53,056.1	56,256.1	58,980.4	61,249.4
Potatoes	261.7	274.3	286.6	298.8	310.3	2,096.7	2,218.9	2,368.9	2,511.1	2,641.1
Yam	3,768.6	3,833.7	4,000.1	4,115.2	4,365.4	35,928.6	37,653.4	39,693.4	41,599.4	43,998.3
Cocoyam	54,125.5	55,268.1	57,155.4	58,798.0	59,077.3	3,304.0	3,455.9	3,585.9	3,754.6	3,964.6
Plantain	125.7	131.3	137.3	142.9	148.0	1,565.2	1,651.1	1,757.9	1,892.2	2,032.2
Vegetables	1,476.1	1,578.1	1,674.3	1,764.6	1,864.6	6,760.4	7,277.3	7,580.5	7,817.4	8,397.4
<b>Other crops</b>	<b>9,421.5</b>	<b>9,664.6</b>	<b>9,935.1</b>	<b>10,230.0</b>	<b>11,142.3</b>	<b>11,999.1</b>	<b>12,731.0</b>	<b>13,442.0</b>	<b>14,060.3</b>	<b>14,665.39</b>
Melon	421.6	437.7	450.9	467.0	483.7	640.2	673.8	710.5	810.2	835.21
Groundnut/Peanut	3,712.5	3,807.7	3,913.0	4,028.6	4,230.1	4,489.2	4,728.5	4,982.4	5,263.8	5,463.76
Benniseed/Sesame	84.4	88.4	92.3	96.2	98.2	158.2	168.0	179.6	188.9	192.93
Soya Bean	2,746.4	2,813.0	2,887.8	2,970.7	3,091.4	1,928.6	2,090.1	2,230.7	2,442.0	2,552.03
Cotton	914.5	929.2	957.7	982.4	999.8	748.5	787.5	797.6	829.2	850.34
Oil Palm	92.1	108.2	114.0	124.4	136.8	272.1	294.6	319.1	356.1	384.13
Cocoa	1,145.5	1,165.0	1,192.0	1,221.5	1,327.8	272.0	289.9	304.1	342.1	368.15
Rubber	5.1	5.4	5.7	5.9	6.1	312.0	329.4	348.8	369.4	398.42
Sugarcane	155.2	162.5	169.7	176.9	189.6	2,932.4	3,106.9	3,292.6	3,486.1	3,586.12
Kolanut	122.5	124.7	128.2	131.5	138.4	99.4	107.1	110.8	126.2	130.17
Ginger	9.1	9.5	9.9	10.3	11.3	110.4	116.1	123.7	132.2	137.23
Cashew	6.2	6.4	6.6	6.9	7.1	26.5	28.5	30.6	32.6	33.58
Pineapple	1.3	1.6	1.7	1.9	2.0	4.4	4.8	5.2	5.5	5.73
Palm Produce	5.0	5.3	5.6	5.8	6.3	5.3	5.7	6.1	6.6	7.07
<b>Livestock Products</b>						<b>4,119.3</b>	<b>4,385.0</b>	<b>4,667.0</b>	<b>4,933.4</b>	<b>5,208.90</b>
Poultry						139.3	166.5	175.1	185.2	194.18
Goat Meat						677.8	726.7	775.7	810.3	830.26
Mutton						625.4	663.6	709.6	750.3	781.31
Beef						317.0	345.3	375.3	396.8	421.84
Pork						81.3	84.8	89.2	94.1	99.08
Milk						1,567.0	1,648.8	1,744.8	1,851.5	1,941.48
Eggs						711.5	749.2	797.2	849.3	896.25
<b>Fishery</b>						<b>709.7</b>	<b>759.2</b>	<b>804.2</b>	<b>851.9</b>	<b>899.03</b>
(1) Artisanal Coastal and Brackish Water Catches						291.9	305.0	315.5	331.0	350.96
(2) Artisanal Inland Rivers and Lakes Catches						270.3	286.4	304.4	319.6	340.65
(3) Fish Farming						89.9	107.2	119.4	130.6	140.56
(4) Industrial (Trawling) Coastal Fish & Shrimps						57.6	60.6	64.9	68.8	70.78
<b>Forestry ('000 cu meters)</b>						<b>157,449.4</b>	<b>165,085.6</b>	<b>174,809.0</b>	<b>185,132.2</b>	<b>195,020.40</b>
Roundwood						154,709.8	161,886.2	170,981.6	178,971.7	185,971.68
Sawnwood						2,510.1	2,948.0	3,534.0	4,191.5	4,501.49
Wood Based Panels						198.4	215.0	248.0	269.7	289.67
Papers & Paperboards ('000MT)						31.11	36.37	45.4	49.4	51.37

1/ Provisional

Source: National Bureau of Statistics (NBS)

DRAFT

**Table 38**  
**Indices of Average World Prices (C.I.F.) of Nigeria's**  
**Major Agricultural Export Commodities**  
**(Dollar-based, 1990 = 100)**

COMMODITY	2009	2010	2011	2012	2013
Cocoa	520.42	764.50	431.22	346.1	352.6
Coffee	207.32	218.93	377.20	259.5	194.1
Copra	154.59	169.14	502.88	320.5	269.7
Cotton	155.67	188.21	187.19	107.7	109.1
Palm Oil	381.51	501.30	335.61	293.0	239.1
Soya Beans	245.23	260.43	196.01	217.7	209.8
<b>All Commodities</b>	<b>572.76</b>	<b>727.16</b>	<b>416.26</b>	<b>336.5</b>	<b>334.9</b>

Source: Public Ledger and Financial Times (London)

**Table 39**  
**Indices of Average World Prices (C.I.F.) of Nigeria's Major Agricultural Export Commodities**  
**(Naira-based, 1990 = 100)**

COMMODITY	2009	2010	2011	2012	2013
Cocoa	6,156.8	9,044.4	6,051.2	4,981.5	5,064.1
Coffee	2,333.2	2,463.9	7,244.5	5,107.6	3,812.6
Copra	2,280.6	2,445.2	9,583.7	6,263.5	5,258.1
Cotton	2,315.0	2,798.8	3,549.0	2,095.9	2,119.3
Palm Oil	1,946.6	2,557.8	7,255.0	6,492.1	5,286.7
Soya Bean	7,568.0	8,037.3	3,738.0	4,254.4	4,090.9
<b>All Commodities</b>	<b>8,009.1</b>	<b>10,347.7</b>	<b>6,190.7</b>	<b>5,151.4</b>	<b>5,062.2</b>

Source: Public Ledger and Financial Times (London)

**Table 40**  
**Average Prices of Selected Cash Crops**  
**(Naira Per Tonne)**

COMMODITY	2009	2010	2011	2012	2013 /1
Benniseed	103,763.4	173,998.6	107,688.3	106,527.0	104,030.8
Cocoa	435,000.0	457,183.6	531,673.3	508,438.6	547,825.6
Coffee (Arabica)	193,795.4	205,355.8	204,279.9	198,251.7	183,623.1
Tea	390,854.7	432,859.9	427,383.9	420,083.9	403,446.3
Cotton	36,295.6	38,034.2	37,722.1	34,270.9	36,988.6
Groundnut (Unshelled)	27,499.5	28,110.6	28,112.8	28,719.6	27,247.5
Ginger (Peeled)	237,172.8	293,660.2	255,015.0	254,873.2	240,681.5
Palm Kernel	63,615.7	79,123.6	71,605.1	70,533.1	69,786.7
Palm Oil (Special)	194,530.0	257,727.2	211,600.5	214,313.1	205,612.4
Soya Beans	72,292.4	107,461.8	75,595.2	88,748.0	79,804.9
Rubber (100% Dry Lump top quality)	142,810.2	145,077.6	145,416.6	148,839.3	140,922.1
Cashew Nut	57,506.0	78,152.0	58,818.7	55,798.0	53,935.6
Wheat	75,064.1	129,310.5	78,250.4	88,274.2	83,305.4

1/ Provisional

Sources: (i) CBN-NBS-NCC Socio-Economic Nationwide Survey

(ii) Agricultural Projects Monitoring and Evaluation Unit (APMEU) Bulletin on prices

**(iii) NAERLS Bulletin on prices**

DRAFT



**Table 41**  
**Index of Industrial Production**  
**(1990 = 100)**

<b>Year/Quarter</b>	<b>Manufacturing</b>	<b>Mining</b>	<b>Electricity</b>	<b>Total (All Sectors)</b>
<b>2009</b>	<b>92.4</b>	<b>129.4</b>	<b>198.3</b>	<b>118.2</b>
<b>1st Quarter</b>	91.6	127.2	198.0	<b>116.9</b>
<b>2nd Quarter</b>	92.3	129.5	195.9	<b>118.1</b>
<b>3rd Quarter</b>	92.8	130.5	199.3	<b>118.9</b>
<b>4th Quarter</b>	93.0	130.5	200.0	<b>119.0</b>
<b>2010</b>	<b>94.2</b>	<b>131.7</b>	<b>200.7</b>	<b>122.1</b>
<b>1st Quarter</b>	92.9	130.9	195.5	<b>118.6</b>
<b>2nd Quarter</b>	93.5	130.7	199.7	<b>120.9</b>
<b>3rd Quarter</b>	94.6	131.2	200.2	<b>122.0</b>
<b>4th Quarter</b>	96.0	134.0	207.3	<b>126.9</b>
<b>2011 1/</b>	<b>102.5</b>	<b>143.2</b>	<b>202.5</b>	<b>131.9</b>
<b>1st Quarter</b>	98.5	140.1	189.8	<b>127.2</b>
<b>2nd Quarter</b>	99.3	141.2	204.8	<b>128.8</b>
<b>3rd Quarter</b>	101.8	145.7	204.8	<b>133.0</b>
<b>4th Quarter</b>	110.3	145.8	210.6	<b>138.8</b>
<b>2012 1/</b>	<b>106.6</b>	<b>146.7</b>	<b>206.3</b>	<b>136.9</b>
<b>1st Quarter</b>	105.9	145.9	205.9	<b>135.4</b>
<b>2nd Quarter</b>	106.3	146.7	206.2	<b>137.3</b>
<b>3rd Quarter</b>	106.7	147.0	206.4	<b>137.5</b>
<b>4th Quarter</b>	107.4	147.1	206.6	<b>137.6</b>
<b>2013 2/</b>	<b>109.2</b>	<b>146.3</b>	<b>206.4</b>	<b>138.0</b>
<b>1st Quarter</b>	106.8	145.7	206.0	<b>136.4</b>
<b>2nd Quarter</b>	107.9	145.6	205.9	<b>137.3</b>
<b>3rd Quarter</b>	110.9	147.0	206.4	<b>139.0</b>
<b>4th Quarter</b>	111.2	146.8	207.4	<b>139.2</b>

1/ Revised

2/ Provisional

**Sources:** Computed from data obtained from National Bureau of statistics (NBS), CBN Surveys, NNPC, Federal Ministry of Power and Steel, and Ministry of Solid Minerals Development. (iii) NAERLS Bulletin on prices

DRAFT

**Table 42**  
**Index of Manufacturing Production**  
**(Base Quarterly Average, 1990 = 100)**

Year/Quarter	Sugar Confectioner	Soft Drinks	Beer, Spirit & Wine	Cotton Textiles	Synthetic Fabrics	Foot Wear	Paints	Refined Petroleum	Cement	Roofing Sheets	Vehicle Assembly	Soap & Detergents	Elec & Elect Appl	Total
<b>2009</b>	<b>65.3</b>	<b>57.3</b>	<b>131.0</b>	<b>69.2</b>	<b>41.4</b>	<b>88.1</b>	<b>200.2</b>	<b>128.8</b>	<b>138.1</b>	<b>48.0</b>	<b>58.5</b>	<b>141.4</b>	<b>34.5</b>	<b>92.4</b>
<b>1st Quarter</b>	64.3	54.1	130.6	68.9	40.3	88.0	199.8	127.9	135.0	47.9	58.9	141.0	34.1	<b>91.6</b>
<b>2nd Quarter</b>	65.0	56.9	130.9	69.0	40.3	88.2	200.0	128.7	138.9	48.0	59.0	141.2	34.0	<b>92.3</b>
<b>3rd Quarter</b>	65.8	58.9	131.2	69.9	42.1	88.3	200.0	129.0	139.1	48.1	58.1	141.5	34.9	<b>92.8</b>
<b>4th Quarter</b>	66.0	59.1	131.4	68.9	43.0	88.0	200.8	129.7	139.3	48.1	58.0	142.0	35.1	<b>93.0</b>
<b>2010 1/</b>	<b>66.5</b>	<b>58.5</b>	<b>131.9</b>	<b>70.7</b>	<b>43.2</b>	<b>89.7</b>	<b>201.1</b>	<b>129.4</b>	<b>141.8</b>	<b>49.2</b>	<b>62.5</b>	<b>143.5</b>	<b>37.3</b>	<b>94.2</b>
<b>1st Quarter</b>	65.8	55.6	131.2	68.9	42.7	88.6	199.9	128.8	139.8	48.6	58.9	142.3	36.9	<b>92.9</b>
<b>2nd Quarter</b>	66.0	57.0	130.9	69.8	43.0	89.8	200.9	128.7	140.9	48.8	60.6	142.7	37.0	<b>93.5</b>
<b>3rd Quarter</b>	66.5	58.9	131.2	71.2	43.2	90.0	201.8	129.0	142.6	49.1	64.8	143.9	37.3	<b>94.6</b>
<b>4th Quarter</b>	67.7	62.3	134.2	72.8	43.9	90.5	201.8	130.9	144.1	50.2	65.9	145.2	37.9	<b>96.0</b>
<b>2011 1/</b>	<b>69.0</b>	<b>65.6</b>	<b>138.9</b>	<b>72.7</b>	<b>44.8</b>	<b>94.6</b>	<b>203.6</b>	<b>127.4</b>	<b>164.7</b>	<b>57.9</b>	<b>68.4</b>	<b>150.2</b>	<b>43.0</b>	<b>100.1</b>
<b>1st Quarter</b>	65.9	59.4	131.9	69.1	41.2	89.1	199.0	127.1	145.0	52.1	64.6	144.0	37.0	<b>94.3</b>
<b>2nd Quarter</b>	67.4	64.1	137.5	71.2	44.1	93.8	203.6	127.0	159.1	54.9	68.5	146.1	40.4	<b>98.3</b>
<b>3rd Quarter</b>	69.2	68.1	140.7	71.8	44.0	95.6	205.9	127.0	174.0	58.7	70.1	154.8	45.8	<b>102.0</b>
<b>4th Quarter</b>	73.7	70.7	145.6	78.9	49.9	100.1	206.0	128.3	180.7	65.8	70.3	156.0	48.9	<b>105.7</b>
<b>2012 1/</b>	<b>72.0</b>	<b>70.9</b>	<b>146.1</b>	<b>73.2</b>	<b>45.9</b>	<b>94.5</b>	<b>208.3</b>	<b>128.3</b>	<b>204.7</b>	<b>66.4</b>	<b>69.7</b>	<b>163.0</b>	<b>42.7</b>	<b>106.6</b>
<b>1st Quarter</b>	70.3	69.9	145.5	72.9	45.8	93.9	207.8	128.1	203.6	65.9	69.0	162.7	41.0	<b>105.9</b>
<b>2nd Quarter</b>	71.9	70.6	145.8	72.9	45.8	93.9	208.1	128.2	204.5	66.2	69.3	163.0	42.0	<b>106.3</b>
<b>3rd Quarter</b>	72.6	71.1	146.1	73.2	45.8	94.3	208.3	128.3	205.3	66.5	70.1	163.1	43.1	<b>106.7</b>
<b>4th Quarter</b>	73.2	72.0	146.9	73.9	46.4	96.1	208.9	128.8	205.5	66.9	70.3	163.2	44.9	<b>107.4</b>
<b>2013 2/</b>	<b>75.2</b>	<b>75.4</b>	<b>149.7</b>	<b>74.1</b>	<b>48.7</b>	<b>95.0</b>	<b>210.9</b>	<b>128.7</b>	<b>213.4</b>	<b>72.8</b>	<b>71.1</b>	<b>168.4</b>	<b>43.5</b>	<b>109.8</b>
<b>1st Quarter</b>	71.8	70.9	145.7	71.6	45.5	92.8	208.5	128.0	204.8	68.0	69.8	163.7	41.8	<b>106.4</b>
<b>2nd Quarter</b>	75.6	76.7	150.7	74.9	49.4	95.3	212.7	128.8	214.5	73.9	71.3	169.8	43.9	<b>110.6</b>
<b>3rd Quarter</b>	75.9	76.8	150.9	74.9	49.8	95.5	213.3	129.0	216.7	74.0	71.6	169.9	43.9	<b>110.9</b>
<b>4th Quarter</b>	77.6	77.4	151.5	75.1	50.2	96.3	209.4	129.2	217.5	75.2	71.7	170.2	44.6	<b>111.2</b>

1/ Revised

2/ Provisional

Sources: Data Derived from NBS and CBN Surveys

**Table 43**  
**Production of Principal Solid Minerals**  
**(Tonnes)**

SOLID MINERALS	2009	2010	2011	2012 1/	2013 2/	Change Between	Percentage Change Between
	1	2	3	4	5	4&5	4&5
Baryte	514,313.9	470,899.0	525,376.8	16,292.3	18,960.2	2,667.8	16.4
Clay	153,676.4	139,298.6	155,468.7	454,947.1	742,029.2	287,082.1	63.1
Coal	40,612.1	45,713.1	39,213.4	64,348.6	40,359.4	-23,989.2	-37.3
Marble Aggregates	8,995.0	9,356.0	10,185.9	15,300.0	40,218.0	24,918.0	162.9
Sand	1,050,023.8	1,254,230.5	1,393,856.9	2,581,256.1	3,324,540.0	743,284.0	28.8
Stone Aggregates	3,762,376.4	3,672,796.0	4,074,350.9	4,475,905.8	4,631,893.0	155,987.2	3.5
Gold (G)	1,350.0	2,518.0	2,787.7	4,303.0	6,261.0	1,958.0	45.5
Granite Aggregates	10,104,119.4	7,739,026.9	9,620,747.0	11,723,207.2	15,364,456.5	3,641,249.4	31.1
Lead/Zinc	1,867.0	2,400.0	2,680.5	3,532.8	15,316.9	11,784.1	333.6
Limestone	3,242,890.1	5,671,419.5	8,279,555.2	17,662,349.3	23,482,158.1	5,819,808.8	33.0
Iron Ore	99,424.2	62,799.6	69,692.8	600.0	2,080.9	1,480.9	246.8
Laterite	2,739,973.2	2,321,906.2	2,573,274.3	3,092,789.6	5,633,339.1	2,540,549.5	82.1
Shale	7,234,879.0	6,689,910.7	7,451,773.4	414,608.0	1,062,957.0	648,349.0	156.4
Cassiterite	58,986.0	79,409.0	85,775.8	846.1	791.6	-54.4	-6.4
Columbite	330,814.5	281,136.0	310,937.3	3,233.3	323.7	-2,909.6	-90.0
Other Minerals	15,437,675.0	19,810,898.5	19,014,203.9	19,917,507.5	6,145,071.2	-13,772,436.3	-69.1
<b>TOTAL</b>	<b>44,781,975.9</b>	<b>48,253,717.8</b>	<b>53,609,880.4</b>	<b>60,431,026.6</b>	<b>60,510,755.9</b>		

1/ Revised

2/ Provisional

Sources: Federal Ministry of Mines and Steel Development

DRAFT

**Table 44**  
**Energy Consumption**  
**(Tonnes of Coal Equivalent (TCE))**  
**(1990 = 100)**

Type	Weight	2009	2010	2011	2012	2013 /2
<b>Coal</b>	<b>0.1</b>	<b>33,533.4</b>	<b>37,745.3</b>	<b>32,378.5</b>	<b>53,132.6</b>	<b>33,324.8</b>
Percentage Share	0.1	0.2	0.2	0.2	0.3	0.2
<b>Hydro - Power</b>	<b>0.9</b>	<b>3,675,254.5</b>	<b>3,582,840.0</b>	<b>3,305,962.9</b>	<b>3,227,657.5</b>	<b>3,038,355.0</b>
Percentage Share	0.9	20.4	20.2	18.7	19.4	22.6
<b>Natural Gas</b>	<b>0.0</b>	<b>1,066,913.7</b>	<b>1,691,261.5</b>	<b>2,312,667.3</b>	<b>2,672,531.8</b>	<b>2,297,415.9</b>
Percentage Share	0.0	5.9	9.6	13.1	16.1	17.1
<b>Petroleum Products</b>	<b>98.9</b>	<b>13,241,582.7</b>	<b>12,393,471.6</b>	<b>12,009,240.1</b>	<b>10,659,927.9</b>	<b>8,076,147.0</b>
Percentage Share	98.9	73.5	70.0	68.0	64.2	60.1
<b>Total</b>	<b>100.0</b>	<b>18,017,284.3</b>	<b>17,705,318.4</b>	<b>17,660,248.8</b>	<b>16,613,249.8</b>	<b>13,445,242.7</b>
Percentage Share	100.0	100.0	100.0	100.0	100.0	100.0
<b>Index of Energy Consumption(1990 = 100)</b>		<b>198.7</b>	<b>192.4</b>	<b>189.5</b>	<b>179.6</b>	<b>160.3</b>

1/ Revised

2/ Provisional

Sources: Federal Ministry of Solid Mineral Development; Federal Ministry of Power &amp; Steel, NNPC &amp; PHCN

**Table 45**  
**Consumption of Petroleum Products**  
 ('000 Liters\*)

Product	2009	2010	2011	2012 1/	2013 2/
Liquefied Petroleum Gas or Cooking Gas	28,776.0	86,328.0	32,027.3	15,430.3	12,831.3
Premium Motor Spirit (PMS- Gasoline)	6,828,814.4	6,594,168.4	5,417,187.0	5,017,535.1	3,677,591.4
Dual Purpose Kerosine (DPK)	590,220.4	406,249.4	871,799.5	630,956.8	508,012.1
Automotive Gas Oil (AGO)	821,819.3	722,738.4	961,695.4	676,727.7	624,533.1
Low Pour Fuel Oil (LPFO)	138,791.6	35,094.0	310,907.1	415,447.3	294,960.4
Bitumen/Asphalt	n. a.	25,292.0	n. a.	64.8	64.8
Others (Wax, Petroleum Jelly, Grease, Base Oil)	n. a.	n. a.	32,266.5	12,905.2	10,370.5
<b>Total</b>	<b>8,408,421.8</b>	<b>7,869,870.2</b>	<b>7,625,882.7</b>	<b>6,769,067.2</b>	<b>5,128,363.6</b>

1/ Revised

2/ Provisional

\*Unit of measurement is now in thousand litres; it was formerly in tonnes.

n. a. means not available

Sources: Nigerian National Petroleum Corporation

**Table 46**  
**Contribution from Local Refineries (Metric Tonnes)**

Refined Products	2009	2010	2011	2012	2013
<b>LPG</b>	28,776	86,328	126,242	96,556	117,736
<b>PMS</b>	432,429	1,126,528	1,303,736	1,213,697	1,119,964
<b>DPK</b>	338,630	668,550	760,918	617,937	797,491
<b>AGO</b>	528,817	1,026,134	1,101,336	954,234	1,136,440
<b>Fuel Oil</b>	685,749	1,228,540	1,391,981	1,071,729	1,246,559
<b>Asphalt</b>		25,292.00	33,440.00		1,797
<b>Fuel &amp; Losses</b>	222,110	337,776	153,561	279,800	-
<b>Total</b>	<b>2,236,511</b>	<b>4,499,148</b>	<b>4,871,214</b>	<b>4,233,953</b>	<b>4,419,987</b>

1/ Provisional

Source: NNPC, CBN Estimates

**Table 47**  
**Gas Production, Utilisation and Disposal (mscf)**

	2009	2010	2011	2012 /1	2013 /2
<b>Gas Produced</b>	1,837,278,307.3	2,392,838,898.9	2,144,035,460.5	2,580,165,626.0	2,287,957,736.0
<b>Gas Used as Fuel</b>	80,573,879.7	72,233,896.7	103,370,471.5	115,677,106.0	121,714,103.5
<b>Gas Sold to Industries</b>	470,050,282.1	883,612,846.0	832,330,267.8	875,458,449.0	562,207,133.3
<b>Gas Sold to LNG</b>	269,095,955.8	167,190,149.0	252,572,424.0	329,863,143.0	192,648,392.2
<b>Gas Reinjected</b>	409,848,717.6	493,309,826.1	409,877,709.7	462,875,916.0	517,275,449.8
<b>Gas Lifted</b>	55,956,115.8	169,057,005.2	84,930,356.5	72,904,179.0	103,232,765.1
<b>Gas Converted to NGLs</b>	42,401,451.0	25,866,822.0	40,256,328.0	47,186,521.0	31,831,728.0
<b>Total Gas Utilised</b>	1,327,926,401.9	1,811,270,545.0	1,723,337,557.5	1,991,498,902.0	1,711,972,587.0
<b>Gas Utilised as % of Gas Produced</b>	72.3	75.7	80.4	77.2	74.8
<b>Gas Flared</b>	509,351,905.4	581,568,353.9	420,697,903.0	588,666,724.0	575,985,149.0
<b>Gas Flared as % of Gas Produced</b>	27.7	24.3	19.6	22.8	25.2

1/ Revised

2/ Provisional

Source: NNPC, DPR and CBN Estimates



**Table 48**  
**World Crude Oil Production and Consumption**  
**(Million Barrels Per Day)**

	2009	2010	2011	2012 /1	2013 /2	CHANGE BETWEEN				PERCENTAGE CHANGE BETWEEN			
	1	2	3	4	5	(1)&(2)	(2)&(3)	(3)&(4)	(4)&(5)	(1)&(2)	(2)&(3)	(3)&(4)	(4)&(5)
<b>Supply</b>													
OPEC	33.4	33.9	35.1	36.7	36.0	0.54	1.16	1.60	-0.72	1.6	3.4	4.6	(2.0)
Crudes	28.70	29.14	29.81	31.13	30.18	0.44	0.67	1.32	-0.95	1.5	2.3	4.4	(3.1)
NGLs and condensates	4.70	4.80	5.29	5.57	5.80	0.10	0.49	0.28	0.23	2.1	10.2	5.3	4.1
TOTAL NON -OPEC	51.3	52.3	52.4	52.9	54.1	0.96	0.15	0.49	1.20	1.9	0.3	0.9	2.3
<b>Total World Supply</b>	<b>84.7</b>	<b>86.2</b>	<b>87.5</b>	<b>89.6</b>	<b>90.1</b>	1.50	1.31	2.09	0.50	1.8	1.5	2.4	0.6
<b>Demand</b>													
OECD	45.5	46.0	45.9	46.1	45.8	0.50	-0.13	0.24	-0.31	1.1	(0.3)	0.5	(0.7)
NON - OECD	39.4	40.2	42.0	42.7	44.1	0.79	1.78	0.73	1.40	2.0	4.4	1.7	3.3
<b>Total World Demand</b>	<b>84.9</b>	<b>86.2</b>	<b>87.8</b>	<b>88.8</b>	<b>89.9</b>	1.29	1.65	0.96	1.10	1.5	1.9	1.1	1.2
<b>Nigeria</b>													
Output	1.82	2.13	2.17	2.10	1.93	0.31	0.04	-0.07	-0.17	17.0	1.9	(3.2)	(8.1)
Exports	1.37	1.68	1.72	1.65	1.48	0.31	0.04	-0.07	-0.17	22.6	2.4	(4.1)	(10.3)
Domestic Consumption	0.45	0.45	0.45	0.45	0.45	0.00	0.00	0.00	0.00	-	-	-	-

1/ Revised

2/ Provisional

Source: OPEC, Reuters

**Table 49**  
**Analysis of Average Spot Prices of Selected Crudes Traded at the International Oil Market**  
**(US Dollar per Barrel)**

Crude Type	2009	2010	2011	2012	2013	Change Between				Percentage Change Between			
	1	2	3	4	5	(1)&(2)	(2)&(3)	(3)&(4)	(4)&(5)	(1)&(2)	(2)&(3)	(3)&(4)	(4)&(5)
Bonny Light	62.08	80.81	113.77	113.47	111.36	18.73	32.96	-0.30	-2.11	30.2	40.8	-0.3	-1.9
UK Brent	62.72	79.75	111.92	112.30	108.62	17.03	32.17	0.38	-3.68	27.1	40.3	0.3	-3.3
West Texas Intermediate(WTI)	63.52	79.12	94.69	90.87	96.34	15.60	15.57	-3.82	5.47	24.6	19.7	-4.0	6.0
Forcados	64.22	80.88	114.52	114.96	112.54	16.66	33.64	0.44	-2.42	25.9	41.6	0.4	-2.1
OPEC Basket	61.06	77.45	107.46	109.45	105.87	16.39	30.01	1.99	-3.58	26.8	38.7	1.9	-3.3

Source: Reuters

**Table 50**  
**Composite Consumer Price Index**  
**(November 2009 = 100)**

	2008	2009	2010	2011	2012	2013	percentage change between			
	1	1	2	3	4	5	(1) & (2)	(2) & (3)	(3) & (4)	(4) & (5)
All- Item	89.7	102.2	114.2	126.0	141.1	152.3	11.8	10.3	12.0	8.0
All- Item Less Farm Produce	91.2	101.5	112.6	124.8	141.8	153.0	10.9	10.8	13.7	7.9
All- Item Less Farm Produce & Energy	91.7	101.9	112.5	123.6	139.6	150.8	10.4	9.9	13.0	8.0
Imported Food		101.49	115.4	125.3	137.6	147.4	13.7	8.6	9.8	7.1
Food	88.6	102.4	115.4	128.1	141.2	154.3	12.7	11.0	10.2	9.3
Food & Non-Alcoholic Beverages	88.7	102.7	115.5	127.8	140.9	153.9	12.5	10.6	10.3	9.2
Alcoholic Beverage, Tobacco & Kola	97.5	101.9	111.9	119.0	126.1	134.7	9.8	6.3	6.0	6.8
Clothing & Footwear	96.9	101.5	113.7	122.3	139.1	149.8	12.0	7.6	13.7	7.7
Housing, Water, Electricity, Gas & other F	93.5	100.2	113.2	131.9	153.2	162.2	12.9	16.5	16.2	5.9
Furnishing & household Equipment Maint	87.1	101.7	113.2	119.9	134.4	144.1	11.3	5.9	12.1	7.3
Health	96.1	101.8	112.7	122.8	133.9	143.5	10.7	9.0	9.0	7.2
Transport	90.9	101.8	112.9	128.7	140.2	149.6	10.9	14.0	8.9	6.7
Communication	97.1	100.0	102.4	106.5	116.3	120.9	2.4	4.0	9.2	3.9
Recreation & Culture	93.5	101.9	107.8	113.3	122.1	130.1	5.8	5.1	7.7	6.6
Education	87.6	101.5	109.1	114.6	129.1	137.9	7.5	5.0	12.6	6.8
Restaurant & Hotels	99.5	102.6	109.6	118.9	126.1	134.4	6.8	8.5	6.1	6.6
Miscellaneous goods & Services	92.9	101.7	112.1	122.7	136.0	145.9	10.2	9.5	10.8	7.3
<b>CPI, End-December</b>	<b>89.7</b>	<b>102.2</b>	<b>114.2</b>	<b>126.0</b>	<b>141.1</b>	<b>152.3</b>				

Note: Imported Food component was introduced in 2009

Source: National Bureau of Statistics (NBS)

**Table 51**  
**Urban Consumer Price Index**  
**(November 2009 = 100)**

	2008	2009	2010	2011	2012	2013	Percentage change between			
	1	1	2	3	4	5	(1) & (2)	(2) & (3)	(3) & (4)	(4) & (5)
All- Item	92.8	101.4	112.2	122.3	140.0	151.4	10.7	9.0	14.5	8.1
All- Item Less Farm Produce	97.8	101.3	111.2	122.0	139.8	150.4	9.8	9.7	14.6	7.6
All- Item Less Farm Produce & Energy	97.9	101.8	111.0	119.6	136.9	147.7	9.1	7.7	14.4	7.9
Imported Food		100.54	113.5	121.1	136.7	146.7	12.9	6.7	12.9	7.3
Food	89.6	101.6	113.4	124.5	137.6	151.0	11.6	9.8	10.5	9.8
Food & Non-Alcoholic Beverages	89.7	101.7	113.4	123.8	137.3	150.6	11.5	9.2	10.9	9.7
Alcoholic Beverage, Tobacco & Kola	97.5	99.9	109.7	115.2	118.8	127.6	9.8	5.0	3.1	7.5
Clothing & Footwear	98.5	100.9	113.8	120.2	141.2	152.2	12.8	5.6	17.4	7.8
Housing, Water, Electricity, Gas & other Fu	98.8	101.4	111.8	128.0	155.1	164.9	10.2	14.5	21.2	6.3
Furnishing & household Equipment Mainte	96.2	100.8	111.5	119.2	132.1	139.8	10.6	6.9	10.8	5.8
Health	95.9	101.6	112.9	122.1	133.6	142.7	11.2	8.1	9.4	6.9
Transport	93.9	102.0	111.7	128.2	143.1	153.4	9.5	14.8	11.7	7.2
Communication	99.3	99.2	100.8	104.6	113.8	118.7	1.6	3.8	8.8	4.2
Recreation & Culture	98.6	104.2	109.2	107.9	122.8	131.1	4.8	-1.2	13.8	6.8
Education	90.9	100.7	109.3	114.6	129.0	137.7	8.5	4.8	12.6	6.7
Restaurant & Hotels	102.7	103.2	111.3	121.1	127.3	135.9	7.8	8.8	5.1	6.8
Miscellaneous goods & Services	93.7	101.6	112.7	117.4	137.2	146.8	11.0	4.2	16.9	7.0
<b>CPI, End-December</b>	<b>92.8</b>	<b>101.4</b>	<b>112.2</b>	<b>122.3</b>	<b>140.0</b>	<b>151.4</b>				

Source: National Bureau of Statistics (NBS)

**Table 52**  
**Rural Consumer Price Index**  
**(November 2009 = 100)**

	2008	2009	2010	2011	2012	2013	Percentage change between			
	1	1	2	3	4	5	(1) & (2)	(2) & (3)	(3) & (4)	(4) & (5)
All- Item	88.2	102.8	115.9	129.0	142.1	153.3	12.8	11.3	10.2	7.9
All- Item Less Farm Produce	88.1	101.7	113.8	127.1	143.5	155.2	11.9	11.7	12.9	8.1
All- Item Less Farm Produce & Energy	88.7	102.1	113.7	127.0	141.9	153.4	11.4	11.7	11.7	8.1
Imported Food		102.3	117.0	128.8	138.3	148.0	14.4	10.1	7.4	7.0
Food	88.3	103.1	117.1	131.1	144.5	157.4	13.6	12.0	10.2	8.9
Food & Non-Alcoholic Beverages	88.3	103.5	117.2	131.1	144.2	157.0	13.2	11.9	10.0	8.9
Alcoholic Beverage, Tobacco & Kola	97.5	103.5	113.7	122.2	132.8	142.0	9.9	7.5	8.7	6.9
Clothing & Footwear	95.2	102.0	113.6	124.1	137.1	147.5	11.3	9.2	10.5	7.6
Housing, Water, Electricity, Gas & other Fu	86.8	99.2	114.3	135.1	151.1	159.5	15.2	18.2	11.8	5.6
Furnishing & household Equipment Mainte	81.4	102.4	114.7	120.6	136.9	148.5	12.0	5.1	13.6	8.4
Health	96.2	102.0	112.6	123.4	134.1	144.1	10.4	9.6	8.7	7.5
Transport	85.8	101.6	114.0	129.2	135.7	144.1	12.2	13.3	5.0	6.2
Communication	95.3	100.6	103.6	108.1	117.0	121.3	3.0	4.3	8.3	3.7
Recreation & Culture	90.5	99.9	106.6	117.9	121.2	129.0	6.7	10.6	2.8	6.4
Education	84.4	102.1	109.0	114.6	129.1	138.0	6.7	5.1	12.7	6.9
Restaurant & Hotels	97.7	102.0	108.2	117.0	125.2	133.3	6.0	8.1	7.0	6.4
Miscellaneous goods & Services	92.2	101.9	111.5	127.1	135.0	145.2	9.4	14.0	6.2	7.6
<b>CPI, End-December</b>	<b>88.2</b>	<b>102.8</b>	<b>115.9</b>	<b>129.0</b>	<b>142.1</b>	<b>153.3</b>				

Source: National Bureau of Statistics (NBS)

**Table 53**  
**Balance of Payments**  
**(US\$' Million)**

DRAFT

CURRENT ACCOUNT	2009 / 2	2010 / 2	2011 / 2	2012 / 2	2013 / 1
<b>Goods</b>	<b>14,021.12</b>	<b>14,579.69</b>	<b>12,657.61</b>	<b>18,932.22</b>	<b>20,148.19</b>
Credit	25,669.09	31,771.62	35,002.43	40,925.58	43,767.07
Debit	(56,789.07)	(78,532.09)	(77,163.82)	(94,322.33)	(95,118.05)
<b>Exports</b>	<b>56,789.07</b>	<b>78,532.09</b>	<b>77,163.82</b>	<b>94,322.33</b>	<b>95,118.05</b>
Crude oil & gas	54,778.52	75,806.07	73,870.02	91,274.34	90,574.69
Crude oil	42,714.31	68,149.42	63,050.97	80,412.33	81,142.90
Gas	5,064.22	7,656.65	10,829.05	10,862.01	9,431.79
Non-oil	2,010.55	2,726.01	3,273.80	3,047.99	4,543.36
Electricity	42.13	36.57	93.79	102.60	104.10
Other Non-oil	1,968.42	2,689.40	3,180.08	2,945.40	4,439.26
<b>Imports</b>	<b>(31,119.98)</b>	<b>(46,760.47)</b>	<b>(62,161.39)</b>	<b>(53,396.76)</b>	<b>(51,350.98)</b>
Crude oil & gas / 3	(6,210.77)	(11,215.66)	(12,349.23)	(19,025.31)	(13,143.42)
Non-oil	(24,209.21)	(35,544.20)	(42,811.85)	(34,374.54)	(36,207.56)
<b>Trading Partner Adjustment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Services (net)	(16,646.29)	(18,472.20)	(21,366.20)	(21,715.85)	(20,108.81)
Credit	2,242.45	3,117.70	3,414.81	2,419.78	2,415.81
Debit	(18,903.71)	(21,589.90)	(24,776.01)	(24,135.62)	(22,524.62)
Transportation (net)	(5,048.42)	(6,601.58)	(6,561.29)	(8,374.83)	(7,476.23)
Credit	1,110.41	1,993.58	1,600.67	1,405.66	1,108.28
Debit	(6,158.83)	(8,595.16)	(8,121.96)	(9,779.98)	(8,584.51)
Of which: Passenger	(1,046.65)	(2,646.46)	(2,893.43)	(3,039.62)	(3,237.05)
Credit	190.86	148.70	64.33	84.16	78.36
Debit	(1,237.51)	(2,815.16)	(2,959.43)	(3,123.85)	(3,315.41)
Of which: Freight	(4,185.53)	(4,166.73)	(3,820.04)	(5,529.66)	(4,441.55)
Credit	673.19	1,438.30	1,057.25	868.62	554.39
Debit	(4,758.72)	(5,605.23)	(4,877.29)	(6,398.28)	(4,995.94)
Of which: Other	183.75	211.61	192.18	195.03	202.36
Credit	346.36	386.38	266.22	452.88	475.52
Debit	(1,622.61)	(1,247.72)	(284.54)	(237.85)	(273.16)
Travel	(4,459.14)	(5,057.60)	(6,025.08)	(5,632.04)	(5,369.58)
Credit	608.44	575.94	628.40	559.02	542.39
Debit	(5,067.58)	(5,633.54)	(6,653.48)	(6,191.06)	(5,911.97)
Business travel	(734.97)	(764.41)	(1,111.06)	(829.84)	(690.23)
Credit	-	-	-	-	-
Debit	(734.97)	(764.41)	(1,111.06)	(829.84)	(690.23)
Personal travel	(3,724.17)	(4,293.19)	(4,914.02)	(4,802.20)	(4,679.36)
Credit	608.44	575.94	628.40	559.02	542.39
Debit	(4,332.61)	(4,869.13)	(5,542.42)	(5,361.22)	(5,221.75)
Education related expenditure	(2,192.70)	(2,415.48)	(2,694.31)	(2,566.59)	(2,505.88)
Credit	-	-	-	-	-
Debit	(2,192.70)	(2,415.48)	(2,694.31)	(2,566.59)	(2,505.88)
Health related expenditure	(892.12)	(1,008.99)	(1,110.91)	(1,042.37)	(997.75)
Credit	-	-	-	-	-
Debit	(892.12)	(1,008.99)	(1,110.91)	(1,042.37)	(997.75)
Other Personal travels	(608.44)	575.94	628.40	559.02	542.39
Credit	-	-	-	-	-
Debit	(608.44)	575.94	628.40	559.02	542.39
Insurance services	(375.25)	(506.53)	(707.64)	(731.65)	(702.62)
Credit	-	-	-	-	-
Debit	(375.25)	(506.53)	(707.64)	(731.65)	(702.62)
Communication services	(309.96)	(239.95)	(180.94)	(362.25)	(520.39)
Credit	37.00	48.00	30.93	50.93	52.08
Debit	(346.96)	(287.95)	(231.34)	(413.18)	(572.47)
Construction services	(43.91)	(130.51)	(89.43)	(111.98)	(87.31)
Credit	-	-	-	-	-
Debit	(43.91)	(130.51)	(89.43)	(111.98)	(87.31)
Financial services	(41.83)	(20.14)	(304.24)	(422.66)	(726.17)
Credit	8.17	13.99	6.11	11.34	22.19
Debit	(50.00)	(34.13)	(328.16)	(434.01)	(748.37)
Computer & information services	(188.20)	(125.23)	(166.28)	(177.28)	(315.62)
Credit	-	-	-	-	-
Debit	(188.20)	(125.23)	(166.28)	(177.28)	(315.62)
Royalties and license fees	(210.72)	(226.09)	(214.98)	(252.84)	(260.70)
Credit	-	-	-	-	-
Debit	(210.72)	(226.09)	(214.98)	(252.84)	(260.70)
Other business services	(4,181.84)	(4,492.03)	(6,034.85)	(4,371.02)	(3,367.92)
Credit	14.38	18.45	36.03	55.36	203.09
Debit	(4,196.22)	(4,510.48)	(6,070.88)	(4,426.38)	(3,571.01)
Operational leasing services	(1,197.63)	(1,123.39)	(1,684.37)	(1,487.02)	(1,099.25)
Credit	-	-	-	-	-
Debit	(1,197.63)	(1,123.39)	(1,684.37)	(1,487.02)	(1,099.25)
Misc. business, professional, and technical service	(2,984.21)	(3,372.64)	(4,350.47)	(2,884.00)	(2,267.67)
Credit	14.38	18.45	36.03	55.36	203.09
Debit	(2,998.40)	(3,391.09)	(4,386.51)	(2,939.37)	(2,470.76)
Personal, cultural & recreational services	(11.48)	(53.08)	(72.74)	(74.07)	(20.72)
Credit	-	-	-	-	-
Debit	(11.48)	(53.08)	(72.74)	(74.07)	(20.72)
Government Services	(1,270.58)	(1,155.45)	(1,066.73)	(1,254.70)	(1,254.65)
Credit	463.26	466.73	1,081.54	335.68	483.66
Debit	(1,733.84)	(1,622.18)	(2,148.27)	(1,590.32)	(1,738.31)
<b>Income (net)</b>	<b>(14,562.85)</b>	<b>(19,674.99)</b>	<b>(22,222.33)</b>	<b>(22,644.11)</b>	<b>(25,729.78)</b>
Credit	245.68	1,009.79	205.02	264.31	888.06
Debit	(15,508.48)	(20,684.38)	(23,877.35)	(23,229.22)	(26,617.84)
Compensation of employees	120.79	149.57	138.33	167.16	167.95
Credit	139.63	168.59	181.96	181.96	191.25
Debit	(18.84)	(19.01)	(43.63)	(14.80)	(23.30)
Investment income	(14,683.64)	(19,824.17)	(23,110.66)	(22,432.08)	(25,897.73)
Credit	806.00	841.20	723.06	782.35	696.81
Debit	(15,489.64)	(20,665.37)	(23,833.72)	(23,214.42)	(26,594.54)
Direct investment	(15,101.83)	(20,054.84)	(22,982.82)	(22,132.00)	(25,148.94)
Credit	166.20	143.81	276.81	325.56	315.13
Debit	(15,268.03)	(20,198.65)	(23,259.63)	(22,457.51)	(25,464.09)
Income on equity	(15,079.33)	(20,015.61)	(22,937.03)	(22,100.99)	(25,085.26)
Credit	104.20	141.06	272.26	322.55	312.25
Debit	(15,183.53)	(20,156.67)	(23,214.29)	(22,423.54)	(25,397.51)
Dividends and distributed branch profits	(1,912.11)	(17,189.39)	(20,049.98)	(19,142.60)	(22,424.40)
Credit	92.62	128.23	252.04	293.23	284.17
Debit	(12,004.75)	(17,317.63)	(20,302.04)	(19,435.83)	(22,708.57)
Reinvested earnings and undistributed bro	(3,167.22)	(2,826.22)	(2,887.04)	(2,958.39)	(2,660.86)
Credit	11.58	12.82	25.21	29.32	28.08
Debit	(3,178.80)	(2,839.04)	(2,912.25)	(2,987.71)	(2,688.94)
Income on Direct Investment Loans (Interest)	(22.50)	(39.23)	(45.79)	(31.01)	(63.68)
Credit	2.00	2.75	2.55	3.01	2.90
Debit	(24.50)	(41.98)	(48.34)	(34.02)	(66.58)
Portfolio investment	(141.78)	(323.87)	(402.16)	(585.89)	(908.83)
Credit	18.85	19.89	18.47	20.50	20.76
Debit	(120.58)	(343.76)	(420.63)	(606.40)	(929.58)
Other investment	359.22	554.55	274.32	285.82	160.03
Income on debt (Interest)	559.22	554.55	274.32	285.82	160.03
Credit	680.95	677.51	424.78	436.28	360.90
Debit	(121.03)	(122.96)	(180.46)	(180.46)	(200.87)
<b>Current transfers (net)</b>	<b>19,256.16</b>	<b>20,254.87</b>	<b>21,988.67</b>	<b>21,987.40</b>	<b>23,517.00</b>
Credit	20,044.95	21,438.62	22,464.53	22,473.73	22,711.93
Debit	(468.79)	(483.76)	(475.83)	(486.33)	(492.23)
General government	1,489.63	1,449.28	1,730.30	1,722.85	1,730.92
Credit	1,608.61	1,618.45	1,848.16	1,935.72	1,912.28
Debit	(118.78)	(170.17)	(117.86)	(163.47)	(181.36)
Other sectors	18,086.33	19,566.59	20,734.46	20,215.15	20,488.75
Credit	18,436.34	19,820.17	20,616.37	20,538.01	20,799.65
Debit	(350.01)	(313.59)	(357.72)	(322.86)	(310.87)
Workers' remittances	18,403.29	19,503.37	20,374.47	20,503.72	20,748.72
Credit	18,436.34	19,820.17	20,616.37	20,538.01	20,799.65
Debit	(28.11)	(29.04)	(32.51)	(24.22)	(22.60)
Other transfers	(316.96)	(278.78)	(316.06)	(288.55)	(259.94)
Credit	4.34	5.77	2.34	10.02	23.45
Debit	(321.30)	(284.55)	(325.46)	(298.44)	(283.27)

Table 53 cont'd  
Balance of Payments  
(US\$' Million)

	2009 /2	2010 /2	2011 /2	2012 /2	2013 /1
<b>CAPITAL AND FINANCIAL ACCOUNT</b>	<b>12,647.50</b>	<b>2,057.57</b>	<b>(5,448.69)</b>	<b>(12,476.46)</b>	<b>7,748.83</b>
Capital account(net)	-	-	-	-	-
Credit	-	-	-	-	-
Debit	-	-	-	-	-
Capital transfers	-	-	-	-	-
Credit	-	-	-	-	-
General Government	-	-	-	-	-
Debt Forgiveness	-	-	-	-	-
Other Sector	-	-	-	-	-
Debit	-	-	-	-	-
Acquisition/disposal of nonproduced, nonfin assets	-	-	-	-	-
Credit	-	-	-	-	-
Debit	-	-	-	-	-
<b>Financial account(net)</b>	<b>12,647.50</b>	<b>2,057.57</b>	<b>(5,448.69)</b>	<b>(12,476.46)</b>	<b>7,748.83</b>
<b>Assets</b>	<b>1,685.38</b>	<b>(5,621.11)</b>	<b>(20,292.63)</b>	<b>(37,619.19)</b>	<b>(13,854.40)</b>
Direct investment (Abroad)	(1,542.02)	(922.72)	(823.58)	(1,542.56)	(1,237.50)
Equity capital	(1,530.44)	(909.90)	(798.37)	(1,513.24)	(1,209.42)
Claims on direct investment enterprises	(1,530.44)	(909.90)	(798.37)	(1,513.24)	(1,209.42)
Liabilities to direct investors	-	-	-	-	-
Reinvested earnings	(11.58)	(12.82)	(25.21)	(29.32)	(28.08)
Other capital	-	-	-	-	-
Claims on direct investment enterprises	-	-	-	-	-
Liabilities to direct investors	-	-	-	-	-
Portfolio investment	(830.77)	(1,130.24)	(1,622.92)	(2,086.21)	(3,246.61)
Equity securities	(761.54)	(1,036.06)	(1,487.67)	(1,912.36)	(2,597.29)
Debt securities	(69.23)	(94.19)	(135.24)	(173.85)	(649.32)
Long-term	(69.23)	(94.19)	(135.24)	(173.85)	(649.32)
Short-term	(69.23)	(94.19)	(135.24)	(173.85)	(649.32)
Other investment	(6,559.70)	(13,611.38)	(17,537.69)	(22,802.43)	(10,358.41)
Trade credits	(6,726.67)	(7,383.49)	(7,146.37)	(8,046.68)	(10,291.86)
Loans	(382.61)	(227.47)	(199.59)	(378.31)	(302.35)
Currency and deposits	549.58	(6,000.42)	(10,191.72)	(14,377.44)	235.80
Monetary authorities	-	-	-	-	-
General government	(2,304.64)	(724.09)	(1,429.53)	869.23	(170.05)
Banks	2,905.96	(143.21)	(2,152.70)	555.23	(639.55)
Other sectors	(51.74)	(5,133.12)	(6,609.49)	(15,801.91)	1,045.41
Other Assets	-	-	-	-	-
Reserve assets	10,617.87	10,043.24	(308.44)	(11,187.99)	988.12
Monetary Gold	-	-	-	-	-
SDRs	(2,410.74)	-	-	-	-
Reserve Positions in the Fund	-	-	-	-	-
Foreign exchange	13,028.61	10,043.24	(308.44)	(11,187.99)	988.12
Other Claims	-	-	-	-	-
<b>Liabilities</b>	<b>10,962.12</b>	<b>7,678.68</b>	<b>14,843.94</b>	<b>25,142.73</b>	<b>21,603.23</b>
Direct Investment in reporting economy	8,649.53	6,098.96	8,914.89	7,127.38	5,608.46
Equity capital	5,450.02	3,199.32	5,748.21	4,071.81	2,890.70
Claims on direct investors	-	-	-	-	-
Liabilities to direct investors	5,450.02	3,199.32	5,748.21	4,071.81	2,890.70
Reinvested earnings	3,178.80	2,839.04	2,912.25	2,987.71	2,688.94
Other capital	20.71	60.60	254.43	67.86	28.83
Claims on direct investors	-	-	-	-	-
Liabilities to direct investors	20.71	60.60	254.43	67.86	28.83
Portfolio Investment	481.69	3,747.90	5,192.80	17,200.49	13,652.16
Equity securities	492.67	2,179.28	2,592.28	10,039.98	5,577.41
Debt securities	(10.98)	1,568.62	2,600.52	7,160.51	8,074.74
Long-term	(92.10)	684.91	1,845.44	6,002.19	7,010.18
Short-term	81.12	883.71	755.08	1,158.32	1,064.56
Other investment liabilities	1,830.91	(2,168.19)	736.25	814.86	2,342.62
Trade credits	-	-	-	-	-
Short-term	-	-	-	-	-
Long-term	-	-	-	-	-
Loans	(166.44)	(1,942.90)	(637.57)	886.73	1,480.96
General government	199.92	722.13	1,006.81	644.96	2,203.04
Long-term	199.92	722.13	1,006.81	644.96	2,203.04
Drawings	532.83	975.11	1,238.92	803.60	2,367.60
Repayments	(332.91)	(252.98)	(232.11)	(158.64)	(164.56)
short-term	-	-	-	-	-
Monetary authorities	-	-	-	-	-
Banks	(341.76)	(93.18)	687.03	(148.98)	646.54
Other sectors	(24.60)	(2,571.85)	(2,331.41)	390.75	(1,368.62)
Long-term	(24.60)	(2,571.85)	(2,331.41)	390.75	(1,368.62)
Short-term	-	-	-	-	-
Currency & Deposits	(413.40)	(225.29)	1,373.82	(71.87)	861.65
Monetary Authority	-	-	-	-	-
Banks	(413.40)	(225.29)	1,373.82	(71.87)	861.65
Other Liabilities -monetary authority SDR allocatio	2,410.74	-	-	-	-
<b>NET ERRORS AND OMISSIONS</b>	<b>(26,668.62)</b>	<b>(16,637.26)</b>	<b>(7,208.92)</b>	<b>(6,455.76)</b>	<b>(27,897.02)</b>
<b>Memorandum items:</b>	<b>2009 /2</b>	<b>2010 /2</b>	<b>2011 /2</b>	<b>2012 /2</b>	<b>2013 /1</b>
Current Account Balance as % of G.D.P. /4	8.33	3.96	3.07	4.12	3.93
Capital and Financial Account Balance as % of G.D.P. /4	7.51	0.56	(1.32)	(2.72)	1.51
Overall Balance as % of G.D.P. /4	(6.31)	(2.73)	0.07	2.44	(0.19)
External Reserves - Stock (US \$ million)	42,382.49	32,339.25	32,639.78	43,830.42	42,847.31
Number of Months of Imports Equivalent	16.34	8.30	6.30	9.85	10.01
External Debt Stock (US\$ million)	3,947.30	4,578.77	5,666.58	6,527.07	8,821.90
Debt Service Due as % of Exports of Goods and Non Factor	-	-	-	-	-
Effective Central Exchange Rate (N/\$)	147.27	148.51	152.59	156.23	156.03
Average Exchange Rate (N/\$)	148.90	149.74	153.85	157.50	157.31
End-Period Exchange Rate (N/\$)	149.58	150.66	158.27	156.05	155.98

1/ Provisional

2/ Revised

3/ Covers data on import of PMS under the Petroleum Support Fund Scheme from the PPPRA, import of PMS data from the NNPC as well as data on import of AGO, DPK and ATK by other markets from the NCS



4/ Ratios in the memorandum items for 2010 - 2013 were computed using the revised rebased GDP series released by the National Bureau of Statistics (NBS) in July, 2014

Source: Central Bank of Nigeria

DRAFT

**Table 54**  
**Balance of Payments**  
**(Naira Million)**

DRAFT

	2009 /2	2010 /2	2011 /2	2012 /2	2013 /1
<b>CURRENT ACCOUNT</b>	<b>2,064,890.24</b>	<b>2,165,167.27</b>	<b>1,931,403.88</b>	<b>2,957,780.84</b>	<b>3,143,772.02</b>
<b>Goods</b>	<b>3,780,287.24</b>	<b>4,718,266.55</b>	<b>5,340,961.51</b>	<b>6,393,803.44</b>	<b>6,829,085.83</b>
Credit	3,363,339.41	11,662,462.54	14,826,062.82	14,735,977.74	14,841,507.75
Debit	(4,583,039.17)	(2,944,195.99)	(9,485,101.30)	(8,342,174.32)	(8,012,421.92)
<b>Exports fob</b>	<b>8,363,326.41</b>	<b>11,662,462.54</b>	<b>14,826,062.82</b>	<b>14,735,977.74</b>	<b>14,841,507.75</b>
Crude oil & gas	8,066,233.00	11,257,633.92	14,326,518.71	14,259,789.77	14,132,595.20
Crude oil	7,351,425.82	10,120,574.75	12,674,135.38	12,562,817.74	12,640,929.59
Gas	745,807.19	1,137,056.17	1,652,386.33	1,696,971.77	1,471,666.12
Non-oil	296,093.40	404,828.62	499,544.11	476,188.02	708,912.05
Electricity	6,940.84	8,451.46	14,350.58	16,028.87	16,243.76
Other Non-oil	289,152.57	396,377.16	485,243.54	460,159.15	692,668.29
<b>Imports fob</b>	<b>(4,583,039.17)</b>	<b>(6,944,195.99)</b>	<b>(9,485,101.30)</b>	<b>(8,342,174.32)</b>	<b>(8,012,421.92)</b>
Crude oil & gas 73	(1,017,748.81)	(1,243,376.13)	(1,243,376.13)	(1,243,376.13)	(1,243,376.13)
Non-oil	(3,565,290.36)	(5,700,819.85)	(8,241,725.17)	(7,098,798.19)	(6,769,045.79)
<b>Trading Partner Adjustment</b>	<b>(2,453,707.60)</b>	<b>(2,743,227.07)</b>	<b>(3,259,468.88)</b>	<b>(3,392,646.72)</b>	<b>(3,137,628.03)</b>
Services (net)	330,241.49	462,996.66	521,060.52	378,041.74	376,944.30
Credit	(2,783,949.09)	(3,206,223.73)	(3,780,529.20)	(3,770,708.45)	(3,514,572.33)
Debit	(743,465.87)	(280,372.87)	(925,072.77)	(1,308,319.27)	(1,166,535.41)
Transportation (net)	143,530.08	296,057.57	244,243.51	219,606.87	172,927.07
Credit	(907,010.65)	(1,276,430.44)	(1,239,316.28)	(1,527,926.14)	(1,339,462.48)
Debit	(154,139.41)	(393,014.80)	(441,503.56)	(474,890.10)	(505,084.54)
Of which: Passenger	28,107.93	25,052.51	10,070.83	13,148.92	13,227.17
Credit	(182,247.36)	(418,067.31)	(451,574.39)	(485,039.09)	(517,311.71)
Debit	(616,402.29)	(618,783.36)	(582,893.62)	(663,898.87)	(693,026.08)
Of which: Freight	84,413.62	213,625.43	161,430.79	135,703.81	86,302.70
Credit	(700,815.98)	(832,408.79)	(744,324.41)	(999,602.68)	(779,528.78)
Debit	27,061.13	31,425.29	29,324.42	30,469.62	31,575.20
Of which: Other	31,008.44	59,379.64	72,411.89	74,197.20	74,197.20
Credit	(23,247.31)	(29,954.34)	(43,411.47)	(40,284.37)	(43,621.92)
Debit	(656,697.55)	(751,082.80)	(819,356.63)	(879,828.96)	(837,828.96)
Travel	27,604.24	85,322.78	95,886.34	87,335.62	84,630.47
Credit	(746,302.51)	(836,612.58)	(1,015,242.62)	(967,229.07)	(925,452.43)
Debit	(108,239.03)	(113,519.54)	(169,534.00)	(129,646.22)	(107,696.68)
Business travel	(108,239.03)	(113,519.54)	(169,534.00)	(129,646.22)	(107,696.68)
Credit	(108,239.03)	(113,519.54)	(169,534.00)	(129,646.22)	(107,696.68)
Debit	(548,458.52)	(637,563.22)	(749,822.63)	(750,247.16)	(730,132.28)
Personal travel	89,604.96	85,529.78	95,886.34	87,335.62	84,630.47
Credit	(638,043.49)	(725,093.34)	(844,708.95)	(837,589.85)	(817,742.73)
Debit	(322,218.93)	(358,212.96)	(411,120.21)	(400,978.63)	(390,998.68)
Education related expenditure	(322,218.93)	(358,212.96)	(411,120.21)	(400,978.63)	(390,998.68)
Credit	(131,382.51)	(149,840.02)	(169,512.59)	(162,849.62)	(155,681.19)
Debit	(131,382.51)	(149,840.02)	(169,512.59)	(162,849.62)	(155,681.19)
Other Personal travels	89,604.96	85,529.78	95,886.34	87,335.62	84,630.47
Credit	(183,762.03)	(214,540.06)	(265,076.16)	(273,756.60)	(268,082.89)
Debit	(58,206.09)	(75,223.00)	(107,977.82)	(114,304.98)	(110,707.47)
Insurance services	112.88	151.27	253.03	278.12	642.35
Credit	(58,318.97)	(75,374.28)	(108,230.21)	(114,583.04)	(111,349.82)
Debit	(45,647.14)	(35,633.24)	(27,690.43)	(56,594.32)	(81,198.05)
Communication services	5,448.92	1,288.27	2,990.42	2,990.42	3,462.95
Credit	(51,096.13)	(42,762.22)	(35,299.78)	(64,551.11)	(89,324.22)
Debit	(6,465.92)	(19,381.48)	(13,645.92)	(17,494.64)	(13,622.73)
Construction services	(6,465.99)	(19,381.48)	(13,645.92)	(17,494.64)	(13,622.73)
Credit	(6,465.99)	(19,381.48)	(13,645.92)	(17,494.64)	(13,622.73)
Debit	(6,160.30)	(2,990.89)	(46,424.21)	(66,032.92)	(113,306.46)
Financial services	1,203.20	2,078.26	2,458.64	1,721.84	3,462.95
Credit	(7,363.50)	(5,069.09)	(48,882.88)	(67,804.76)	(116,729.42)
Debit	(27,716.75)	(18,597.37)	(25,372.38)	(27,695.67)	(49,247.60)
Computer & information services	(27,716.75)	(18,597.37)	(25,372.38)	(27,695.67)	(49,247.60)
Credit	(27,716.75)	(18,597.37)	(25,372.38)	(27,695.67)	(49,247.60)
Debit	(31,032.73)	(33,575.65)	(32,803.43)	(39,501.19)	(40,677.67)
Royalties and license fees	(31,032.73)	(33,575.65)	(32,803.43)	(39,501.19)	(40,677.67)
Credit	(31,032.73)	(33,575.65)	(32,803.43)	(39,501.19)	(40,677.67)
Debit	(615,860.29)	(667,886.22)	(920,846.84)	(682,884.64)	(525,504.55)
Other business services	2,117.24	2,739.94	5,497.88	8,649.47	31,688.60
Credit	(617,978.04)	(670,420.64)	(926,346.72)	(691,534.13)	(567,193.15)
Debit	(176,403.67)	(166,830.32)	(287,533.00)	(232,316.79)	(171,627.67)
Operational leasing services	(176,403.67)	(166,830.32)	(287,533.00)	(232,316.79)	(171,627.67)
Credit	(176,403.67)	(166,830.32)	(287,533.00)	(232,316.79)	(171,627.67)
Debit	(439,456.63)	(500,855.90)	(633,313.84)	(450,567.82)	(553,876.88)
Misc. business, professional, and technical services	2,117.24	2,739.94	5,497.88	8,649.47	31,688.60
Credit	(44,160.48)	(59,379.64)	(69,811.89)	(45,811.24)	(44,339.76)
Debit	(1,290.66)	(2,739.94)	(5,497.88)	(8,649.47)	(31,688.60)
Personal, cultural & recreational services	(1,290.66)	(2,739.94)	(5,497.88)	(8,649.47)	(31,688.60)
Credit	(1,290.66)	(2,739.94)	(5,497.88)	(8,649.47)	(31,688.60)
Debit	(260,749.53)	(150,800.23)	(158,272.52)	(188,574.74)	(192,765.98)
Government services	68,223.64	69,311.55	165,030.64	52,442.95	75,466.68
Credit	(328,973.17)	(220,111.77)	(323,223.18)	(240,817.22)	(271,232.66)
Debit	(2,144,670.48)	(2,220,223.54)	(3,259,468.88)	(3,478,427.64)	(4,014,581.40)
Income (net)	139,263.22	149,959.27	138,095.92	150,653.55	138,566.78
Credit	(2,283,933.91)	(3,071,748.80)	(3,643,404.39)	(3,629,101.10)	(4,153,248.19)
Debit	17,789.04	22,212.52	21,107.60	26,115.63	26,206.20
Compensation of employees	20,563.60	25,035.98	27,764.72	28,427.36	29,841.22
Credit	(2,774.57)	(2,823.46)	(6,657.12)	(2,311.74)	(3,635.01)
Debit	(2,162,459.22)	(2,944,001.65)	(3,526,416.02)	(3,504,563.12)	(4,040,882.61)
Investment income	(2,162,459.22)	(2,944,001.65)	(3,526,416.02)	(3,504,563.12)	(4,040,882.61)
Credit	(118,692.62)	124,923.69	110,331.20	122,226.19	108,725.57
Debit	(2,281,159.34)	(3,068,925.34)	(3,636,747.26)	(3,626,789.36)	(4,149,613.17)
Direct investment	(2,281,046.56)	(2,978,258.30)	(3,506,908.71)	(3,457,683.03)	(3,924,052.11)
Credit	15,640.07	21,355.36	45,696.40	50,862.42	49,173.64
Debit	(2,296,686.64)	(2,999,614.60)	(3,549,605.11)	(3,508,545.65)	(3,973,225.75)
Income on equity	(2,220,732.93)	(2,972,431.87)	(3,499,921.80)	(3,452,837.77)	(3,914,115.74)
Credit	15,345.53	20,947.91	42,307.00	50,392.37	48,721.15
Debit	(2,236,078.46)	(2,993,379.77)	(3,542,229.10)	(3,503,230.14)	(3,962,836.89)
Dividends and distributed branch profits	(1,754,296.44)	(2,552,722.60)	(3,059,392.64)	(2,990,648.96)	(3,498,935.26)
Credit	13,640.15	19,043.55	39,461.18	45,811.24	44,339.76
Debit	(1,767,936.59)	(2,571,766.15)	(3,097,853.82)	(3,036,460.21)	(3,543,275.02)
Reinvested earnings and undistributed branch profit	(466,436.49)	(419,709.27)	(440,529.16)	(462,188.81)	(415,180.48)
Credit	(466,436.49)	(419,709.27)	(440,529.16)	(462,188.81)	(415,180.48)
Debit	(468,141.88)	(421,613.62)	(444,375.28)	(466,769.93)	(419,561.87)
Income on Direct Investment Loans (Interest)	(3,131.63)	(5,826.43)	(9,986.91)	(4,845.25)	(9,936.37)
Credit	294.54	408.39	389.10	470.25	452.47
Debit	(3,426.17)	(6,234.82)	(10,376.01)	(5,315.51)	(10,388.84)
Portfolio investment	(20,872.58)	(48,092.19)	(61,364.83)	(51,534.25)	(141,805.94)
Credit	2,776.04	9,953.29	2,818.89	3,203.10	3,239.23
Debit	(23,648.62)	(58,045.48)	(64,183.72)	(54,737.35)	(145,045.17)
Other investment	82,459.42	82,353.84	41,857.47	44,654.11	24,970.44
Credit	82,459.42	82,353.84	41,857.47	44,654.11	24,970.44
Debit	(82,459.42)	(82,353.84)	(41,857.47)	(44,654.11)	(24,970.44)
Income on debt (interest)	82,459.42	82,353.84	41,857.47	44,654.11	24,970.44
Credit	82,459.42	82,353.84	41,857.47	44,654.11	24,970.44
Debit	(82,459.42)	(82,353.84)	(41,857.47)	(44,654.11)	(24,970.44)
<b>Current transfers (net)</b>	<b>2,882,981.21</b>	<b>3,111,912.92</b>	<b>3,355,219.50</b>	<b>3,435,091.69</b>	<b>3,466,995.62</b>
Credit	2,952,020.30	3,183,752.61	3,427,824.86	3,511,070.50	3,543,798.94
Debit	(69,039.09)	(71,839.69)	(72,605.36)	(75,978.81)	(76,803.33)
General government	219,407.26	215,077.84	264,024.17	276,878.62	270,079.77
Credit	236,899.99	240,349.05	282,007.59	302,417.54	298,377.83
Debit	(17,492.73)	(25,271.21)	(17,983.42)	(25,538.92)	(28,298.06)
Other sectors	2,663,573.93	2,896,834.92	3,091,195.34	3,158,213.07	3,196,915.84
Credit	2,715,120.31	2,943,408.56	3,145,817.27	3,208,652.96	3,245,421.12
Debit	(51,546.38)	(46,573.64)	(54,621.93)	(50,439.89)	(48,505.27)
Workers' remittances	2,710,252.52	2,939,232.48	3,139,422.32	3,203,293.05	3,237,474.65
Credit	2,714,480.64	2,942,551.48	3,144,383.44	3,207,076.94	3,241,781.15
Debit	(4,228.12)	(4,319.00)	(4,961.12)	(3,783.89)	(4,306.50)
Other transfers	(46,248.83)	(41,400.39)	(48,222.62)	(45,079.92)	(40,558.81)
Credit	639.67	857.22	1,433.83	1,576.02	3,639.97
Debit	(46,888.50)	(42,257.61)	(49,656.45)	(46,656.00)	(44,198.77)

Table 54 Cont'd  
Balance of Payments

## (Naira Million)

	2009 / 2	2010 / 2	2011 / 2	2012 / 2	2013 / 1
<b>CAPITAL AND FINANCIAL ACCOUNT</b>	<b>1,862,597.81</b>	<b>305,561.31</b>	<b>(831,406.39)</b>	<b>(1,949,196.86)</b>	<b>1,209,069.77</b>
Capital account (net)	-	-	-	-	-
Credit	-	-	-	-	-
Debit	-	-	-	-	-
Capital transfers	-	-	-	-	-
Credit	-	-	-	-	-
General Government	-	-	-	-	-
Debt Forgiveness	-	-	-	-	-
Other Sector	-	-	-	-	-
Debit	-	-	-	-	-
Acquisition/disposal of nonproduced, nonfin assets	-	-	-	-	-
Credit	-	-	-	-	-
Debit	-	-	-	-	-
<b>Financial account (net)</b>	<b>1,862,597.81</b>	<b>305,561.31</b>	<b>(831,406.39)</b>	<b>(1,949,196.86)</b>	<b>1,209,069.77</b>
<b>Assets</b>	<b>248,206.12</b>	<b>(834,766.15)</b>	<b>(3,096,417.41)</b>	<b>(5,877,245.84)</b>	<b>(2,161,736.94)</b>
Direct investment (Abroad)	(227,093.29)	(137,029.22)	(125,668.71)	(240,994.48)	(193,089.72)
Equity capital	(225,387.90)	(135,124.86)	(121,822.60)	(236,413.36)	(188,708.33)
Claims on direct investment enterprises	(225,387.90)	(135,124.86)	(121,822.60)	(236,413.36)	(188,708.33)
Liabilities to direct investors	-	-	-	-	-
Reinvested earnings	(1,705.39)	(1,904.36)	(3,846.12)	(4,581.12)	(4,381.39)
Other capital	-	-	-	-	-
Claims on direct investment enterprises	-	-	-	-	-
<b>Liabilities to direct investors</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Portfolio investment	(122,347.50)	(167,847.68)	(247,637.99)	(325,927.96)	(506,577.06)
Equity securities	(112,152.00)	(153,860.37)	(227,001.49)	(298,767.30)	(405,261.65)
Debt securities	(10,195.50)	(13,987.31)	(20,636.50)	(27,160.66)	(101,315.41)
Long-term	-	-	-	-	-
<b>Short-term</b>	<b>(10,195.50)</b>	<b>(13,987.31)</b>	<b>(20,636.50)</b>	<b>(27,160.66)</b>	<b>(101,315.41)</b>
Other investment	(966,046.81)	(2,021,367.65)	(2,676,046.36)	(3,562,423.72)	(1,616,248.99)
Trade credits	(990,636.50)	(1,096,490.59)	(1,090,453.18)	(1,257,132.41)	(1,605,864.65)
Loans -DMBs	(56,346.97)	(33,781.22)	(30,455.65)	(59,103.34)	(47,177.08)
Currency and deposits	80,936.66	(891,095.84)	(1,555,137.54)	(2,246,187.97)	36,792.74
Monetary authorities	-	-	-	-	-
General government	(339,404.33)	(107,531.49)	(218,129.24)	135,800.39	(26,534.01)
Banks	427,960.74	(21,266.77)	(328,477.46)	86,744.04	(99,791.19)
Other sectors	(7,612.75)	(762,297.58)	(1,008,530.84)	(2,468,732.40)	163,117.94
<b>Other Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Reserve assets	1,563,693.71	1,491,478.39	(47,064.34)	(1,747,899.68)	154,178.83
Monetary Gold	-	-	-	-	-
SDRs	(355,029.68)	-	-	-	-
Reserve Positions in the Fund	-	-	-	-	-
Foreign exchange	1,918,723.39	1,491,478.39	(47,064.34)	(1,747,899.68)	154,178.83
<b>Other Claims</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>	<b>1,614,391.69</b>	<b>1,140,327.46</b>	<b>2,265,011.02</b>	<b>3,928,048.99</b>	<b>3,370,806.71</b>
Direct investment in reporting economy	1,273,815.79	905,730.77	1,360,307.91	1,113,510.58	875,102.46
Equity capital	802,623.95	475,117.39	877,109.59	636,138.88	451,042.79
Claims on direct investors	-	-	-	-	-
Liabilities to direct investors	802,623.95	475,117.39	877,109.59	636,138.88	451,042.79
Reinvested earnings	468,141.88	421,613.62	444,375.28	466,769.93	419,561.87
Other capital	3,049.96	8,999.76	38,823.04	10,601.77	4,497.79
Claims on direct investors	-	-	-	-	-
<b>Liabilities to direct investors</b>	<b>3,049.96</b>	<b>8,999.76</b>	<b>38,823.04</b>	<b>10,601.77</b>	<b>4,497.79</b>
Portfolio investment	70,938.49	556,585.07	792,360.22	2,687,232.51	2,130,179.91
Equity securities	72,555.51	323,635.60	395,550.99	1,568,545.45	870,257.55
Debt securities	(1,617.02)	232,949.47	396,809.23	1,118,687.06	1,259,922.35
Long-term	(13,563.57)	101,712.87	281,593.01	937,722.73	1,093,816.08
<b>Short-term</b>	<b>11,946.54</b>	<b>131,236.60</b>	<b>115,216.22</b>	<b>180,964.33</b>	<b>166,106.27</b>
Other investment liabilities	269,637.41	(321,988.38)	112,342.88	127,305.90	365,524.34
Trade credits	-	-	-	-	-
Short-term	-	-	-	-	-
Long-term	-	-	-	-	-
Loans	(24,511.09)	(288,531.95)	(97,285.73)	138,533.60	231,078.65
General government	29,442.22	107,240.42	153,627.43	100,762.10	343,745.84
Long-term	29,442.22	107,240.42	153,627.43	100,762.10	343,745.84
Drawings	78,469.87	144,809.39	189,044.70	125,546.43	369,422.55
Repayments	(49,027.66)	(37,568.97)	(35,417.27)	(24,784.33)	(25,676.71)
short-term	-	-	-	-	-
Monetary authorities	-	-	-	-	-
Banks	(50,330.47)	(13,837.98)	104,832.74	(23,275.17)	100,881.38
Other sectors	(3,622.84)	(381,934.38)	(355,745.89)	61,046.87	(213,548.58)
Long-term	(3,622.84)	(381,934.38)	(355,745.89)	61,046.87	(213,548.58)
Short-term	-	-	-	-	-
Currency & Deposits	(60,881.18)	(33,456.44)	209,628.61	(11,227.91)	134,445.69
Monetary Authority	-	-	-	-	-
Banks	(60,881.18)	(33,456.44)	209,628.61	(11,227.91)	134,445.69
Other Liabilities -monetary authority SDR allocation	355,029.68	-	-	-	-
<b>NET ERRORS AND OMISSIONS</b>	<b>(3,927,487.97)</b>	<b>(2,470,728.58)</b>	<b>(1,099,997.48)</b>	<b>(1,008,584.01)</b>	<b>(4,352,841.78)</b>
<b>Memorandum items:</b>	<b>2009 / 2</b>	<b>2010 / 2</b>	<b>2011 / 2</b>	<b>2012 / 2</b>	<b>2013 / 1</b>
Current Account Balance as % of G.D.P. / 4	8.33	3.96	3.07	4.12	3.93
Capital and Financial Account Balance as % of G.D.P. / 4	7.51	0.56	(1.32)	(2.72)	1.51
Overall Balance as % of G.D.P. / 4	(6.31)	(2.73)	0.07	2.44	(0.19)
External Reserves - Stock (US \$ million)	42,382.49	32,339.25	32,639.78	43,830.42	42,847.31
Number of Months of Imports Equivalent	16.34	8.30	6.30	9.85	10.01
External Debt Stock (US\$ million)	3,947.30	4,578.77	5,666.58	6,527.07	8,821.90
Debt Service Due as % of Exports of Goods and Non Factor S	-	-	-	-	-
Effective Central Exchange Rate (N/\$)	147.27	148.51	152.59	156.23	156.03
Average Exchange Rate (N/\$)	148.90	149.74	153.85	157.50	157.31
End-Period Exchange Rate (N/\$)	149.58	150.66	158.27	156.05	155.98

1/ Provisional

2/ Revised

3/ Covers data on import of PMS under the Petroleum Support Fund Scheme from the PPPRA, import of PMS data from the NNPC as well as data on import of AGO, DPK and ATK by other markets from the NCS

4/ Ratios in the memorandum items for 2010 - 2013 were computed using the revised rebased GDP series released by the National Bureau of Statistics (NBS) in July, 2014

Source: Central Bank of Nigeria

**Table 55**  
**Balance of Payments Analytic Presentation**  
**(US\$' Million)**

	2009 / 2	2010 / 2	2011 / 2	2012 / 2	2013 / 1
<b>CURRENT ACCOUNT</b>	<b>14,021.12</b>	<b>14,579.69</b>	<b>12,657.61</b>	<b>18,932.22</b>	<b>20,148.19</b>
<b>Goods</b>	<b>25,669.09</b>	<b>31,771.62</b>	<b>35,002.43</b>	<b>40,925.58</b>	<b>43,767.07</b>
Exports (fob)	56,789.07	78,532.09	97,163.82	94,322.33	95,118.05
Oil and Gas	54,778.52	75,806.07	93,890.02	91,274.34	90,574.69
Non-oil	2,010.55	2,726.01	3,273.80	3,047.99	4,543.36
Of Which: Electricity	47.13	56.91	93.72	102.60	104.10
Imports (fob)	(31,119.98)	(46,760.47)	(62,161.39)	(53,396.75)	(51,350.98)
Oil and Gas / 3	(6,910.77)	(11,218.26)	(19,349.55)	(19,022.21)	(15,143.42)
Non-oil	(24,209.21)	(35,542.20)	(42,811.85)	(34,374.54)	(36,207.56)
Unrecorded (TPAdj)	-	-	-	-	-
<b>Services(net)</b>	<b>(16,661.29)</b>	<b>(18,472.20)</b>	<b>(21,361.20)</b>	<b>(21,715.85)</b>	<b>(20,108.81)</b>
Credit	2,242.42	3,117.70	3,414.81	2,419.78	2,415.81
Transportation	1,110.41	1,993.58	1,600.67	1,405.66	1,108.28
Travel	608.44	575.94	628.40	559.02	542.39
Insurance Services	0.77	1.02	1.66	1.78	4.12
Communication Services	37.00	48.00	50.40	50.93	52.08
Construction Services	-	-	-	-	-
Financial Services	8.17	13.99	16.11	11.34	22.19
Computer & information Services	-	-	-	-	-
Royalties and License Fees	-	-	-	-	-
Government Services	463.26	466.73	1,081.54	335.68	483.66
Personal, cultural & recreational services	-	-	-	-	-
Other Bussiness Services	14.38	18.45	36.03	55.36	203.09
Debit	(18,903.71)	(21,589.90)	(24,776.01)	(24,135.62)	(22,524.62)
Transportation	(6,158.83)	(8,595.16)	(8,121.96)	(9,779.98)	(8,584.51)
Travel	(5,067.58)	(5,633.54)	(6,653.48)	(6,191.06)	(5,911.97)
Insurance Services	(396.00)	(507.55)	(709.30)	(733.43)	(713.63)
Communication Services	(346.96)	(287.95)	(231.34)	(413.18)	(572.47)
Construction Services	(43.91)	(130.51)	(89.43)	(111.98)	(87.31)
Financial Services	(50.00)	(34.13)	(320.36)	(434.01)	(748.37)
Computer & information Services	(188.20)	(125.23)	(166.28)	(177.28)	(315.62)
Royalties and License Fees	(210.72)	(226.09)	(214.98)	(252.84)	(260.70)
Government Services	(2,233.81)	(1,482.18)	(2,118.27)	(1,541.43)	(1,738.31)
Personal, cultural & recreational services	(11.48)	(53.08)	(79.74)	(74.07)	(20.72)
Other Bussiness Services	(4,196.22)	(4,514.48)	(6,070.88)	(4,426.39)	(3,571.01)
<b>Income(net)</b>	<b>(14,562.85)</b>	<b>(19,674.59)</b>	<b>(22,972.33)</b>	<b>(22,264.91)</b>	<b>(25,729.78)</b>
Credit	945.63	1,009.79	905.02	964.31	888.06
Investment Income	806.00	841.20	723.06	782.35	696.81
Compensation of employees	139.63	168.59	181.96	181.96	191.25
Debit	(15,508.48)	(20,684.38)	(23,877.35)	(23,229.22)	(26,617.84)
Investment Income	(15,489.64)	(20,665.37)	(23,833.72)	(23,214.42)	(26,594.54)
Compensation of employees	(18.84)	(19.01)	(43.63)	(14.80)	(23.30)
<b>Current transfers(net)</b>	<b>19,576.16</b>	<b>20,954.87</b>	<b>21,988.71</b>	<b>21,987.40</b>	<b>22,219.70</b>
Credit	20,044.95	21,438.62	22,464.53	22,473.73	22,711.93
General Government	1,608.61	1,618.45	1,848.16	1,935.72	1,912.28
Other Sectors	18,436.34	19,820.17	20,616.37	20,538.01	20,799.65
Workers Remittance	18,432.00	19,814.40	20,606.98	20,527.92	20,776.32
Debit	(468.79)	(483.76)	(475.83)	(486.33)	(492.23)
General Government	(118.78)	(170.17)	(117.86)	(163.47)	(181.36)
Other Sectors	(350.01)	(313.59)	(357.97)	(322.86)	(310.87)
Workers Remittance	(28.71)	(29.04)	(32.51)	(24.22)	(27.60)

DRAFT

**Table 55 Cont'd**  
**Balance of Payments Analytic Presentation**  
**(US\$' Million)**

	2009 /2	2010 /2	2011 /2	2012 /2	2013 /1
<b>CAPITAL AND FINANCIAL ACCOUNT</b>	<b>12,647.50</b>	<b>2,057.57</b>	<b>(5,448.69)</b>	<b>(12,476.46)</b>	<b>7,748.83</b>
<b>Capital account(net)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Credit	-	-	-	-	-
Capital Transfers(Debt Forgiveness)	-	-	-	-	-
Debit	-	-	-	-	-
Capital Transfers	-	-	-	-	-
<b>Financial account(net)</b>	<b>12,647.50</b>	<b>2,057.57</b>	<b>(5,448.69)</b>	<b>(12,476.46)</b>	<b>7,748.83</b>
<b>Assets</b>	<b>1,685.38</b>	<b>(5,621.11)</b>	<b>(20,292.63)</b>	<b>(37,619.19)</b>	<b>(13,854.40)</b>
Direct investment (Abroad)	(1,542.02)	(922.72)	(823.58)	(1,542.56)	(1,237.50)
Portfolio investment	(830.77)	(1,130.24)	(1,622.92)	(2,086.21)	(3,246.61)
Other investment	(6,559.70)	(13,611.38)	(17,537.69)	(22,802.43)	(10,358.41)
Change in Reserve	10,617.87	10,043.24	(308.44)	(11,187.99)	988.12
<b>Liabilities</b>	<b>10,962.12</b>	<b>7,678.68</b>	<b>14,843.94</b>	<b>25,142.73</b>	<b>21,603.23</b>
Direct Investment in reporting economy	8,649.53	6,098.96	8,914.89	7,127.38	5,608.46
Portfolio Investment	481.69	3,747.90	5,192.80	17,200.49	13,652.16
Other investment liabilities	1,830.91	(2,168.19)	736.25	814.86	2,342.62
<b>NET ERRORS AND OMISSIONS</b>	<b>(26,668.62)</b>	<b>(16,637.26)</b>	<b>(7,208.92)</b>	<b>(6,455.76)</b>	<b>(27,897.02)</b>
<b>Memorandum Items:</b>	<b>2009 /2</b>	<b>2010 /2</b>	<b>2011 /2</b>	<b>2012 /2</b>	<b>2013 /1</b>
Current Account Balance as % of G.D.P /4	8.33	3.96	3.07	4.12	3.93
Capital and Financial Account Balance as % of G.D.P /4	7.51	0.56	(1.32)	(2.72)	1.51
Overall Balance as % of G.D.P /4	(6.31)	(2.73)	0.07	2.44	(0.19)
External Reserves - Stock (US \$ million)	42,382.49	32,339.25	32,639.78	43,830.42	42,847.31
Number of Months of Imports Equivalent	16.34	8.30	6.30	9.85	10.01
External Debt Stock (US\$ million)	3,947.30	4,578.77	5,666.58	6,527.07	8,821.90
Debt Service Due as % of Exports of Goods Non Factor Se	-	-	-	-	-
Effective Central Exchange Rate (N/\$)	147.27	148.51	152.59	156.23	156.03
Average Exchange Rate (N/\$)	148.90	149.74	153.85	157.50	157.31
End-Period Exchange Rate (N/\$)	149.58	150.66	158.27	156.05	155.98

1/ Provisional

2/ Revised

3/ Covers data on import of PMS under the Petroleum Support Fund Scheme from the PPPRA, import of PMS data from the NNPC as well as data on import of AGO, DPK and ATK by other markets from the NCS

4/ Ratios in the memorandum items for 2010 - 2013 were computed using the revised rebased GDP series released by the National Bureau of Statistics (NBS) in July, 2014  
Source: Central Bank of Nigeria

DRAFT



**Table 56**  
**Balance of Payments Analytic Presentation**  
**(Naira Million)**

DRAFT

	2009 /2	2010 /2	2011 /2	2012 /2	2013 /1
<b>CURRENT ACCOUNT</b>	<b>2,064,890.16</b>	<b>2,165,167.27</b>	<b>1,931,403.88</b>	<b>2,957,780.86</b>	<b>3,143,772.02</b>
<b>Goods</b>	<b>3,780,287.24</b>	<b>4,718,266.55</b>	<b>5,340,961.51</b>	<b>6,393,803.44</b>	<b>6,829,085.83</b>
Exports (fob)	8,363,326.41	11,662,462.54	14,826,062.82	14,735,977.76	14,841,507.75
Oil and Gas	8,067,233.00	11,257,633.92	14,326,518.71	14,259,789.74	14,132,595.70
Non-oil	296,093.40	404,828.62	499,544.11	476,188.02	708,912.05
Of Which: Electricity	6,940.84	8,451.46	14,300.58	16,028.87	16,243.76
Imports (fob)	(4,583,039.17)	(6,944,195.99)	(9,485,101.30)	(8,342,174.32)	(8,012,421.92)
Oil and Gas /3	(1,017,748.81)	(1,665,976.13)	(2,952,514.62)	(2,971,840.31)	(2,362,865.83)
Non-oil	(3,565,290.36)	(5,278,219.85)	(6,532,586.68)	(5,370,334.01)	(5,649,556.09)
Unrecorded(IPAdj)	-	-	-	-	-
<b>Services(net)</b>	<b>(2,453,707.60)</b>	<b>(2,743,227.07)</b>	<b>(3,259,468.68)</b>	<b>(3,392,666.72)</b>	<b>(3,137,628.03)</b>
Credit	330,241.49	462,996.66	521,060.52	378,041.74	376,944.30
Transportation	163,530.08	296,057.57	244,243.51	219,606.87	172,927.07
Travel	89,604.96	85,529.78	95,886.34	87,335.69	84,630.47
Insurance Services	112.88	151.27	253.03	278.12	642.35
Communication Services	5,448.99	7,128.27	7,690.45	7,956.79	8,126.17
Construction Services	-	-	-	-	-
Financial Services	1,203.20	2,078.27	2,458.67	1,771.84	3,462.95
Computer & information Services	-	-	-	-	-
Royalties and License Fees	-	-	-	-	-
Government Services	68,223.64	69,311.55	165,030.64	52,442.95	75,466.68
Personal, cultural & recreational services	-	-	-	-	-
Other Bussiness Services	2,117.74	2,739.94	5,497.88	8,649.47	31,688.60
Debit	(2,783,949.09)	(3,206,223.73)	(3,780,529.20)	(3,770,708.45)	(3,514,572.33)
Transportation	(907,010.65)	(1,276,430.44)	(1,239,316.28)	(1,527,926.14)	(1,339,462.48)
Travel	(746,302.51)	(836,612.58)	(1,015,242.96)	(967,229.07)	(922,459.43)
Insurance Services	(58,318.97)	(75,374.28)	(108,230.21)	(114,583.04)	(111,349.82)
Communication Services	(51,096.13)	(42,762.22)	(35,299.78)	(64,551.11)	(89,324.22)
Construction Services	(6,465.99)	(19,381.48)	(13,645.97)	(17,494.64)	(13,622.73)
Financial Services	(7,363.50)	(5,069.09)	(48,882.88)	(67,804.76)	(116,769.42)
Computer & information Services	(27,716.75)	(18,597.37)	(25,372.38)	(27,695.67)	(49,247.60)
Royalties and License Fees	(31,032.73)	(33,575.65)	(32,803.43)	(39,501.19)	(40,677.67)
Government Services	(328,973.17)	(220,111.77)	(323,223.18)	(240,817.22)	(271,232.66)
Personal, cultural & recreational services	(1,690.66)	(7,882.68)	(12,167.39)	(11,571.49)	(3,233.15)
Other Bussiness Services	(617,978.04)	(670,426.16)	(926,344.72)	(691,534.13)	(557,193.15)
<b>Income(net)</b>	<b>(2,144,670.68)</b>	<b>(2,921,789.13)</b>	<b>(3,505,308.47)</b>	<b>(3,478,447.54)</b>	<b>(4,014,681.40)</b>
Credit	139,263.22	149,959.67	138,095.92	150,653.55	138,566.78
Investment Income	118,699.62	124,923.69	110,331.20	122,226.19	108,725.57
Compensation of employees	20,563.60	25,035.98	27,764.72	28,427.36	29,841.22
Debit	(2,283,933.91)	(3,071,748.80)	(3,643,404.39)	(3,629,101.10)	(4,153,248.19)
Investment Income	(2,281,159.34)	(3,068,925.34)	(3,636,747.26)	(3,626,789.36)	(4,149,613.17)
Compensation of employees	(2,774.57)	(2,823.46)	(6,657.12)	(2,311.74)	(3,635.01)
<b>Current transfers(net)</b>	<b>2,882,981.21</b>	<b>3,111,916.92</b>	<b>3,355,219.50</b>	<b>3,435,091.69</b>	<b>3,466,995.62</b>
Credit	2,952,020.30	3,183,757.61	3,427,824.86	3,511,070.50	3,543,798.94
General Government	236,899.99	240,349.05	282,007.59	302,417.54	298,377.83
Other Sectors	2,715,120.31	2,943,408.56	3,145,817.27	3,208,652.96	3,245,421.12
Workers Remittance	2,714,480.64	2,942,551.34	3,144,383.44	3,207,076.94	3,241,781.15
Debit	(69,039.09)	(71,840.68)	(72,605.36)	(75,978.81)	(76,803.33)
General Government	(17,492.73)	(25,271.21)	(17,983.43)	(25,538.92)	(28,298.05)
Other Sectors	(51,546.36)	(46,569.47)	(54,621.93)	(50,439.89)	(48,505.27)
Workers Remittance	(4,228.12)	(4,311.86)	(4,960.44)	(3,783.89)	(4,306.50)

Table 56 Cont'd  
Balance of Payments Analytic Presentation

## (Naira Million)

	2009 /2	2010 /2	2011 /2	2012 /2	2013 /1
<b>CAPITAL AND FINANCIAL ACCOUNT</b>	<b>1,862,597.81</b>	<b>305,561.31</b>	<b>(831,406.39)</b>	<b>(1,949,196.86)</b>	<b>1,209,069.77</b>
Capital account(net)	-	-	-	-	-
Credit	-	-	-	-	-
Capital Transfers(Debt Forgiveness)	-	-	-	-	-
Debit	-	-	-	-	-
Capital Transfers	-	-	-	-	-
Financial account(net)	1,862,597.81	305,561.31	(831,406.39)	(1,949,196.86)	1,209,069.77
<b>Assets</b>	<b>248,206.12</b>	<b>(834,766.15)</b>	<b>(3,096,417.41)</b>	<b>(5,877,245.84)</b>	<b>(2,161,736.94)</b>
Direct investment (Abroad)	(227,093.29)	(137,029.22)	(125,668.71)	(240,994.48)	(193,089.72)
Portfolio investment	(122,347.50)	(167,847.68)	(247,637.99)	(325,927.96)	(506,577.06)
Other investment	(966,046.81)	(2,021,367.65)	(2,676,046.36)	(3,562,423.72)	(1,616,248.99)
Change in Reserve	1,563,693.71	1,491,478.39	(47,064.34)	(1,747,899.68)	154,178.83
<b>Liabilities</b>	<b>1,614,391.69</b>	<b>1,140,327.46</b>	<b>2,265,011.02</b>	<b>3,928,048.99</b>	<b>3,370,806.71</b>
Direct Investment in reporting economy	1,273,815.79	905,730.77	1,360,307.91	1,113,510.58	875,102.46
Portfolio Investment	70,938.49	556,585.07	792,360.22	2,687,232.51	2,130,179.91
Other investment liabilities	269,637.41	(321,988.38)	112,342.88	127,305.90	365,524.34
<b>NET ERRORS AND OMISSIONS</b>	<b>(3,927,487.97)</b>	<b>(2,470,728.58)</b>	<b>(1,099,997.48)</b>	<b>(1,008,584.01)</b>	<b>(4,352,841.78)</b>
<b>Memorandum Items:</b>	<b>2009 /2</b>	<b>2010 /2</b>	<b>2011 /2</b>	<b>2012 /2</b>	<b>2013 /1</b>
Current Account Balance as % of G.D.P /4	8.33	3.96	3.07	4.12	3.93
Capital and Financial Account Balance as % of G.D.P /4	7.51	0.56	(1.32)	(2.72)	1.51
Overall Balance as % of G.D.P /4	(6.31)	(2.73)	0.07	2.44	(0.19)
External Reserves - Stock (US \$ million)	42,382.49	32,339.25	32,639.78	43,830.42	42,847.31
Number of Months of Imports Equivalent	16.34	8.30	6.30	9.85	10.01
External Debt Stock (US\$ million)	3,947.30	4,578.77	5,666.58	6,527.07	8,821.90
Debt Service Due as % of Exports of Goods Non Factor Se	-	-	-	-	-
Effective Central Exchange Rate (N/\$)	147.27	148.51	152.59	156.23	156.03
Average Exchange Rate (N/\$)	148.90	149.74	153.85	157.50	157.31
End-Period Exchange Rate (N/\$)	149.58	150.66	158.27	156.05	155.98

1/ Provisional

2/ Revised

3/ Covers data on import of PMS under the Petroleum Support Fund Scheme from the PPPRA, import of PMS data from the NNPC as well as data on import of AGO, DPK and ATK by other markets from the NCS

4/ Ratios in the memorandum items for 2010 - 2013 were computed using the revised rebased GDP series released by the National Bureau of Statistics (NBS) in July, 2014

Source: Central Bank of Nigeria

Table 57  
Visible Trade 1/  
(Naira Million)

Items	2009	2010	2011	2012	2013 /2
<b>Imports (cif)</b>	<b>5,116,459.71</b>	<b>7,614,656.23</b>	<b>10,235,174.22</b>	<b>9,084,454.73</b>	<b>8,808,102.61</b>
Crude Oil and Gas	1,068,744.92	1,757,140.40	3,043,596.72	3,064,255.92	2,429,376.10
Non-Oil	4,047,714.78	5,857,515.83	7,191,577.50	6,020,198.81	6,378,726.51
<b>Exports (fob)</b>	<b>8,363,326.41</b>	<b>11,662,462.54</b>	<b>14,826,062.82</b>	<b>14,735,977.76</b>	<b>14,841,507.75</b>
Crude oil and Gas	8,067,233.00	11,257,633.92	14,326,518.71	14,259,789.74	14,132,595.70
Non-Oil sector	296,093.40	404,828.62	499,544.11	476,188.02	708,912.05
<b>Total Trade</b>	<b>13,479,786.11</b>	<b>19,277,118.76</b>	<b>25,061,237.04</b>	<b>23,820,432.49</b>	<b>23,649,610.36</b>
Crude oil and Gas	9,135,977.93	13,014,774.32	17,370,115.43	17,324,045.66	16,561,971.81
Non-Oil	4,343,808.19	6,262,344.44	7,691,121.61	6,496,386.83	7,087,638.55
<b>Balance of Trade</b>	<b>3,246,866.70</b>	<b>4,047,806.31</b>	<b>4,590,888.59</b>	<b>5,651,523.02</b>	<b>6,033,405.14</b>
Crude oil and Gas	6,998,488.08	9,500,493.52	11,282,921.98	11,195,533.81	11,703,219.60
Non-Oil	(3,751,621.38)	(5,452,687.21)	(6,692,033.39)	(5,544,010.79)	(5,669,814.46)
<b>Effective Central Exchange Rate (N/\$)</b>	<b>147.27</b>	<b>148.51</b>	<b>152.59</b>	<b>156.23</b>	<b>156.03</b>

1/ Revised

2/ Provisional

The figures include estimates made for informal/unrecorded imports and exports

**Table 58**  
**Imports by Major Groups 1/**  
**(Naira Million)**

<b>IMPORT GROUP</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013 /2</b>
<b>Consumer Goods</b>	<b>2,125,719.65</b>	<b>3,301,811.18</b>	<b>4,432,412.90</b>	<b>3,470,340.68</b>	<b>3,919,953.43</b>
Durable	1,141,011.54	1,767,330.50	2,274,856.73	1,621,094.79	2,164,338.83
Non Durable	984,708.11	1,534,480.68	2,157,556.16	1,849,245.89	1,755,614.60
<b>Capital Goods And Raw Mate</b>	<b>2,951,420.42</b>	<b>4,274,563.43</b>	<b>5,742,964.90</b>	<b>5,563,422.71</b>	<b>4,799,976.14</b>
Capital Goods	2,183,219.16	3,083,994.61	4,462,420.14	3,721,892.05	3,644,519.73
Raw Materials	768,201.26	1,190,568.81	1,280,544.76	1,841,530.65	1,155,456.41
<b>Miscellaneous</b>	<b>39,319.64</b>	<b>38,281.62</b>	<b>59,796.43</b>	<b>50,691.35</b>	<b>88,173.04</b>
<b>Total</b>	<b>5,116,459.71</b>	<b>7,614,656.23</b>	<b>10,235,174.22</b>	<b>9,084,454.73</b>	<b>8,808,102.61</b>

1/ Revised

2/ Provisional

The figures include estimates made for informal imports - shuttle trade

Source: Central Bank of Nigeria

**Table 59**  
**Non-Oil Imports by Country of Origin (c&f) 1/**

	Value (Naira Million)					Percentage (%)				
	2009	2010	2011	2012	2013 /2	2009	2010	2011	2012 /1	2013 /2
<b>Industrial Countries</b>	<b>1,399,544.53</b>	<b>2,051,879.71</b>	<b>2,553,877.65</b>	<b>2,577,209.24</b>	<b>2,483,512.08</b>	<b>34.6</b>	<b>35.0</b>	<b>35.5</b>	<b>42.8</b>	<b>38.9</b>
United States of America	411,264.85	577,988.43	817,471.18	671,431.68	872,630.95	10.2	9.9	11.4	11.2	13.7
Japan	104,131.86	136,141.65	130,180.11	156,488.80	146,790.67	2.6	2.3	1.8	2.6	2.3
France	122,888.72	160,957.46	215,831.27	115,848.44	189,510.26	3.0	2.7	3.0	1.9	3.0
Germany	140,919.71	266,976.19	321,969.61	242,256.97	315,740.72	3.5	4.6	4.5	4.0	4.9
Switzerland	33,901.73	44,718.07	42,957.66	-	-	0.8	0.8	0.6	0.0	0.0
Belgium	137,491.12	212,984.73	250,130.33	202,943.52	243,772.87	3.4	3.6	3.5	3.4	3.8
Norway	24,354.38	39,127.40	45,777.24	-	-	0.6	0.7	0.6	0.0	0.0
Italy	85,968.63	163,573.13	144,579.18	756,343.11	147,228.76	2.1	2.8	2.0	12.6	2.3
Netherlands	110,351.97	155,058.77	228,760.31	177,923.34	217,029.88	2.7	2.6	3.2	3.0	3.4
United Kingdom	228,271.55	294,353.88	356,220.76	253,973.37	350,807.97	5.6	5.0	5.0	4.2	5.5
<b>African</b>	<b>111,349.08</b>	<b>157,120.74</b>	<b>149,873.43</b>	<b>115,283.59</b>	<b>276,844.21</b>	<b>2.8</b>	<b>2.7</b>	<b>2.1</b>	<b>1.9</b>	<b>4.3</b>
Cote d'Ivoire	-	-	-	-	-	0.0	0.0	0.0	0.0	0.0
Ghana	-	58,617.77	-	-	57,843.47	0.0	1.0	0.0	0.0	0.9
Niger	-	-	-	-	63,155.42	0.0	0.0	0.0	0.0	1.0
South Africa	76,662.59	98,502.98	149,873.43	115,283.59	155,845.32	1.9	1.7	2.1	1.9	2.4
Egypt	19,171.92	-	-	-	-	0.5	0.0	0.0	0.0	0.0
Swaziland	15,514.57	-	-	-	-	0.4	0.0	0.0	0.0	0.0
Others	-	-	-	-	-	0.0	0.0	0.0	0.0	0.0
<b>Asia (excluding Japan)</b>	<b>1,216,535.78</b>	<b>1,795,808.68</b>	<b>2,849,059.81</b>	<b>2,710,019.73</b>	<b>2,643,441.27</b>	<b>30.1</b>	<b>30.7</b>	<b>39.6</b>	<b>45.0</b>	<b>41.4</b>
China, P.R	649,292.25	987,339.87	1,436,826.59	1,834,487.30	1,745,249.88	16.0	16.9	20.0	30.5	27.4
Hong Kong	33,127.60	33,009.93	-	-	-	0.8	0.6	0.0	0.0	0.0
India	178,180.54	282,178.82	448,477.42	456,279.89	448,572.65	4.4	4.8	6.2	7.6	7.0
Indonesia	26,609.22	37,055.65	55,426.81	54,848.02	86,270.41	0.7	0.6	0.8	0.9	1.4
Korea, Republic of	108,847.14	149,891.00	623,495.83	136,792.33	186,258.07	2.7	2.6	8.7	2.3	2.9
Singapore	46,061.07	64,322.12	-	41,994.34	49,120.55	1.1	1.1	0.0	0.7	0.8
Malaysia	18,944.12	29,411.56	-	-	59,620.00	0.5	0.5	0.0	0.0	0.9
Thailand	96,318.11	141,122.42	215,605.43	185,617.86	68,349.71	2.4	2.4	3.0	3.1	1.1
Taiwan, Province of China	59,155.74	71,477.30	69,227.73	-	-	1.5	1.2	1.0	0.0	0.0
Others	-	-	-	-	-	0.0	0.0	0.0	0.0	0.0
<b>Others</b>	<b>1,320,285.40</b>	<b>1,852,706.69</b>	<b>1,638,766.61</b>	<b>617,686.25</b>	<b>974,928.94</b>	<b>32.6</b>	<b>31.6</b>	<b>22.8</b>	<b>10.3</b>	<b>15.3</b>
Russia	35,611.20	39,277.74	49,891.66	38,838.14	59,075.37	0.9	0.7	0.7	0.6	0.9
Turkey	28,625.64	54,176.03	73,951.23	46,932.73	70,076.69	0.7	0.9	1.0	0.8	1.1
Israel	10,520.33	-	-	-	-	0.3	0.0	0.0	0.0	0.0
Ukraine	29,502.10	66,192.19	-	49,653.08	86,141.45	0.7	1.1	0.0	0.8	1.4
Lebanon	16,934.46	-	127,219.55	-	-	0.4	0.0	1.8	0.0	0.0
United Arab Emirates	104,176.26	153,768.05	117,062.19	80,512.96	106,033.49	2.6	2.6	1.6	1.3	1.7
Sweden	47,558.18	55,593.86	85,578.61	70,404.97	53,983.49	1.2	0.9	1.2	1.2	0.8
Ireland	35,239.58	55,665.98	77,173.23	67,907.49	88,022.70	0.9	1.0	1.1	1.1	1.4
Spain	31,428.75	99,079.89	66,889.94	70,000.44	92,982.89	0.8	1.7	0.9	1.2	1.5
Greece	16,141.02	31,287.75	-	-	-	0.4	0.5	0.0	0.0	0.0
Portugal	-	38,374.48	-	-	-	0.0	0.7	0.0	0.0	0.0
Argentina	13,628.45	-	-	-	-	0.3	0.0	0.0	0.0	0.0
Others	693,471.07	1,023,318.70	755,182.92	-	-	17.1	17.5	10.5	0.0	0.0
Saudi Arabia	11,403.54	27,542.70	49,589.17	-	50,560.94	0.3	0.5	0.7	0.0	0.8
Iceland	12,922.85	-	-	-	-	0.3	0.0	0.0	0.0	0.0
New Zealand	17,911.30	-	-	-	50,363.36	0.4	0.0	0.0	0.0	0.8
Mauritania	-	26,635.77	-	-	-	0.0	0.5	0.0	0.0	0.0
Finland	16,909.36	-	-	-	-	0.4	0.0	0.0	0.0	0.0
Canada	14,591.78	-	-	-	71,383.20	0.4	0.0	0.0	0.0	1.1
Poland	12,221.11	-	-	-	-	0.3	0.0	0.0	0.0	0.0
Denmark	11,310.87	-	-	-	-	0.3	0.0	0.0	0.0	0.0
Cyprus	10,204.69	-	-	-	-	0.3	0.0	0.0	0.0	0.0
Chile	28,663.29	24,765.70	-	-	-	0.7	0.4	0.0	0.0	0.0
Latvia	-	-	-	-	-	0.0	0.0	0.0	0.0	0.0
Brazil	121,309.56	157,027.85	236,228.12	193,436.44	246,305.36	3.0	2.7	3.3	3.2	3.9
<b>TOTAL</b>	<b>4,047,714.78</b>	<b>5,857,515.83</b>	<b>7,191,577.50</b>	<b>6,020,198.81</b>	<b>6,378,726.51</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

1/ Provisional

2/ Revised

The figures include estimates made for informal imports - shuttle trade

Source: Central Bank of Nigeria

**Table 60**  
**Non-Oil Imports by H. S. Section 1/**  
**(Naira Million)**

Section	2009	2010	2011	2012	2013 /2
01 - Live animals; animal products	276,858.77	446,587.73	615,750.33	438,148.69	498,185.51
02 - Vegetable products	415,507.32	616,611.45	885,258.15	905,794.90	614,179.99
03 - Animal or vegetable fats and oils and their cleavage products; prepared edible	26,791.30	57,830.48	73,779.48	51,790.28	91,037.11
04 - Prepared foodstuffs; beverages, spirits and vinegar; tobacco and manufacture	265,550.71	413,451.03	582,768.20	453,512.02	552,211.98
05 - Mineral products	249,154.14	396,161.12	500,251.06	268,052.91	371,789.30
06 - Products of the chemical or allied	447,815.86	705,053.94	822,636.24	656,965.93	870,783.52
07 - Plastics and articles thereof; rubber and articles thereof	325,271.55	479,073.09	691,051.68	452,798.66	609,915.08
08 - Raws hides and skins, leather, furskins and articles thereof; saddlery and	4,660.69	7,183.91	8,761.42	5,631.68	5,946.17
09 - Wood and articles of wood; wood charcoal; cork and articles of cork;	10,662.18	59,133.45	23,334.75	19,572.82	20,658.00
10 - Pulp of wood or of other fibrous cellulosic material; waste and scrap of paper o	142,858.91	237,707.51	290,489.91	192,088.58	218,791.95
11 - Textiles and textiles articles	54,864.73	68,891.52	108,350.33	100,144.58	124,421.55
12 - Footwear, headgear, umbrellas, sun umbrellas, walking sticks, seat sticks, whips	9,325.49	24,086.44	30,829.31	18,151.25	26,179.33
13 - Articles of stone, plaster, cement, asbestos, mica or similar materials; ceramic	54,096.92	93,263.69	120,379.75	124,130.12	159,701.82
14 - Natural or cultured pearls, precious or semi-precious stones, precious metals,	444.00	779.18	1,266.09	810.95	1,448.98
15 - Base metals and articles of base metal	610,019.49	886,543.95	957,958.67	1,624,237.57	910,060.29
16 - Machinery and mechanical appliances; electrical equipment; parts thereof; sou	1,556,513.08	2,196,378.60	2,778,482.11	2,657,719.17	2,226,601.02
17 - Vehicles, aircraft, vessels and associated transport equipment	576,298.38	799,958.49	1,587,007.10	984,254.08	1,316,060.06
18 - Optical, photographic, cinematographic, measuring, checking, precision, medic	50,407.71	87,657.52	96,930.93	79,918.80	101,858.66
19 - Arms and ammunition; parts and accessories thereof	2.90	58.27	127.36	8.35	300.62
20 - Miscellaneous manufactured articles	39,316.74	38,223.35	59,669.08	50,683.00	87,872.41
21 - Works of art, collectors pieces and antiques	38.85	21.52	92.28	40.39	99.24
	<b>5,116,459.71</b>	<b>7,614,656.23</b>	<b>10,235,174.22</b>	<b>9,084,454.73</b>	<b>8,808,102.61</b>

1/ Provisional

2/ Revised

The figures include estimates made for informal imports - shuttle trade

Source: Central Bank of Nigeria

**Table 61**  
**Direction of Crude Oil Exports 1/**

Region/country	Quantity (Thousand Barrels)					Value (Naira Million)				
	2009	2010	2011	2012	2013 /2	2009	2010	2011	2012	2013 /2
CANADA	30,115	37,436	44,035	22,009	17,021	286,640.63	452,137.59	678,891.86	332,815.78	279,101.61
U.S.A	246,875	252,315	227,428	147,213	86,937	2,349,831.60	3,047,345.91	3,506,278.78	2,226,138.71	1,425,564.64
PANAMA	-	-	-	3,839	-	-	-	-	58,050.70	-
ATLANTIC COAST	-	-	-	436	-	-	-	-	6,588.44	-
MEXICO	-	-	-	-	1,853	-	-	-	-	30,379.07
<b>SUB-TOTAL: NORTH AMERICA</b>	<b>276,990</b>	<b>289,751</b>	<b>271,463</b>	<b>173,497</b>	<b>105,810</b>	<b>2,636,472.24</b>	<b>3,499,483.50</b>	<b>4,185,170.64</b>	<b>2,623,593.63</b>	<b>1,735,045.32</b>
ARGENTINA	8,941	6,840	11,369	-	9,321	85,104.46	82,615.53	175,273.84	-	152,846.98
URUGUAY	50,361	-	906	2,856	4,844	479,355.13	-	13,962.60	43,189.99	79,429.21
BRAZIL	15,615	84,017	63,410	75,331	64,732	148,632.90	1,014,719.34	977,591.89	1,139,142.01	1,061,466.44
PERU	3,046	12,370	3,896	7,600	9,593	28,991.65	149,404.74	60,062.25	114,929.76	157,311.25
CHILE	-	-	-	-	-	-	-	-	-	-
PUERTO RICO	999	-	-	-	-	9,509.59	-	-	-	-
VENEZUELA	-	-	-	1,044	-	-	-	-	15,789.79	-
SOUTH AMERICA FOR OTHERS	-	-	-	-	987	-	-	-	-	16,178.16
<b>SUB-TOTAL: SOUTH AMERICA</b>	<b>78,963</b>	<b>103,228</b>	<b>79,580</b>	<b>86,831</b>	<b>89,478</b>	<b>751,593.72</b>	<b>1,246,739.61</b>	<b>1,226,890.58</b>	<b>1,313,051.55</b>	<b>1,467,232.04</b>
BAHAMAS	301	-	-	-	-	2,863.37	-	-	-	-
TRINIDAD & TOBAGO	-	-	-	-	-	-	-	-	-	-
<b>SUB-TOTAL: CENTRAL AMERICA</b>	<b>301</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,863.37</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
VIRGIN ISLAND	-	-	-	-	-	-	-	-	-	-
<b>SUB-TOTAL: CARIBBEAN ISLAND</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
OMSP MEDITERRANEAN	-	-	-	4,198	-	-	-	-	63,480.35	-
GERMANY	8,516	950	6,373	12,541	16,090	81,053.08	11,472.36	98,254.00	189,646.40	263,838.86
FRANCE	30,947	-	43,313	36,920	43,454	294,562.53	-	667,760.74	558,295.85	712,553.20
ITALY	29,663	18,736	38,965	56,162	51,571	282,339.95	226,288.48	600,722.12	849,268.68	845,651.82
NETHERLANDS	23,849	36,152	58,385	92,107	94,350	227,006.42	436,628.97	900,126.99	1,392,833.12	1,547,134.51
POTUGAL	15,822	24,140	9,206	4,875	8,637	150,595.26	291,546.01	141,923.18	73,724.05	141,623.44
N. WE	-	-	5,017	1,901	1,397	-	-	77,352.73	28,741.81	22,908.74
SPAIN	36,704	38,216	50,836	57,616	52,377	349,355.94	461,552.66	783,742.59	871,263.43	858,866.01
UNITED KINGDOM	15,730	11,120	24,678	42,789	45,186	149,719.98	134,303.65	380,463.78	647,054.35	740,948.16
SWITZERLAND	-	1,182	-	4,761	-	-	14,273.83	-	71,988.82	-
SCOTLAND	-	-	-	-	-	-	-	-	-	-
DENMARK	-	-	-	1,945	6,685	-	-	-	29,409.29	109,616.86
IRELAND	-	-	2,460	7,513	900	-	-	37,921.26	113,603.72	14,751.88
TURKEY	1,998	962	650	2,979	1,926	19,016.25	11,614.79	10,019.73	45,045.75	31,574.99
WESTERN EUROPE	-	-	-	-	-	-	-	-	-	-
SWEDEN	400	-	-	5,701	11,307	3,807.32	-	-	86,209.56	185,412.25
BELGIUM	-	-	950	-	-	-	-	14,652.78	-	-
CROATIA	-	-	-	499	-	-	-	-	7,546.71	-
NORWAY	-	-	-	1,389	2,198	-	-	-	21,008.34	36,045.21
EUROPE FOR OTHERS	-	-	5,794	-	-	-	-	89,321.55	-	-
<b>SUB-TOTAL EUROPE</b>	<b>163,628</b>	<b>131,457</b>	<b>246,626</b>	<b>333,895</b>	<b>336,078</b>	<b>1,557,456.72</b>	<b>1,587,680.74</b>	<b>3,802,261.45</b>	<b>5,049,120.25</b>	<b>5,510,925.93</b>
AUSTRALIA	2,856	959	18,093	19,918	16,151	27,186.95	11,584.75	278,936.48	301,198.69	264,835.23
NEW ZEALAND	-	-	-	998	-	-	-	-	15,087.83	-
<b>SUB-TOTAL OCEANIA/PACIFIC</b>	<b>2,856</b>	<b>959</b>	<b>18,093</b>	<b>20,916</b>	<b>16,151</b>	<b>27,186.95</b>	<b>11,584.75</b>	<b>278,936.48</b>	<b>316,286.53</b>	<b>264,835.23</b>
JAPAN	950	998	649	2,517	-	9,044.27	12,058.46	9,998.32	38,063.38	-
INDIA	87,160	153,745	98,389	93,757	104,604	829,617.16	1,856,859.27	1,516,870.24	1,417,775.57	1,715,271.86
INDONESIA	10,841	44,362	17,821	28,646	22,026	103,185.07	535,784.33	274,753.83	433,186.36	361,184.22
KOREA	-	-	-	-	-	-	-	-	-	-
TAIWAN	948	-	9,550	996	-	9,025.13	-	147,230.10	15,064.85	-
CHINA	8,615	20,494	4,801	7,816	6,809	82,003.65	247,517.83	74,023.50	118,189.88	111,657.92
SINGAPORE	-	-	2,923	4,442	2,853	-	-	45,063.47	67,172.35	46,790.80
THAILAND	-	-	-	948	3,808	-	-	-	14,332.95	62,441.19
MALAYSIA	-	-	-	-	-	-	-	-	-	-
ISREAL	-	-	-	-	-	-	-	-	-	-
U.A.E	-	-	1,900	-	-	-	-	29,296.22	-	-
OMS (S) ASIA	-	-	-	1,000	-	-	-	-	15,114.75	-
<b>SUB-TOTAL: ASIA &amp; FAR EAST</b>	<b>108,515</b>	<b>219,599</b>	<b>136,033</b>	<b>140,122</b>	<b>140,101</b>	<b>1,032,875.28</b>	<b>2,652,219.88</b>	<b>2,097,235.69</b>	<b>2,118,900.09</b>	<b>2,297,345.99</b>
GHANA	5,049	20,115	10,991	7,815	8,889	48,056.23	242,940.32	169,454.06	118,184.43	145,762.64
COTE D'IVOIRE	27,845	13,773	10,373	21,933	23,022	265,038.41	166,346.31	159,914.39	331,665.46	377,516.65
SENEGAL	5,947	10,835	5,530	5,594	6,549	56,610.01	130,862.29	85,255.23	84,584.27	107,392.65
CAMEROON	8,851	1,961	12,168	9,973	12,723	84,247.80	23,678.44	187,601.10	150,806.67	208,624.56
MEDITERRANEAN	-	-	-	-	-	-	-	-	-	-
MOROCCO	-	-	-	-	-	-	-	-	-	-
EQUATORIAL GUINEA	60,922	44,289	2,455	-	-	579,873.07	534,898.74	37,855.33	-	-
BENIN REPUBLIC	337	-	-	1,529	-	3,204.11	-	-	23,120.41	-
SOUTH AFRICA	28,991	1,999	26,230	28,242	33,312	275,947.91	24,143.16	404,396.97	427,072.44	546,248.58
WAF FOR OTHERS	-	-	2,540	-	-	-	-	39,160.46	-	-
TOGO	-	-	-	425	-	-	-	-	6,432.23	-
<b>SUB-TOTAL: AFRICA</b>	<b>137,943</b>	<b>92,972</b>	<b>70,288</b>	<b>75,511</b>	<b>84,496</b>	<b>1,312,977.53</b>	<b>1,122,869.26</b>	<b>1,083,637.54</b>	<b>1,141,865.91</b>	<b>1,385,545.07</b>
<b>TOTAL</b>	<b>769,195</b>	<b>837,967</b>	<b>822,082</b>	<b>830,772</b>	<b>772,114</b>	<b>7,321,425.82</b>	<b>10,120,577.75</b>	<b>12,674,132.38</b>	<b>12,562,817.97</b>	<b>12,660,929.59</b>

1/ Provisional

2/ Revised



The figures are compiled from various editions of the NNPC Annual Statistics Bulletin  
Source: Central Bank of Nigeria

DRAFT

**Table 62**  
**Non-Oil Exports by Products**  
**(Naira Million)**

Product	2009	2010	2011	2012	2013 /1	% Share in Total				
						2009	2010	2011	2012	2013 /1
<b>(1) Agricultural Produce</b>	<b>135,612.56</b>	<b>141,506.65</b>	<b>262,472.01</b>	<b>224,408.63</b>	<b>333,353.67</b>	<b>45.8</b>	<b>35.0</b>	<b>52.5</b>	<b>47.1</b>	<b>47.0</b>
Cocoa Beans	43,372.89	51,529.03	124,788.88	88,075.44	151,431.83	14.6	12.7	25.0	18.5	21.4
Rubber	17,349.15	19,818.86	49,035.07	38,901.59	33,525.61	5.9	4.9	9.8	8.2	4.7
Fish/Shrimp	6,939.66	8,720.30	8,993.74	9,804.10	14,723.73	2.3	2.2	1.8	2.1	2.08
Cotton	28,915.26	19,818.86	12,173.50	17,958.09	15,753.36	9.8	4.9	2.4	3.8	2.2
Others	39,035.60	41,619.60	67,480.83	69,669.40	117,919.13	13.2	10.3	13.5	14.6	16.6
<b>(2) Minerals</b>	<b>19,373.22</b>	<b>44,394.24</b>	<b>2,706.42</b>	<b>17,933.45</b>	<b>27,154.31</b>	<b>6.5</b>	<b>11.0</b>	<b>0.5</b>	<b>3.8</b>	<b>3.8</b>
Aluminium/Carbonate	12,433.56	24,575.38	-	15,107.08	24,529.45	4.2	6.1	0.0	3.2	3.5
Other Minerals	6,939.66	19,818.86	2,706.42	2,826.38	2,624.86	2.3	4.9	0.5	0.6	0.4
<b>(3) Semi-Manufactured</b>	<b>84,432.55</b>	<b>148,641.44</b>	<b>148,686.37</b>	<b>143,318.81</b>	<b>218,568.55</b>	<b>28.5</b>	<b>36.7</b>	<b>29.8</b>	<b>30.1</b>	<b>30.8</b>
Processed Skins	68,818.31	110,192.85	87,740.15	96,203.32	130,921.86	23.2	27.2	17.6	20.2	18.5
Cocoa Products	-	-	20,646.53	15,634.98	29,764.63	0.0	0.0	4.1	3.3	4.2
Texture Yarn	4,048.14	6,738.41	1,751.91	1,449.86	1,867.75	1.4	1.7	0.4	0.3	0.3
Furniture/Processed W	3,758.98	13,080.45	830.50	619.68	687.76	1.3	3.2	0.2	0.1	0.1
Others	7,807.12	18,629.73	37,717.27	29,410.98	55,326.56	2.6	4.6	7.6	6.2	7.8
<b>(4) Manufactured</b>	<b>26,312.88</b>	<b>22,989.88</b>	<b>53,634.47</b>	<b>70,751.29</b>	<b>107,572.77</b>	<b>8.9</b>	<b>5.7</b>	<b>10.7</b>	<b>14.9</b>	<b>15.2</b>
Tyres/Tubes	-	-	-	-	-	0.0	0.0	0.0	0.0	0.0
Textiles	2,024.07	1,585.51	2,979.82	3,485.44	2,356.69	0.7	0.4	0.6	0.7	0.3
Others	24,288.82	21,404.37	50,654.66	67,265.85	105,216.09	8.2	5.3	10.1	14.1	14.8
<b>(5) Other Exports</b>	<b>30,362.19</b>	<b>47,296.42</b>	<b>32,044.84</b>	<b>19,775.84</b>	<b>22,262.74</b>	<b>10.3</b>	<b>11.7</b>	<b>6.4</b>	<b>4.2</b>	<b>3.1</b>
<b>Total</b>	<b>296,093.41</b>	<b>404,828.62</b>	<b>499,544.11</b>	<b>476,188.02</b>	<b>708,912.05</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

1/ Provisional

2/ Revised

The figures include estimates made for informal/unrecorded exports

Source: Central Bank of Nigeria

**Table 63**  
**Top 100 Non-Oil Exporters in Nigeria in 2013**

DRAFT

S/N	Exporter	FOB Value (USD)	Exported Products	Destination
1	Olam Nigeria Limited	469,390,194.30	Cocoa Beans, Nigerian Sesame Seeds (HPS)	Japan
2	Unique Leather Finishing Co Limited	139,776,173.51	Finished Leather (Sheep Skins) Grades 1, 2 and 6	Italy
3	Bolawole Enterprises Nig Limited	128,478,661.97	Good Fermented Nigerian Cocoa Beans - Crop 2013-2014	Canada
4	Mamuda Industries (Nig) Limited	102,276,776.00	Finished Leather	Italy
5	British American Tobacco Nigeria Limited	101,272,383.03	Dunhill King Size FF and Lights Cote D'Ivoire Cigarettes	Côte D'Ivoire
6	Mario Jose Enterprises Limited	98,432,551.00	Finished Leather	China
7	Sun and Sand Industries Africa Limited	91,884,945.90	Tin Al Alloy	Japan
8	Maths Metals Recycling Limited	68,304,829.49	Aluminium Ingot	China
9	Fata Tanning Limited	65,833,122.18	Crust Sheep Leather SS - 124 Italy	Italy
10	Armajaro Nigeria Limited	60,345,318.80	Nigerian cocoa beans (2013/2014 Crop)	Netherlands
11	Saro Agro Allied Limited	53,078,435.00	Nigerian Dried Cocoa Beans	Netherlands
12	Rubber Estates Nigeria Limited	52,401,028.80	Technically Specified Natural Processed Rubber (TSNR 20)	Italy
13	West African Tannery Company Limited	47,263,194.11	Finished Goat and Sheep Leather A SS-125HK	China (Hong Kong)
14	Eleme Petrochemicals Company Limited	45,314,352.91	Ramapet Pet Grade Ins	Côte D'Ivoire
15	Starlink Global and Ideal Limited	44,776,390.40	Fully Fermented Nigerian Raw Cocoa Beans	Netherlands
16	Atlantic Shrimpers Limited	41,045,259.74	Seafrozen Swimming Crab Claw	China (Taiwan)
17	Agro Traders Limited	40,192,380.62	Cocoa Beans (Main Crop)	Netherlands
18	Multitan Limited	38,554,605.55	Goat and Sheep Seude Leather Grade A	China (Hong Kong)
19	West African Cotton Co Limited	37,142,737.47	Nigerian Sesame Seeds (HPS) Premium Grade	Netherlands
20	Everest Metal Nigeria Limited	35,095,204.99	Copper Ingots	Netherlands
21	De United Foods Industries Limited	34,859,742.50	Noodles Onion Chicken Flavour - 70G	Ghana
22	Plantation Industry Limited	33,572,236.76	Nigerian Cocoa Cake	Netherlands
23	Dansa Food Processing Co. Limited	32,926,938.72	Gum Arabic Spray Dried Powder	France
24	West African Rubber Products (Nig) Limited	32,340,045.20	Assorted Bathroom Slippers	Togo
25	Mahaza Company Limited	30,418,092.00	Finished Leather	China (Hong Kong)
26	AIS Trades & Industries Limited	29,993,788.44	Nigerian Dried Hibiscus Flower	Mexico
27	Vakorede Nigeria Limited	28,712,132.50	Nigerian Sesame Seeds	China
28	Yara Commodities Limited	27,635,859.40	Nigerian Raw Cocoa Beans - Main Crop	Netherlands
29	Olatunde International Limited	26,895,712.39	Good Fermented Nigerian Cocoa Beans (2013/14 Main Crop)	Netherlands
30	MINL Limited	26,554,529.94	Aluminium Alloy Ingot (Base Metal)	Japan
31	Tulip Cocoa Processing Limited	25,958,600.82	Cocoa Liqour, NIBs and Cake	Netherlands
32	ETC Agro Company Nigeria Limited	25,906,087.33	Nigerian Sesame Seeds - Kano Grade	Japan
33	Imoniame Holdings Limited	25,382,482.27	Nigerian Processed Crumb Rubber (TSR 20)	United States of America
34	Notore Chemical Industries Limited	22,588,849.41	Fully Refrigerated Anhydrous Ammonia	Morocco

**Table 63 Cont'd**  
**Top 100 Non-Oil Exporters in Nigeria in 2013**

DRAFT

S/N	Exporter	FOB Value (USD)	Exported Products	Destination
35	Sfurna Global Limited	22,220,947.69	Aluminium Alloy Ingot - ADC 12	Japan
36	The Okomu Oil Palm Company Plc	21,316,045.41	Technically Specified Natural Rubber (TSNR Processed) Noko 10	Finland
37	Metal Recycling Industries Limited	19,974,744.11	Copper Ingots	Netherlands
38	Flour Mills of Nigeria Plc	19,507,474.11	Wheat Bran Pellets	Puerto Rico (US)
39	Pz Cussons Nigeria Plc	18,840,924.46	Cosmetics and Medicament	Chad
40	Maviga West Africa Limited	18,316,613.55	Nigerian Cleaned Sesame Seeds (Crop 2013)	Japan
41	Chi Limited	16,890,938.59	Diary Products	Ghana
42	Enghuat Industries Limited	15,173,855.39	Nigerian Processed Rubber	Germany
43	Guinness Nigeria Plc	14,096,874.11	Guinness FES - 325ML	United Kingdom
44	Vital Products Limited	13,306,052.00	vital tomato paste - 70gms Sachets	Benin
45	Star Seed Nigeria Limited	12,887,225.31	Processed Hibiscus Flower (HPS Quality) New Crop 2013/2014	Turkey
46	Hakan Agro Nigeria Limited	12,860,354.70	Nigerian Hibiscus Flower	Mexico
47	Gongoni Company Limited	12,702,936.58	Rambo Aerosol Insecticide (300ML)	Gabon
48	Kashford Overseas Limited	12,531,605.64	Nigerian Natural Sesame Seeds (Crop 2013)	India
49	Multi-Trex Integrated Foods Plc.	12,359,693.06	Nigerian Pure Prime Pressed Natural Cocoa Butter	United States of America
50	Beta Glass Plc	12,322,988.07	Empty (60CL) Harp Lager - Green Bottles	Cameroon
51	African Foundries Limited	12,094,213.97	Prime Hot Rolled TMT Reinforcing Steel Bar	Burkina Faso
52	Precise Saviour Industries Limited	12,014,151.88	Aluminium Alloy Ingots	India
53	RMM Global Company Limited	11,533,154.00	Nigerian Hibiscus Flowers (New Crop 2013)	Mexico
54	Cadbury Nigeria Plc	11,201,628.63	Cocoa Cake (Alkalised)	Spain
55	Viva Metal And Plastics Industries Limited	10,842,039.86	Assorted Polybags	Chad
56	Asia Plastics Industry (Nigeria) Limited	10,509,031.86	Assorted Eva Slippers	Burkina Faso
57	Armada International Limited	10,504,970.46	Nigerian Processed Wood (Iroko) for flooring	Turkey
58	Dangote Sugar Refinery Plc	10,495,427.25	Dangote refined sugar (50kg)	Ghana
59	Kimatrai Nigeria Limited	10,459,335.20	Nigerian process natural rubber (NSR 10)	Turkey
60	Enkay Indo-Nigerian Industries Limited	10,418,284.10	Nigerian Hibiscus Flower	Mexico
61	Unilever Nigeria Plc	10,393,753.66	Close Up Deep Action (Menthol Fresh) Green & Red (240 x 10G)	Côte D'Ivoire
62	Akeem & Kamoru (Nig.) Limited	9,968,528.60	Nigerian Cocoa Beans	Netherlands
63	Stanmark Cocoa Processing Co. Limited	9,606,626.98	Cocoa Butter	Netherlands
64	Alfa Systems & Commodity Company Limited	9,517,002.90	Nigerian Natural Cocoa Cake	Germany
65	Prima Corporation Limited	8,954,502.66	Pet Preform (36 grams) 28MM	Liberia
66	Friesland Campina Wamco Nigeria Plc	8,954,488.00	Full Cream Unsweetened Evaporated Milk Peak (16 X 6 X 30G) Sachets	Ghana
67	Z - Tannery Limited	8,798,116.82	Crust sheep leather TR grade	Italy
68	Metal Africa Steel Products Limited	8,625,782.05	Remelted Lead Ingots	India

**Table 63 Cont'd**  
**Top 100 Non-Oil Exporters in Nigeria in 2013**

DRAFT

S/N	Exporter	FOB Value (USD)	Exported Products	Destination
69	Kanotan S. A. Limited	8,461,397.54	Processed Sheep Crust Leather (TR Grade)	Spain
70	Mel-Tech West Africa Limited	8,106,521.31	Aluminium Ingots	Japan
71	Alkem Nigeria Limited	8,064,428.96	Polyester Staple Fibre	Japan
72	Nestle Nigeria Plc	7,885,366.52	Maggi Cube 20 (100 X 4G) EHP-FORT NG N1	Togo
73	Orc Fishing & Food Processing Limited	7,637,892.00	Processed Shrimps	France
74	Decent Bag Industries Limited	7,284,616.70	Assorted polybags	Chad
75	Success Metals Nigeria Limited	6,449,358.71	Lead Alloy	South Africa
76	Loquat Classic Nigeria Limited	6,418,088.94	Nigerian Hibiscus Flower - New Crop 2013	Mexico
77	Spintex Mills (Nigeria) Limited	6,342,051.26	100% Cotton Yarn NE 8/1 and 20/1 OE Weaving Raw White	Portugal
78	Lela Agro Industries Limited	6,257,460.00	pics sacks	Niger
79	Sapele Integrated Industries Limited	6,144,566.40	Nigerian Specified Rubber (NSR 10)	Poland
80	Metal World Recycling Limited	6,014,033.63	Lead Ingot	Indonesia
81	Worx Logistic Nigeria Limited	5,946,859.21	Plastic Granules (High Density Polyethelene Resin)	Togo
82	Cocoa Product (Ile-Oluji) Limited	5,891,354.00	Nigerian Cocoa Butter	Germany
83	Standard Footwear (Nigeria) Limited.	5,856,974.77	Assorted Beachcombers	Burkina Faso
84	Indorama Pet (Nigeria) Limited	5,813,170.00	Ramapet Pet Grade N1S	Cote D'Ivoire
85	Olokun (Pisces) Limited	5,737,116.75	Frozen Shrimps, Crab Claws and Clusters	Portugal
86	Tan Agro Limited	5,621,227.57	Nigerian Mixed Sesame Seeds - Crop 2013/2014	Japan
87	B & B Leather Limited	5,540,364.85	Nigerian BWS Goat and Sheep Leather	China (Hong Kong)
88	Standard Plastics Industry (Nig.) Limited	5,422,629.32	Assorted Eva Slippers	Central African Republic
89	Omas Commodities Resoures Nigeria Li	5,343,134.02	Good fermented Nigerian raw cocoa beans (2012 Main Crop)	Spain
90	Gberntan Investment Limited	5,308,255.75	Nigerian Cocoa Beans	Netherlands
91	LBM Overseas Nigeria Limited	5,250,867.95	Nigerian Dried Ginger Slices	India
92	Dangote Agrosacks Limited	5,231,800.00	Printed Cementr Sacks (550 X 69CM)	Ghana
93	New Star Metal Int. Limited	5,064,362.95	Aluminium Ingot (ADC) Alloy	Italy
94	Eastern Metals Limited	4,972,407.36	Aluminium Ingots	Thailand
95	Angel Spinning & Dyeing Limited	4,628,683.30	Textile Fabrics (Wax Prints) 100% Cotton	Kenya
96	M + Azeez Co International Limited	3,879,225.40	Nigerian Cocoa Beans	Netherlands
97	Bally Plastics & Footwear Ind. (Nig) Litd	3,864,359.44	Assorted PVC Slippers	Chad
98	Reckitt Benckiser Nigeria Limited	3,672,474.21	Dettol Soap and Liquid (various sizes)	Cameroon
99	Almahmudiyya Integrated Resources L	3,579,258.00	Pure Nigerian Sesame Seeds (Crop 2013)	Turkey
100	African Steel Mills Nigeria Limited	3,494,833.53	Prime Concast Steel Billets	Ghana
<b>Total</b>		<b>2,789,989,095.45</b>		



**Table 64**  
**International Investment Position of Nigeria 1/**  
**(US\$' Millions)**

Type of Asset/Liability	2009	2010	2011	2012	2013 /2
<b>Net international investment position of Ni</b>	<b>(4,952.26)</b>	<b>(16,073.08)</b>	<b>(19,911.46)</b>	<b>(12,959.34)</b>	<b>(30,179.37)</b>
<b>ASSETS</b>	<b>80,804.65</b>	<b>79,064.36</b>	<b>92,200.32</b>	<b>124,633.42</b>	<b>130,314.25</b>
<b><i>Direct investment abroad</i></b>	<b>4,118.29</b>	<b>5,041.01</b>	<b>5,864.59</b>	<b>7,407.15</b>	<b>8,644.65</b>
Equity Capital and Reinvested Earn	4,118.29	5,041.01	5,864.59	7,407.15	8,644.65
Other Capital	-	-	-	-	-
<b><i>Portfolio investment abroad</i></b>	<b>11,797.86</b>	<b>12,928.11</b>	<b>14,551.02</b>	<b>16,637.23</b>	<b>19,883.84</b>
Equity Securities	10,472.09	11,508.14	12,995.82	14,908.17	17,505.46
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	10,472.09	11,508.14	12,995.82	14,908.17	17,505.46
Other Sector	-	-	-	-	-
Debt Securities	1,325.78	1,419.96	1,555.21	1,729.06	2,378.38
Bonds and Notes	-	-	-	-	-
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	-	-	-	-	-
Other Sector	-	-	-	-	-
Money Market	1,325.78	1,419.96	1,555.21	1,729.06	2,378.38
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	1,325.78	1,419.96	1,555.21	1,729.06	2,378.38
Other Sector	-	-	-	-	-
Financial Derivatives	-	-	-	-	-
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	-	-	-	-	-
Other Sector	-	-	-	-	-
<b><i>Other Assets</i></b>	<b>22,506.00</b>	<b>28,755.99</b>	<b>39,144.93</b>	<b>56,758.62</b>	<b>58,938.45</b>
Trade Credit	51.74	73.83	71.46	80.47	102.92
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	-	-	-	-	-
Other Sector	51.74	73.83	71.46	80.47	102.92
Loans	1,842.22	2,069.69	2,269.29	2,647.60	2,949.95
Monetary Authority	-	-	-	-	-
Long-term	-	-	-	-	-
Short-term	-	-	-	-	-
General Government	-	-	-	-	-
Long-term	-	-	-	-	-
Short-term	-	-	-	-	-
Banks	1,842.22	2,069.69	2,269.29	2,647.60	2,949.95
Long-term	-	-	-	-	-
Short-term	1,842.22	2,069.69	2,269.29	2,647.60	2,949.95
Other Sector	-	-	-	-	-
Long-term	-	-	-	-	-
Short-term	-	-	-	-	-
Currency and Deposits	20,612.04	26,612.46	36,804.18	54,030.56	55,885.58
Monetary Authority	-	-	-	-	-
General Government	6,408.50	7,132.59	8,562.12	9,431.35	9,601.41
Banks	8,461.31	8,604.52	10,757.22	11,312.46	11,952.01
Other Sector	5,742.23	10,875.35	17,484.84	33,286.75	34,332.16
<b><i>Reserve Assets</i></b>	<b>42,382.49</b>	<b>32,339.25</b>	<b>32,639.78</b>	<b>43,830.42</b>	<b>42,847.31</b>
Gold	-	-	-	-	-
Special Drawing Rights	2,423.22	2,579.83	2,571.92	2,574.57	2,579.58
Reserve Position in the Fund (IMF)	-	-	-	-	-
Foreign Exchange	39,959.27	29,759.42	30,067.86	41,255.85	40,267.73

1/ Revised

2/ Provisional  
Source: Central Bank of Nigeria

DRAFT

**Table 64 Cont'd**  
**International Investment Position of Nigeria 1/**  
**(US\$' Millions)**

Type of Asset/Liability	2009	2010	2011	2012	2013 /2
<b>LIABILITIES</b>	<b>85,756.91</b>	<b>95,137.44</b>	<b>112,111.79</b>	<b>137,592.77</b>	<b>160,493.62</b>
<b>Direct investment in Reporting Economy</b>	<b>54,227.71</b>	<b>60,326.67</b>	<b>69,241.56</b>	<b>76,368.94</b>	<b>81,977.41</b>
Equity Capital and Reinvested Earnings	52,788.11	58,826.47	67,486.93	74,546.45	80,126.09
Other Capital	1,439.60	1,500.20	1,754.63	1,822.49	1,851.32
<b>Portfolio Investment in Reporting Economy</b>	<b>14,368.88</b>	<b>18,116.78</b>	<b>23,309.58</b>	<b>40,510.07</b>	<b>54,162.23</b>
Equity Securities	6,327.36	8,506.64	11,098.92	21,138.89	26,716.30
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	-	-	-	-	-
Other Sector	6,327.36	8,506.64	11,098.92	21,138.89	26,716.30
Debt Securities	8,041.52	9,610.14	12,210.67	19,371.18	27,445.92
Bonds and Notes	6,582.08	7,266.99	9,112.43	15,114.63	22,124.81
Monetary Authority	-	-	-	-	-
General Government	6,582.08	7,266.99	9,112.43	15,114.63	22,124.81
Banks	-	-	-	-	-
Other Sector	-	-	-	-	-
Money Market	1,459.44	2,343.15	3,098.23	4,256.55	5,321.12
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	1,459.44	2,343.15	3,098.23	4,256.55	5,321.12
Other Sector	-	-	-	-	-
Financial Derivatives	-	-	-	-	-
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	-	-	-	-	-
Other Sector	-	-	-	-	-
<b>Other Liabilities</b>	<b>17,160.32</b>	<b>16,693.98</b>	<b>19,560.64</b>	<b>20,713.75</b>	<b>24,353.99</b>
Trade Credit	-	-	-	-	-
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	-	-	-	-	-
Other Sector	-	-	-	-	-
Loans	11,383.17	11,142.12	12,634.96	13,859.94	16,638.52
Monetary Authority	-	-	-	-	-
Long-term	-	-	-	-	-
Short-term	-	-	-	-	-
General Government	3,707.12	4,429.25	5,436.06	6,081.02	8,284.06
Long-term	3,707.12	4,429.25	5,436.06	6,081.02	8,284.06
Short-term	-	-	-	-	-
Banks	2,586.05	2,492.87	3,179.90	3,030.92	3,677.46
Long-term	2,586.05	2,492.87	3,179.90	3,030.92	3,677.46
Short-term	-	-	-	-	-
Other Sector	5,090.00	4,220.00	4,019.00	4,748.00	4,677.00
Long-term	5,090.00	4,220.00	4,019.00	4,748.00	4,677.00
Short-term	-	-	-	-	-
Currency and Deposits	5,777.15	5,551.86	6,925.68	6,853.81	7,715.47
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	5,777.15	5,551.86	6,925.68	6,853.81	7,715.47
Other Sector	-	-	-	-	-

1/ Revised

2/ Provisional

Source: Central Bank of Nigeria

DRAFT

**Table 65**  
**International Investment Position of Nigeria 1/**  
**(Naira Millions)**

Type of Asset/Liability	2009	2010	2011	2012	2013 /2
<b>Net international investment position of Ni</b>	<b>(740,759.73)</b>	<b>(2,421,570.86)</b>	<b>(3,151,387.20)</b>	<b>(2,022,305.61)</b>	<b>(4,707,332.29)</b>
<b>ASSETS</b>	<b>12,086,759.13</b>	<b>11,911,835.83</b>	<b>14,592,545.21</b>	<b>19,449,045.84</b>	<b>20,326,221.61</b>
<b><i>Direct investment abroad</i></b>	<b>616,013.82</b>	<b>759,478.60</b>	<b>928,188.74</b>	<b>1,155,886.18</b>	<b>1,348,379.46</b>
Equity Capital and Reinvested Earn	616,013.82	759,478.60	928,188.74	1,155,886.18	1,348,379.46
Other Capital	-	-	-	-	-
<b><i>Portfolio investment abroad</i></b>	<b>1,764,724.50</b>	<b>1,947,748.75</b>	<b>2,302,990.57</b>	<b>2,596,239.74</b>	<b>3,101,451.93</b>
Equity Securities	1,566,414.85	1,733,817.05	2,056,848.04	2,326,420.40	2,730,475.86
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	1,566,414.85	1,733,817.05	2,056,848.04	2,326,420.40	2,730,475.86
Other Sector	-	-	-	-	-
Debt Securities	198,309.65	213,931.70	246,142.53	269,819.34	370,976.07
Bonds and Notes	-	-	-	-	-
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	-	-	-	-	-
Other Sector	-	-	-	-	-
Money Market	198,309.65	213,931.70	246,142.53	269,819.34	370,976.07
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	198,309.65	213,931.70	246,142.53	269,819.34	370,976.07
Other Sector	-	-	-	-	-
Financial Derivatives	-	-	-	-	-
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	-	-	-	-	-
Other Sector	-	-	-	-	-
<b><i>Other Assets</i></b>	<b>3,366,447.96</b>	<b>4,332,377.07</b>	<b>6,195,468.38</b>	<b>8,857,182.88</b>	<b>9,193,130.36</b>
Trade Credit	7,739.27	11,123.97	11,310.57	12,556.84	16,053.09
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	-	-	-	-	-
Other Sector	7,739.27	11,123.97	11,310.57	12,556.84	16,053.09
Loans	275,559.27	311,820.13	359,160.18	413,157.61	460,129.06
Monetary Authority	-	-	-	-	-
Long-term	-	-	-	-	-
Short-term	-	-	-	-	-
General Government	-	-	-	-	-
Long-term	-	-	-	-	-
Short-term	-	-	-	-	-
Banks	275,559.27	311,820.13	359,160.18	413,157.61	460,129.06
Long-term	-	-	-	-	-
Short-term	275,559.27	311,820.13	359,160.18	413,157.61	460,129.06
Other Sector	-	-	-	-	-
Long-term	-	-	-	-	-
Short-term	-	-	-	-	-
Currency and Deposits	3,083,149.43	4,009,432.97	5,824,997.63	8,431,468.43	8,716,948.21
Monetary Authority	-	-	-	-	-
General Government	958,583.43	1,074,596.01	1,355,126.41	1,471,762.43	1,497,612.91
Banks	1,265,643.23	1,296,356.73	1,702,545.60	1,765,308.66	1,864,256.48
Other Sector	858,922.76	1,638,480.23	2,767,325.63	5,194,397.34	5,355,078.82
<b><i>Reserve Assets</i></b>	<b>6,339,572.85</b>	<b>4,872,231.41</b>	<b>5,165,897.52</b>	<b>6,839,737.04</b>	<b>6,683,259.86</b>
Gold	-	-	-	-	-
Special Drawing Rights	362,465.25	388,677.19	407,057.08	401,761.65	402,359.02
Reserve Position in the Fund (IMF)	-	-	-	-	-
Foreign Exchange	5,977,107.61	4,483,554.22	4,758,840.44	6,437,975.39	6,280,900.84

1/ Revised

2/ Provisional  
Source: Central Bank of Nigeria

Table 65 Cont'd  
International Investment Position of Nigeria 1/  
(Naira Millions)

Type of Asset/Liability	2009	2010	2011	2012	2013 /2
<b>LIABILITIES</b>	<b>12,827,518.87</b>	<b>14,333,406.69</b>	<b>17,743,932.41</b>	<b>21,471,351.45</b>	<b>25,033,553.89</b>
<b>Direct investment in Reporting Economy</b>	<b>8,111,380.86</b>	<b>9,088,816.56</b>	<b>10,958,862.18</b>	<b>11,917,373.56</b>	<b>12,786,712.78</b>
Equity Capital and Reinvested Earnings	7,896,045.49	8,862,796.10	10,681,156.55	11,632,973.66	12,497,946.96
Other Capital	215,335.37	226,020.46	277,705.63	284,399.90	288,765.83
<b>Portfolio investment in Reporting Economy</b>	<b>2,149,297.07</b>	<b>2,729,474.64</b>	<b>3,689,207.50</b>	<b>6,321,596.66</b>	<b>8,448,142.88</b>
Equity Securities	946,446.51	1,281,610.48	1,756,625.54	3,298,724.20	4,167,169.14
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	-	-	-	-	-
Other Sector	946,446.51	1,281,610.48	1,756,625.54	3,298,724.20	4,167,169.14
Debt Securities	1,202,850.56	1,447,864.15	1,932,581.96	3,022,872.45	4,280,973.73
Bonds and Notes	984,547.53	1,094,844.54	1,442,224.59	2,358,637.33	3,450,994.17
Monetary Authority	-	-	-	-	-
General Government	984,547.53	1,094,844.54	1,442,224.59	2,358,637.33	3,450,994.17
Banks	-	-	-	-	-
Other Sector	-	-	-	-	-
Money Market	218,303.04	353,019.61	490,357.37	664,235.13	829,979.57
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	218,303.04	353,019.61	490,357.37	664,235.13	829,979.57
Other Sector	-	-	-	-	-
Financial Derivatives	-	-	-	-	-
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	-	-	-	-	-
Other Sector	-	-	-	-	-
<b>Other Liabilities</b>	<b>2,566,840.93</b>	<b>2,515,115.49</b>	<b>3,095,862.72</b>	<b>3,232,381.23</b>	<b>3,798,698.23</b>
Trade Credit	-	-	-	-	-
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	-	-	-	-	-
Other Sector	-	-	-	-	-
Loans	1,702,694.84	1,678,671.85	1,999,735.16	2,162,843.66	2,595,251.54
Monetary Authority	-	-	-	-	-
Long-term	-	-	-	-	-
Short-term	-	-	-	-	-
General Government	554,511.01	667,310.81	860,365.22	948,943.17	1,292,135.25
Long-term	554,511.01	667,310.81	860,365.22	948,943.17	1,292,135.25
Short-term	-	-	-	-	-
Banks	386,821.63	375,575.84	503,282.82	472,975.09	573,604.85
Long-term	386,821.63	375,575.84	503,282.82	472,975.09	573,604.85
Short-term	-	-	-	-	-
Other Sector	761,362.20	635,785.20	636,087.13	740,925.40	729,511.44
Long-term	761,362.20	635,785.20	636,087.13	740,925.40	729,511.44
Short-term	-	-	-	-	-
Currency and Deposits	864,146.10	836,443.65	1,096,127.56	1,069,537.57	1,203,446.69
Monetary Authority	-	-	-	-	-
General Government	-	-	-	-	-
Banks	864,146.10	836,443.65	1,096,127.56	1,069,537.57	1,203,446.69
Other Sector	-	-	-	-	-

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

**Table 66**  
**Exchange Rate Movements**  
**(Naira per US Dollar)**

Month	CBN DAS/WDAS Rate					Bureaux de Change					Interbank Rate				
	2009	2010	2011	2012	2013	2009	2010	2011	2012	2013	2009	2010	2011	2012	2013
January	145.78	149.78	151.55	158.39	157.30	149.88	153.55	156.13	164.62	159.12	146.59	150.33	152.47	161.31	156.96
February	147.14	150.22	151.94	157.87	157.30	156.93	152.08	155.11	160.85	158.70	149.12	150.97	152.86	158.59	157.52
March	147.72	149.83	152.51	157.59	157.31	174.32	151.85	157.09	159.41	159.80		150.08	155.21	157.72	158.38
April	147.23	149.89	153.97	157.33	157.31	180.27	152.00	157.05	159.37	159.81		150.38	154.60	157.44	158.20
May	147.84	150.31	154.80	157.28	157.30	180.63	153.26	158.05	159.67	159.57		151.49	156.17	158.46	158.02
June	148.20	150.19	154.50	157.44	157.31	166.14	153.87	158.32	163.43	160.98	148.54	151.28	155.65	162.33	160.02
July	148.59	150.10	151.86	157.43	157.32	155.13	152.41	163.71	163.32	162.43	149.88	150.27	152.41	161.33	161.12
August	151.86	150.27	152.72	157.38	157.31	158.95	152.23	163.10	162.24	162.28	155.23	150.70	153.79	158.97	161.15
September	152.30	151.03	155.26	157.34	157.32	158.00	153.85	158.23	159.80	163.14	153.25	152.62	156.70	157.78	161.96
October	149.36	151.25	153.26	157.32	157.42	153.05	153.98	161.25	159.00	165.00	150.22	151.78	159.82	157.24	159.83
November	150.85	150.22	155.77	157.31	157.27	152.95	153.13	160.35	159.32	167.14	151.03	150.55	158.83	157.58	158.79
December	149.69	150.48	158.21	157.32	157.27	153.48	154.57	163.30	159.26	171.40	149.80	152.63	162.17	157.33	159.05
<b>Average</b>	<b>148.88</b>	<b>150.30</b>	<b>153.86</b>	<b>157.50</b>	<b>157.31</b>	<b>161.64</b>	<b>153.06</b>	<b>159.31</b>	<b>160.86</b>	<b>162.45</b>	<b>150.40</b>	<b>151.09</b>	<b>155.89</b>	<b>158.84</b>	<b>159.25</b>
<b>End-Period</b>	<b>149.58</b>	<b>150.66</b>	<b>158.27</b>	<b>157.33</b>	<b>157.26</b>	<b>155.00</b>	<b>156.00</b>	<b>165.00</b>	<b>159.00</b>	<b>172.00</b>	<b>149.67</b>	<b>152.00</b>	<b>159.70</b>	<b>157.25</b>	<b>159.90</b>

Notes: Exchange Rate from August, 2005 includes 1% commission

There was no Interbank trade between 18th February - 28th May 2009

Retail Dutch Auction (RDAS) was re-introduced on October 2, 2013