

Business Expectations Survey

A Quarterly Publication

Fourth Quarter, 2015

November 2015



**Survey Management Division
Statistics Department
Central Bank of Nigeria**

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EXECUTIVE SUMMARY

The Q4, 2015 Business Expectations Survey (BES) was carried out during the period October 26 to November 7, 2015 with a sample size of 1,900 business enterprises nationwide. A response rate of 98.8 per cent was achieved, and the sectors covered during the exercise included Industry, Construction, Wholesale/Retail Trade and Services.

The highlights of the BES report are as follows:

- Respondent firms were optimistic on the macro economy in Q4, 2015. The optimism was driven by the opinion of respondents from the services, wholesale/retail trade and industrial sectors.
- Respondents' optimism in the volume of total order and their internal liquidity position, buoyed the volume of their business activities in the current quarter. Although respondents were pessimistic on access to credit, majority of firms upped their internal liquidity position in the review quarter.
- The positive outlook in the volume of business activities of the firms implied improved prospects for employment in the next quarter. The sector with the highest prospect for employment was wholesale/retail trade, followed by services, industrial and construction sectors.
- The respondent firms emphasized that insufficient power supply was the major factor constraining the business activity in Q4 2015. Other constraining factors were high interest rate, financial problems¹, competition, unfavourable economic climate and access to credit.
- Respondent firms expected the naira to remain strong, and both inflation and borrowing rates to rise in the current quarter. The same pattern was expected in the next quarter for exchange rate and inflation rate, while the borrowing rate was expected to decline.

¹ Difficulty in paying off debts, tax and other financial obligations

Business Expectations Survey Fourth Quarter, 2015

The Q4, 2015 Business Expectations Survey (BES)² was conducted during the period October 26 to November 7, 2015. There were 1,900 firms surveyed nationwide, drawn from the updated survey frames of both the Central Bank of Nigeria (CBN) and the National Bureau of Statistics (NBS). The survey produced a response rate of 98.8 per cent in the quarter under review.

The map below shows all the states in the federation, while table 1 shows the sampled states in the six geopolitical zones, the sample size and the percentage response rate of the survey.



About the Survey.

The response rate from the 1,900 firms surveyed was 98.8 per cent

ZONE	SAMPLE STATE	Q4 2015 SAMPLE SIZE	Q4 2015 RESPONSES	Q4 2015 RESPONSE RATE (%)
North Central	Niger, Kwara, Kogi, Abuja, Nassarawa, Benue and Plateau	350	346	98.9
North East	Bauchi, Adamawa, Gombe, and Taraba	250	250	100.0
North West	Kaduna, Katsina, Kano, Jigawa, Zamfara, Sokoto and Kebbi	350	345	98.6
South East	Anambra, Enugu, Ebonyi, Imo and Abia	250	246	98.4
South South	Edo, Delta, Rivers, Cross River, Bayelsa and Akwa-Ibom	300	295	98.3
South West	Lagos, Oyo, Ekiti, Osun, Ogun and Ondo	400	396	99.0
TOTAL		1900	1878	98.8

²The Business Expectations Survey (BES) is a quarterly survey of leading firms drawn from Business Establishment updated frames of Central Bank of Nigeria and the National Bureau of Statistics. The BES result provides advance indication of change in the overall business activity in the economy and in the various measures of activity of the companies' own operations as well as selected economic indicators.

Respondents were drawn from the Industrial, Construction, Wholesale/Retail trade and Services sectors. The service sector is made up of Financial Intermediation, Hotels and Restaurants, Renting & Business Activities and Community & Social Services.

Respondent firms were optimistic on the macro economy in Q4 2015 and the next quarter.

The overall response rate for the quarter, at 98.8 per cent was 1.0 percentage point above the level attained in the previous quarter. A breakdown of the responses received by type of business showed that “neither importer nor exporter” category accounted for 72.5 per cent of the respondents, followed by “importer” with 15.8 per cent. “Both Importer and Exporter” respondents accounted for 8.8 per cent, while 2.9

Overall Business Outlook on the Macro economy

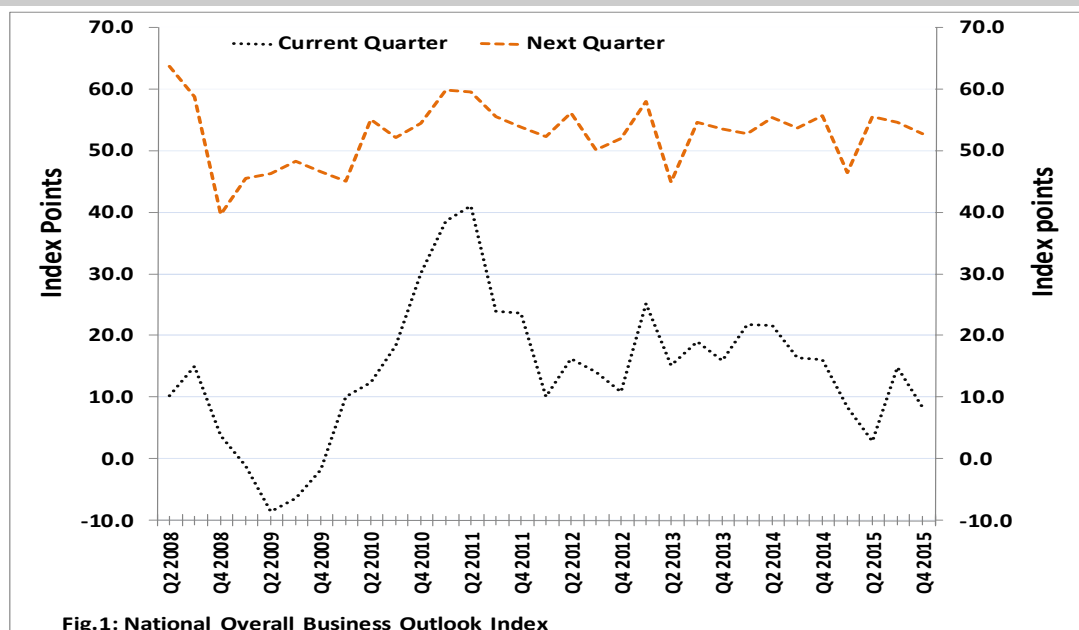
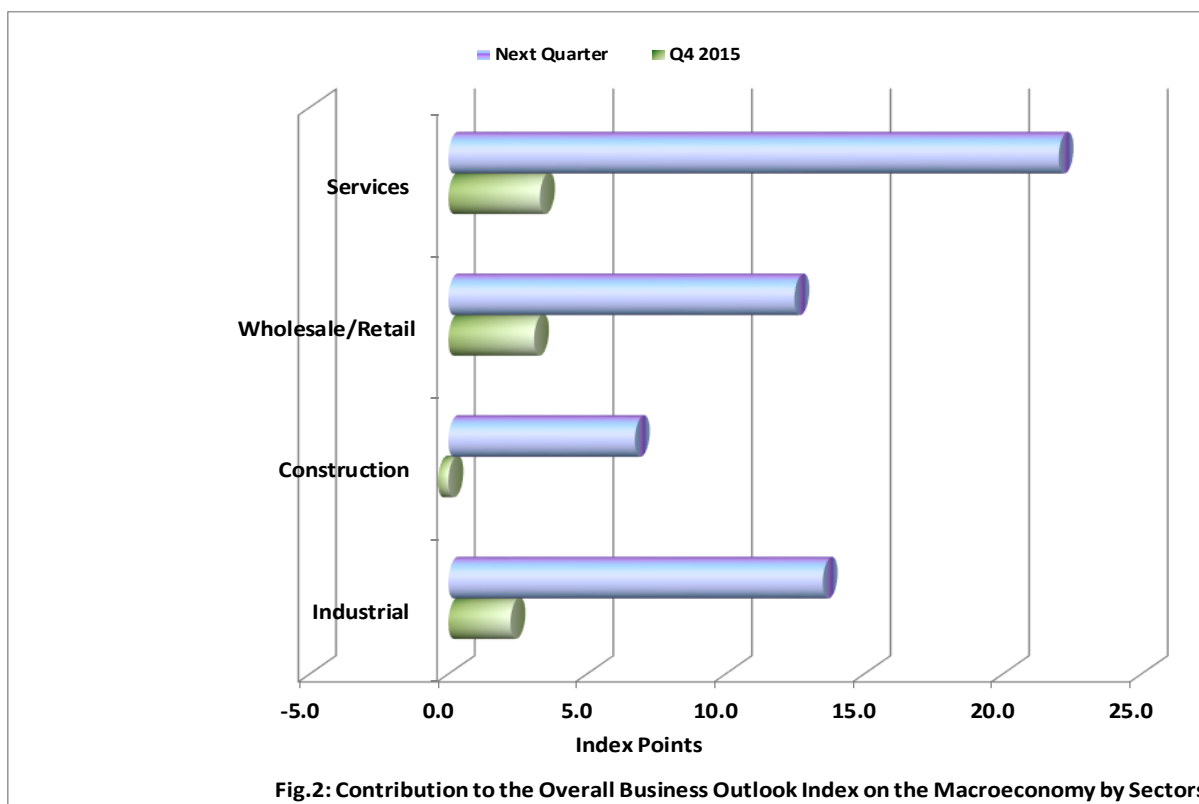


Fig.1: National Overall Business Outlook Index

The overall confidence index (CI)³, which stood at 8.3 points in Q4 2015, indicated respondent firms’ optimism on the macro economy. At 52.8 points, the overall CI points to greater confidence on the macro economy in the next quarter.

The optimism in the current quarter was driven by the opinion of respondents from the services (3.3 points), wholesale/retail trade (3.1 points) and industrial (2.2 points) sectors. Also, the expected drivers for the optimism on the macro economy in the next quarter are services (18.9 points), wholesale/retail trade (15.7 points) industrial (12.6 points) and construction sectors (5.6 points) (Table 2, Sections 19 & 20).

³The CI is computed as the percentage of firms that answered in the affirmative less the percentage of firms that answered in the negative in a given indicator. A positive CI indicates a favourable view, except for the average inflation rate and the average naira borrowing rate, where a positive CI indicates the opposite.



Macro economy Outlook by Type and Size of Business

The drivers (by type of business) of the optimism on the macro economy in the current quarter were “neither importer nor exporter” (6.6 per cent), followed by “both importer and exporter” (0.6 per cent) “exporter” (0.6 per cent) and “importer” (0.4 per cent) (Table 2 Section 23).

The distribution of respondent firms by type of business showed that “neither importer nor exporter” constituted the highest percentage of responses (72.5 per cent), followed by “importer” (15.8 per cent), “both importer and exporter” (8.8 per cent) and “exporter” (2.9 per cent) (Table 2 Section 16).

The drivers (by size of business) of the optimism on the macro economy in the current quarter were the small (6.5 per cent) and medium (1.8 per cent) (Table 2 Section 25).

The percentage distribution of respondent firms by employment size showed that small size firms constituted the highest percentage of responses (79.6 per cent), followed by medium size firms (14.4 per cent), and large size firms (6.1 per cent) (Table 2 Section 17).

The business sentiment was upbeat across all sectors in Q4 2015.

Business Outlook Index on the Macroeconomy by Sector

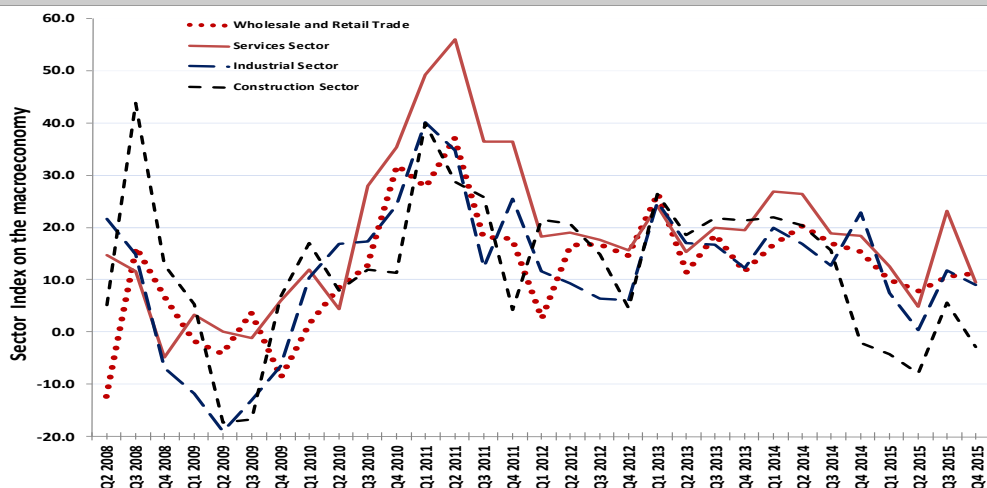


Fig.3a: Business Outlook Index on the Macroeconomy

Business sentiment across most sectors was optimistic in the current quarter and likely to remain so in the next quarter. The indices of the wholesale/retail, services and industrial sectors stood at 11.2, 9.5 and 9.0 points, respectively (Fig. 3a).

The distribution of respondent firms by sector showed that services sector constituted the highest number of responses (651), followed by wholesale/retail (519), industrial (465) and construction (243) (Table 2 Section 18).

Business Confidence on Own Operations by Sector

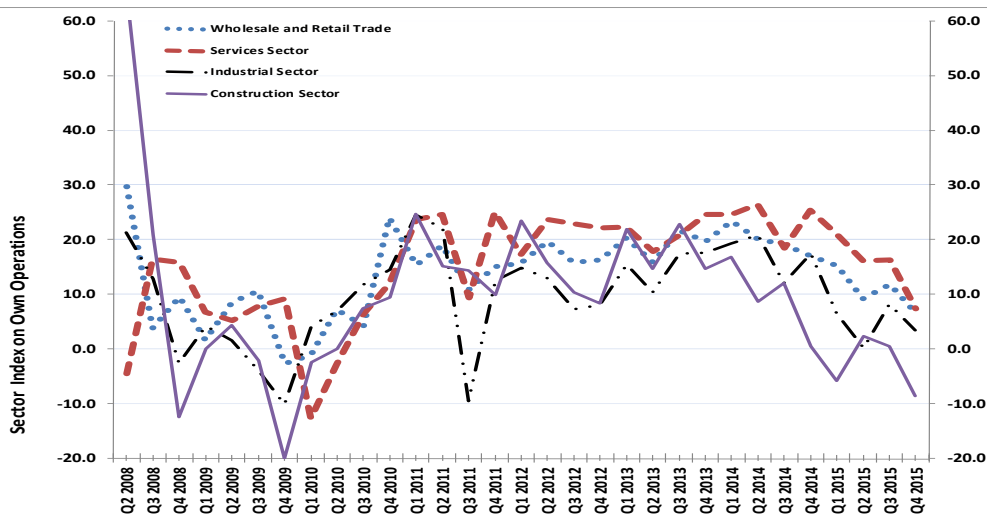


Fig.3b: Business Confidence on Own Operation by Sector

Business confidence on own operations was less optimistic across all sectors compared with the outlook in the corresponding quarter of 2014.

The respondents' confidence index on own operations was less optimistic across all sectors in the current quarter than it was in the corresponding quarter of 2014. The confidence indices of services, wholesale/retail trade, industrial and construction sectors stood at 7.4, 6.6, 3.4 and -8.6 in Q4, 2015 from their levels of 25.4, 17.0, 17.5 and 0.4 in the corresponding quarter of 2014, respectively (Table 2 Section 4).

Average capacity utilization dipped by 11.2 points in the current quarter when compared with Q4 2014.

At 10.5 points, the average capacity utilization index (CUI) in Q4, 2015 dipped by 11.2 points when compared with the 21.7 points achieved a year earlier (Fig. 4).

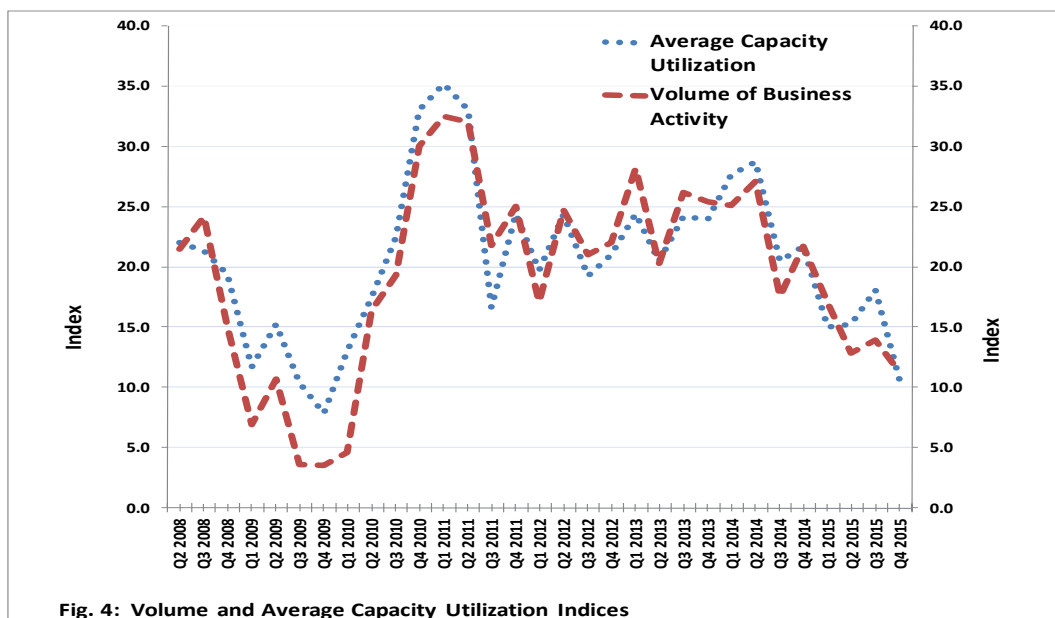


Fig. 4: Volume and Average Capacity Utilization Indices

Access to Credit and Financial Condition

The financial condition index in the current quarter stood at 4.1 per cent and was driven by the services (2.6 points), wholesale /retail trade (1.8 points) and industrial (0.9 points) sectors (Table 2 Sections 5 & 21).

Respondents' optimism in the volume of total order and the internal liquidity position, buoyed the volume of their business activities in the current quarter. In spite of the negative outlook of firms on access to credit, majority of firms upped their financial condition in the review quarter (Table 2 Section 5).

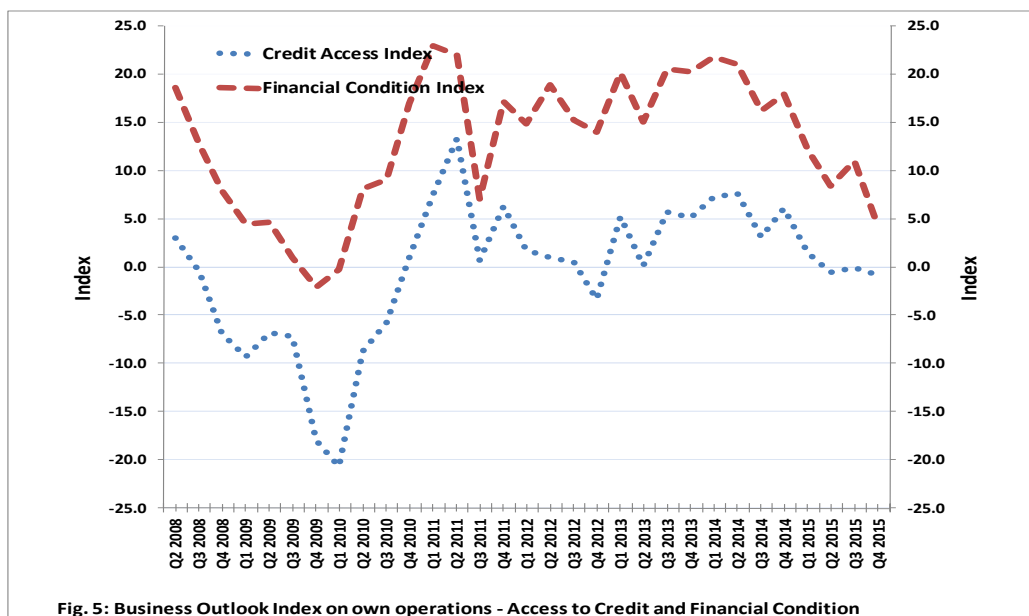


Fig. 5: Business Outlook Index on own operations - Access to Credit and Financial Condition

The positive outlook of the volume of business activities of the firms suggests higher prospect for employment in the next quarter.

The employment outlook index by sector shows that the services sector has more prospects for employment in the next quarter.

Insufficient power supply, high interest rate, financial problems, competition, unfavourable economic climate and unclear economic laws, remain major constraints to business in Nigeria.

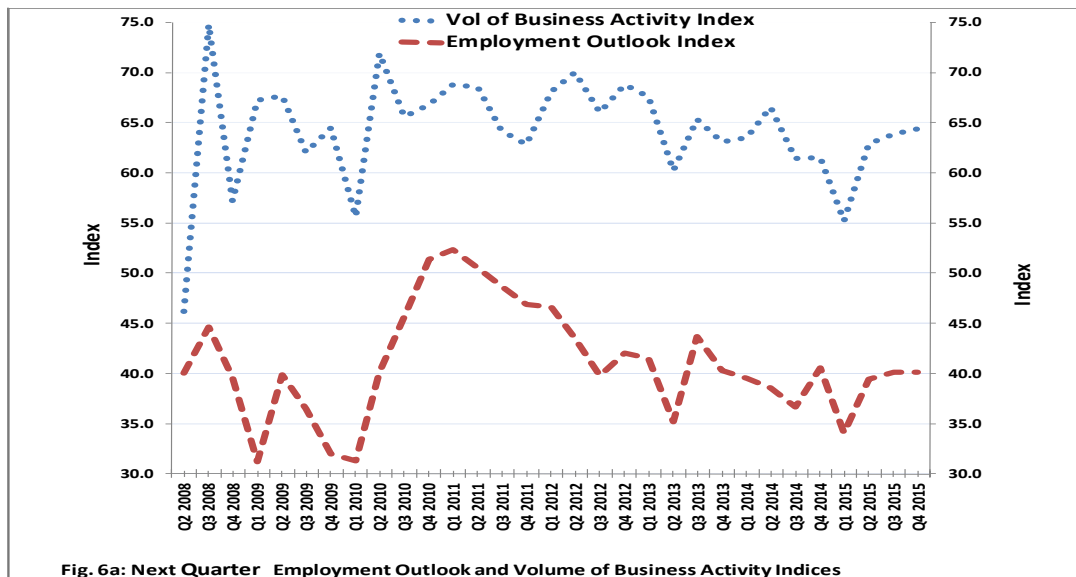


Fig. 6a: Next Quarter Employment Outlook and Volume of Business Activity Indices

Employment and Expansion Plans

At 64.4 index points, the positive outlook in the volume of business activities reflected higher prospect for employment in the next quarter, as the employment index stood at 40.1 points. The employment outlook index by sector, showed that the services sector (14.1 per cent) had higher prospect for creating jobs, followed by the wholesale/retail trade (12.1 per cent) Industrial (9.4 per cent) and Construction (4.5 per cent) sectors (Table 2, Sections 6 & 22).

On the analysis of businesses with expansion plans by sector in the next quarter, the wholesale/retail sector indicated higher interest for expansion with an index of 69.6 points. Similarly, services, construction and industrial firms indicated expansion plans for Q1, 2016 with indices of 68.2, 62.2 and 60.5 points, respectively (Table 2 Section 8).

Business Constraints

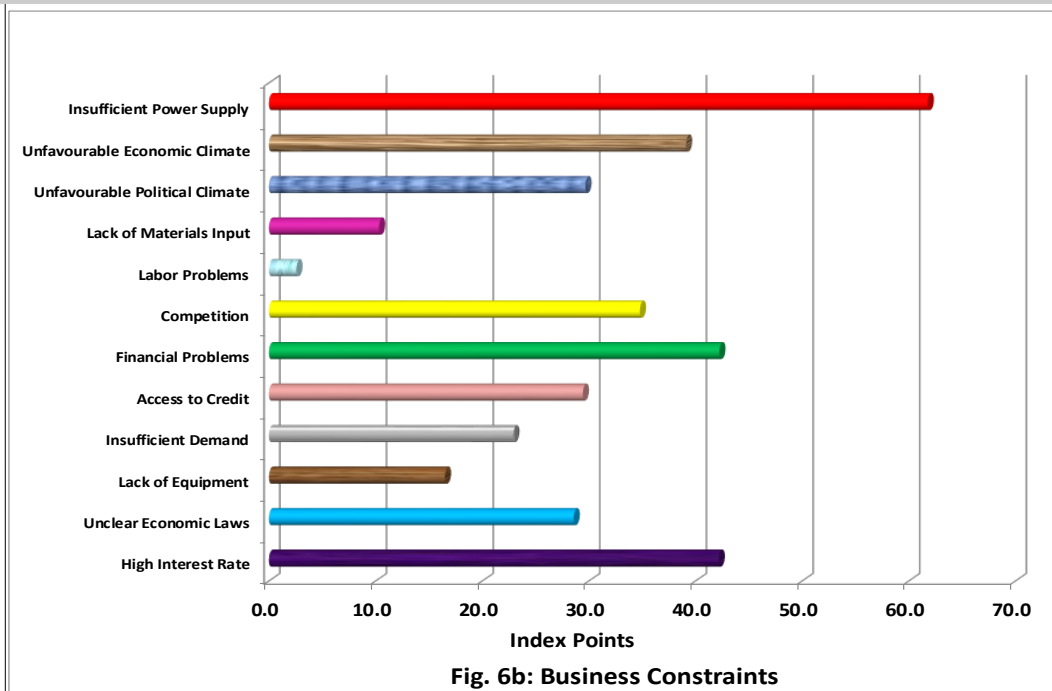


Fig. 6b: Business Constraints

The respondent firms identified insufficient power supply (53.7 index points), high interest rate (46.9 index points), financial problems (46.9 index points), competition (39.4 index points), unfavourable economic climate (37.5 index points) and unclear economic laws (31.6 index points) as the major factors constraining business activity in the current quarter (Fig. 6b).

Expectations on Exchange Rate

The respondent firms expect the Naira exchange rate to appreciate in the current and next quarters.

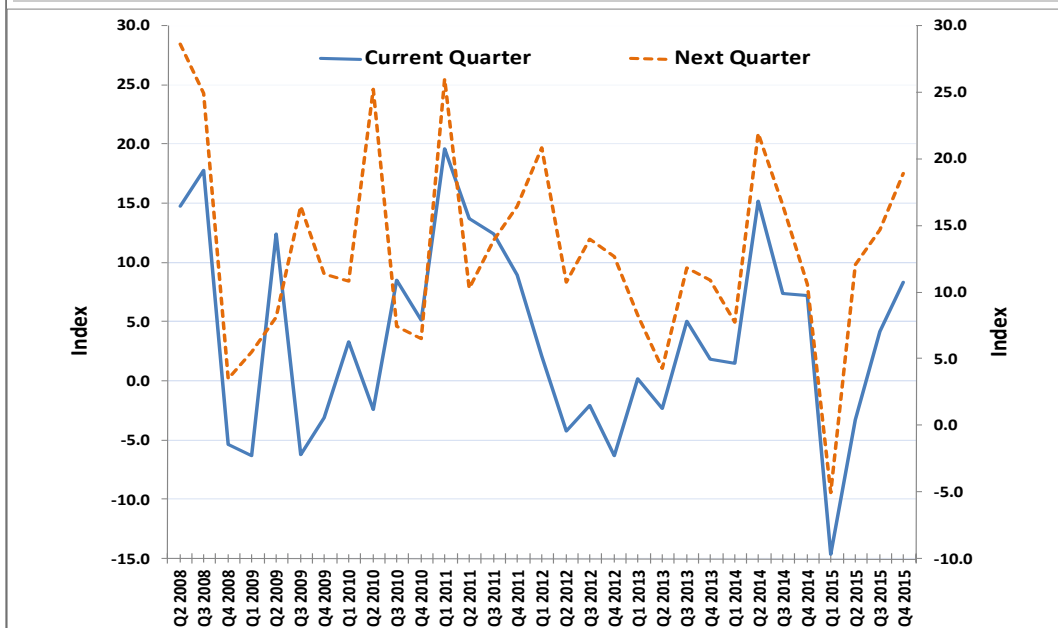


Fig. 6c: ₦/\$ Exchange Rate Index

Majority of the respondent firms expect the naira exchange rate to appreciate in the current and next quarters, as the confidence indices stood at 8.3 and 18.9 points, respectively (Fig. 6c).

Expectations on Inflation and Borrowing Rates

Inflation rate was expected to rise in the current and next quarters.

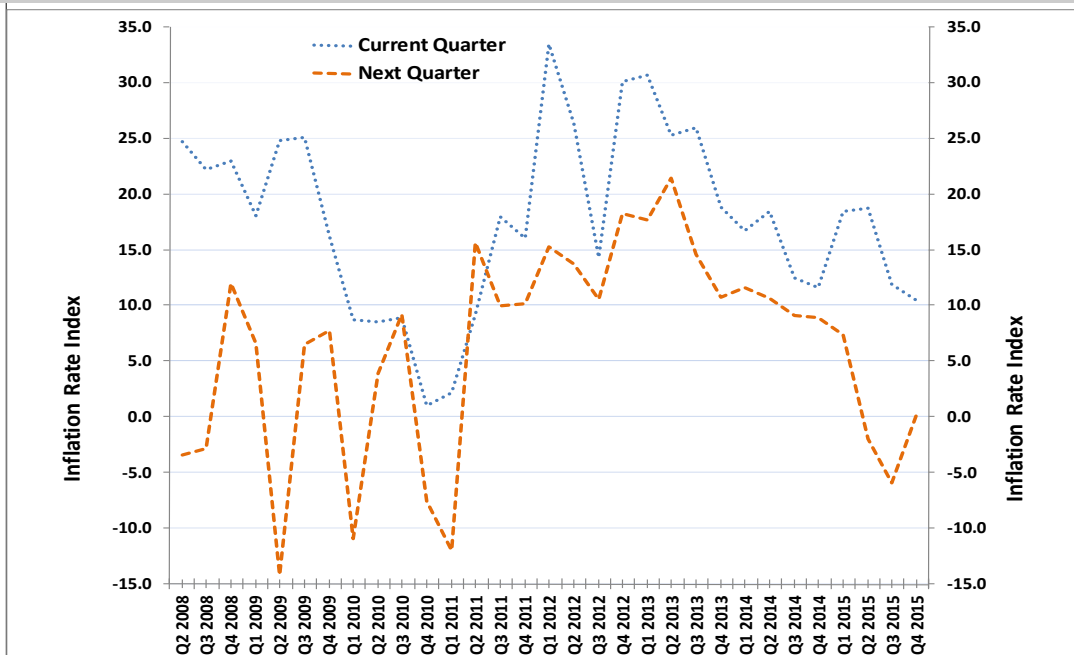


Fig. 7: Inflation Rate Index

Respondent firms expected inflation rate to rise in both quarters, with confidence indices of 10.4 and 0.2 points, respectively (Fig. 7).

Borrowing rate was expected to rise in the current quarter but to fall in the next quarter.

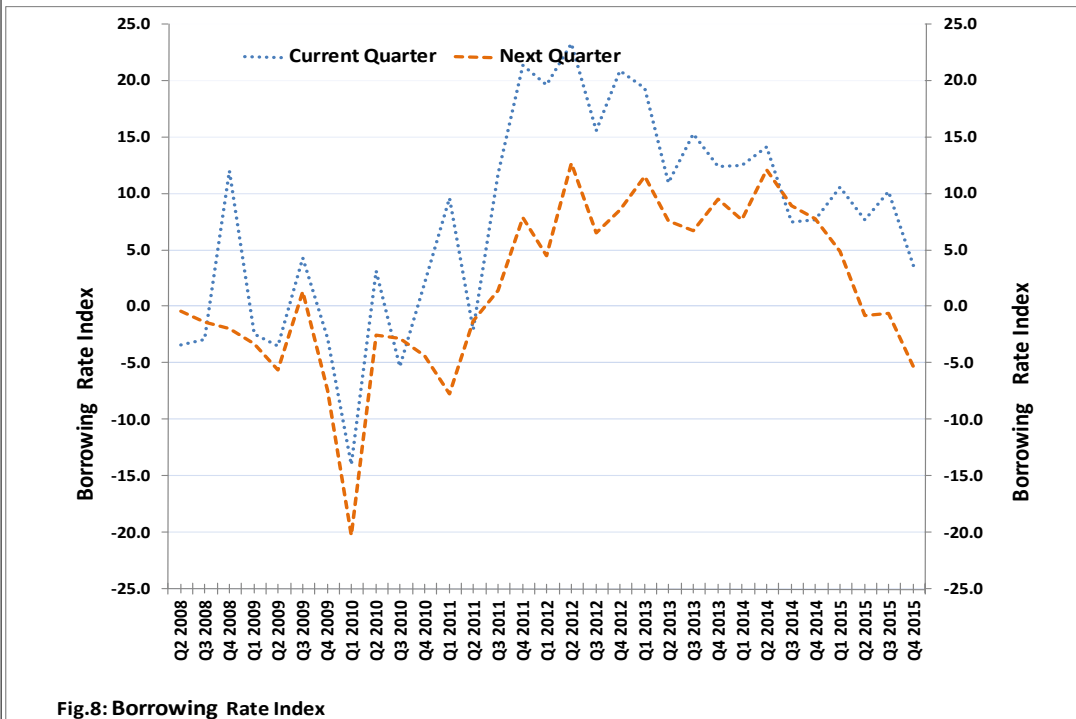


Fig.8: Borrowing Rate Index

Similarly, respondent firms expect the borrowing rate to rise in the current quarter but to fall in the next quarter as the confidence indices stood at 3.6 and -5.3 points, respectively (Fig. 8).

TABLE 2
BUSINESS EXPECTATIONS SURVEY
National

Year	2012				2013				2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1. Overall Business Outlook on the Macroeconomy																
Confidence Index: All Sectors																
Current Quarter																
<i>National</i>	10.1	16.2	14.1	10.9	25.1	15.1	19.0	16.0	21.8	21.7	16.4	16.0	8.4	2.8	14.9	8.3
<i>North Central</i>	6.4	28.6	11.7	19.8	32.3	25.3	13.5	20.6	12.7	17.1	22.9	30.2	23.4	-1.7	22.5	-5.5
<i>North East</i>	39.0	5.6	15.8	-9.3	29.8	11.8	20.7	7.0	21.6	7.5	18.8	12.8	8.8	10.4	33.6	21.2
<i>North West</i>	2.4	5.1	6.0	15.5	19.2	6.3	22.3	19.5	25.6	17.9	10.6	12.7	-0.9	14.5	20.4	15.4
<i>South East</i>	-0.4	23.8	21.8	0.8	36.1	3.6	14.8	17.7	10.8	36.7	10.1	6.5	8.8	-1.2	-18.5	8.5
<i>South South</i>	-3.6	21.5	23.6	21.0	19.8	28.4	29.5	22.3	38.0	35.0	17.8	25.2	19.3	-16.3	23.6	-1.7
<i>South West</i>	18.6	13.4	10.1	12.5	17.9	14.3	14.5	9.6	20.9	17.0	17.0	8.3	-5.6	8.5	6.8	13.1
Next Quarter																
<i>National</i>	52.2	56.1	50.1	52.0	58.0	44.9	54.6	53.5	52.7	55.3	53.6	55.7	46.4	55.5	54.6	52.8
<i>North Central</i>	56.1	66.7	44.8	49.4	59.1	50.3	49.2	52.0	39.5	55.7	50.9	65.9	52.9	48.0	48.4	43.1
<i>North East</i>	44.4	48.4	47.6	53.9	69.6	48.8	50.9	49.2	61.3	48.0	60.0	63.6	59.6	66.8	57.2	74.8
<i>North West</i>	34.4	49.2	42.5	54.6	58.0	41.7	64.5	58.0	51.3	49.7	54.4	58.7	42.4	62.3	59.9	50.1
<i>South East</i>	54.1	48.7	54.0	58.4	53.5	28.5	48.5	54.0	44.0	55.7	44.8	39.5	48.8	56.0	33.3	50.0
<i>South South</i>	58.3	66.9	60.9	50.0	60.5	54.6	55.7	58.3	65.0	62.3	53.7	64.8	55.9	47.7	65.1	39.7
<i>South West</i>	65.0	53.8	52.9	48.3	49.5	43.1	56.7	50.3	57.0	58.0	56.6	43.2	27.3	54.8	59.0	61.1
2. Business Outlook Index on the Macroeconomy by Sector: Current Quarter																
Industrial Sector	11.6	9.3	6.4	6.1	24.8	17.0	16.6	12.3	20.0	16.9	12.7	22.9	7.5	0.4	11.8	9.0
Construction Sector	21.4	20.8	14.9	4.5	26.4	18.5	21.7	21.4	21.9	20.4	15.7	-2.1	-4.3	-8.0	5.6	-2.9
Wholesale and Retail Trade	2.5	16.6	16.7	14.7	26.4	11.4	18.6	11.6	16.6	20.3	16.9	15.3	10.0	7.8	10.6	11.2
Services Sector of which:	18.3	19.0	17.6	15.6	24.1	15.3	19.9	19.5	26.9	26.5	18.9	18.4	12.6	4.8	23.2	9.5
Financial Intermediation	-26.3	32.8	28.6	46.4	32.3	39.6	47.1	34.7	36.1	33.1	28.7	32.3	22.0	8.1	45.1	9.3
Hotels and Restaurants	5.1	6.9	9.9	30.1	18.7	2.1	13.6	11.2	26.7	5.2	5.9	0.6	-1.7	-2.1	8.5	7.8
Renting and Business Activities	-1.9	14.2	18.0	8.8	23.7	4.3	11.6	26.0	20.9	31.4	20.1	25.9	7.3	-2.7	24.3	11.8
Community and Social Services	27.3	26.7	17.9	8.9	24.2	22.0	10.7	9.9	24.2	37.2	24.7	19.5	23.7	15.6	15.5	9.5
3. Business Outlook Index on the Macroeconomy by Sector: Next Quarter																
Industrial Sector	49.3	53.1	47.1	49.9	58.0	44.2	54.3	49.3	50.5	53.4	53.1	57.6	41.7	51.6	54.9	51.0
Construction Sector	56.1	58.9	44.7	47.0	59.9	44.9	50.4	58.0	52.2	52.7	55.8	46.9	31.9	50.2	53.6	43.2
Wholesale and Retail Trade	53.5	56.3	52.2	54.3	59.6	44.4	53.2	52.3	52.4	53.8	51.8	51.4	51.5	56.6	47.4	56.6
Services Sector of which:	52.4	57.2	53.0	57.6	56.4	45.6	57.5	55.5	54.7	58.8	54.5	61.5	51.5	59.6	60.2	54.5
Financial Intermediation	52.6	82.8	62.2	78.6	57.7	63.3	70.3	63.9	58.5	68.5	64.8	63.0	65.9	65.9	54.2	60.5
Hotels and Restaurants	56.2	48.7	47.3	63.7	48.7	38.9	54.0	58.3	45.9	50.5	58.4	58.4	47.5	61.0	61.6	47.2
Renting and Business Activities	41.5	49.6	55.1	48.6	61.1	34.8	55.5	61.5	52.7	58.5	55.8	67.3	39.7	49.0	66.2	54.2
Community and Social Services	50.0	55.7	50.6	59.5	58.2	50.3	51.8	40.8	49.1	64.4	50.5	58.5	55.1	62.2	59.1	57.7
4. Business Confidence Index on Own Operations by Sector: Current Quarter																
Industrial Sector	14.8	13.0	7.3	8.0	15.4	10.3	17.5	17.5	19.3	20.8	12.0	17.5	6.5	0.2	8.1	3.4
Construction Sector	23.5	15.7	10.3	8.3	21.9	14.6	22.8	14.6	16.7	8.6	12.0	0.4	-5.9	2.3	0.4	-8.6
Wholesale and Retail Trade	15.6	19.7	15.7	16.3	20.3	15.9	21.7	19.7	23.3	20.1	19.0	17.0	15.2	9.2	11.9	6.6
Services Sector	17.3	23.6	23.0	22.1	22.2	17.7	20.7	24.6	24.5	26.5	18.4	25.4	20.8	16.2	16.2	7.4
5. Business Outlook Index on Own Operations : Current Quarter																
Volume of Business Activity Index	17.1	24.7	21.0	22.0	28.2	20.2	26.2	25.4	25.1	27.1	17.6	21.7	17.0	12.9	13.9	11.2
Volume of Total Order Book Index	14.5	26.1	20.9	20.7	24.9	17.8	26.7	24.4	26.8	25.6	19.3	20.6	17.2	12.6	14.4	11.0
Credit Access Index	1.7	1.0	0.5	-3.4	5.2	0.1	5.7	5.2	7.2	7.6	3.1	6.1	1.5	-0.5	-0.1	-0.9
Financial Condition Index	14.8	18.9	15.2	14.0	20.1	15.0	20.5	20.2	21.8	21.0	16.2	18.0	12.1	8.4	11.0	4.1
Average Capacity Utilization	19.7	24.3	19.2	21.0	24.4	20.5	24.2	24.0	27.6	28.7	20.4	21.7	15.0	15.2	18.1	10.5
6. Business Outlook Index on Own Operations : Next Quarter																
Volume of Business Activity Index	68.1	70.0	66.0	68.8	67.6	60.2	65.3	63.1	63.5	66.5	61.4	61.5	55.2	62.9	63.9	64.4
Employment Outlook Index	46.6	43.5	39.8	42.0	41.5	35.2	43.7	40.3	39.5	38.6	36.6	40.5	34.0	39.4	40.1	40.1
7. Employment Outlook Index on Own Operations by Sector: Next Quarter																
Industrial Sector	46.2	38.5	35.5	39.7	35.1	31.4	42.1	35.5	37.4	41.4	34.5	41.5	29.7	31.4	35.0	38.1
Construction Sector	54.1	45.8	42.7	37.7	46.5	36.0	46.0	44.8	37.1	32.2	32.9	36.0	21.7	40.3	42.9	35.0
Wholesale and Retail Trade	45.7	43.4	40.8	44.0	40.9	37.6	41.7	42.2	42.2	37.3	43.3	38.9	39.4	42.6	38.2	43.7
Services Sector	50.1	9.8	41.1	44.9	44.2	35.8	45.4	40.3	40.1	39.2	34.2	42.6	37.9	42.4	44.0	40.6

TABLE 2
BUSINESS EXPECTATIONS SURVEY
National

Year	2012				2013				2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
8. Business with Expansion Plans (in per cent): Next Quarter																
Industrial Sector	29.8	23.5	24.5	17.9	24.2	60.8	64.4	64.3	62.0	62.9	56.1	59.6	54.4	62.3	59.8	62.2
Construction Sector	51.0	38.1	38.9	20.5	34.6	59.7	67.8	65.6	66.1	57.1	61.0	55.9	49.2	63.9	65.4	60.5
Wholesale and Retail Trade	36.8	41.0	33.5	38.4	42.0	64.4	69.4	71.0	67.2	69.3	68.7	68.2	59.8	71.0	66.7	69.6
Services Sector of which:	27.7	36.3	39.8	43.8	30.3	64.5	66.3	67.7	66.7	63.6	63.3	64.2	58.5	66.0	62.5	68.2
Financial Intermediation	36.8	65.5	39.0	78.6	40.0	66.9	67.1	67.3	66.7	65.4	63.9	66.1	60.2	64.9	60.1	60.5
Hotels and Restaurants	23.6	14.3	31.9	57.5	20.2	62.2	66.2	65.8	59.4	58.7	61.7	61.8	55.8	66.3	60.4	66.7
Renting and Business Activities	62.3	51.8	48.5	33.7	26.3	62.5	65.9	71.6	69.6	67.3	65.4	67.3	61.6	57.8	64.4	72.5
Community and Social Services	36.4	28.4	40.5	40.0	38.1	67.2	66.1	66.3	72.0	63.8	62.6	62.6	57.6	73.3	64.9	71.4
9. Business Constraints: Current Quarter																
High Interest Rate	53.4	49.8	47.8	51.5	48.1	49.8	44.1	48.7	48.0	34.9	49.4	45.4	46.6	48.0	42.2	46.9
Unclear Economic Laws	38.6	35.0	39.6	41.5	34.3	39.6	36.5	36.0	30.4	26.4	34.3	29.9	32.0	32.0	28.6	31.6
Lack of Equipment	22.3	18.3	17.8	27.0	19.1	17.0	24.6	19.5	19.2	15.6	22.3	15.9	15.3	13.8	16.5	15.5
Insufficient Demand	30.6	24.6	22.6	28.5	19.7	24.0	27.0	23.3	21.0	19.9	27.0	25.2	23.1	25.6	22.9	25.6
Access to Credit	34.4	31.5	32.2	36.1	35.6	36.8	34.1	34.1	31.5	28.1	35.1	29.8	31.0	33.3	29.4	32.8
Financial Problems	48.4	46.4	49.9	53.0	49.0	50.1	49.2	46.7	46.9	45.2	47.2	43.0	42.4	47.8	42.2	46.9
Competition	39.5	37.8	39.3	37.7	37.4	36.6	41.5	38.3	38.2	41.3	43.2	38.1	39.7	36.7	34.8	39.4
Labor Problems	8.5	0.9	4.4	8.5	4.5	0.2	10.4	9.9	4.6	4.6	7.8	3.1	0.5	2.7	2.6	4.6
Lack of Materials Input	20.6	8.0	12.5	18.8	9.6	7.8	18.0	14.2	12.4	6.7	13.8	10.5	8.8	8.7	10.3	6.7
Unfavourable Political Climate	35.1	27.6	39.8	38.6	29.4	34.7	34.9	34.4	30.3	31.4	35.6	31.6	33.0	28.8	29.7	27.6
Unfavourable Economic Climate	44.8	37.5	48.0	45.8	35.8	44.5	44.3	43.9	38.8	35.8	43.1	37.4	39.8	40.1	39.1	37.5
Insufficient Power Supply	64.6	74.3	71.6	68.5	69.3	70.7	65.3	65.5	62.8	64.6	66.1	61.8	67.6	71.6	61.8	53.7
10. Business Expectation Index on Selected Economic Indicators: Current Quarter																
N/\$ Exchange Rate	2.1	-4.2	-2.1	-6.3	0.2	-2.3	5.0	1.8	1.5	15.2	7.3	7.2	-14.7	-3.3	4.1	8.3
Inflation Rate	33.5	26.3	14.3	30.1	30.7	25.3	25.9	18.9	16.6	18.4	12.4	11.6	18.5	18.7	11.8	10.4
Borrowing Rate	19.6	23.3	15.6	20.9	19.3	10.9	15.3	12.4	12.4	14.2	7.5	7.6	10.6	7.7	10.1	3.6
11. Business Expectation Index on Selected Economic Indicators: Next Quarter																
N/\$ Exchange Rate	20.8	10.7	14.0	12.7	8.3	4.3	11.8	10.9	7.7	21.9	16.5	10.6	-5.1	12.1	14.6	18.9
Inflation Rate	15.2	13.7	10.5	18.2	17.7	21.4	14.6	10.7	11.6	10.6	9.1	8.9	7.3	-2.0	-5.9	0.2
Borrowing Rate	4.5	12.7	6.5	8.5	11.5	7.6	6.7	9.5	7.6	12.1	8.9	7.8	4.9	-0.8	-0.6	-5.3
12. Business Outlook Index on the Macroeconomy by Type of Business: Current Quarter																
Importer	4.5	20.7	19.6	13.6	34.5	24.0	30.3	23.6	31.0	15.4	26.2	16.7	4.8	0.3	15.0	2.4
Exporter	29.6	28.1	-16.1	8.2	27.3	34.1	14.0	4.8	8.2	28.3	15.8	42.3	12.2	19.6	4.7	21.8
Both Importer and Exporter	21.5	11.9	22.7	12.9	26.9	15.0	6.2	9.0	27.4	4.9	12.5	3.3	-3.4	-14.3	7.4	7.2
Neither Importer nor exporter	9.5	15.6	12.6	10.3	22.7	13.2	18.4	15.5	19.6	24.8	14.2	16.8	10.3	4.6	16.1	9.1
13. Business Outlook Index on the Macroeconomy by Type of Business: Next Quarter																
Importer	43.8	51.6	56.0	60.5	60.6	57.0	58.7	61.6	57.1	49.1	53.0	54.9	47.1	59.4	42.9	50.3
Exporter	42.6	46.9	48.4	59.2	60.6	64.3	32.6	45.2	42.9	52.2	73.7	53.8	30.6	23.5	44.2	61.8
Both Importer and Exporter	59.0	64.9	53.5	57.1	60.6	41.3	46.4	43.2	44.6	45.4	48.3	51.6	29.5	50.0	49.7	57.2
Neither Importer nor exporter	54.6	56.1	48.5	49.9	57.1	42.8	55.5	53.3	53.3	57.9	53.8	56.4	48.6	56.5	58.3	52.4
14. Business Outlook Index on the Macroeconomy by Size of Business: Current Quarter																
Small (<50)	8.9	15.2	12.9	8.7	23.7	12.0	18.2	13.7	22.0	23.5	16.0	16.0	8.1	3.3	15.6	8.2
Medium (50 and <200)	12.3	18.6	17.8	13.6	29.3	27.6	17.4	22.7	25.3	20.2	21.7	18.8	9.0	1.0	16.3	12.2
Large (200 and Up)	15.9	22.7	21.4	34.5	34.7	30.3	32.0	27.7	11.3	5.7	10.7	11.1	10.3	-1.7	2.9	-0.9
15. Business Outlook Index on the Macroeconomy by Size of Business: Next Quarter																
Small (<50)	54.9	54.9	49.2	51.2	56.9	44.0	54.2	53.9	53.1	57.2	53.7	58.4	48.3	58.0	55.4	52.2
Medium (50 and <200)	51.6	58.7	48.8	53.0	62.7	49.6	56.9	48.9	48.3	51.3	55.0	46.7	35.2	43.9	56.5	60.7
Large (200 and Up)	29.8	65.5	63.2	62.2	62.9	46.2	53.9	58.1	56.5	44.3	49.2	46.4	47.8	54.2	37.9	41.2
16. Percentage Distribution of Respondent Firms by Type of Business																
Importer	21.7	14.6	15.5	12.9	17.0	12.6	16.1	14.2	14.6	15.0	19.4	14.1	16.5	16.7	17.5	15.8
Exporter	3.1	1.8	1.6	2.6	1.7	2.2	2.2	2.2	2.7	2.5	2.0	1.4	2.6	2.7	2.3	2.9
Both Importer and Exporter	8.2	10.5	9.1	7.8	8.2	8.7	10.1	8.0	10.2	8.9	9.4	8.2	7.9	8.2	8.0	8.8
Neither Importer nor exporter	67.0	73.0	73.8	76.7	73.1	76.3	71.6	75.6	72.5	73.6	69.1	76.3	73.0	72.5	72.2	72.5

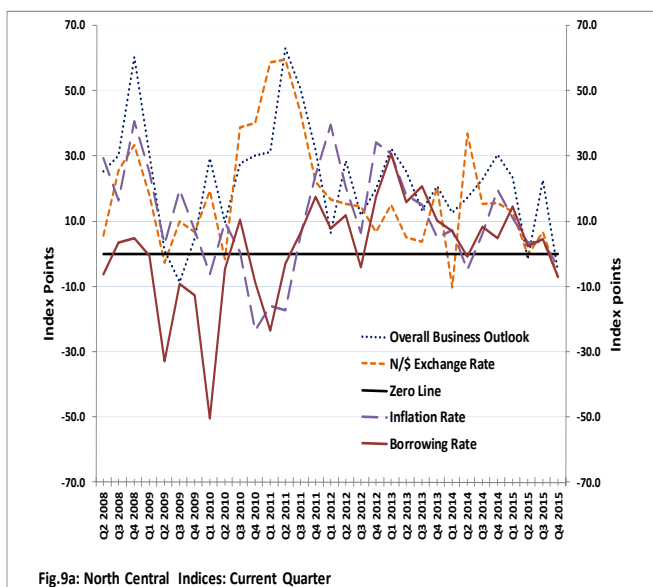
TABLE 2
BUSINESS EXPECTATIONS SURVEY
National

Year	2012				2013				2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
17. Percentage Distribution of Respondent Firms by Employment Size																
Small (<50)	76.9	79.1	80.8	81.0	80.1	80.8	79.0	78.8	79.0	77.7	80.6	78.1	78.6	77.9	81.6	79.6
Medium (50 and <200)	14.4	14.1	12.9	12.5	13.5	13.0	14.3	13.6	14.2	14.6	12.9	13.7	14.2	15.7	12.8	14.4
Large (200 and Up)	8.6	6.8	6.2	6.3	6.4	6.2	6.6	7.6	6.8	7.7	6.5	8.2	7.2	6.4	5.5	6.1
No Response	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
18. Distribution of Respondent Firms by Sector																
Sample Size (N)	1850	1950	1950	1950	1950	1950	1950	1950	1950	1850	1900	1900	1900	1900	1900	1900
Response Rate (%)	94.4	96.4	96.5	96.5	99.6	98.6	99.0	99.5	99.0	98.7	98.3	97.9	98.9	99.4	97.8	98.8
All Sectors	1746	1880	1882	1881	1943	1922	1930	1941	1832	1826	1868	1861	1880	1889	1859	1878
Industrial Sector	379	462	482	477	467	477	475	473	481.0	461.0	458	458	465	465	457	465
Construction Sector	98	249	262	266	269	254	276	281	251	245	239	239	263	263	233	243
Wholesale and Retail Trade	475	488	502	484	492	492	485	493	464	474.0	515	502	508	512	489	519
Services Sector of which:	794	681	636	654	715	699	694	694	636	646	646	662	653	649	680	651
Financial Intermediation	38	129	119	113	130	139	155	147	147	127	122	127	123	135	173	129
Hotels and Restaurants	178	206	182	181	193	193	198	187	180	172	188	178	181	187	165	180
Renting and Business Activities	53	156	167	190	198	184	173	169	148	159	154	162	151	147	148	153
Community and Social Services	44	190	168	170	194	183	168	191	161	188	182	195	198	180	194	189
19. Business Outlook Index on the Macroeconomy by Sector Contribution: Current Quarter																
Industrial Sector	2.5	2.3	1.6	1.5	6.0	4.2	4.1	3.0	5.2	4.3	3.1	5.6	1.9	0.1	2.9	2.2
Construction Sector	1.2	2.7	2.1	0.6	3.7	2.4	3.1	3.1	3.0	2.7	2.1	-0.3	-0.6	-1.1	0.7	-0.4
Wholesale and Retail Trade	0.7	4.3	4.5	3.8	6.7	2.9	4.7	2.9	4.2	5.3	4.7	4.1	2.7	2.1	2.8	3.1
Services Sector	8.3	6.9	6.0	5.4	8.9	5.6	7.2	7.0	9.3	9.4	6.5	6.6	4.4	1.6	8.5	3.3
	12.7	16.2	14.1	11.4	25.2	15.2	19.0	16.0	21.8	21.6	16.4	16.1	8.4	2.8	14.9	8.3
20. Business Outlook Index on the Macroeconomy by Sector Contribution: Next Quarter																
Industrial Sector	10.7	13.0	12.1	12.7	13.9	11.0	13.4	12.0	13.3	13.5	13.0	14.2	10.3	12.7	13.5	12.6
Construction Sector	3.2	7.8	6.2	6.6	8.3	5.9	7.2	8.4	7.2	7.1	7.4	6.0	4.3	7.0	6.7	5.6
Wholesale and Retail Trade	12.4	14.6	13.9	14.0	15.1	11.4	13.4	13.3	13.3	14.0	13.9	13.9	13.9	15.4	12.5	15.7
Services Sector	23.8	20.7	17.9	20.0	20.7	16.6	20.7	19.8	19.0	20.8	18.8	21.9	17.9	20.5	22.0	18.9
	52.2	56.2	50.1	53.3	58.1	44.9	54.6	53.5	52.7	55.3	53.6	55.9	46.4	55.5	54.7	52.8
21. Business Confidence Index on Own Operations by Sector: Current Quarter																
Industrial Sector	3.2	3.2	1.9	2.0	3.7	2.5	4.3	4.3	5.1	5.3	2.9	4.3	1.6	0.1	2.0	0.9
Construction Sector	1.3	2.1	1.4	1.2	3.0	1.9	3.3	2.1	2.3	1.2	1.6	0.1	-0.8	0.3	0.1	-1.1
Wholesale and Retail Trade	4.2	5.1	4.2	4.2	5.1	4.1	5.5	5.0	5.9	5.2	5.2	4.6	4.1	2.5	3.1	1.8
Services Sector	7.8	8.6	7.8	7.7	8.2	6.5	7.5	8.8	8.5	9.4	6.4	9.0	7.2	5.6	5.9	2.6
	16.6	18.9	15.2	15.1	20.1	15.0	20.5	20.2	21.8	21.0	16.2	18.0	12.1	8.4	11.1	4.1
22. Employment Outlook Index on Own Operations by Sector: Next Quarter																
Industrial Sector	10.0	9.5	9.1	10.1	8.4	7.8	10.4	8.7	9.8	10.5	8.5	10.2	7.3	7.7	8.6	9.4
Construction Sector	3.0	6.1	6.0	5.3	6.4	4.8	6.6	6.5	5.1	4.3	4.4	4.6	2.9	5.6	5.4	4.5
Wholesale and Retail Trade	12.4	11.3	10.9	11.3	10.3	9.6	10.5	10.7	10.7	9.7	11.9	10.5	10.6	11.5	10.1	12.1
Services Sector	22.8	3.6	13.9	15.6	16.3	13.0	16.3	14.4	13.9	13.9	11.8	15.2	13.2	14.6	16.1	14.1
Employment Outlook Index	48.3	30.4	39.8	42.3	41.5	35.2	43.8	40.3	39.5	38.3	36.6	40.5	34.1	39.4	40.1	40.1
23. Drivers of macroeconomic Outlook by type of business: Current Quarter																
Importer	1.0	3.0	3.0	1.8	5.9	3.0	4.9	3.4	4.5	2.3	5.1	2.4	0.8	0.1	2.6	0.4
Exporter	0.9	0.5	-0.3	0.2	0.5	0.8	0.3	0.1	0.2	0.7	0.3	0.6	0.3	0.5	0.1	0.6
Both Importer and Exporter	1.8	1.2	2.1	1.0	2.2	1.3	0.6	0.7	2.8	0.4	1.2	0.3	-0.3	-1.2	0.6	0.6
Neither Importer nor exporter	6.4	11.4	9.3	7.9	16.6	10.0	13.2	11.8	14.2	18.2	9.8	12.8	7.5	3.3	11.6	6.6
Macroeconomic Outlook Index	10.0	16.2	14.1	10.9	25.2	15.1	19.0	15.9	21.8	21.7	16.4	16.0	8.4	2.8	14.9	8.3
24. Drivers of macroeconomic Outlook by type of business: Next Quarter																
Importer	9.5	7.5	8.7	7.8	10.3	7.2	9.4	8.8	8.4	7.3	10.3	7.8	7.8	9.9	7.5	7.9
Exporter	1.3	0.8	0.8	1.5	1.0	1.4	0.7	1.0	1.1	1.3	1.5	0.7	0.8	0.6	1.0	1.8
Both Importer and Exporter	4.8	6.8	4.9	4.5	5.0	3.6	4.7	3.5	4.5	4.1	4.6	4.2	2.3	4.1	4.0	5.1
Neither Importer nor exporter	36.6	40.9	35.8	38.2	41.7	32.6	39.8	40.3	38.6	42.6	37.2	43.0	35.5	40.9	42.1	38.0
Macroeconomic Outlook Index: Next Quarter	52.2	56.1	50.1	52.0	58.1	44.8	54.6	53.5	52.7	55.3	53.5	55.7	46.4	55.6	54.6	52.8
25. Drivers of macroeconomic Outlook by Size of Business: Current Quarter																
Small (<50)	6.9	12.0	10.4	7.1	19.0	9.7	14.4	10.8	17.4	18.2	12.9	12.5	6.3	2.5	12.7	6.5
Medium (50 and <200)	1.8	2.6	2.3	1.7	4.0	3.6	2.5	3.1	3.6	3.0	2.8	2.6	1.3	0.2	2.1	1.8
Large (200 and Up)	1.4	1.5	1.3	2.2	2.2	1.9	2.1	2.1	0.8	0.4	0.7	0.9	0.7	-0.1	0.2	-0.1
Macroeconomic Outlook Index: Current Quarter	10.0	16.2	14.0	10.9	25.2	15.2	19.0	16.0	21.8	21.6	16.4	16.0	8.4	2.6	15.0	8.3

Business Expectations Survey

Q4 2015 North Central Zone

Business Outlook

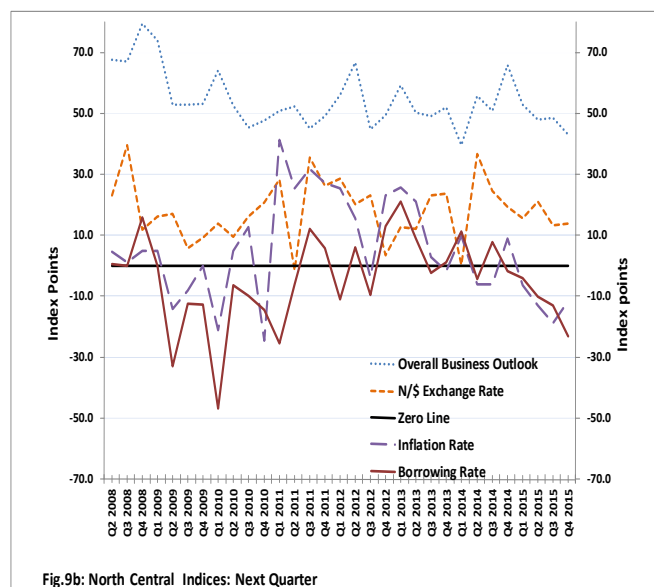


Respondents in the North Central zone were pessimistic on business activities in the review quarter as overall confidence index stood at -5.5 index points, down by 35.7 point from the level achieved in the corresponding quarter of 2014. At 30.2 points, respondents were more optimistic about business activities in the next quarter (Fig. 9).

The pessimism in the overall business outlook in the zone were driven by the services (-2.6 points), industrial (-2.0 point) and construction (-1.2 point) sectors (Table 3 Sections 2 & 14).

Respondents' pessimism in the volume of total order and financial condition of the firms, lessened the volume of business activity in the current quarter. Similarly, respondents pessimism on access to credit worsened their financial condition in the review quarter.

The financial condition (or internal liquidity position) of the firms at -20.8 points in the current quarter was driven by services (-8.1 points) construction (-5.8 points), industrial (-5.2 points), and wholesale/retail trade (-1.7 points), (Table 3 sections 5 & 15).



Respondents in the zone cited financial problems, high interest rate, insufficient power supply, competition, unfavourable economic climate, access to credit, unfavourable political climate, unclear economic laws and insufficient demand as major constraints to the growth of business activities (Table 3 Section 8).

Respondent firms in the zone expected naira to depreciate in the current quarter and appreciate in the next quarter. Inflation and borrowing rate are expected to fall in the current and next quarters. (Tables 3 Sections 9 & 10).

The respondent firms by type of business showed that "neither importer nor exporter" category constituted the majority with 78.6 per cent, followed by "importer" 10.1 per cent, "both importer and exporter" 9.0 per cent and "exporter" 2.3 per cent (Table 3 Section 11).

TABLE 3
BUSINESS EXPECTATIONS SURVEY
North Central Zone

Year Quarter	2012				2013				2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1. Overall Business Outlook on the Macroeconomy																
Confidence Index: All Sectors																
Current Quarter																
North Central	6.4	28.6	11.7	19.8	32.3	25.3	13.5	20.6	12.7	17.1	22.9	30.2	23.4	-1.7	22.5	-5.5
Next Quarter																
North Central	56.1	66.7	44.8	49.4	59.1	50.3	49.2	52.0	39.5	55.7	50.9	65.9	52.9	48.0	48.4	43.1
2. Business Outlook Index on the Macroeconomy by Sector: Current Quarter																
Industrial Sector	16.7	37.3	2.6	10.5	21.9	21.9	13.8	16.9	25.7	2.9	20.9	29.4	33.3	-4.4	1.6	-9.3
Construction Sector	37.5	32.6	13.0	9.3	40.7	25.0	1.8	28.6	-1.9	10.2	34.0	9.1	6.1	-8.5	30.2	-8.3
Wholesale and Retail Trade	-4.7	23.4	13.2	25.6	42.2	26.4	12.6	27.1	12.4	29.9	32.4	37.5	31.1	5.9	40.5	1.2
Services Sector of which:	10.0	26.0	15.6	25.8	28.1	26.6	18.8	14.5	11.8	17.6	11.2	32.8	19.3	-3.9	18.5	-6.4
Financial Intermediation	16.7	6.7	29.0	42.9	26.9	48.4	18.5	-3.2	6.9	26.7	24.0	30.8	18.5	-10.7	28.6	3.8
Hotels and Restaurants	0.0	15.6	18.2	25.0	24.1	-3.0	20.6	11.4	21.2	-9.1	-2.9	3.0	-14.3	2.9	-2.6	-4.8
Renting and Business Activities	0.0	10.0	9.4	6.5	13.2	28.1	15.2	34.3	9.4	18.9	3.4	53.1	24.1	-5.9	38.7	-3.0
Community and Social Services	0.0	61.5	6.3	30.3	45.2	34.4	20.6	13.3	9.5	33.3	22.2	41.9	43.2	-3.1	15.2	-17.9
3. Business Outlook Index on the Macroeconomy by Sector: Next Quarter																
Industrial Sector	55.6	69.3	42.9	50.0	56.2	47.9	45.0	47.9	41.4	51.5	56.7	69.1	46.0	52.9	46.0	38.7
Construction Sector	62.5	60.5	42.6	27.8	66.1	40.4	36.4	55.6	32.7	42.9	51.1	31.8	36.7	42.6	46.5	31.3
Wholesale and Retail Trade	53.1	62.8	49.5	51.1	61.4	60.4	52.9	60.0	44.9	67.0	55.0	76.1	57.3	54.9	41.7	51.8
Services Sector of which:	62.0	70.2	43.8	57.0	56.3	48.4	54.7	50.0	37.5	54.4	44.0	68.7	58.5	41.9	54.6	44.3
Financial Intermediation	38.9	83.3	61.3	85.7	61.5	77.4	63.0	54.8	44.8	60.0	52.0	69.2	81.5	42.9	57.1	53.8
Hotels and Restaurants	0.0	68.8	36.4	52.8	44.8	33.3	47.1	57.1	54.5	36.4	42.9	63.6	45.7	45.7	55.3	35.7
Renting and Business Activities	0.0	63.3	43.8	45.2	57.9	50.0	48.5	57.1	37.5	48.6	55.2	75.0	44.8	41.2	58.1	48.5
Community and Social Services	0.0	66.7	34.4	48.5	59.5	34.4	61.8	30.0	19.0	72.2	30.6	67.4	63.6	37.5	48.5	43.6
4. Business Confidence Index on Own Operations by Sector: Current Quarter																
Industrial Sector	19.2	25.3	3.9	12.0	19.2	16.4	20.0	14.1	1.4	19.1	1.5	20.6	19.0	-2.9	15.9	-24.0
Construction Sector	6.3	37.2	9.3	11.1	39.0	13.5	5.5	22.2	7.7	-4.1	21.3	13.6	8.2	-4.3	18.6	-41.7
Wholesale and Retail Trade	14.4	23.4	7.7	27.8	22.9	23.1	19.5	35.3	11.2	36.1	26.1	34.1	24.3	2.9	21.4	-7.2
Services Sector	31.3	28.2	18.0	26.8	23.7	20.3	16.4	24.4	4.4	27.2	11.2	19.4	31.9	3.9	6.2	-20.0
5. Business Outlook Index on Own Operations : Current Quarter																
Volume of Business Activity Index	18.7	31.2	18.6	31.3	35.7	25.8	23.7	27.4	9.2	22.3	21.1	28.4	27.1	6.4	20.3	-7.2
Volume of Total Order Book Index	13.1	32.7	20.0	29.0	34.3	27.9	25.2	27.4	11.5	22.6	20.6	29.9	30.0	6.1	16.9	-12.7
Credit Access Index	-13.4	6.4	-4.0	7.1	7.8	7.3	7.2	15.7	2.0	3.7	6.0	9.6	8.0	-6.6	-4.7	-16.2
Financial Condition Index	11.7	27.4	10.9	21.2	25.1	19.1	16.3	24.6	6.1	23.9	15.4	22.8	24.0	1.2	13.8	-20.8
Average Capacity Utilization	10.1	29.5	16.5	27.0	25.7	26.4	22.6	26.3	12.4	27.3	20.9	27.2	28.0	9.5	23.1	-6.9
6. Business Outlook Index on Own Operations : Next Quarter																
Volume of Business Activity Index	69.4	75.0	61.4	61.2	59.5	60.5	63.7	58.9	53.9	66.7	59.4	75.7	63.7	49.7	54.7	48.6
Employment Outlook Index	52.7	48.1	40.8	39.9	39.1	35.5	47.7	44.6	29.4	44.0	40.9	53.0	43.4	35.8	40.9	34.7
7. Business with Expansion Plans (in per cent): Next Quarter																
Industrial Sector	27.8	49.3	19.5	41.3	39.7	64.4	60.0	59.2	57.1	70.6	59.7	61.8	58.7	66.2	68.3	65.3
Construction Sector	25.0	58.1	18.5	15.4	32.2	61.5	56.4	66.1	57.7	57.1	59.6	50.0	51.0	68.1	72.1	72.9
Wholesale and Retail Trade	46.9	66.0	38.5	51.1	59.0	68.1	66.3	78.8	64.0	77.3	71.2	64.8	67.0	80.2	73.8	80.7
Services Sector of which:	42.0	69.5	28.1	51.6	43.7	63.3	69.5	71.0	58.8	73.5	59.2	62.7	61.5	69.5	69.0	68.6
Financial Intermediation	22.2	73.3	48.4	71.4	23.1	64.5	70.4	61.3	55.2	70.0	60.0	61.5	66.7	63.0	53.6	65.4
Hotels and Restaurants	0.0	68.8	15.2	38.9	24.1	57.6	61.8	68.6	57.6	69.7	54.3	60.6	62.9	80.0	65.8	69.0
Renting and Business Activities	0.0	80.0	43.8	41.9	57.9	68.8	72.7	91.4	62.5	75.7	62.1	62.5	51.7	58.8	76.7	69.7
Community and Social Services	0.0	59.0	6.3	57.6	57.1	62.5	73.5	60.0	59.5	77.8	61.1	65.1	63.6	75.0	78.8	69.2

TABLE 3

BUSINESS EXPECTATIONS SURVEY
North Central Zone

Year Quarter	2012				2013				2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
8. Business Constraints: Current Quarter																
High Interest Rate	54.2	43.9	45.0	42.2	42.4	41.5	52.1	45.7	38.6	37.9	55.6	43.7	60.0	50.3	44.7	51.4
Unclear Economic Laws	47.1	35.1	31.7	39.0	33.4	30.4	47.2	35.7	24.9	22.7	40.6	31.7	43.4	38.4	28.8	34.2
Lack of Equipment	27.0	23.9	8.3	23.5	23.7	12.6	30.6	12.7	4.6	16.0	35.3	4.5	22.0	24.7	16.6	16.0
Insufficient Demand	39.3	30.5	15.4	22.9	22.6	19.0	34.95	24.4	11.5	27.1	36.7	34.0	25.1	38.3	28.4	30.8
Access to Credit	33.6	33.7	34.5	41.5	43.2	39.0	31.55	35.3	30.7	22.7	46.3	27.8	40.9	37.7	23.4	40.2
Financial Problems	56.2	49.1	57.2	58.4	49.8	49.8	53.3	47.3	39.9	45.4	54.9	36.4	42.1	51.7	47.8	54.6
Competition	48.2	45.4	50.0	40.3	37.6	48.6	53.1	43.0	33.4	51.1	56.9	52.5	49.6	45.1	35.8	43.4
Labor Problems	7.5	8.6	2.8	8.8	5.7	-0.1	19.8	8.9	-7.8	1.7	24.9	-0.7	11.0	15.2	5.9	10.1
Lack of Materials Input	17.0	6.3	3.6	20.3	14.0	-2.8	14.25	11.4	0.0	9.7	25.7	6.6	16.7	14.0	9.1	2.2
Unfavourable Political Climate	43.0	28.2	36.8	40.8	39.2	26.7	38.7	33.0	26.1	32.6	38.3	35.6	41.6	34.7	26.4	34.8
Unfavourable Economic Climate	45.4	38.1	46.4	44.6	40.0	31.4	50.35	41.6	28.7	39.9	48.0	40.6	49.6	44.9	36.3	41.5
Insufficient Power Supply	48.5	57.3	71.0	65.8	62.2	65.4	66.2	67.7	48.1	61.4	64.7	60.5	68.3	65.2	68.6	49.3
9. Business Expectation Index on Selected Economic Indicators: Current Quarter																
N/\$ Exchange Rate	16.5	15.2	14.6	6.7	15.1	4.9	3.7	20.3	-10.4	36.8	15.1	15.6	12.9	-0.3	6.6	-7.2
Inflation Rate	39.6	20.4	6.5	34.2	30.6	18.1	14.9	5.1	7.2	-4.9	6.0	19.5	10.9	3.5	3.8	-3.8
Borrowing Rate	7.7	11.7	-4.2	17.5	30.6	15.7	20.6	10.3	6.9	-0.9	8.3	4.8	14.6	2.3	4.4	-7.2
10. Business Expectation Index on Selected Economic Indicators: Next Quarter																
N/\$ Exchange Rate	28.6	20.1	23.1	3.4	12.6	12.2	23.1	23.7	0.3	36.5	24.6	19.2	15.4	21.1	13.1	13.9
Inflation Rate	25.5	15.4	-3.7	23.0	25.7	20.9	2.8	-1.7	9.8	-6.0	-6.0	9.0	-6.6	-13.0	-18.8	-11.6
Borrowing Rate	-11.1	6.1	-9.7	12.9	20.9	8.8	-2.3	1.1	11.2	-4.3	7.7	-1.8	-4.0	-10.1	-13.1	-23.1
11. Percentage Distribution of Respondent Firms by Type of Business																
Importer	18.1	13.4	10.9	9.8	15.7	16.6	16.0	12.0	11.8	11.7	21.1	11.7	20.9	15.7	15.0	10.1
Exporter	3.4	0.9	1.1	0.9	2.0	1.7	0.6	1.7	0.9	2.3	2.9	2.4	2.6	3.2	1.3	2.3
Both Importer and Exporter	8.4	13.1	10.3	10.3	5.7	8.1	13.7	3.7	7.5	9.7	6.9	4.2	9.7	6.1	4.7	9.0
Neither Importer nor exporter	70.1	72.6	77.7	79.0	76.6	73.5	69.4	82.6	79.8	76.3	69.1	81.7	66.9	75.1	79.1	78.6
12. Percentage Distribution of Respondent Firms by Employment Size																
Small (<50)	86.6	82.2	84.9	87.6	86.0	80.5	87.4	86.6	85.3	84.5	85.1	90.4	85.1	84.7	90.0	79.2
Medium (50 and <200)	9.1	11.7	10.3	8.6	8.6	13.7	9.4	8.9	10.1	10.3	12.0	8.7	10.9	11.3	8.1	13.6
Large (200 and Up)	4.4	6.1	4.6	3.7	5.4	5.5	3.1	4.6	4.6	5.2	2.9	0.9	4.0	4.0	1.9	7.2
No Response	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13. Distribution of Respondent Firms by Sector																
All Sectors	298	344	350	348	350	344	350	350	347	350	350	334	350	346	320	346
Industrial Sector	36	75	77	76	73	73	80	71	70	68	67	68	63	68	63	75
Construction Sector	16	43	54	54	59	52	55	63	52	49	47	44	49	47	43	48
Wholesale and Retail Trade	128	94	91	90	83	91	87	85	89	97	111	88	103	102	84	83
Services Sector of which:	<u>118</u>	<u>132</u>	<u>128</u>	<u>128</u>	<u>135</u>	<u>128</u>	<u>128</u>	<u>131</u>	<u>136</u>	<u>136</u>	<u>125</u>	<u>134</u>	<u>135</u>	<u>129</u>	<u>130</u>	<u>140</u>
Financial Intermediation	0	29	31	28	26	31	27	31	29	30	25	26	27	28	28	26
Hotels and Restaurants	18	32	33	36	29	33	34	35	33	33	35	33	35	35	38	42
Renting and Business Activities	0	30	32	31	38	32	33	35	32	37	29	32	29	34	31	33
Community and Social Services	0	28	32	33	42	32	34	30	42	36	36	43	44	32	33	39
14. Business Outlook Index on the Macroeconomy by Sector Contribution: Current Quarter																
Industrial Sector	2.0	8.1	0.6	2.3	4.6	4.7	3.1	3.4	5.2	0.6	4.0	6.0	6.0	-0.9	0.3	-2.0
Construction Sector	-2.0	4.1	2.0	1.4	6.9	3.8	0.3	5.1	-0.3	1.4	4.6	1.2	0.9	1.2	4.1	-1.2
Wholesale and Retail Trade	-2.0	6.4	3.4	6.6	10.0	7.0	3.1	6.6	3.2	8.3	10.3	9.9	9.1	1.7	10.6	0.3
Services Sector	4.0	10.0	5.7	9.5	10.9	9.9	6.9	5.4	4.6	6.9	4.0	13.2	7.4	-1.4	7.5	-2.6
15. Business Confidence Index on Own Operations by Sector: Current Quarter																
Industrial Sector	2.3	5.5	0.9	2.6	4.0	3.5	4.6	2.9	0.3	3.7	0.3	4.2	3.4	-0.6	3.1	-5.2
Construction Sector	0.3	4.7	1.4	1.7	6.6	2.0	0.9	4.0	1.2	-0.6	2.9	1.8	1.1	-0.6	2.5	-5.8
Wholesale and Retail Trade	6.2	6.4	2.0	7.2	5.4	6.1	4.9	8.6	2.9	10.0	8.3	9.0	7.1	0.9	5.6	-1.7
Services Sector	12.4	10.8	6.6	9.8	9.1	7.6	6.0	9.1	1.7	10.6	4.0	7.8	12.3	1.4	2.5	-8.1

Business Expectations Survey

Q4 2015 North East Zone

Business Outlook

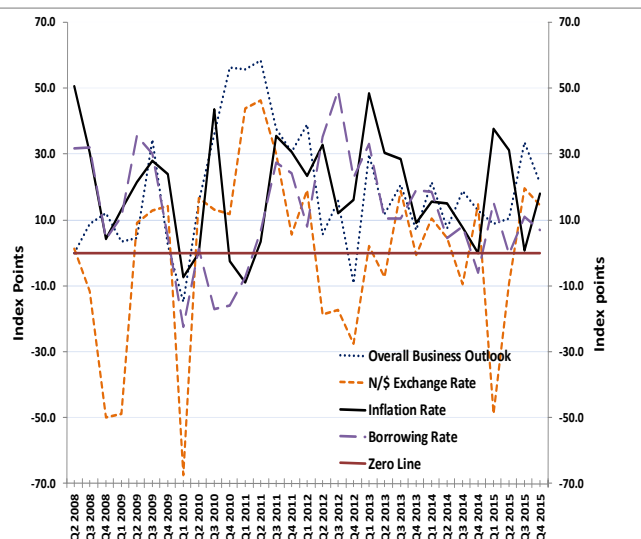


Fig.10a: North East Indices: Current Quarter

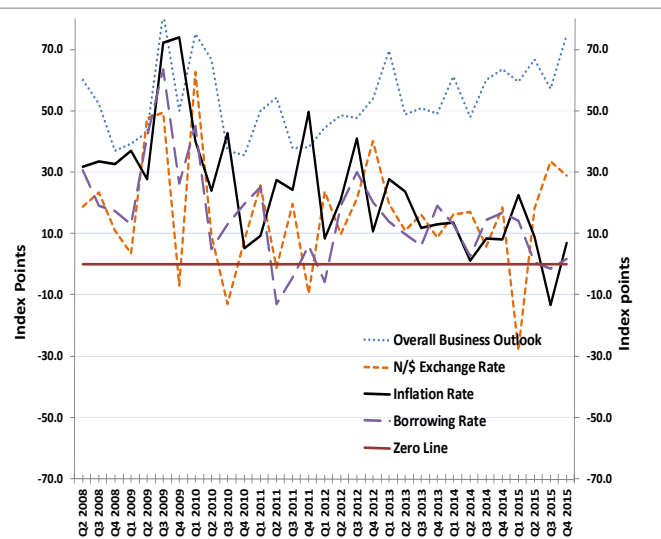


Fig.10b: North East Indices: Next Quarter

Respondents in the North East zone were more optimistic on business activities in Q4, 2015. At 21.2 points, overall confidence index rose by 8.4 index points, compared with the level achieved in the corresponding quarter of 2014. Respondents were more optimistic about business activities in the next quarter as the index stood at 74.8 points (Fig. 10).

The optimism in the overall business outlook in the zone could be attributed to services (8.4 points), industrial (6.4 points), construction (4.0 points) and wholesale and retail trade (2.4 points) sectors (Table 4 Sections 2 & 14).

The volume of total order and financial condition of the firms in the zone, buoyed the volume of business activity in the current quarter. Similarly, respondent optimism on access to credit by the firms upped their financial condition in the review quarter.

The financial condition (or internal liquidity position) of the firms which stood at 18.4 points in the current quarter was driven by services (6.8 points), wholesale and retail trade (5.2 points) industrial (4.4 points) and construction (2.0 points) sectors (Table 4 Sections 5 & 15).

Respondents in the zone cited insufficient power supply, competition, financial problems, high interest rate, unfavourable economic climate, unclear economic laws and unfavourable political climate as factors limiting the growth of business activities in the zone (Table 4 Section 8).

Respondent firms expect naira exchange rate to appreciate in the current and next quarters. Inflation and borrowing rates are also expected to rise in both quarters (Tables 4 Sections 9).

The respondent firms by type of business showed that “neither importer nor exporter” category constituted the majority with 84.4 per cent, followed by “Importer” with 9.6 per cent and “both importer and exporter” with 4.4 per cent and “exporter” with 1.2 per cent (Table 4 Section 11).

TABLE 4
BUSINESS EXPECTATIONS SURVEY
North East Zone

Year Quarter	2012				2013				2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1. Overall Business Outlook on the Macroeconomy																
Confidence Index: All Sectors																
Current Quarter																
North East	39.0	5.6	15.8	-9.3	29.8	11.8	20.7	7.0	21.6	7.5	18.8	12.8	8.8	10.4	33.6	21.2
Next Quarter																
North East	44.4	48.4	47.6	53.9	69.6	48.8	50.9	49.2	61.3	48.0	60.0	63.6	59.6	66.8	57.2	74.8
2. Business Outlook Index on the Macroeconomy by Sector: Current Quarter																
Industrial Sector	41.5	4.7	10.0	-3.4	23.0	15.0	17.2	-16.7	12.5	-2.6	14.0	18.0	0.0	18.0	39.2	32.0
Construction Sector	40.9	4.7	12.2	-10.3	41.9	13.2	45.5	17.8	6.5	22.6	-10.8	0.0	16.2	8.1	28.1	25.6
Wholesale and Retail Trade	29.7	3.9	22.7	-8.3	43.8	11.5	30.0	0.0	7.8	-3.9	30.8	12.1	24.2	4.5	21.1	9.2
Services Sector of which:	46.1	7.5	15.8	-12.6	19.1	9.9	6.8	19.8	41.6	12.8	24.5	15.5	0.0	11.3	39.4	21.9
Financial Intermediation	18.5	28.6	20.0	-16.7	24.0	16.0	47.8	34.6	50.0	52.6	29.2	21.7	0.0	4.5	62.0	9.1
Hotels and Restaurants	0.0	-12.9	-6.3	-18.5	31.0	-6.9	-3.4	-10.3	21.1	-10.5	-4.2	29.2	4.2	20.0	21.1	37.5
Renting and Business Activities	0.0	8.6	41.9	-4.3	12.5	10.0	-23.3	53.3	40.0	-10.0	40.0	12.0	-28.0	-12.0	15.0	24.0
Community and Social Services	0.0	15.8	9.7	-21.1	10.3	22.2	14.3	3.2	55.0	20.0	32.0	0.0	24.0	32.0	25.0	16.0
3. Business Outlook Index on the Macroeconomy by Sector: Next Quarter																
Industrial Sector	43.4	45.3	51.7	58.6	59.0	36.7	37.9	33.3	57.5	35.9	50.0	56.0	50.0	68.0	54.9	78.0
Construction Sector	50.0	44.2	34.1	66.7	74.4	60.5	54.5	48.9	58.1	51.6	45.9	51.4	51.4	51.4	65.6	64.1
Wholesale and Retail Trade	62.2	44.7	45.3	56.9	77.5	46.2	57.5	47.4	54.9	41.2	60.0	59.1	71.2	63.6	68.4	76.9
Services Sector of which:	32.4	54.7	51.8	45.0	67.8	53.2	51.3	60.7	68.8	56.4	70.4	76.0	59.8	74.2	51.4	76.0
Financial Intermediation	63.0	85.7	60.0	16.7	60.0	44.0	47.8	69.2	66.7	68.4	83.3	65.2	60.9	81.8	18.0	77.3
Hotels and Restaurants	0.0	35.5	34.4	51.9	69.0	41.4	65.5	52.0	68.4	42.1	54.2	82.6	66.7	76.0	84.2	75.0
Renting and Business Activities	0.0	40.0	67.7	53.2	78.1	56.7	40.0	70.0	55.0	55.0	76.0	76.0	44.0	56.0	75.0	80.0
Community and Social Services	0.0	78.9	48.4	42.1	62.1	70.4	51.4	51.6	85.0	60.0	68.0	80.0	68.0	84.0	80.0	72.0
4. Business Confidence Index on Own Operations by Sector: Current Quarter																
Industrial Sector	17.0	31.3	16.7	20.7	23.0	8.3	17.2	18.3	30.0	20.5	22.0	34.0	6.0	24.0	21.6	22.0
Construction Sector	40.9	18.6	-9.8	15.4	27.9	13.2	52.3	40.0	29.0	38.7	27.0	27.0	21.6	29.7	31.3	12.8
Wholesale and Retail Trade	54.1	30.3	25.3	6.9	30.0	9.0	36.3	21.8	47.1	29.4	26.2	43.9	37.9	28.8	10.5	20.0
Services Sector	21.6	29.2	24.6	25.2	5.2	30.6	15.4	25.0	61.0	25.6	31.6	53.6	22.7	21.6	20.4	17.7
5. Business Outlook Index on Own Operations : Current Quarter																
Volume of Business Activity Index	21.6	22.1	19.3	14.6	21.0	19.2	27.0	28.4	33.7	20.5	30.8	32.8	29.6	16.4	9.2	16.4
Volume of Total Order Book Index	8.7	24.3	19.3	12.8	22.1	14.6	32.1	24.7	42.2	14.0	32.4	31.6	28.8	21.6	14.1	22.8
Credit Access Index	14.1	0.7	5.2	-10.7	12.3	5.6	18.1	2.7	13.1	3.0	4.4	20.0	9.6	1.6	3.6	9.6
Financial Condition Index	26.6	28.4	18.3	18.2	18.8	17.8	26.7	25.1	46.2	27.5	27.6	43.2	23.2	25.2	19.3	18.4
Average Capacity Utilization	46.9	30.4	24.2	24.6	18.4	23.7	33.5	28.4	41.7	25.0	28.8	33.6	22.4	22.4	28.9	24.4
6. Business Outlook Index on Own Operations : Next Quarter																
Volume of Business Activity Index	63.9	68.5	64.5	75.3	80.6	62.4	64.6	65.6	64.8	73.0	63.6	67.2	68.8	78.0	72.7	76.4
Employment Outlook Index	66.4	52.6	35.9	51.1	51.1	35.5	41.8	51.2	50.3	43.0	42.4	47.2	54.4	59.2	52.6	49.2
7. Business with Expansion Plans (in per cent): Next Quarter																
Industrial Sector	57.7	53.1	33.3	65.5	60.7	26.7	77.6	75.0	75.0	71.8	62.0	86.0	62.0	72.0	66.0	72.0
Construction Sector	72.7	58.1	26.8	53.8	62.8	10.5	77.3	80.0	71.0	87.1	70.3	83.8	59.5	83.8	90.3	74.4
Wholesale and Retail Trade	40.5	78.9	65.3	47.2	65.0	7.7	75.0	83.3	76.5	78.4	75.4	80.3	72.7	80.3	80.7	72.3
Services Sector of which:	18.8	47.2	38.6	42.3	47.8	35.1	63.2	75.9	84.4	69.2	73.5	79.4	68.0	77.3	64.6	71.9
Financial Intermediation	70.4	71.4	40.0	55.6	60.0	36.0	65.2	76.9	72.2	63.2	75.0	73.9	60.9	72.7	62.5	54.5
Hotels and Restaurants	0.0	41.9	31.3	33.3	31.0	17.2	72.4	65.5	84.2	73.7	66.7	83.3	70.8	72.0	68.4	75.0
Renting and Business Activities	0.0	54.3	54.8	53.2	50.0	26.7	50.0	80.0	90.0	80.0	76.0	92.0	76.0	80.0	65.0	80.0
Community and Social Services	0.0	15.8	29.0	15.8	51.7	63.0	65.7	80.6	90.0	60.0	76.0	68.0	64.0	84.0	65.0	76.0

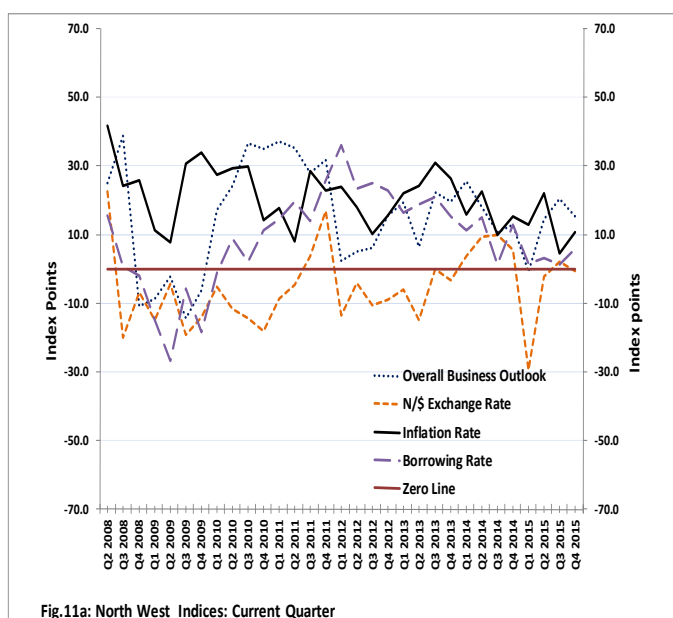
TABLE 4
BUSINESS EXPECTATIONS SURVEY
North East Zone

Year	2012				2013				2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
8. Business Constraints: Current Quarter																
High Interest Rate	52.1	44.6	33.3	37.9	37.2	48.5	22.8	43.3	45.7	37.5	39.2	43.6	32.0	43.0	32.3	41.8
Unclear Economic Laws	27.7	42.4	33.8	34.4	30.3	41.5	28.0	34.6	41.5	38.0	32.2	40.6	27.2	39.0	36.5	35.0
Lack of Equipment	13.7	20.7	16.3	23.6	9.3	15.4	18.6	34.9	30.7	24.0	26.0	27.0	20.0	21.8	26.9	17.2
Insufficient Demand	19.3	17.0	15.2	19.1	12.6	26.0	16.7	27.9	25.9	23.8	22.8	31.4	16.0	27.8	26.3	22.2
Access to Credit	32.0	25.9	24.9	14.2	24.2	23.0	23.6	23.2	21.9	25.3	19.0	16.8	15.8	33.2	31.9	27.4
Financial Problems	36.0	47.1	45.4	46.1	50.2	56.7	35.5	51.8	46.5	52.0	43.0	48.0	39.6	51.6	46.6	44.4
Competition	23.5	33.5	38.3	21.1	43.9	31.5	25.2	34.6	39.2	40.3	36.8	32.4	23.2	31.6	33.7	47.6
Labor Problems	7.2	0.7	1.4	0.3	-6.7	-9.3	2.7	19.2	19.1	8.8	4.4	15.6	-2.8	4.4	9.2	-2.2
Lack of Materials Input	32.0	12.4	10.6	13.3	1.2	2.8	13.1	29.6	26.1	14.5	23.4	29.8	12.6	17.6	24.7	7.0
Unfavourable Political Climate	36.0	34.6	42.1	39.9	32.4	50.1	29.8	43.1	44.2	48.5	46.4	46.0	37.6	36.4	42.8	28.6
Unfavourable Economic Climate	58.9	46.3	46.9	48.9	32.2	47.2	33.8	45.0	50.5	45.8	38.8	47.8	41.0	47.4	51.8	40.0
Insufficient Power Supply	50.15	81.4	85.4	76.1	77.2	80.5	55.8	68.2	70.6	76.0	67.2	71.0	77.2	83.0	68.9	61.2
9. Business Expectation Index on Selected Economic Indicators: Current Quarter																
N/S Exchange Rate	19.1	-18.7	-17.3	-27.5	2.0	-7.3	18.8	-0.7	10.6	4.5	-9.6	14.8	-48.8	-9.2	19.7	14.4
Inflation Rate	23.3	32.9	12.0	16.0	48.5	30.3	28.4	9.0	15.6	15.0	7.6	0.0	37.6	31.2	0.8	18.0
Borrowing Rate	7.9	35.3	49.3	22.9	33.1	10.4	10.4	19.1	18.6	4.5	8.0	-6.0	15.2	-0.4	10.8	6.8
10. Business Expectation Index on Selected Economic Indicators: Next Quarter																
N/S Exchange Rate	23.6	9.7	21.3	40.0	19.7	10.8	16.0	8.7	16.1	17.0	5.6	18.4	-28.0	18.0	33.3	28.8
Inflation Rate	8.3	21.1	41.0	10.7	27.8	23.7	11.7	13.0	13.6	1.0	8.4	8.0	22.4	8.8	-13.3	6.8
Borrowing Rate	-5.8	19.0	30.0	20.3	13.8	9.8	6.0	19.1	13.1	2.5	14.4	16.8	14.0	0.4	-1.6	1.6
11. Percentage Distribution of Respondent Firms by Type of Business																
Importer	39.8	8.0	8.6	3.6	18.1	6.6	16.1	9.7	21.6	11.0	10.0	5.2	3.6	10.4	23.2	9.6
Exporter	5.4	1.4	0.7	0.0	0.0	1.0	1.7	1.3	1.5	0.0	0.0	0.0	0.0	1.2	4.4	1.2
Both Importer and Exporter	7.1	4.8	4.8	6.8	7.7	3.5	11.7	6.0	11.6	5.5	4.0	5.6	1.6	2.8	4.8	4.4
Neither Importer nor exporter	47.7	85.8	85.9	89.6	74.2	88.9	70.6	82.9	65.3	83.5	86.0	89.2	94.8	85.6	67.6	84.8
12. Percentage Distribution of Respondent Firms by Employment Size																
Small (<50)	66.4	84.4	80.3	82.5	80.6	83.3	80.3	78.3	75.4	73.0	70.8	82.0	82.0	80.0	78.0	78.0
Medium (50 and <200)	15.8	12.1	14.8	12.1	14.4	11.5	15.4	15.4	14.1	21.5	22.0	13.2	12.0	14.0	15.6	18.4
Large (200 and Up)	17.8	3.5	4.8	5.4	5.0	5.2	4.3	6.4	10.6	5.5	7.2	4.8	6.0	6.0	6.4	3.6
No Response	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13. Distribution of Respondent Firms by Sector																
All Sectors																
Industrial Sector	241	289	290	280	299	287	299	299	199	199	250	250	250	250	249	250
Construction Sector	53	64	60	58	61	60.0	58	60	40	39	50	50	50	50	51	50
Wholesale and Retail Trade	22	43	41	39	43	38.0	44	45	31	31	37	37	37	37	32	39
Services Sector of which:	37	76	75	72	80	78.0	80	78	51	51	65	66	66	66	57	65
Financial Intermediation	129	106	114	111	115	111	117	116	77	78	98	97	97	97	109	96
Hotels and Restaurants	0	21	20	18	25	25.0	23	26	18	19	24	23	23	22	20	22
Renting and Business Activities	27	31	32	27	29	29.0	29	29	19	19	24	24	24	25	19	24
Community and Social Services	0	35	31	47	32	30.0	30	30	20	20	25	25	25	25	20	25
14. Business Outlook Index on the Macroeconomy by Sector Contribution: Current Quarter																
Industrial Sector	9.1	1.0	2.1	-0.7	4.7	3.1	3.3	-3.3	2.5	-0.5	2.8	3.6	0.0	3.6	8.0	6.4
Construction Sector	3.7	0.7	1.7	-1.4	6.0	1.7	6.7	2.7	1.0	3.5	-1.6	0.0	2.4	1.2	3.6	4.0
Wholesale and Retail Trade	4.6	1.0	5.9	-2.1	11.7	3.1	8.0	0.0	2.0	-1.0	8.0	3.2	6.4	1.2	4.8	2.4
Services Sector	24.7	2.8	6.2	-5.0	7.4	3.8	2.7	7.7	16.1	5.0	9.6	6.0	0.0	4.4	17.3	8.4
15. Business Confidence Index on Own Operations by Sector: Current Quarter																
Industrial Sector	3.7	6.9	3.4	4.3	4.7	1.7	3.3	3.7	6.0	4.0	4.4	6.8	1.2	4.8	4.4	4.4
Construction Sector	3.7	2.8	-1.4	2.1	4.0	1.7	7.7	6.0	4.5	6.0	4.0	4.0	3.2	4.4	4.0	2.0
Wholesale and Retail Trade	8.3	8.0	6.6	1.8	8.0	2.4	9.7	5.7	12.1	7.5	6.8	11.6	10.0	7.6	2.4	5.2
Services Sector	11.5	10.7	9.7	10.0	2.0	11.8	6.0	9.7	23.6	10.1	12.4	20.8	8.8	8.4	8.9	6.8

Business Expectations Survey

Q4 2015 North West Zone

Business Outlook

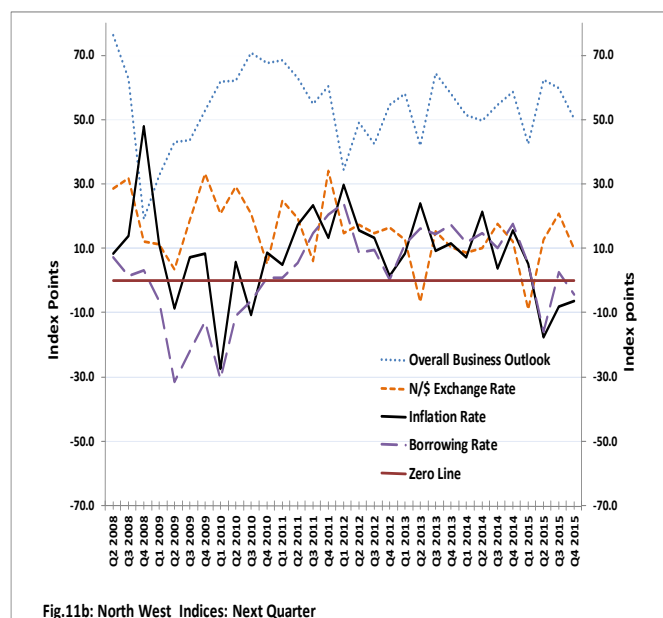


Respondents in the North West zone were more optimistic on business activities in the quarter under review. At 15.4 points, overall confidence index rose by 2.7 index points above the level achieved in the corresponding quarter of 2014. Respondents were more optimistic about business activities in the next quarter as the index will be expected to rise to 50.1 points (Fig. 11).

The optimism in the overall business outlook in the zone could be adduced to the contributions of wholesale and retail trade (7.8 points) services (6.4 points) and industrial (2.9 points) (Table 5 Sections 2 & 14).

The volume of total order book and financial condition of the firms in the zone, buoyed the volume of business activity in the current quarter. Similarly, the optimism in access to credit by the firms upped their financial condition in the review quarter.

The financial condition (or internal liquidity position) of the firms which stood at 5.2 points in the current quarter was driven by services (4.9 points) and wholesale & retail trade (2.0 points) sectors (Table 5 Sections 5 & 15).



Respondents in the zone cited high interest rate, insufficient power supply, financial problems, unclear economic laws, access to credit and unfavourable economic climate as limiting factors to the growth of business activities (Table 5 Section 8).

Respondent firms expected naira to depreciate in the current quarter and appreciate in the next quarter. Inflation and borrowing rates were expected to rise in the current quarter, and fall in the next quarter (Table 5 Sections 9 & 10).

The respondent firms by type of business showed that “neither importer nor exporter” category constituted the majority with 69.6 per cent, followed by “importer” 14.8 per cent, “both importer and exporter” 13.9 per cent, “and “exporter” 1.7 per cent (Table 5 Section 11).

TABLE 5
BUSINESS EXPECTATIONS SURVEY
North West Zone

Year	2012				2013				2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1. Overall Business Outlook on the Macroeconomy																
Confidence Index: All Sectors																
Current Quarter	2.4	5.1	6.0	15.5	19.2	6.3	22.3	19.5	25.6	17.9	10.6	12.7	-0.9	14.5	20.4	15.4
North West																
Next Quarter	34.4	49.2	42.5	54.6	58.0	41.7	64.5	58.0	51.3	49.7	54.4	58.7	42.4	62.3	59.9	50.1
2. Business Outlook Index on the Macroeconomy by Sector: Current Quarter																
Industrial Sector	0.9	-18.7	-9.3	11.1	23.0	4.2	14.0	19.8	15.5	6.0	3.1	21.3	-4.3	14.9	7.9	10.8
Construction Sector	28.6	16.3	12.1	14.3	0.0	7.5	14.9	7.0	11.1	10.8	25.0	-16.7	-10.4	-15.9	6.5	-14.6
Wholesale and Retail Trade	8.5	8.8	13.1	16.1	26.6	7.4	27.0	5.4	19.3	14.8	4.5	7.5	-5.6	19.3	16.1	30.7
Services Sector of which:	7.3	17.9	11.4	19.3	16.8	6.8	28.6	35.3	43.3	32.0	16.2	20.5	9.6	21.8	40.4	17.9
Financial Intermediation	-27.3	38.1	-11.8	-5.3	15.0	-6.7	56.0	52.0	52.0	32.0	37.5	38.5	23.1	18.5	57.1	32.0
Hotels and Restaurants	-30.6	19.4	9.4	29.4	3.1	-2.9	19.4	34.3	48.6	21.2	9.7	3.2	-19.4	12.5	20.0	14.7
Renting and Business Activities	0.0	7.4	10.7	22.6	23.3	10.7	6.9	29.0	32.1	30.3	3.7	25.0	10.3	16.7	53.8	3.2
Community and Social Services	25.0	9.1	28.6	20.0	25.8	30.8	37.0	28.0	40.6	45.2	17.2	17.9	28.6	40.0	33.3	24.2
3. Business Outlook Index on the Macroeconomy by Sector: Next Quarter																
Industrial Sector	33.0	31.9	38.1	63.3	59.0	43.8	67.7	60.4	46.6	50.0	59.4	67.0	34.4	52.1	53.5	38.7
Construction Sector	57.1	67.4	36.4	47.6	51.2	35.0	61.7	34.9	47.2	37.8	63.6	35.7	39.6	54.5	63.8	31.7
Wholesale and Retail Trade	42.3	63.7	48.5	54.0	61.7	42.6	58.4	58.1	54.5	35.8	49.4	52.7	46.1	61.4	52.9	58.0
Services Sector of which:	14.6	44.3	42.9	73.6	56.6	41.5	67.9	68.8	54.2	62.3	50.5	65.0	47.4	73.9	69.3	59.3
Financial Intermediation	36.4	66.7	17.6	42.1	55.0	43.3	76.0	48.0	40.0	56.0	54.2	76.9	53.8	81.5	75.0	72.0
Hotels and Restaurants	36.1	72.2	50.0	47.1	43.8	26.5	74.2	100.0	62.9	63.6	54.8	61.3	38.7	81.3	63.3	47.1
Renting and Business Activities	6.3	25.9	46.4	74.2	56.7	42.9	58.6	71.0	50.0	69.7	44.4	71.9	37.9	66.7	88.5	51.6
Community and Social Services	45.8	0.0	46.4	32.0	71.0	57.7	63.0	52.0	59.4	58.1	48.3	50.0	60.7	66.7	53.3	69.7
4. Business Confidence Index on Own Operations by Sector: Current Quarter																
Industrial Sector	14.7	3.3	-3.1	6.7	11.0	10.4	10.8	22.9	24.3	5.0	6.3	3.2	4.3	-3.2	5.9	-4.3
Construction Sector	47.6	25.6	18.2	23.8	18.6	17.5	25.5	-4.7	8.3	13.5	11.4	-23.8	-16.7	4.5	0.0	-4.9
Wholesale and Retail Trade	32.4	7.7	13.1	13.8	18.1	8.5	27.0	14.0	25.0	7.4	-1.1	7.5	-1.1	-3.4	14.9	8.0
Services Sector	14.6	28.3	18.1	19.3	24.8	5.9	33.0	29.3	31.7	28.7	15.3	29.9	14.0	17.6	35.1	13.8
5. Business Outlook Index on Own Operations : Current Quarter																
Volume of Business Activity Index	14.3	17.2	15.5	20.4	26.0	10.6	24.1	22.1	26.8	21.5	0.3	18.5	5.2	18.3	18.9	13.0
Volume of Total Order Book Index	14.6	16.6	12.5	22.5	23.5	8.3	24.1	23.3	28.8	18.8	4.4	16.5	5.5	17.7	18.6	13.9
Credit Access Index	7.6	7.0	5.4	4.3	7.1	-9.2	-7.3	7.2	15.0	14.7	1.5	9.0	0.0	11.6	12.0	5.5
Financial Condition Index	19.8	15.4	10.4	14.9	18.3	9.1	24.3	19.3	25.4	15.0	7.9	10.1	3.2	4.9	16.9	5.2
Average Capacity Utilization	15.5	20.9	16.1	22.0	24.3	5.2	23.2	17.0	28.0	22.6	4.7	19.1	5.2	15.9	14.9	16.5
6. Business Outlook Index on Own Operations : Next Quarter																
Volume of Business Activity Index	60.2	59.3	55.1	64.0	69.1	50.3	73.0	62.9	63.1	59.7	57.1	64.5	44.2	60.9	59.6	55.4
Employment Outlook Index	38.3	35.3	36.2	41.5	41.7	27.3	52.5	36.8	39.8	29.7	30.9	39.0	24.1	38.8	33.5	32.2
7. Business with Expansion Plans (in per cent): Next Quarter																
Industrial Sector	35.8	27.5	29.9	28.9	22.0	52.1	65.6	57.3	59.2	60.0	44.8	50.0	48.4	50.5	50.0	43.0
Construction Sector	71.4	62.8	75.8	23.8	48.8	62.5	89.4	65.1	61.1	54.1	70.5	52.4	47.9	56.8	65.2	51.2
Wholesale and Retail Trade	46.5	51.6	51.5	51.7	51.1	60.6	65.2	54.8	47.7	71.6	55.1	47.3	38.6	46.6	57.5	62.5
Services Sector of which:	65.9	47.2	54.3	57.8	50.4	63.6	74.1	60.9	70.8	59.8	55.5	63.2	55.3	48.7	57.1	73.2
Financial Intermediation	63.6	71.4	17.6	78.9	50.0	60.0	68.0	40.0	56.0	60.0	70.8	69.2	57.7	55.6	57.1	68.0
Hotels and Restaurants	11.1	11.1	62.5	64.7	18.8	64.7	67.7	68.6	68.6	42.4	45.2	61.3	41.9	50.0	58.6	67.6
Renting and Business Activities	75.0	55.6	42.9	48.4	66.7	60.7	82.8	67.7	71.4	69.7	53.8	53.1	65.5	26.7	60.0	80.6
Community and Social Services	58.3	72.7	78.6	44.0	67.7	69.2	77.8	62.5	84.4	67.7	55.2	71.4	57.1	63.3	53.3	75.8

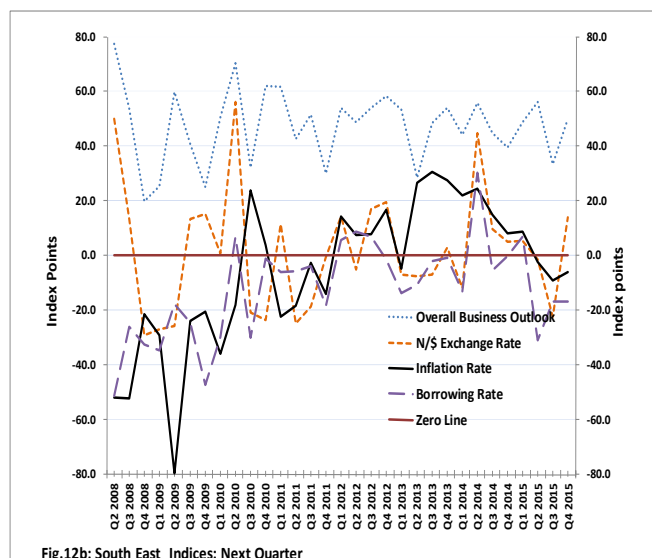
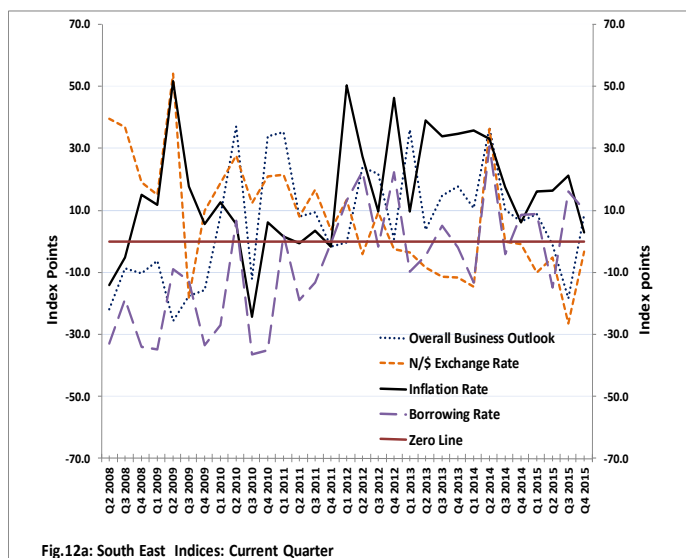
TABLE 5
BUSINESS EXPECTATIONS SURVEY
North West Zone

Year	2012				2013				2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
8. Business Constraints: Current Quarter																
High Interest Rate	49.7	45.5	48.5	52.1	49.7	44.9	47.2	52.9	51.2	51.6	36.0	44.7	50.7	39.0	43.0	48.7
Unclear Economic Laws	40.2	37.7	44.5	36.7	38.4	44.7	38.0	33.5	37.8	43.1	28.5	35.8	39.4	33.8	33.5	35.6
Lack of Equipment	24.5	21.8	7.5	24.3	21.3	11.8	27.2	18.0	22.9	29.6	14.4	23.1	19.9	15.5	20.8	22.8
Insufficient Demand	30.5	19.7	23.5	25.5	23.2	32.3	26.4	28.2	32.3	35.3	32.2	34.4	38.5	33.8	18.9	23.5
Access to Credit	25.6	18.0	29.4	35.6	32.1	33.8	21.7	31.0	28.0	35.3	32.5	32.8	37.4	32.9	27.2	31.8
Financial Problems	42.0	35.6	48.3	42.9	46.9	50.8	55.0	43.5	42.9	50.1	49.6	48.3	49.3	44.5	38.4	42.4
Competition	31.6	30.5	18.9	31.1	36.7	25.6	39.9	42.4	38.8	39.4	35.6	34.8	42.9	26.8	30.9	28.5
Labor Problems	9.2	30.5	-6.0	4.3	7.0	3.3	11.1	5.6	9.7	13.1	3.4	3.6	-3.6	2.9	7.9	9.7
Lack of Materials Input	15.7	6.8	16.3	7.1	8.9	13.6	21.4	6.0	11.1	16.5	5.0	14.3	11.9	14.8	11.5	12.4
Unfavourable Political Climate	46.3	34.2	48.0	30.7	30.2	46.3	42.4	35.1	37.3	39.6	33.2	34.5	45.8	32.5	23.9	23.8
Unfavourable Economic Climate	52.9	40.7	52.8	31.6	34.0	50.1	42.8	40.9	40.6	42.8	42.6	42.9	51.7	42.3	32.8	28.9
Insufficient Power Supply	64.0	78.5	69.3	61.8	63.5	72.6	69.5	64.2	63.4	65.9	62.9	66.3	68.3	69.6	49.6	45.8
9. Business Expectation Index on Selected Economic Indicators: Current Quarter																
N/\$ Exchange Rate	-13.7	-4.2	-10.7	-9.1	-6.0	-15.0	0.0	-3.4	3.7	9.4	10.0	5.5	-29.4	-2.3	2.0	-0.6
Inflation Rate	24.0	17.9	10.1	15.5	22.0	24.1	30.8	26.4	15.9	22.6	10.0	15.3	12.8	22.0	4.6	10.7
Borrowing Rate	35.9	23.3	25.1	22.9	16.3	18.9	20.8	15.2	11.2	15.0	1.2	12.7	1.5	3.2	1.1	5.8
10. Business Expectation Index on Selected Economic Indicators: Next Quarter																
N/\$ Exchange Rate	14.6	17.3	14.6	16.4	12.6	-6.8	15.2	10.3	8.6	10.0	17.6	12.1	-9.0	12.8	20.6	9.9
Inflation Rate	29.8	15.4	13.1	1.5	8.3	23.9	9.1	11.5	7.2	21.2	3.8	15.6	5.2	-17.7	-8.3	-6.4
Borrowing Rate	24.0	8.7	9.5	0.3	11.2	16.1	14.3	17.2	11.8	14.7	10.0	17.6	5.2	-15.9	2.6	-4.3
11. Percentage Distribution of Respondent Firms by Type of Business																
Importer	19.5	13.0	12.0	14.6	11.7	10.5	9.1	12.9	11.8	11.5	14.5	11.6	12.5	13.0	13.5	14.8
Exporter	4.9	4.2	2.4	1.2	1.4	2.3	2.1	1.4	2.9	2.4	2.4	2.0	5.8	2.3	2.0	1.7
Both Importer and Exporter	7.6	11.2	5.4	7.3	15.1	15.1	7.6	13.8	13.5	9.7	12.1	11.8	13.1	11.9	11.5	13.9
Neither Importer nor exporter	68.1	71.6	80.2	76.8	71.7	72.1	81.2	71.8	71.8	76.5	71.0	74.6	68.6	72.8	73.1	69.6
12. Percentage Distribution of Respondent Firms by Employment Size																
Small (<50)	75.1	74.0	82.0	75.3	73.4	79.0	76.2	76.4	73.8	75.3	78.8	74.3	74.4	73.7	74.1	72.5
Medium (50 and <200)	17.0	17.5	12.6	17.4	18.9	13.2	13.5	15.2	16.7	16.5	12.6	17.1	17.2	18.4	19.0	19.1
Large (200 and Up)	7.9	8.5	5.4	7.0	7.7	7.5	10.3	8.3	9.5	8.2	8.5	8.7	8.4	7.9	6.9	8.4
No Response	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13. Distribution of Respondent Firms by Sector																
All Sectors	329	331	334	328	350	348	341	348	347	340	340	346	344	345	349	345
Industrial Sector	109	91	97	90	100	96	93	96	103	100	96	94	93	94	101	93
Construction Sector	21	43	33	42	43	40	47	43	36	37	44	42	48	44	47	41
Wholesale and Retail Trade	71	91	99	87	94	94	89	93	88	81	89	93	89	88	87	88
Services Sector of which:	<u>128</u>	<u>106</u>	<u>105</u>	<u>109</u>	<u>113</u>	<u>118</u>	<u>112</u>	<u>116</u>	<u>120</u>	<u>122</u>	<u>111</u>	<u>117</u>	<u>114</u>	<u>119</u>	<u>114</u>	<u>123</u>
Financial Intermediation	11	21	17	19	20	30	25	25	25	25	24	26	26	27	28	25
Hotels and Restaurants	36	36	32	34	32	34	31	35	35	33	31	31	31	32	30	34
Renting and Business Activities	16	27	28	31	30	28	29	31	28	31	27	32	29	30	26	31
Community and Social Services	24	22	28	25	31	26	27	25	32	31	29	28	28	30	30	33
14. Business Outlook Index on the Macroeconomy by Sector Contribution: Current Quarter																
Industrial Sector	0.3	-5.1	-2.7	3.0	6.6	1.1	3.8	5.5	4.6	1.8	0.9	5.8	-1.2	4.1	2.3	2.9
Construction Sector	1.8	2.1	1.2	1.8	0.0	0.9	2.1	0.9	1.2	1.2	3.2	-2.0	-1.5	-2.0	0.9	-1.7
Wholesale and Retail Trade	1.8	2.4	3.9	4.3	7.1	2.0	7.0	1.4	4.9	3.5	1.2	2.0	-1.5	4.9	4.0	7.8
Services Sector	2.8	5.7	3.6	6.4	5.4	2.3	9.4	11.8	15.0	11.5	5.3	6.9	3.2	7.5	13.2	6.4
15. Business Confidence Index on Own Operations by Sector																
Industrial Sector	4.9	0.9	-0.9	1.8	3.1	2.9	2.9	6.3	7.2	1.5	1.8	0.9	1.2	-0.9	1.7	-1.2
Construction Sector	3.0	3.3	1.8	3.0	2.3	2.0	3.5	-0.6	0.9	1.5	1.5	-2.9	-2.3	0.6	0.0	-0.6
Wholesale and Retail Trade	7.0	2.1	3.9	3.7	4.9	2.3	7.0	3.7	6.3	1.8	-0.3	2.0	-0.3	-0.9	3.7	2.0
Services Sector	5.7	9.1	5.7	6.4	8.0	2.0	10.9	9.8	11.0	10.3	5.0	10.1	4.7	6.1	11.5	4.9

Business Expectations Survey

Q4 2015 South East Zone

Business Outlook



Respondents in the South East zone were optimistic on business activities in the quarter under review. At 8.5 points, the overall confidence index rose by 2.0 index points, compared with the level achieved in the corresponding quarter of 2014. Similarly, respondents were optimistic about business activities in the next quarter as the index would be expected to rise to 50.0 points (Fig. 12).

The optimism in the overall business outlook in the zone could be added to the contributions of industrial (5.7 wholesale/retail trade (3.7 points) and services (0.4 points) sectors (Table 6 Sections 2 & 14).

Respondents' optimism in the volume of total order buoyed the volume of business activity in the current quarter. Although, firms expressed pessimism on access to credit, their financial condition was expected to improve in the review quarter.

The financial condition (or internal liquidity position) of the firms which stood at 13.4 points in the current quarter was driven by industrial (7.7 points), services (4.1 points) and wholesale & retail trade (2.8 points) (Table 6 Sections 5 & 15).

Respondents in the zone cited insufficient power supply, financial problems, competition, high interest rate, unfavourable economic climate, access to credit and unfavourable political climate as limiting factors to the growth of business activities (Table 6 Section 8).

Respondent firms expected naira to depreciate in the current and appreciate in the next quarter. Similarly, inflation and borrowing rates were both expected to rise in the current quarter, but to fall in the next quarter (Table 6 Section 9 & 10).

The respondent firms by type of business showed that "neither importer nor exporter" category constituted the majority with 74.4 per cent, followed by "importer" 22.0 per cent, "both importer and exporter" 2.8 per cent, and "exporter" 0.8 per cent (Table 6 Section 11).

TABLE 6

**BUSINESS EXPECTATIONS SURVEY
South East Zone**

Year	2012				2013				2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1. Overall Business Outlook on the Macroeconomy																
Confidence Index: All Sectors																
Current Quarter																
South East	-0.4	23.8	21.8	0.8	36.1	3.6	14.8	17.7	10.8	36.7	10.1	6.5	8.8	-1.2	-18.5	8.5
Next Quarter																
South East	54.1	48.7	54.0	58.4	53.5	28.5	48.5	54.0	44.0	55.7	44.8	39.5	48.8	56.0	33.3	50.0
2. Business Outlook Index on the Macroeconomy by Sector: Current Quarter																
Industrial Sector	3.2	13.6	12.9	-14.7	41.9	14.5	-1.8	17.5	2.7	35.6	10.1	18.6	10.8	-3.0	-7.4	19.7
Construction Sector	6.3	0.0	4.5	0.0	34.0	2.9	25.0	32.4	30.8	37.8	5.3	-25.6	-12.8	-11.9	-29.7	-7.3
Wholesale and Retail Trade	-11.1	36.5	30.8	10.9	18.5	0.0	14.0	16.1	-1.6	21.7	-4.8	5.9	7.3	-4.4	-35.9	13.6
Services Sector of which:	10.5	30.0	33.3	6.7	48.0	-1.0	20.9	13.3	19.7	53.6	24.1	13.4	17.6	9.5	-8.8	1.5
Financial Intermediation	0.0	64.3	75.0	38.5	70.6	42.9	76.9	22.2	7.7	44.4	40.0	18.2	63.6	0.0	-5.0	-7.7
Hotels and Restaurants	-4.7	22.2	28.6	15.8	26.3	0.0	7.7	10.5	28.6	25.0	4.0	-7.7	-4.5	4.2	5.0	0.0
Renting and Business Activities	-66.7	31.3	5.9	-28.6	63.6	-5.7	38.7	23.8	17.6	64.7	27.8	36.4	16.0	13.3	-5.0	-11.8
Community and Social Services	9.1	20.8	26.7	13.6	29.4	-22.7	-23.8	8.2	20.0	61.3	34.6	13.0	18.2	20.0	-30.0	22.2
3. Business Outlook Index on the Macroeconomy by Sector: Next Quarter																
Industrial Sector	56.5	49.2	54.3	41.2	58.1	32.3	45.5	50.9	33.3	61.0	40.6	33.9	44.6	47.0	30.9	52.1
Construction Sector	56.3	18.8	38.6	60.5	57.4	35.3	55.0	89.2	64.1	51.4	57.9	20.5	20.5	47.6	27.0	26.8
Wholesale and Retail Trade	62.2	55.6	58.5	65.6	40.0	30.4	45.6	41.1	36.1	50.7	37.1	35.3	60.0	54.4	25.0	43.9
Services Sector of which:	57.9	54.4	59.4	66.7	58.7	22.7	49.5	52.7	51.5	62.3	48.1	60.5	57.1	70.3	45.0	67.6
Financial Intermediation	83.3	85.7	81.3	92.3	76.5	42.9	84.6	55.6	61.5	100.0	90.0	63.6	90.9	86.7	55.0	69.2
Hotels and Restaurants	51.2	33.3	66.7	52.6	15.8	23.1	30.8	100.0	66.7	50.0	48.0	70.0	59.1	66.7	40.0	70.0
Renting and Business Activities	-33.3	75.0	35.3	61.9	68.2	8.6	58.1	38.1	35.3	64.7	38.9	54.5	40.0	60.0	40.0	64.7
Community and Social Services	27.3	54.2	53.3	68.2	76.5	31.8	38.1	44.9	40.0	54.8	38.5	56.5	57.6	70.0	45.0	66.7
4. Business Confidence Index on Own Operations by Sector: Current Quarter																
Industrial Sector	4.8	-5.1	0.0	-13.2	1.6	-21.0	1.8	-3.5	8.0	16.9	0.0	16.9	10.8	-15.2	-7.4	26.8
Construction Sector	12.5	-18.8	-4.5	-11.6	4.3	8.8	20.0	10.8	12.8	0.0	7.9	-23.1	-15.4	-11.9	-21.6	-7.3
Wholesale and Retail Trade	-4.4	23.8	12.3	-1.6	3.1	5.4	0.0	5.4	4.9	1.5	0.0	-10.3	12.7	1.5	-12.5	10.6
Services Sector	8.8	22.2	29.0	5.3	14.7	-6.2	3.3	12.2	22.7	21.7	20.3	-9.8	39.6	-2.7	6.3	14.7
5. Business Outlook Index on Own Operations : Current Quarter																
Volume of Business Activity Index	2.1	29.5	23.8	8.0	25.7	2.8	18.1	21.4	22.0	33.2	6.9	7.7	16.8	3.2	-3.6	19.5
Volume of Total Order Book Index	8.9	29.1	20.9	8.4	14.4	-0.8	18.9	14.9	16.2	31.5	12.9	-3.6	18.8	5.2	-3.6	25.2
Credit Access Index	-6.5	-11.9	1.6	-13.4	-6.0	-10.8	7.0	-0.8	-2.5	17.9	2.8	-13.3	0.4	-14.0	-21.3	-7.7
Financial Condition Index	0.4	10.6	10.4	-4.4	6.4	-5.2	5.0	6.9	12.0	11.1	7.7	-5.6	17.6	-6.4	-6.4	13.4
Average Capacity Utilization	7.7	22.2	21.4	5.2	16.8	8.8	13.2	15.7	12.4	31.5	17.3	1.6	15.6	0.0	1.2	7.7
6. Business Outlook Index on Own Operations : Next Quarter																
Volume of Business Activity Index	64.7	56.6	62.5	72.0	54.3	38.5	59.7	61.7	59.8	61.7	67.7	53.2	70.4	63.2	59.8	69.9
Employment Outlook Index	19.5	25.0	27.0	28.8	23.2	13.2	36.2	33.5	31.1	15.7	29.0	31.5	34.0	27.2	19.7	32.1
7. Business with Expansion Plans (in per cent) : Next Quarter																
Industrial Sector	-6.5	-39.0	5.7	-52.9	-9.7	61.3	36.4	70.2	48.0	25.4	37.7	32.2	40.0	48.5	20.6	52.1
Construction Sector	25.0	-25.0	4.5	-11.6	-10.6	44.1	37.5	69.4	66.7	24.3	50.0	39.5	28.2	40.5	29.7	36.6
Wholesale and Retail Trade	-2.2	-36.5	-29.2	-3.1	1.5	62.5	29.8	76.8	72.1	28.4	54.8	45.6	41.8	67.6	34.4	51.5
Services Sector of which:	-5.3	-22.2	8.8	17.3	12.0	50.5	34.1	68.4	50.0	17.4	60.8	54.9	47.3	62.2	43.8	50.0
Financial Intermediation	33.3	28.6	33.3	-7.7	41.2	50.0	23.1	44.4	61.5	22.2	40.0	18.2	45.5	53.3	50.0	38.5
Hotels and Restaurants	7.0	-38.9	14.3	36.8	-5.3	53.8	38.5	68.4	33.3	25.0	60.0	57.7	36.4	66.7	40.0	50.0
Renting and Business Activities	33.3	-12.5	5.9	23.8	-9.1	42.9	35.5	66.7	58.8	5.9	77.8	54.5	56.0	53.3	45.0	47.1
Community and Social Services	-27.3	-33.3	-20.0	9.1	29.4	59.1	33.3	73.5	53.3	19.4	57.7	69.6	48.5	70.0	40.0	61.1

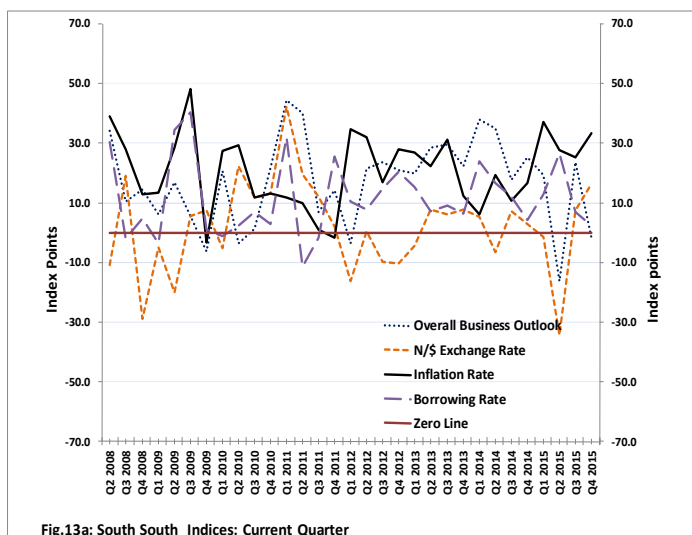
TABLE 6
BUSINESS EXPECTATIONS SURVEY
South East Zone

Year Quarter	2012				2013				2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
8. Business Constraints: Current Quarter																
High Interest Rate	54.1	56.4	51.8	61.2	62.1	59.9	52.1	58.5	60.8	-8.7	68.8	65.5	58.2	65.0	48.4	46.3
Unclear Economic Laws	42.7	23.95	46.2	49.8	30.4	46.8	30.7	49.4	17.4	-23.9	34.9	11.3	23.8	18.4	18.5	26.4
Lack of Equipment	6.9	-6.75	25.8	25.6	1.7	1.1	6.4	9.1	3.9	-29.2	5.4	-7.1	-0.2	0.8	0.6	3.9
Insufficient Demand	12.2	5.75	25.7	24.6	-0.4	2.3	2.0	12.7	0.4	-16.9	13.1	1.8	13.6	10.4	17.9	6.7
Access to Credit	38.0	40.0	28.7	42.8	40.0	45.0	52.6	53.4	41.1	14.4	52.6	48.6	43.0	57.0	46.8	37.0
Financial Problems	51.2	48.6	51.4	58.8	48.4	45.8	58.6	56.7	57.3	37.7	63.3	57.7	55.4	60.8	40.8	48.2
Competition	44.5	31.5	37.6	43.0	8.6	21.9	33.4	24.2	25.9	22.0	31.0	32.1	39.6	39.8	36.7	46.5
Labor Problems	-7.45	-25.5	5.65	0.0	-24.3	-20.2	-11.1	-3.0	-12.4	-31.8	-10.3	-17.7	-7.0	-8.4	-11.0	-12.4
Lack of Materials Input	-0.25	-15.8	12.0	24.4	-5.1	-10.4	9.2	7.5	3.1	-33.5	-0.8	-13.9	-5.6	-5.6	-2.0	0.4
Unfavourable Political Climate	21.8	16.2	28.5	44.4	6.7	5.1	27.3	29.2	16.0	-5.7	31.9	10.3	23.6	10.8	26.9	29.5
Unfavourable Economic Climate	38.4	26.6	44.7	56.0	38.4	41.2	48.3	54.6	30.1	-9.3	40.7	18.3	29.0	32.0	34.9	40.4
Insufficient Power Supply	79.9	78.8	65.2	80.0	72.9	63.1	72.5	70.0	67.4	63.1	81.3	77.2	79.8	82.4	74.5	59.6
9. Business Expectation Index on Selected Economic Indicators: Current Quarter																
N/\$ Exchange Rate	13.4	-4.1	9.3	-2.4	-3.6	-8.4	-11.5	-11.7	-14.5	36.2	0.0	-0.8	-10.0	-5.2	-26.5	-3.3
Inflation Rate	50.4	27.5	9.7	46.4	9.7	38.9	33.8	34.7	35.7	33.2	17.3	6.0	16.0	16.4	21.3	2.8
Borrowing Rate	13.0	22.6	-1.6	22.4	-9.7	-4.8	4.9	-2.0	-13.3	30.6	-4.0	8.5	8.8	-14.8	16.1	10.2
10. Business Expectation Index on Selected Economic Indicators: Next Quarter																
N/\$ Exchange Rate	14.2	-5.3	16.9	19.6	-7.2	-7.6	-7.0	2.8	-12.0	44.7	9.7	4.8	5.2	-1.6	-22.5	13.8
Inflation Rate	14.2	7.4	7.6	16.8	-4.8	26.5	30.5	27.4	22.0	24.3	14.9	8.1	8.8	-2.4	-9.2	-6.1
Borrowing Rate	5.7	8.6	6.9	-1.6	-13.7	-10.8	-2.1	-0.8	-13.3	30.2	-5.6	-0.4	6.8	-31.2	-16.9	-17.1
11. Percentage Distribution of Respondent Firms by Type of Business																
Importer	19.9	21.3	18.1	12.0	22.9	11.2	16.0	15.3	12.9	16.5	24.7	19.8	23.3	30.8	27.3	22.0
Exporter	0.4	0.8	1.2	0.8	1.2	3.2	3.7	4.0	4.1	1.7	0.8	0.4	0.8	0.4	0.4	0.8
Both Importer and Exporter	7.3	7.4	15.7	3.2	5.2	8.8	7.8	4.8	6.6	3.8	5.7	6.5	4.4	2.8	4.8	2.8
Neither Importer nor exporter	72.4	70.5	64.9	84.0	70.7	76.7	72.4	75.8	76.3	78.0	68.8	73.4	71.5	66.0	67.5	74.4
12. Percentage Distribution of Respondent Firms by Employment Size																
Small (<50)	69.1	82.8	82.3	81.6	85.9	77.5	71.0	79.4	78.4	87.8	87.0	80.6	85.1	77.2	81.9	84.1
Medium (50 and <200)	24.4	12.3	10.9	10.8	9.6	16.5	21.2	14.1	16.6	10.1	9.7	16.6	11.2	18.8	14.5	13.4
Large (200 and Up)	6.5	4.9	6.9	7.6	4.4	6.0	7.9	6.5	5.0	2.1	3.2	2.8	3.6	4.0	3.6	2.4
No Response	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13. Distribution of Respondent Firms by Sector																
All Sectors	246	244	248	250	249	249	243	248	241	237	248	248	250	250	249	246
Industrial Sector	62	59	70	68	62	62	55	57	75	59	69	59	65	66	68	71
Construction Sector	16	32	44	43	47	34	40	37	39	37	38	39	39	42	37	41
Wholesale and Retail Trade	45	63	65	64	65	56	57	56	61	69	62	68	55	68	64	66
Services Sector of which:	<u>123</u>	<u>90</u>	<u>69</u>	<u>75</u>	<u>75</u>	<u>97</u>	<u>91</u>	<u>98</u>	<u>66</u>	<u>72</u>	<u>79</u>	<u>82</u>	<u>91</u>	<u>74</u>	<u>80</u>	<u>68</u>
Financial Intermediation	6	14	16	13	17	14	13	9	13	9	10	11	15	20	13	13
Hotels and Restaurants	43	36	21	19	19	26	26	19	21	12	25	26	22	24	20	20
Renting and Business Activities	6	16	17	21	22	35	31	21	17	17	18	22	25	15	20	17
Community and Social Services	11	24	15	22	17	22	21	49	15	34	26	23	33	20	20	18
14. Business Outlook Index on the Macroeconomy by Sector Contribution: Current Quarter																
Industrial Sector	0.8	3.3	3.6	-4.0	10.4	3.6	-0.4	4.0	0.8	8.9	2.8	4.4	2.8	-0.8	-2.0	5.7
Construction Sector	0.4	0.0	0.8	0.0	6.4	0.4	4.1	4.8	5.0	5.9	0.8	-4.0	-2.0	-2.0	-4.4	-1.2
Wholesale and Retail Trade	-2.0	9.4	8.1	2.8	4.8	0.0	3.3	3.6	-0.4	6.3	-1.2	1.6	1.6	-1.2	-9.2	3.7
Services Sector	5.3	11.1	9.3	2.0	14.5	-0.4	7.8	5.2	5.4	16.3	7.7	4.4	6.4	2.8	-2.8	0.4
15. Business Confidence Index on Own Operations by Sector: Current Quarter																
Industrial Sector	1.2	-1.2	0.0	-3.6	0.4	-5.2	0.4	-0.8	2.5	4.2	0.0	4.0	2.8	-4.0	-2.0	7.7
Construction Sector	0.8	-2.5	-0.8	-2.0	0.8	1.2	3.3	1.6	2.1	0.0	1.2	-3.6	-2.4	-2.0	-3.2	-1.2
Wholesale and Retail Trade	-0.8	6.1	3.2	-0.4	0.8	1.2	0.0	1.2	1.2	0.4	0.0	-2.8	2.8	0.4	-3.2	2.8
Services Sector	4.4	8.2	8.1	1.6	4.4	-2.4	1.2	4.8	6.2	6.6	6.5	-3.2	14.4	-0.8	2.0	4.1

Business Expectations Survey

Q4 2015 South South Zone

Business Outlook

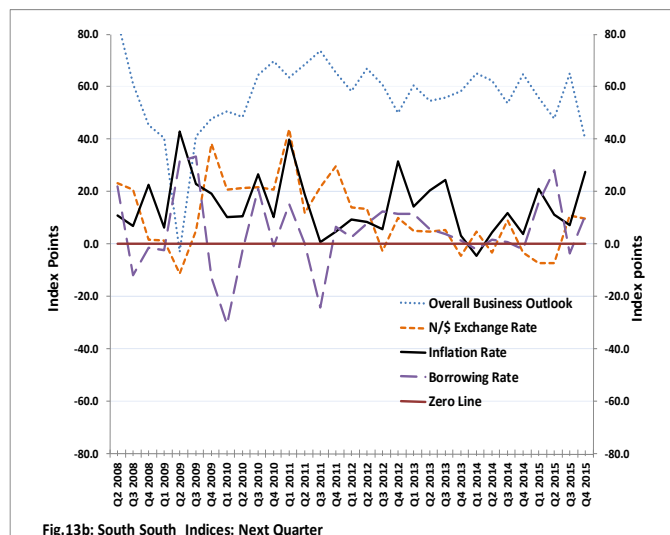


Respondents in the South South zone were pessimistic on business activities in the quarter under review. At -1.7 points, the overall confidence index decline by 26.9 index points, below the level achieved in the corresponding quarter of 2014. Respondents were optimistic about business activities in the next quarter as the index would be expected to rise to 39.7 points (Fig. 13).

The pessimism in the overall business outlook could be adduced to the contributions of wholesale and retail trade (-2.4 points), construction (-1.0 points) and industrial (-0.3 points) sectors (Table 7 Sections 2 & 14).

The volume of total order book buoyed the volume of business activity in the current quarter. However, the pessimism of firms on access to credit dampened their financial condition in the review quarter.

The financial condition (or internal liquidity position) of the firms which stood at -2.7 points in the current quarter was driven by industrial (-2.4 points) wholesale/retail trade (-1.7 points) and construction (-0.3 points) (Table 7 Sections 5 & 15).



Respondents cited insufficient power supply, financial problems, unfavourable economic climate, high interest rate, access to credit, and insufficient demand as limiting factors to the growth of business activities in the zone (Table 7 Section 8).

Respondent firms expected naira to appreciate in both the current and next quarters. Inflation and borrowing rates were expected to rise in both quarters (Table 7 Sections 9 & 10).

The respondent firms by type of business showed that “neither importer nor exporter” category constituted the majority with 68.8 per cent, followed by “importer” 16.9 per cent, “both importer and exporter” 7.8 per cent and “exporter” firms 6.4 per cent (Table 7 Section 11).

TABLE 7
BUSINESS EXPECTATIONS SURVEY
South South Zone

Year Quarter	2012				2013				2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1. Overall Business Outlook on the Macroeconomy																
Confidence Index: All Sectors																
Current Quarter	-3.6	21.5	23.6	21.0	19.8	28.4	29.5	22.3	38.0	35.0	17.8	25.2	19.3	-16.3	23.6	-1.7
South South	58.3	66.9	60.9	50.0	60.5	54.6	55.7	58.3	65.0	62.3	53.7	64.8	55.9	47.7	65.1	39.7
Next Quarter																
South South																
2. Business Outlook Index on the Macroeconomy by Sector: Current Quarter																
Industrial Sector	0.0	16.7	20.5	17.6	26.9	32.4	40.3	20.3	40.5	50.7	19.4	39.4	6.9	-20.6	28.8	-1.5
Construction Sector	-25.0	17.1	44.7	2.5	16.3	25.0	26.5	28.6	40.8	24.5	13.6	18.6	-4.8	-33.3	11.1	-7.5
Wholesale and Retail Trade	-8.3	4.1	17.3	36.1	19.2	15.5	23.6	26.0	28.8	22.4	17.1	17.3	17.3	5.2	10.5	-8.5
Services Sector of which:	-1.2	38.8	20.2	20.0	17.1	36.1	27.6	18.3	41.3	38.2	19.0	23.8	41.1	-20.4	34.8	5.6
Financial Intermediation	-44.4	52.4	25.0	58.8	46.7	55.6	41.7	39.1	34.8	23.8	20.8	50.0	40.0	-19.0	50.0	12.0
Hotels and Restaurants	13.0	22.6	3.8	-5.9	3.4	40.7	33.3	13.3	50.0	22.6	-12.9	3.3	48.4	-30.8	20.7	-6.3
Renting and Business Activities	0.0	51.9	12.5	48.3	3.4	11.5	19.2	3.8	30.8	57.7	36.0	30.8	65.0	-31.6	37.9	34.6
Community and Social Services	100	33.3	47.4	0.0	26.3	35.7	16.0	20.0	48.0	50.0	40.0	17.4	12.5	10.5	30.8	-16.0
3. Business Outlook Index on the Macroeconomy by Sector: Next Quarter																
Industrial Sector	67.4	72.7	53.4	38.2	74.6	54.4	63.9	50.0	67.6	67.1	62.9	70.4	48.6	35.3	79.7	50.8
Construction Sector	50.0	73.2	70.2	35.0	46.5	50.0	51.0	67.3	61.2	71.4	47.7	83.7	50.0	45.6	57.8	57.5
Wholesale and Retail Trade	47.9	59.5	54.7	63.9	69.2	45.1	45.8	53.4	53.4	48.7	44.3	50.7	49.4	55.8	44.7	37.8
Services Sector of which:	57.6	66.0	67.4	53.6	51.4	63.0	59.0	70.2	73.1	64.7	57.1	68.8	69.5	51.0	74.1	27.8
Financial Intermediation	55.6	76.2	75.0	64.7	66.7	70.4	62.5	56.5	69.6	81.0	62.5	54.5	70.0	47.6	82.1	36.0
Hotels and Restaurants	82.6	58.1	53.8	52.9	44.8	59.3	56.7	100.0	63.3	38.7	38.7	72.7	61.3	43.6	72.4	21.9
Renting and Business Activities	64.3	77.8	62.5	75.9	51.7	50.0	69.2	69.2	92.3	65.4	72.0	80.8	85.0	31.6	69.0	30.8
Community and Social Services	100	54.2	84.2	26.7	50.0	71.4	48.0	60.0	68.0	83.3	60.0	65.2	66.7	89.5	73.1	24.0
4. Business Confidence Index on Own Operations by Sector: Current Quarter																
Industrial Sector	-2.2	6.1	17.8	11.8	16.4	23.5	23.6	25.7	31.1	41.1	33.9	11.3	23.6	-4.4	1.7	-10.8
Construction Sector	12.5	-2.4	17.0	-10.0	14.0	2.1	12.2	-10.2	18.4	0.0	2.3	0.0	-7.1	-3.5	-20.0	-2.5
Wholesale and Retail Trade	14.6	10.8	16.0	19.4	23.1	25.4	16.7	15.1	23.3	14.5	30.0	1.3	17.3	6.5	15.8	-6.1
Services Sector	2.4	17.5	25.8	7.3	19.8	25.0	15.2	21.2	23.1	27.5	16.2	29.7	14.7	21.4	4.5	4.6
5. Business Outlook Index on Own Operations : Current Quarter																
Volume of Business Activity Index	9.5	25.7	25.7	23.4	29.1	31.8	32.2	22.3	34.7	33.3	23.1	22.4	21.4	8.3	19.5	8.1
Volume of Total Order Book Index	-2.2	25.0	27.9	17.6	24.4	29.5	30.6	26.3	41.3	32.3	28.8	20.3	23.1	4.0	23.6	8.1
Credit Access Index	-10.9	1.1	2.1	-2.1	4.7	5.0	2.4	-1.7	7.0	0.3	-7.1	3.1	2.1	-7.7	3.4	-2.4
Financial Condition Index	5.7	10.2	19.7	8.9	19.1	21.1	17.2	15.7	24.3	23.0	21.4	13.4	14.5	7.0	3.1	-2.7
Average Capacity Utilization	8.1	18.0	22.9	22.4	20.4	25.4	21.5	22.7	42.3	30.0	27.0	22.1	25.5	16.0	24.7	3.1
6. Business Outlook Index on Own Operations : Next Quarter																
Volume of Business Activity Index	71.8	79.2	76.4	68.0	65.5	67.8	59.7	55.7	68.3	60.7	57.7	60.0	71.0	72.3	70.5	70.2
Employment Outlook Index	51.9	54.6	44.1	40.3	36.8	37.2	35.9	23.7	45.0	36.0	26.7	31.4	41.4	33.3	46.9	42.4
7. Business with Expansion Plans (in per cent): Next Quarter																
Industrial Sector	43.5	15.2	20.5	17.6	19.4	64.7	62.5	67.6	67.6	67.1	69.4	70.4	75.0	66.2	78.0	75.4
Construction Sector	0.0	17.1	44.7	-15.0	16.3	52.1	49.0	42.9	65.3	53.1	50.0	48.8	69.0	59.6	64.4	57.5
Wholesale and Retail Trade	27.1	24.3	22.7	33.3	13.2	67.6	73.6	57.5	65.8	61.8	64.3	45.3	70.4	68.8	65.8	54.9
Services Sector of which:	22.4	18.4	37.1	12.7	-11.7	64.8	52.4	58.7	64.4	56.9	52.4	53.5	69.5	65.3	58.0	57.4
Financial Intermediation	33.3	33.3	20.0	52.9	-6.7	59.3	50.0	65.2	69.6	57.1	58.3	68.2	60.0	66.7	64.3	52.0
Hotels and Restaurants	21.7	-9.7	0.0	5.9	-31.0	66.7	56.7	60.0	50.0	41.9	54.8	43.3	67.7	59.0	62.1	53.1
Renting and Business Activities	85.7	48.1	75.0	17.2	-24.1	69.2	50.0	57.7	65.4	76.9	48.0	69.2	85.0	57.9	62.1	69.2
Community and Social Services	0	8.3	57.9	-6.7	10.5	64.3	52.0	52.0	76.0	54.2	48.0	34.8	66.7	84.2	42.3	56.0

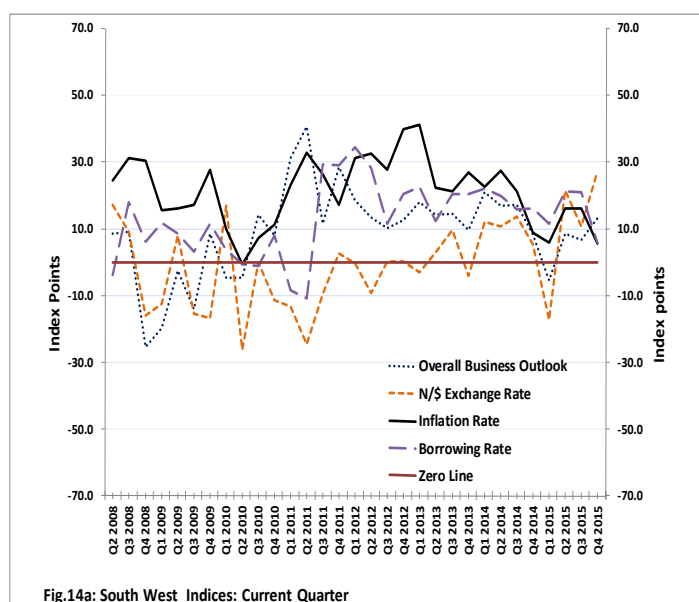
TABLE 7
BUSINESS EXPECTATIONS SURVEY
South South Zone

Year	2012				2013				2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
8. Business Constraints: Current Quarter																
High Interest Rate	50.2	51.2	51.2	53.5	46.4	51.6	36.5	39.2	41.8	47.8	52.0	43.6	49.1	39.2	43.3	40.8
Unclear Economic Laws	44.2	34.2	40.5	42.0	35.5	37.6	34.0	33.8	27.8	38.2	43.8	33.3	30.7	19.5	24.7	27.6
Lack of Equipment	31.3	20.1	28.4	29.4	23.4	22.1	23.2	24.2	28.5	29.7	31.3	20.9	12.1	-7.7	15.6	16.4
Insufficient Demand	37.5	22.3	31.7	36.1	22.5	27.3	31.9	22.2	20.3	20.5	32.0	20.5	22.9	17.5	22.9	34.6
Access to Credit	44.0	39.0	44.9	50.3	38.0	35.8	32.0	32.0	30.5	45.0	39.7	30.9	35.5	19.5	33.6	35.4
Financial Problems	56.2	52.1	54.9	58.2	48.0	45.9	37.4	41.8	49.0	51.3	46.8	38.4	40.5	44.2	49.3	49.0
Competition	45.8	35.9	41.2	37.1	44.0	43.4	42.0	40.3	42.2	51.8	57.1	38.4	37.8	47.7	38.0	32.7
Labor Problems	26.9	11.3	13.1	10.9	15.1	7.4	11.0	13.5	15.3	25.8	24.4	12.6	2.1	-8.2	-2.1	8.6
Lack of Materials Input	31.6	10.6	15.4	18.1	16.3	12.9	19.2	17.8	21.8	19.5	24.0	17.1	4.1	-7.5	6.0	4.2
Unfavourable Political Climate	42.8	22.9	41.9	35.0	29.3	35.2	35.1	33.8	36.3	41.5	44.7	35.9	33.6	24.8	25.9	26.8
Unfavourable Economic Climate	48.5	39.7	52.1	45.4	32.8	46.3	42.2	44.7	45.5	50.0	56.2	42.9	43.4	32.2	46.1	48.5
Insufficient Power Supply	68.5	75.1	71.5	65.9	74.6	69.3	57.5	57.3	59.3	73.0	68.9	59.7	72.9	75.8	67.5	66.1
9. Business Expectation Index on Selected Economic Indicators: Current Quarter																
N/\$ Exchange Rate	-16.2	0.4	-9.8	-10.3	-4.4	7.8	6.0	7.7	5.3	-6.7	7.1	2.8	-1.4	-34.3	7.5	16.3
Inflation Rate	34.6	32.1	16.9	27.9	26.8	22.4	31.2	12.3	6.0	19.3	10.7	16.6	37.2	27.7	25.3	33.2
Borrowing Rate	10.3	7.7	14.8	20.3	15.3	7.1	9.1	6.3	24.0	16.7	12.1	4.1	12.8	26.7	6.8	2.4
10. Business Expectation Index on Selected Economic Indicators: Next Quarter																
N/\$ Exchange Rate	13.8	13.4	-2.8	10.0	5.1	4.8	5.4	-4.7	4.7	-3.3	8.9	-3.4	-7.2	-7.3	11.0	9.5
Inflation Rate	9.2	8.5	5.6	31.4	14.1	20.4	24.5	3.0	-4.7	4.3	11.7	3.8	21.0	11.0	7.2	27.5
Borrowing Rate	2.5	7.8	12.4	11.4	11.4	5.7	3.7	1.3	-2.0	1.7	0.7	-2.1	15.9	28.0	-3.8	10.8
11. Percentage Distribution of Respondent Firms by Type of Business																
Importer	16.6	19.0	27.1	11.7	14.4	12.9	16.8	20.7	12.3	13.3	16.0	19.0	22.4	9.0	13.4	16.9
Exporter	1.8	2.1	2.5	3.8	0.3	2.4	2.3	1.3	2.3	3.0	1.4	2.8	4.1	2.7	5.1	6.4
Both Importer and Exporter	6.7	10.9	8.5	6.2	7.4	7.5	9.1	10.7	12.3	7.3	13.5	9.7	7.2	13.0	7.9	7.8
Neither Importer nor exporter	57.2	68.0	62.0	78.3	77.9	77.3	71.8	67.3	73.0	76.3	69.0	68.6	66.2	75.3	73.6	68.8
12. Percentage Distribution of Respondent Firms by Employment Size																
Small (<50)	82.0	83.5	76.8	85.2	82.3	85.4	78.9	78.3	82.3	82.3	82.9	77.9	74.5	77.3	82.2	85.1
Medium (50 and <200)	8.8	11.3	15.1	9.3	12.4	9.8	13.4	10.3	12.3	10.7	10.3	12.1	16.6	19.3	12.0	10.2
Large (200 and Up)	9.2	5.3	8.1	5.5	5.4	4.7	7.7	11.3	5.3	7.0	6.8	10.0	9.0	3.3	5.8	4.7
No Response	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13. Distribution of Respondent Firms by Sector																
All Sectors	283	284	284	290	299	295	298	300	300	300	281	290	290	300	292	295
Industrial Sector	46	66	73	68	67	68	72	74	74	73	62	71	72	68	59	65
Construction Sector	8	41	47	40	43	48	49	49	49	49	44	43	42	57	45	40
Wholesale and Retail Trade	96	74	75	72	78	71	72	73	73	76	70	75	81	77	76	82
Services Sector of which:	<u>133</u>	<u>103</u>	<u>89</u>	<u>110</u>	<u>111</u>	<u>108</u>	<u>105</u>	<u>104</u>	<u>104</u>	<u>102</u>	<u>105</u>	<u>101</u>	<u>95</u>	<u>98</u>	<u>112</u>	<u>108</u>
Financial Intermediation	9	21	20	17	15	27	24	23	21	24	24	22	20	21	28	25
Hotels and Restaurants	23	31	26	34	29	27	30	30	30	31	31	30	31	39	29	32
Renting and Business Activities	14	27	24	29	29	26	26	26	26	26	25	26	20	19	29	26
Community and Social Services	2	24	19	30	38	28	25	25	25	24	25	23	24	19	26	25
14. Business Outlook Index on the Macroeconomy by Sector Contribution: Current Quarter																
Industrial Sector	0.0	3.9	5.3	4.1	6.0	7.5	9.7	5.0	10.0	12.3	4.3	9.7	1.7	-4.7	5.8	-0.3
Construction Sector	-0.7	2.5	7.4	0.3	2.3	4.1	4.4	4.7	6.7	4.0	2.1	2.8	-0.7	-6.3	1.7	-1.0
Wholesale and Retail Trade	-2.8	1.1	4.6	9.0	5.0	3.7	5.7	6.3	7.0	5.7	4.3	4.5	4.8	1.3	2.7	-2.4
Services Sector	-0.6	14.1	6.3	7.6	6.4	13.2	9.7	6.3	14.3	13.0	7.1	8.3	13.4	-6.7	13.4	2.0
15. Business Confidence Index on Own Operations by Sector: Current Quarter																
Industrial Sector	-0.4	1.4	4.6	2.8	3.7	5.4	5.7	6.3	7.7	10.0	7.5	2.8	5.9	-1.0	0.3	-2.4
Construction Sector	0.4	-0.4	2.8	-1.4	2.0	0.3	2.0	-1.7	3.0	0.0	0.4	0.0	-1.0	-0.7	-3.1	-0.3
Wholesale and Retail Trade	4.9	2.8	4.2	4.8	6.0	6.1	4.0	3.7	5.7	3.7	7.5	0.3	4.8	1.7	4.1	-1.7
Services Sector	1.1	6.3	8.1	2.8	7.4	9.2	5.4	7.3	8.0	9.3	6.0	10.3	4.8	7.0	1.7	1.7

Business Expectations Survey

Q4 2015 South West Zone

Business Outlook

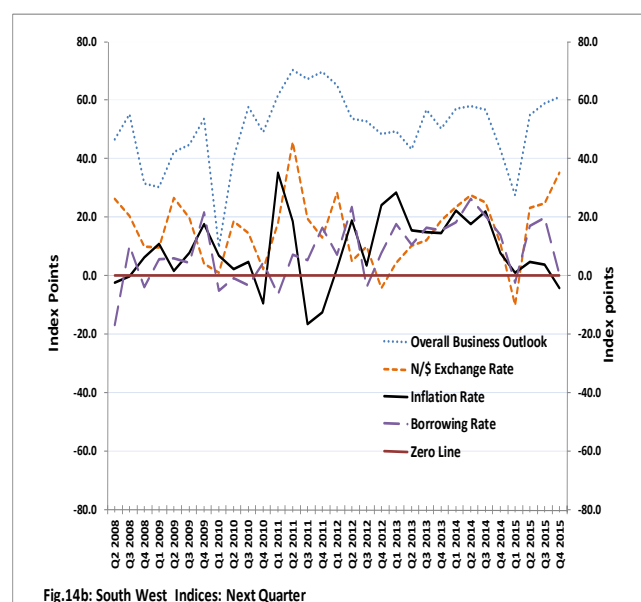


Respondents in the South West zone were more optimistic on business activities in the quarter under review. At 13.1 points, the overall confidence index rose by 4.8 index points, compared with the level achieved in the corresponding quarter of 2014. Respondents were more optimistic about business activities in the next quarter as the index was expected to rise to 61.1 points (Fig. 14).

The optimism in the overall business outlook in the zone could be attributed to the wholesale/retail trade (5.6 points), services (5.3 points) and industrial (2.5 points) (Table 8 Sections 2 & 14).

The volume of total order book and financial condition of the firms in the zone, buoyed the volume of business activity in the current quarter. Similarly, the optimism on access to credit by the firms upped their financial condition in the review quarter.

The financial condition (or internal liquidity position) of the firms which stood at 15.2 points in the current quarter was driven by services sector (6.9 points), wholesale/retail trade (4.5 points) and industrial (3.8 points) sectors (Table 8 Sections 5 & 15).



Respondents cited high interest rate, insufficient power supply, financial problems, competition, insufficient demand and unclear economic laws as limiting factors to the growth of business activities in the zone (Table 8 Section 8).

Respondent firms expected naira to appreciate in the current and next quarters. While inflation rate is expected to rise in the current and fall in the next quarter, borrowing rate were expected to rise in the both quarters (Table 8 Sections 9 & 10).

The respondent firms by type of business showed that “neither importer nor exporter” category constituted the majority with 63.4 per cent, followed by “importer” 20.7 per cent, “both importer and exporter” 11.6 per cent and “exporter” firms 4.3 per cent (Table 8 Section 11).

TABLE 8
BUSINESS EXPECTATIONS SURVEY
South West Zone

Year Quarter	2012				2013				2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1. Overall Business Outlook on the Macroeconomy																
Confidence Index: All Sectors																
Current Quarter	18.6	13.4	10.1	12.5	17.9	14.3	14.5	9.6	20.9	17.0	17.0	8.3	-5.6	8.5	6.8	13.1
<i>South West</i>																
Next Quarter	65.0	53.8	52.9	48.3	49.5	43.1	56.7	50.3	57.0	58.0	56.6	43.2	27.3	54.8	59.0	61.1
<i>South West</i>																
2. Business Outlook Index on the Macroeconomy by Sector: Current Quarter																
Industrial Sector	17.8	12.1	7.6	9.4	18.3	17.8	14.5	10.4	21.0	10.7	13.2	14.7	4.9	-1.7	11.3	9.0
Construction Sector	6.3	31.9	0.0	8.3	17.6	31.0	22.0	11.4	40.9	19.0	20.5	0.0	-20.5	30.6	-20.7	-2.9
Wholesale and Retail Trade	14.4	13.3	9.3	7.1	8.7	5.9	6.0	0.9	24.5	25.0	15.3	10.7	-8.8	11.7	5.8	16.3
Services Sector of which:	24.0	8.3	16.0	25.0	22.9	12.4	18.4	15.5	11.3	16.2	21.1	3.1	-8.3	9.1	9.6	18.1
Financial Intermediation	-25.0	42.9	40.0	46.4	25.9	47.6	53.5	57.6	51.3	30.4	26.7	26.3	6.3	54.5	52.6	-5.6
Hotels and Restaurants	35.5	-12.5	10.5	61.1	23.6	-4.2	6.3	5.1	-2.4	-6.8	31.0	-20.6	-18.4	-9.4	-6.9	14.3
Renting and Business Activities	17.6	4.8	20.0	3.2	34.0	-14.8	12.5	3.8	0.0	34.6	16.7	-8.0	-39.1	0.0	-13.6	23.8
Community and Social Services	42.9	11.3	9.3	6.5	5.4	31.7	-11.5	-6.5	-14.8	20.9	12.2	15.1	11.4	5.6	12.3	26.5
3. Business Outlook Index on the Macroeconomy by Sector: Next Quarter																
Industrial Sector	57.5	56.1	46.7	47.0	47.1	46.6	56.4	47.8	57.1	50.8	49.1	48.3	36.1	55.5	62.6	56.8
Construction Sector	56.3	76.6	41.9	50.0	61.8	47.6	46.3	56.8	54.5	57.1	69.2	58.8	-10.3	63.9	62.1	52.9
Wholesale and Retail Trade	60.8	41.1	57.7	41.4	45.7	37.3	55.0	50.0	64.7	68.0	58.5	36.4	36.3	52.3	51.2	66.7
Services Sector of which:	71.9	52.8	58.0	58.3	50.6	43.1	61.0	55.1	51.9	57.4	57.8	42.7	22.3	53.8	62.4	61.2
Financial Intermediation	50.0	85.7	80.0	78.6	37.0	71.4	83.7	87.9	69.2	69.6	60.0	42.1	43.8	63.6	78.9	61.1
Hotels and Restaurants	71.0	35.0	50.0	77.8	56.4	35.4	50.0	64.3	45.2	45.5	61.9	44.1	26.3	62.5	57.1	53.6
Renting and Business Activities	82.4	42.9	65.7	35.5	57.4	22.2	62.5	57.7	44.0	50.0	46.7	40.0	-8.7	37.5	63.6	57.1
Community and Social Services	85.7	56.5	51.2	51.6	43.2	51.2	42.3	9.7	44.4	67.4	61.0	43.4	27.3	51.9	59.4	67.3
4. Business Confidence Index on Own Operations by Sector: Current Quarter																
Industrial Sector	19.2	16.8	11.4	10.3	20.2	16.1	24.8	20.0	21.8	24.6	14.0	24.1	-10.7	5.9	12.2	13.5
Construction Sector	6.3	17.0	32.6	18.8	23.5	33.3	26.8	27.3	27.3	14.3	2.6	11.8	-25.6	5.6	0.0	0.0
Wholesale and Retail Trade	14.4	24.4	20.6	24.2	21.7	20.6	23.2	21.3	31.7	27.0	27.1	22.5	6.1	19.8	14.0	13.3
Services Sector	31.3	9.7	25.2	26.9	36.1	26.3	34.8	32.6	19.5	26.5	18.8	25.2	4.1	29.5	22.2	23.5
5. Business Outlook Index on Own Operations : Current Quarter																
Volume of Business Activity Index	32.1	24.5	23.7	28.1	29.5	26.6	30.1	29.0	27.9	31.0	23.6	20.1	7.1	21.1	14.3	19.7
Volume of Total Order Book Index	37.2	26.0	25.0	27.6	27.3	22.8	28.1	27.0	26.1	31.5	20.1	24.8	3.5	19.4	13.3	15.2
Credit Access Index	16.6	-0.8	-5.3	-8.5	3.0	1.3	8.3	4.8	8.0	6.5	8.5	6.3	-7.8	6.8	1.3	5.6
Financial Condition Index	22.0	16.0	21.1	19.5	27.5	22.6	28.1	25.3	24.1	24.8	18.3	22.9	-2.8	17.6	15.3	15.2
Average Capacity Utilization	31.0	22.7	16.4	21.3	35.9	30.4	28.0	30.8	31.7	34.3	25.6	24.1	-0.8	23.9	15.5	19.2
6. Business Outlook Index on Own Operations : Next Quarter																
Volume of Business Activity Index	76.8	77.0	75.5	73.7	73.8	75.4	68.4	71.7	70.1	76.3	64.2	49.7	27.3	59.5	67.4	70.7
Employment Outlook Index	49.8	42.3	50.3	47.3	51.0	53.9	44.6	48.2	43.7	54.5	45.9	39.4	16.2	43.0	45.4	49.2
7. Business with Expansion Plans (in per cent): Next Quarter																
Industrial Sector	26.0	19.6	33.3	12.1	17.3	61.9	61.5	62.6	68.1	73.8	64.9	62.1	49.2	70.6	74.8	70.3
Construction Sector	62.5	27.7	76.7	54.2	70.6	81.0	75.6	72.7	77.3	71.4	66.7	64.7	38.5	80.6	75.9	70.6
Wholesale and Retail Trade	44.3	28.9	36.1	39.4	50.0	71.6	67.7	75.9	80.4	88.0	83.1	58.9	63.2	80.2	79.3	83.7
Services Sector of which:	31.3	33.3	58.8	50.0	30.1	73.7	70.2	69.8	70.7	82.4	76.6	69.5	50.4	72.7	74.1	80.2
Financial Intermediation	16.7	81.0	73.3	78.6	55.6	85.7	72.1	93.9	79.5	91.3	66.7	84.2	62.5	77.3	73.7	77.8
Hotels and Restaurants	22.6	15.0	52.6	66.7	49.1	70.8	72.9	64.1	61.9	77.3	83.3	67.6	52.6	71.9	62.1	82.1
Renting and Business Activities	41.2	52.4	54.3	22.6	6.4	70.4	75.0	57.7	72.0	73.1	76.7	76.0	39.1	75.0	72.7	81.0
Community and Social Services	71.4	22.6	62.8	41.9	13.5	73.2	57.7	61.3	70.4	88.4	73.2	62.3	50.0	70.4	80.0	79.6

TABLE 8
BUSINESS EXPECTATIONS SURVEY
South West Zone

Year	2012				2013				2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
8. Business Constraints: Current Quarter																
High Interest Rate	59.0	57.8	55.5	61.4	52.5	54.8	50.8	52.9	51.5	32.9	47.9	37.5	31.1	52.9	41.1	49.6
Unclear Economic Laws	29.4	34.9	42.4	46.7	35.7	38.7	37.4	32.8	33.0	30.6	27.8	25.4	24.9	38.6	28.5	30.0
Lack of Equipment	26.3	25.7	23.7	34.3	28.7	32.9	33.2	18.0	25.0	15.3	19.3	22.9	14.4	22.1	16.9	14.3
Insufficient Demand	38.3	42.4	25.2	40.0	30.1	30.3	40.1	21.9	29.8	19.9	21.7	23.8	18.7	21.9	22.9	30.1
Access to Credit	34.3	34.0	30.8	32.5	36.1	42.8	42.7	33.5	34.9	23.8	23.7	24.7	15.5	25.5	20.8	26.2
Financial Problems	48.5	48.2	42.6	54.3	50.2	50.5	53.8	42.5	48.6	37.1	31.5	35.0	31.8	39.4	34.3	43.3
Competition	41.7	42.4	48.1	50.3	46.0	43.7	49.4	40.8	45.7	38.5	39.6	35.9	40.3	30.9	34.5	40.6
Labour Problems	6.4	5.9	10.1	22.0	19.4	12.3	19.5	13.2	5.8	1.5	-1.5	3.9	0.4	5.7	3.0	7.1
Lack of Materials Input	25.7	19.6	17.3	28.6	16.8	23.2	26.5	13.7	16.0	6.0	6.6	8.6	9.0	14.3	12.3	11.3
Unfavourable Political Climate	20.4	25.7	39.0	41.5	32.1	38.7	33.2	32.0	25.3	29.1	24.3	26.8	16.7	29.9	33.8	23.2
Unfavourable Economic Climate	28.4	34.7	45.0	50.3	36.9	50.1	47.3	40.6	40.5	37.5	34.1	31.2	24.0	40.5	36.6	29.9
Insufficient Power Supply	74.4	76.1	67.8	65.5	68.2	71.9	69.4	66.1	70.9	55.1	57.8	45.1	48.6	61.7	50.4	46.7
9. Business Expectation Index on Selected Economic Indicators: Current Quarter																
N/\$ Exchange Rate	-0.3	-9.2	0.2	0.3	-3.0	3.0	9.5	-4.0	12.1	10.8	13.5	5.3	-17.4	21.6	10.8	27.0
Inflation Rate	31.2	32.5	27.6	39.7	41.1	22.3	21.1	26.8	22.6	27.5	21.3	8.8	5.8	16.1	16.0	5.6
Borrowing Rate	34.3	28.3	11.5	20.5	22.5	12.3	20.5	20.5	22.1	19.8	15.8	16.1	11.6	21.1	21.1	5.8
10. Business Expectation Index on Selected Economic Indicators: Next Quarter																
N/\$ Exchange Rate	28.4	5.1	9.8	-4.4	4.3	10.2	12	18.7	23.4	27.5	25.1	11.1	-10.1	23.1	24.8	35.1
Inflation Rate	2.6	18.8	3.5	24.1	28.5	15.6	14.8	14.6	22.1	17.8	21.8	7.8	1.0	4.8	3.8	-4.3
Borrowing Rate	7.1	23.4	-4.0	7.8	17.7	10.6	16.5	15.4	18.1	26.3	20.3	13.8	-2.5	17.1	19.8	0.3
11. Percentage Distribution of Respondent Firms by Type of Business																
Importer	19.8	13.7	17.6	22.6	20.2	16.0	21.6	15.2	18.8	23.0	27.1	17.0	15.7	21.6	16.5	20.7
Exporter	2.6	1.5	1.9	7.5	4.3	2.5	3.3	3.3	4.0	4.3	3.5	0.5	1.5	5.0	1.3	4.3
Both Importer and Exporter	11.5	13.1	10.9	10.9	7.3	8.3	9.8	8.1	9.3	13.5	12.3	10.0	8.6	9.8	11.8	11.6
Neither Importer nor exporter	66.2	71.6	69.7	59.0	68.2	73.2	65.4	73.4	67.8	59.3	57.1	72.5	74.2	63.6	70.5	63.4
12. Percentage Distribution of Respondent Firms by Employment Size																
Small (<50)	78.5	74.5	78.5	75.6	75.0	78.9	78.2	74.1	77.6	66.8	78.7	67.5	73.0	75.4	83.0	80.1
Medium (50 and <200)	13.2	16	13.6	15.8	15.9	13.5	15.0	17.3	15.8	19.0	11.8	14.5	16.2	13.6	9.3	12.1
Large (200 and Up)	7.7	9.5	7.7	8.6	9.1	7.5	6.8	8.6	6.5	14.3	9.5	18.0	10.9	11.1	7.8	7.8
No Response	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
13. Distribution of Respondent Firms by Sector																
All Sectors	349	388	376	385	396	399	399	396	398	400	399	393	396	398	400	396
Industrial Sector	73	107	105	117	104	118	117	115	119	122	114	116	122	119	115	111
Construction Sector	16	47	43	48	34	42	41	44	44	42	39	34	39	36	29	34
Wholesale and Retail Trade	97	90	97	99	92	102	100	108	102	100	118	112	114	111	121	135
Services Sector of which:	<u>163</u>	<u>144</u>	<u>131</u>	<u>121</u>	<u>166</u>	<u>137</u>	<u>141</u>	<u>129</u>	<u>133</u>	<u>136</u>	<u>128</u>	<u>131</u>	<u>121</u>	<u>132</u>	<u>135</u>	<u>116</u>
Financial Intermediation	12	21	15	18	27	21	43	33	39	23	15	19	16	22	19	18
Hotels and Restaurants	31	40	38	31	55	48	48	39	42	44	42	34	38	32	29	28
Renting and Business Activities	17	21	35	31	47	27	24	26	25	26	30	25	23	24	22	21
Community and Social Services	7	62	43	41	37	41	26	31	27	43	41	53	44	54	65	49
14. Business Outlook Index on the Macroeconomy by Sector Contribution: Current Quarter																
Industrial Sector	3.7	3.4	2.1	2.9	4.8	5.3	4.3	3.0	6.3	3.3	3.8	4.3	1.5	-0.5	3.3	2.5
Construction Sector	0.3	3.9	0.0	1.0	1.5	3.3	2.3	1.3	4.5	2.0	2.0	0.0	-2.0	2.8	-1.5	-0.3
Wholesale and Retail Trade	4.0	3.1	2.4	1.8	2.0	1.5	1.5	0.3	6.3	6.3	4.5	3.1	-2.5	3.3	1.8	5.6
Services Sector	<u>11.2</u>	<u>3.1</u>	<u>5.6</u>	<u>7.9</u>	<u>9.6</u>	<u>4.3</u>	<u>6.5</u>	<u>5.1</u>	<u>3.8</u>	<u>5.5</u>	<u>6.8</u>	<u>1.0</u>	<u>-2.5</u>	<u>3.0</u>	<u>3.3</u>	<u>5.3</u>
15. Business Confidence Index on Own Operations by Sector: Current Quarter																
Industrial Sector	4.0	4.6	3.2	3.1	5.3	4.8	7.3	5.8	6.5	7.5	4.0	7.1	-3.3	1.8	3.5	3.8
Construction Sector	0.3	2.1	3.7	2.3	2.0	3.5	2.8	3.0	3.0	1.5	0.3	1.0	-2.5	0.5	0.0	4.0
Wholesale and Retail Trade	4.0	5.7	5.3	6.2	5.1	5.3	5.8	5.8	8.1	6.8	8.0	6.4	1.8	5.5	4.3	4.5
Services Sector	<u>14.6</u>	<u>3.6</u>	<u>8.8</u>	<u>8.4</u>	<u>15.2</u>	<u>9.0</u>	<u>12.3</u>	<u>10.6</u>	<u>6.5</u>	<u>9.0</u>	<u>6.0</u>	<u>8.4</u>	<u>1.3</u>	<u>9.8</u>	<u>7.5</u>	<u>6.9</u>