Economic Policy Directorate
Central Bank of Nigeria,
Abuja

DEVELOPMENTS IN THE EXTERNAL SECTOR

VOLUME 1, ISSUE 2

QUARTER TWO 2010

HIGHLIGHTS:

- *Challenging performance of the external sector*
- *External Trade*
- *Current account balance*
- *Stock of external reserves*
- *Demand and Supply of Foreign Exchange*
- *External Debt Sustainability Index remained stable*
- *FDI inflows and portfolio investment*
- *Exchange rate Movement*
- *Global Commodity Prices*

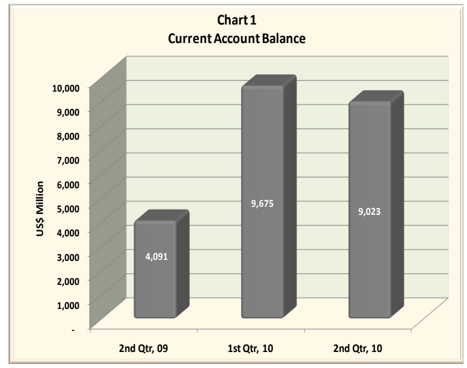
External Sector Records Challenging Performance

Introduction:

This report on the activities of the external sector of the Nigerian economy for quarter two (Q2), 2010 highlights some major developments in the sector in comparison with the revised levels recorded in the preceding quarter and corresponding quarter of 2009.The objective is to sensitize the management on the policy implications of external sector developments for the Nigerian economy. Consequently, we noted that the major policy issues for the period included the continued importation of consumer goods at the detriment of the local industries; absence of requisite skills to the growth of trade in services sub-sector; low integration to global economy; the gradual decline of the external reserves to the global benchmark of 6.0 month of imports as well as the absence of an investment pull factors in the economy. There is therefore the urgent need for the reappraisal of the current exchange rate management strategy to address some of the issues.

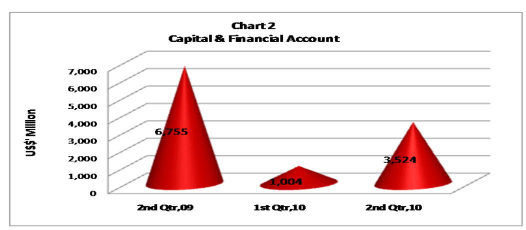
- **Current Account**

As shown in Chart 1, the country's estimated current account balance in Q2, 2010 declined, when compared with the revised level recorded in quarter one (Q1), 2010. This was attributable to the increased outflows in services and imports bills, more especially the non-oil imports as well as reduction in current transfers (net). The movement in current account position in Q2, 2010 further attests to the import-dependent nature of the Nigerian economy with its concomitant negative impact on external reserves. Further disaggregation of imports showed that consumer goods imports accounted for 40.7 per cent. This is not good for a country that seeks to diversify its economy as such imports stifles the productivity of domestic industries. In addition, the increased outflows in services is a signal that absence of requisite skills is a serious threat to the growth of the Nigerian economy. However, when compared with the level in the corresponding quarter of 2009, the current account balance improved (Table 1 and Chart 1).



- **Capital and Financial Accounts**

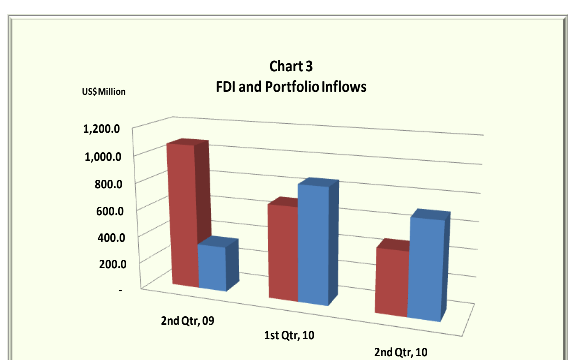
Estimates indicated that the balance in the capital and financial accounts, stood at US$3,524.32 million in Q2, 2010 as against US$1,003.7 million in Q1, 2010 (Table 1, Chart 2). Further analysis revealed that the country's assets abroad increased to US$2,675.80 million in Q2, 2010 with its corresponding liabilities declining to US$848.5 million during the period under review. This development could be detrimental to the economy considering the urgent need for capital inflows to finance domestic economic growth.



FDI and Portfolio Inflows

- **FDI and Portfolio Inflows:**

Both estimated foreign direct investment (FDI) and portfolio investment (PI) inflows recorded declines in Q2, 2010 when compared with their corresponding levels in Q1, 2010 and Q2, 2009. As shown in Table 1, they declined from US$693.1 and US$854.6 million in Q1, 2010 to US$ 465.0 and US$700.0 million respectively in Q2, 2010 (Chart 3). The observed decline was traced to the slow recovery of the country's trading partners from the global financial and economic crises and the recent Greece sovereign debt crisis . Most importantly, the absence of "investment - pull factors" in the country have continued to undermine the attraction of global capital into the country.

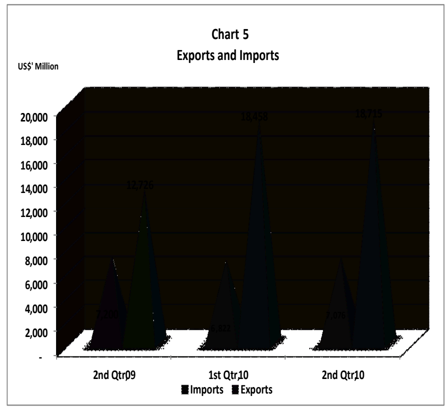


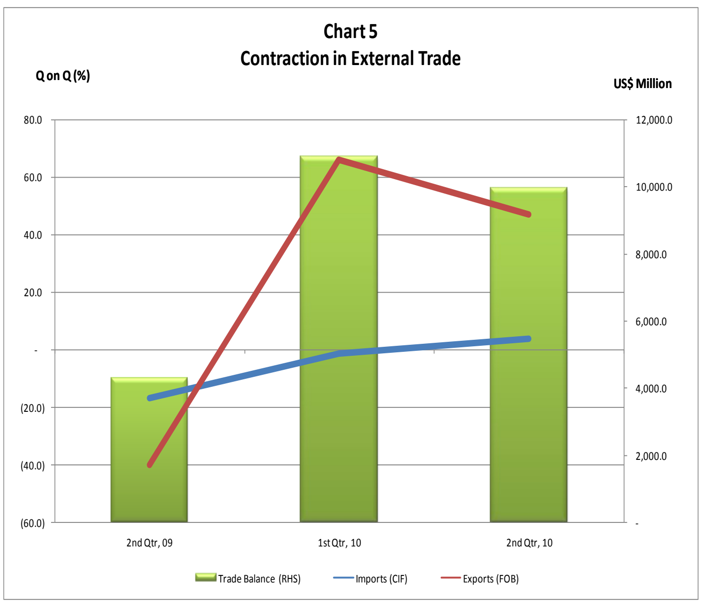
	2nd Qtr, 09	1st Qtr, 10	2nd Qtr, 10
FDI Inflows	1,071.5	693.1	465.0
Portfolio Inflows	337.1	854.6	700.0

External Trade

- **External Trade**

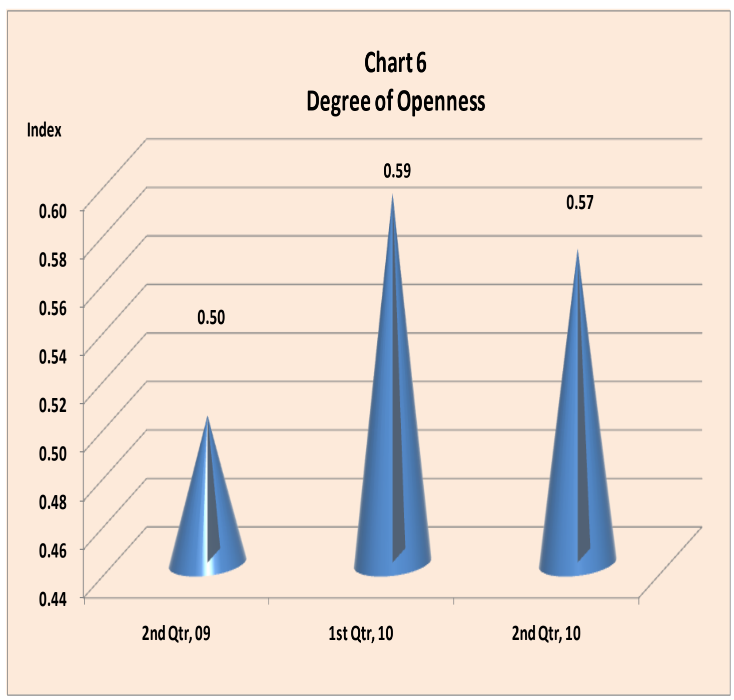
Available statistics (Table 1) revealed that Nigeria's trade balance deteriorated in Q2, 2010 following a slight expansion in merchandise imports (CIF) in comparison, with the developments observed in Q1, 2010 (Chart 5 and Table 2). Nigerian merchandise imports (CIF) rose from US$7,547.0 million in Q1, 2010 to US$8,750.0 million during the review period. This resulted in a contraction in external trade balance from US$10,911.2 million to US$9,965.1 million, respectively. Similarly, considering quarter-on-quarter analysis, estimated exports reduced from 66.0 per cent in Q1, 2010 to 47.1 per cent in Q2, 2010. Quarter on quarter imports, however, increased during the period under review. It stood at -1.2 per cent in Q1, 2010 and 3.9 per cent in Q2, 2010. Aggregate exports (FOB) and imports (FOB) stood at US$18,715.4 and US$7,075.6 million, respectively in the Q2, 2010 compared with US$18,457.9 and US$6,821.8 million in Q1, 2010 (Chart 5). The increase in aggregate exports was traceable to both resurgence of high oil prices averaging US $ 79.54 per barrel during the quarter as well as improved oil production occasioned by the calmness in the Niger Delta region.





Integration to the Global Economy.

The integration of the Nigerian economy into the global economy is measured by many indicators. Some of these indicators are the ratios of total trade; trade balance; imports; exports; total foreign exchange (forex) flows; and total net forex flows as percentages of GDP (Table 3). All the indicators except the ratio of import to the GDP recorded low performance in the Q2 2010 as against their respective levels in the preceding quarter, 2010. However, compared with the corresponding quarter of 2009, all indicators recorded high performance. The low performance of these indicators indicate that the Nigerian economy is not fully integrated into the global economy and, therefore, cannot adequately tap the potentials of global trade.

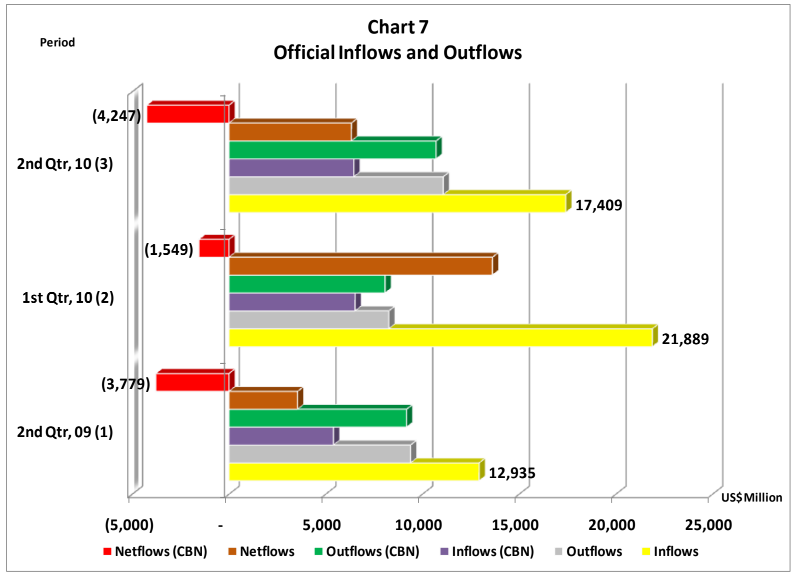


Foreign Exchange Outflow through the CBN Outweigh Inflow

- **Inflow and Outflow**

Available data (Table 4) indicates that total foreign exchange inflow through the economy in Q2, 2010, stood at US$17,409.3 million as against US$21,889.2 million recorded in Q1, 2010, representing a decrease of 20.5 per cent. This development was largely traceable to the decrease in the exports of non-oil products.

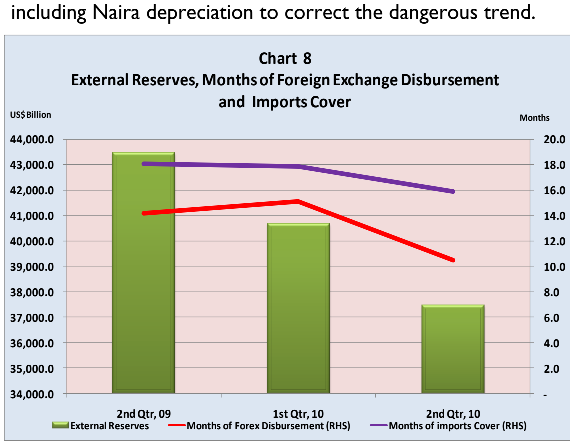
However, total outflow in the period under review amounted to US$11,081.2 million, showing an increase of 34.1 per cent above the level in the preceding quarter. Consequently, a net-flow of US$6,328.1 million was recorded in Q2, 2010 as against the US$13,625.7 million in Q1, 2010. Chart 7.



External Reserves

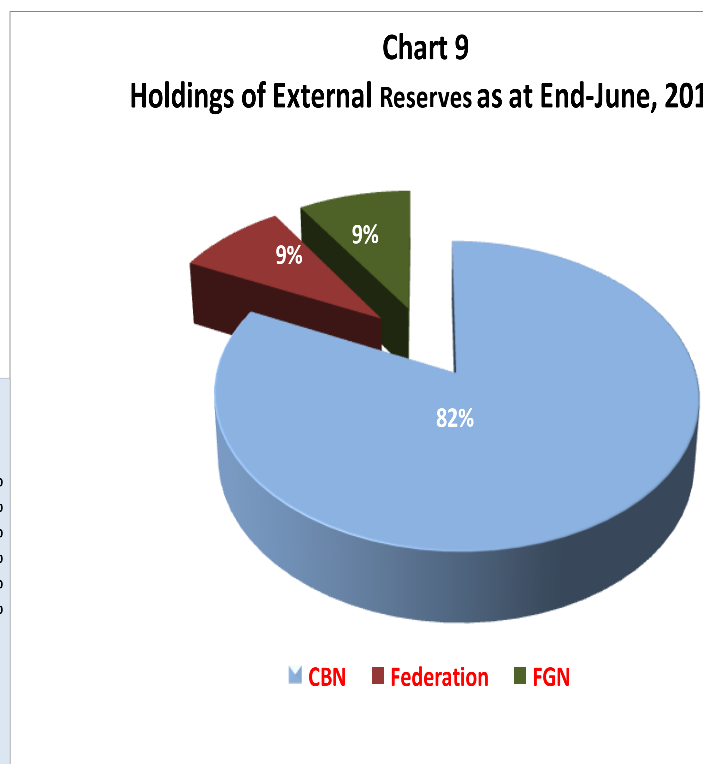
- **External Reserves:**

The level of official foreign reserves as at end June, 2010 stood at US$37, 468.4 million. This level of reserves could finance 10.5 months of foreign exchange disbursements and 15.9 months of imports cover. In the preceding period, the level of reserves could finance 15.1 months of foreign exchange disbursements and 17.9 months of imports cover (Chart 8). A striking feature of the external reserve in recent times is the persistent decline in imports cover and months of foreign exchange disbursements towards the global benchmark of 6.0 months. This is not a good development for the country as it is likely to induce a chronic balance of payments problem for the country, especially with the challenge of high cost of production not being seriously tackled by government. Consequently, the economy might slip into serious economic crises such that the gains recorded from the recent reforms might be lost. This underscores the imperativeness of using the reserves to finance capital projects instead of importing consumer goods such as used vehicles among others . Also, there is need to reappraise the strategy of funding the WDAS and BDCs from the nations reserves in view of the huge chunk of foreign exchange supply to defend the Naira. It is also appropriate to adopt measures including Naira depreciation to correct the dangerous trend.



- **Holdings of External Reserves**

Analysis of the statistics on the holdings of external reserves revealed that the share of the CBN was 82.0 per cent of total reserves. On the other hand, the share of the Federation and Federal Government were 9.0 per cent each (Chart 9).



External Reserves stood at US$37.5 billion in Q2, 2010

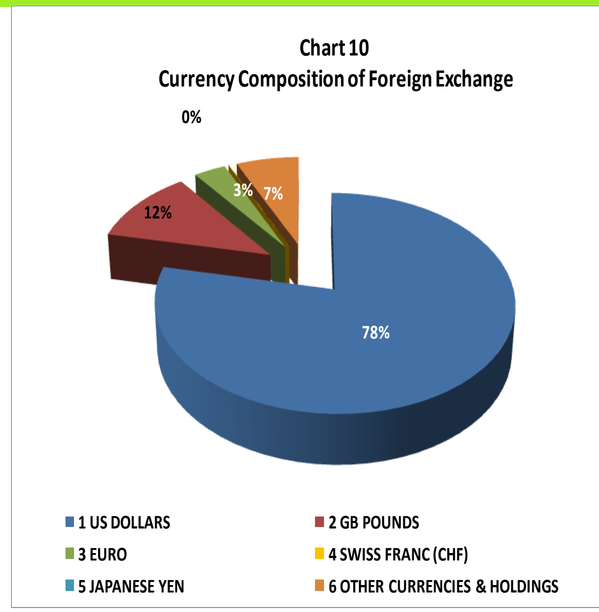
US Dollar Denominated Investments Dominate

US$ accounted for 78 per cent of the Nigeria's Currency Holdings

- **Currency Composition of Foreign Exchange Reserves**

Available records from the balances as per latest advice (BAPLA) revealed that total reserves stood at US$37,468.4 million at the end of June 2010, representing a decline of 7.9 and 13.8 per cent when compared with the levels recorded at the end of march, 2010 and June 2009, respectively. Though, holdings of foreign reserves in US dollar in the review period constituted 78.4 per cent of the total foreign reserves holdings, it declined from US32,523.0 million in Q1, 2010 to US$29,367.4 million in Q2, 2010.

The Swiss franc (SWF) on the other hand, registered the least holdings of US$2.07 million or 0.01 per cent of total holdings. The volume of Japanese Yen in total reserves during the period under review increased from US$21.3 million in Q1,2010 to US$22.9 million period. It was also higher than US$15.4 million recorded in the corresponding quarter of 2009 (Table 5).



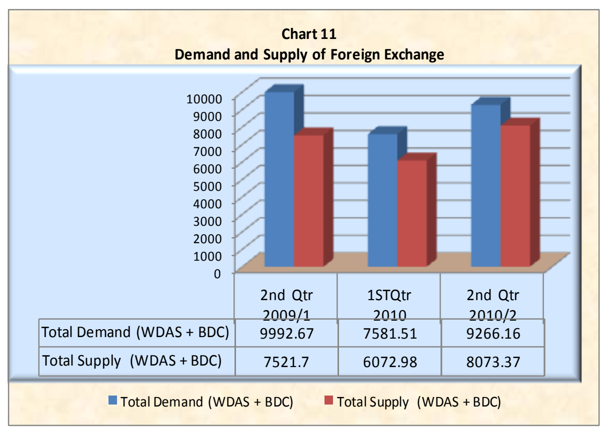
Demand and Supply of Foreign Exchange

Supply of foreign exchange increased

- **Demand and Supply of Foreign Exchange**

The aggregate demand for foreign exchange by the authorized dealers consisting of WDAS and BDC operators during the period under review stood at US$9,266.2 million, representing an increase of 22.2 per cent in relation to Q1, 2010. Compared with the corresponding period of 2009, a decline of 7.3 per cent manifested.

A total amount of US$8,073.4 million was supplied in Q2, 2010, consisting of US$6,832.5 and US$1,240.9 million to the WDAS and BDC operators, respectively (Table 6 and Chart 11).

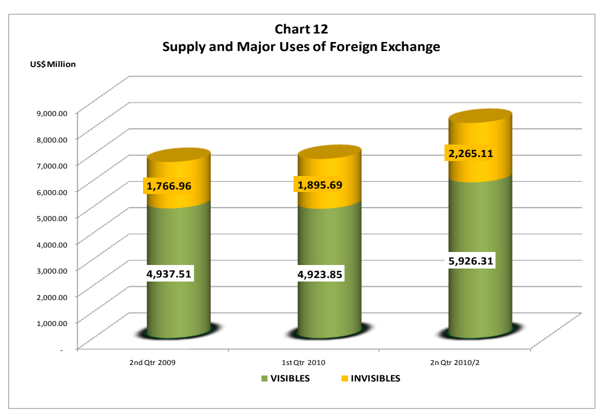


Sectoral Utilization of Foreign Exchange for Oil Sector Imports dominated

- **Major Uses of Foreign Exchange**

The aggregate supply of foreign exchange for both visible and invisible trade during the period under review stood at US$8,191.4 million. This represented increases of 20.1 and 22.2 per cent in comparison with the levels recorded in the preceding quarter and corresponding quarter of 2009, respectively (Table 7).

The amount supplied in Q2, 2010, consisted of US$5,926.3 million and US$2,265.1 million for visible and invisible trades, representing approximately 72 and 28 per cent , respectively. This pattern of visible trade dominated during the three quarters analyzed (Table 7 and Chart 12). Other uses of foreign exchange during the review period included the payment of subscriptions to international organizations and



Sectoral Utilization of Foreign Exchange

- **Sectoral Utilization of Foreign Exchange**

Analysis of foreign exchange utilization by sectors revealed that US$5,926.3 million was spent on the importation of various items into the country in Q2, 2010, representing 72.3 per cent of the total foreign exchange utilized during the period. This showed an increase of 20.4 and 20.0 per cent in comparison with the levels recorded in the preceding quarter and corresponding quarter of 2009, respectively. As shown in Chart 14a, the importation of oil sector, industrial sector and manufactured products, represented 26.2, 24.0 and 23.5 percent, respectively, of the total amount utilized for imports (Table 7).

On the other hand, US$2,265.1 million foreign exchange was spent on invisible items, representing 27.7 per cent of the total foreign exchange utilized in Q2, 2010. The major components that made up the foreign exchange spending on invisible items included financial, business and transport services constitute 67.4, 17.3 and 8.3 per cent, respectively of the total (Chart 13b).

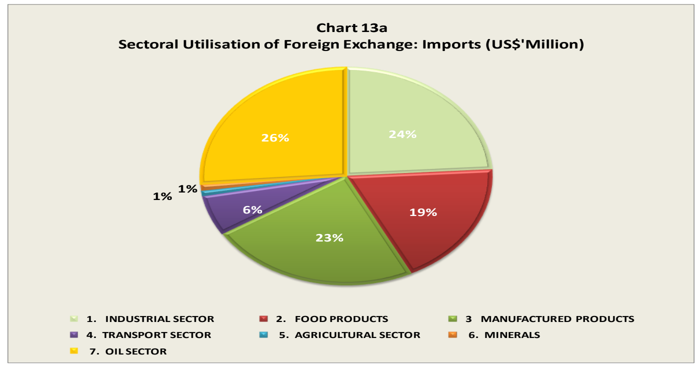


Chart 13a
Sectoral Utilisation of Foreign Exchange: Imports (US$'Million)

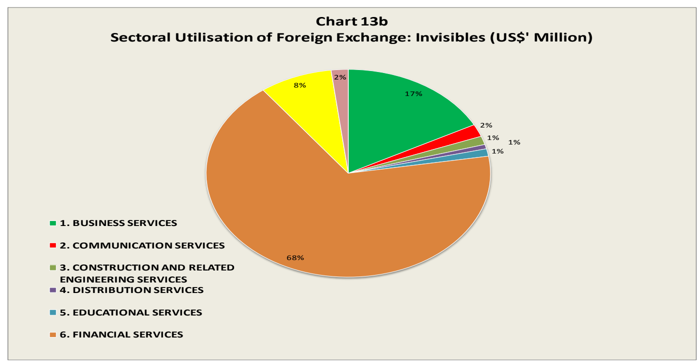


Chart 13b
Sectoral Utilisation of Foreign Exchange: Invisibles (US$' Million)

Official and BDC Exchange Rates

- **Official and BDC Rates**

In the second quarter of 2010, the average official exchange rate depreciated marginally, as the naira exchanged at N150.1 as against N149.9 to the US$ recorded in Q1, 2010. Similarly, at the bureau-de-change (BDC) segment of the market, the naira exchanged at N153.0 to the US dollar in Q2, 2010, as against N152.5 in Q1, 2010 (Table 8**).**

- **Inter-bank Rate**

During the period under review, the inter-bank market average exchange rate stood at N151.1 as against N150.5 and N148.5 in Q1, 2010 and Q2, 2009, respectively. The movement in the inter-bank rate is in tandem with the behaviour of the exchange rate movement in the official segment of the foreign exchange market.

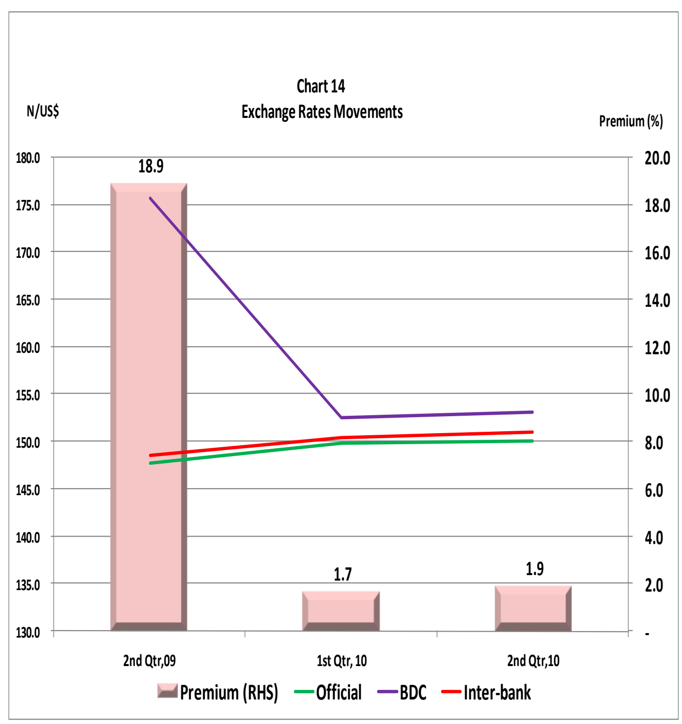


Chart 14
Exchange Rates Movements

- **NEER and REER**

The nominal effective exchange rate (NEER) of the naira index declined from 123.0 in Q1, 2010 to 121.6 (2009=100) in Q2, 2010. In the case of the real effective exchange rate (REER), there was a marginal decline from 61.8 to 61.7 (Table 9 and Chart 15). The declines in NEER and REER Implies the relative weakness of Naira to the US dollar as well as low external competitiveness. Suggesting need for a proactive policy to enhance the strength of Naira and export competiveness.

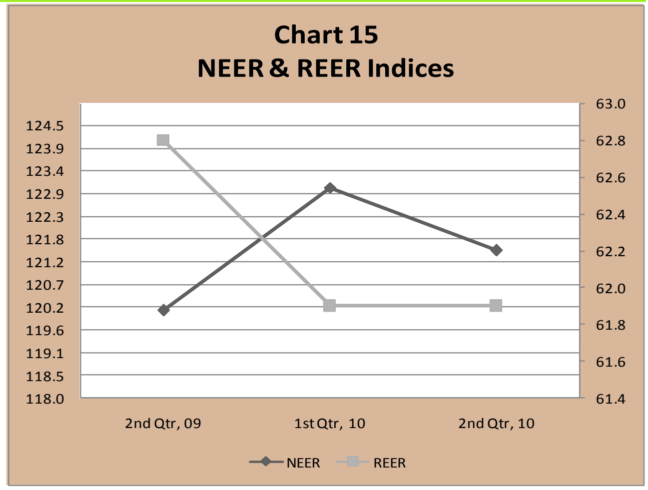


Chart 15
NEER & REER Indices

External Debt Sustainability Index

- **Public Sector External Debt**

The external debt sustainability index, computed as the ratio of external debt to nominal GDP remained unchanged at 0.1 in the period under review just as in the preceding quarter. The public sector external debt increased from US$3.7 billion in Q2, 2009 to US$4.3 billion in Q2, 2010, signifying the contracting of new debt. However, even with this development, public sector external debt remain sustainable, attributable to the robust growth of nominal GDP (Chart 16).

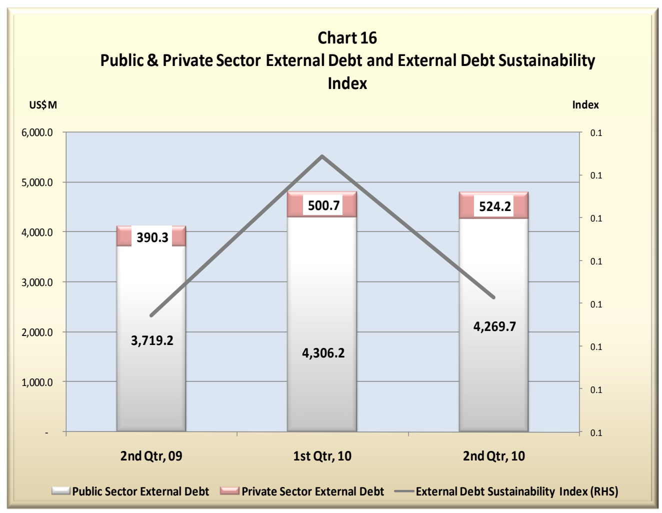


Chart 16
Public & Private Sector External Debt and External Debt Sustainability Index

- **Private Sector External Debt**

The private sector external debt as at end June, 2010 stood at US$524.2 million, when compared with US$ 500.7 million in Q1, 2010 and US$390.3 billion in Q2, 2009.

- **Debt Service Payments**

Available statistics showed that public sector debt service payments rose from US$64.7 million in Q1, 2010 to US$112.9 million in Q2, 2010 (Chart 17).

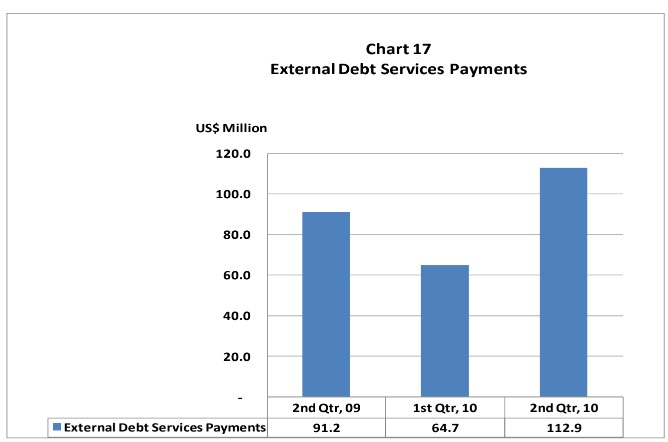


Chart 17
External Debt Services Payments

Global Commodity Prices

- **Agricultural Commodity Prices**

The prices of the international agricultural commodities monitored during the period under review displayed mixed developments, when compared with the levels recorded in the preceding quarter and the corresponding quarter of 2009. For instance, while the price per metric ton of cocoa stood at US$3,297.1 in Q1, 2010, it fell to US$3,207.0 in Q2, 2010, representing a decline of 2.7 per cent. However, in comparison with the corresponding quarter of 2009, an increase of 23.4 per cent was observed (Table 10).

The price per metric ton of palm oil, which stood at US$779.8 in Q2, 2010, recorded increases of 2.1 and 8.5 per cent in relation to Q1 2010 and Q2, 2009, respectively. In contrast, wheat recorded price declines of 9.3 and 28.4 per cent in the period under review, when compared with the preceding quarter and the corresponding quarter of 2009, respectively (Chart 18).

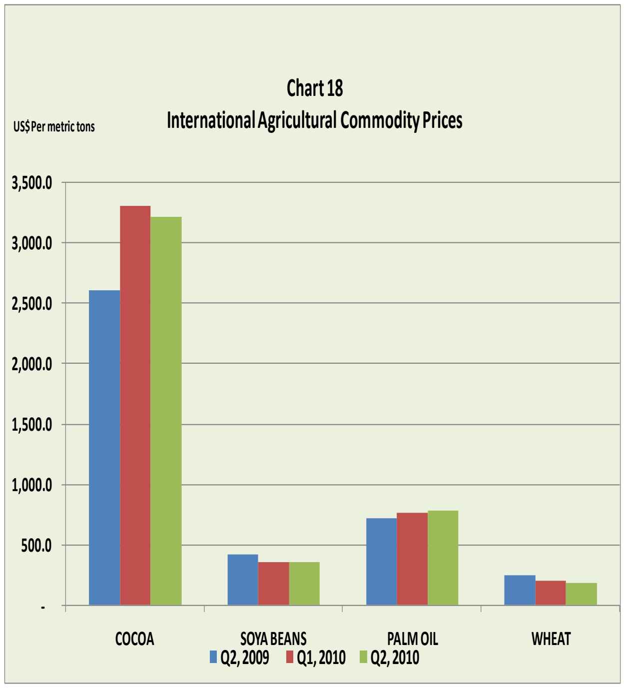
-**Crude oil Prices:**

The price of Bonny Light crude oil marginally increased from US$77.7 per barrel in Q1 2010, to US$79.5 per barrel in Q2 2010, an increase of 2.3 percent

Also, the price of Brent crude oil increased from US$76.5. to US$78.27 per barrel.

Gold Prices:

In the period under review, the price of Bullion B Engel rose from US$1111.28 in Q1 2010, to US$1197.73 indicating an increase of 7.78 percent. Similarly, the price of Gold Bullion B HH increased by 7.83 per cent to US$1195.05. However, when compared with the corresponding quarters of 2009, the price of Bullion B Engel and Gold Bullion B HH exhibited increases of 29.7 and 29.8 percent, respectively.



International Agricultural commodity prices recorded mixed developments

Table 1: Summary of Balance of Payments Account (US$' Million)

	2nd Qtr, 2009/1	3rd Qtr, 2009 /1	4th Qtr, 2009/1	1st Qtr, 2010/1	2nd Qtr, 2010 /2
CURRENT ACCOUNT	4,091.24	5,664.38	9,805.08	9,675.49	9,022.50
Goods	5,525.92	7,934.12	12,497.28	11,636.07	11,639.80
Exports	12,726.02	16,070.53	20,057.77	18,457.89	18,715.44
Crude Oil & Gas	12,304.65	15,685.60	19,395.44	17,723.71	18,068.76
Non-Oil	421.37	384.94	662.33	734.18	646.68
Imports	-7,200.11	-8,136.41	-7,560.49	-6,821.83	-7,075.64
Crude Oil & Gas	-1,739.22	-1,981.04	-2,111.22	-2,762.54	-2,160.27
Non-Oil	-5,460.89	-6,155.38	-5,449.27	-4,059.29	-4,915.37
Services (net)	-3,711.96	-4,097.57	-4,191.15	-2,644.04	-2,793.84
Income (net)	-2,459.29	-2,742.35	-3,435.58	-3,999.96	-3,906.12
Current transfers (net)	4,736.57	4,570.18	4,934.53	4,683.42	4,082.66
CAPITAL & FINANCIAL ACCOUNT	6,755.44	3,099.00	1,425.16	1,003.70	3,524.32
Capital Account (net)	0	0	0	0	0
Financial Account (net)	6,755.44	3,099.00	1,425.16	1,003.70	3,524.32
Assets	4,740.87	-2,168.44	-525.82	-107.73	2,675.80
Direct Investment Abroad	-36.68	-4.98	-68.36	-54.00	-41.94
Portfolio Investment Abroad	-54.36	-178.13	-240.87	-326.47	-458.42
Other Investment	1,212.69	-2,104.73	-1,177.43	-1,442.72	-22.43
Reserves Assets	3,619.22	119.41	960.84	1,715.46	3,198.59
Liabilities	2,014.57	5,267.44	1,950.99	1,111.44	848.52
Direct Investment Inflows	1,071.53	1,180.11	1,569.65	693.06	464.95
Portfolio Investment Inflows	337.12	389.13	314.62	854.64	699.99
Other Investment Liabilities	-24.08	3,698.19	66.72	-436.26	-316.43
Net Errors & Omission	**-10,846.68**	**-8,763.38**	**-11,230.25**	**-10,679.19**	**-12,546.82**
Memorandum Items					
Trade Balance	4,301.0	6,739.0	11,348.1	10,911.2	9,965.1
Current Account Balance as % of GDP	10.21	12.55	21.40	22.43	19.74
Capital & Financial Accounts as % of GDP	16.85	6.86	3.11	2.33	7.71
Overall Balance as % of GDP	-9.03	-5.60	-2.10	-3.98	-7.00
Imports (CIF)	8,425.0	9,331.5	8,709.7	7,547.0	8,750.0
External Reserves– Stock (US$' Million)	43,462.74	43,343.33	42,382.49	40,667.03	37,468.44
Number of Months of Imports Cover	18.11	15.98	16.82	17.88	15.89
No. of Months of Foreign Exchange Disbursements	14.2	14.4	19.9	15.1	10.5
Public External Debt Stock (US$' Million)	3,719.24	3,863.93	3,947.30	4,306.18	4,269.71
Private External Debt (US$ Million)	390.34	900.83	593.93	500.74	524.19
Effective Central Exchange Rate (N/$)	146.69	147.99	147.27	148.70	148.90
End-Period Exchange Rate (N/$)	148.22	148.79	149.58	149.28	149.99
Average price of crude (Bonny Light)	61.14	70.25	77.16	77.65	79.54

1/ Revised 2/ Provisional

Source: Balance of Payments Office (BOPSO), Statistics Dept. CBN

Table 2: External Trade Position

	Imports (CIF) % (Q on Q)	Export (FOB) % (Q on Q)	Trade Balance (US$ million)
2nd Qtr, 2009	-16.8	-39.9	4,301.0
1st Qtr, 2010	-1.2	66.0	10,911.2
2nd Qtr, 2010	3.9	47.1	9,965.1

Sources: BOPSO, Statistics Dept. CBN

Table 3: Measures of Openness

	2nd Qtr, 2009	1st Qtr, 2010	2nd Qtr, 2010
Total trade as % 0f GDP	52.8	60.3	60.1
Trade balance as % of GDP	10.7	25.3	21.8
Imports as % of GDP	21.0	17.5	19.1
Export % of GDP	31.7	42.8	40.9
Total forex flows % of GDP	55.7	69.9	62.3
Net flows as % of GDP	8.8	31.6	13.8

Source: International Investment Statistics Office (IISO), Statistics Dept. CBN

Table 4: Inflow and Outflow of Foreign Exchange through the Economy (US$ Million)

	2nd Qtr, 2009 (1)	1st Qtr, 2010 (2)	2nd Qtr, 2010 (3)	Percentage Change (1) & (3)	Percentage Change (2) & (3)
Inflows	12,935.29	21,889.17	17,409.29	34.6	(20.5)
Inflows through CBN	5,404.16	6,521.13	6,460.95	19.6	(0.9)
Inflows through Autonomous Sources	7,531.13	15,368.04	10,948.34	45.4	(28.8)
Outflows	9,391.20	8,263.44	11,081.23	18.0	34.1
Outflows through CBN	9,182.94	8,070.18	10,707.73	16.6	32.7
Outflows through Autonomous Sources	208.26	193.26	373.50	79.3	93.3
Net Flows through CBN	(3,778.78)	(1,549.05)	(4,246.78)	12.4	174.2
Net Flows	3,544.09	13,625.73	6,328.06	78.6	(53.6)

Sources: Trade and Exchange Dept. and Reserves Management Dept., CBN

Table 5: Currency Composition of Foreign Exchange Reserves (US$' Million)

Currencies	2nd Qtr, 2009	Ist Qtr, 2010	2nd Qtr, 2010	Share of Total	Percentage Change B/W	
	(1)	(2)	(3)		1 & 3	2 & 3
US Dollar	37,466.39	32,523.00	29,367.37	78.38	(21.62)	(9.70)
GB Pounds	1,341.31	1,284.85	1,266.75	3.38	-5.6	-1.4
Euro	4,592.14	4,523.47	4,324.22	11.54	(5.83)	(4.40)
Japanese Yen	15.41	21.26	22.86	0.06	48.35	7.53
Other Currency Holdings	47.49	2,314.46	2,487.24	6.64	5,137.40	7.47
Total	43,462.74	40,667.03	37,468.44	100.00	(13.79)	(7.87)

Sources: Reserves Management Dept., CBN

Table 6: Demand and Supply of Foreign Exchange (US$' Million)

	2nd Qtr, 2009 (1)	Ist Qtr, 2010 (2)	2nd Qtr, 2010 (3)	(1) & (3)	(2) & (3)
WDAS Demand	9.058.97	6,391.15	8,025.28	-511.41	25.57
BDC Demand	933.70	1,190.36	1,240.88	-32.90	4.24
Total Demand	**9,992.67**	**7,581.51**	**9,266.16**	-7.27	22.22
Supply to WDAS	6,588.00	4882.62	6832.49	3.71	39.93
Supply to BDC	933.7	1190.36	1240.88	32.90	4.24
Total Supply	7521.70	6072.98	8073.37	7.33	32.94

Source: Financial Market Dept. , CBN

Table 7: Sectoral Utilization of Foreign Exchange by DMBs for 'Valid' Transactions (US$)

	2nd Qtr 2009	1st Qtr 2010	2nd Qtr 2010/1	Share of	Percentage Change Between	
	2009	2010	2010/2	Total		
	(1)	(2)	(3)		(1) &(3)	2&3
A. IMPORTS	**4,937,509,390.68**	**4,923,847,404.95**	**5,926,305,511.43**	**100.00**	**20.03**	**20.36**
INDUSTRIAL SECTOR	1,614,494,430.94	1,205,963,267.97	1,423,811,069.87	**24.0**	**-11.81**	**18.06**
FOOD PRODUCTS	713,638,210.53	770,984,503.88	1,099,630,301.12	**18.6**	**54.09**	**42.63**
MANUFACTURED PRODUCTS	1,481,741,582.42	1,305,859,863.66	1,392,995,364.41	**23.5**	**-5.99**	**6.67**
TRANSPORT SECTOR	353,188,412.77	335,902,634.81	355,077,144.90	**6.0**	**0.53**	**5.71**
AGRICULTURAL SECTOR	60,524,969.86	30,257,643.90	47,654,357.35	**0.8**	**-21.26**	**57.50**
MINERALS	35,384,119.54	58,448,613.93	55,378,929.40	**0.9**	**56.51**	**- 5.25**
OIL SECTOR	678,537,664.62	1,216,430,876.80	1,551,758,344.38	**26.2**	**128.69**	**27.57**
B. INVISIBLES	**1,766,962,448.63**	**1,895,687,206.71**	**2,265,109,998.12**	**100.00**	**28.19**	**19.49**
1. BUSINESS SERVICES	258,818,006.52	326,394,629.25	391,293,703.24	17.3	**51.18**	**19.88**
2. COMMUNICATION SERVICES	80,919,342.93	71,014,656.45	43,785,787.16	1.9	**-45.89**	**- 38.34**
3. CONSTRUCTION AND RELATED ENGINEERING SERVICES	5,093,444.50	14,089,873.26	29,881,481.03	1.3	**486.67**	**112.08**
4. DISTRIBUTION SERVICES	19,248,574.99	10,565,352.67	15,527,038.70	0.7	**-19.33**	**46.96**
5. EDUCATIONAL SERVICES	41,476,715.12	26,685,108.24	26,137,792.47	1.2	**-36.98**	**- 2.05**
6. ENVIRONMENTAL SERVICES	0	81,409.89	0	0.0		
7. FINANCIAL SERVICES	1,198,761,781.35	1,257,903,081.21	1,527,090,496.02	67.4	**27.39**	**21.40**
8. HEALTH RELATED AND SOCIAL SERVICES	939,870.31	301,540.99	272,948.48	0.0	**-70.96**	**- 9.48**
9. TOURISM AND TRAVEL RELATED SERVICES	4,711,583.65	1,369,922.58	30,882,023.59	1.4	**555.45**	**2,154.29**
10. RECREATIONAL, CULTURAL AND SPORTING SERVICES	7,390.83	30,000.00	16,300.00	0.0	**120.54**	**- 45.67**
11. TRANSPORT SERVICES	144,599,316.40	175,628,032.21	187,485,210.65	8.3	**29.66**	**6.75**
12. OTHER SERVICES NOT INCLUDED ELSEWHERE	12,386,422.03	11,623,599.96	12,737,216.78	0.6	**2.83**	**9.58**
TOTAL (A+B)	**6,704,471,839.31**	**6,819,534,611.66**	**8,191,415,509.55**		**22.18**	**20.12**

Source: Trade and Exchange Department, CBN

Table 8: Average Exchange Rates

	2nd Qtr, 2009	1st Qtr, 2010	2nd Qtr, 2010	Apprecia-tion/depreciation
Official Exchange Rate (WDAS)	147.76	149.94	150.13	-0.13
Inter-Bank Rate	148.54	150.46	151.05	-0.39
Bureau de Change Rate (BDC)	175.68	152.49	153.04	-0.36
Premium (%)	18.90	1.70	1.94	

Source: Financial Market Department, CBN

Table 9 NEER and REER Indices

	2nd Qtr, 2009	1st Qtr, 2010	2nd Qtr, 2010
NEER	120.08	123.00	121.63
REER	62.80	61.80	61.67

Source: Statistics Department, CBN

Table 10: International Agricultural Commodity Prices (US$/Metric Tone)

	2nd Qtr, 2009 (1)	1st Qtr, 2010 (2)	2nd Qtr, 2010 (3)	% Chg (1) & (3)	% Chg (2) & (3)
Cocoa	2, 598.64	3,297.11	3,206.98	23.4	-2.7
Palm Oil	718..81	763.41	779.78	8.5	2.1
Wheat	247.86	195.55	177.38	-28.4	-9.3
Soya Beans	413.97	350.86	351.73	-15.0	0.2

Sources: International Cocoa Organization/International Monetary Fund