Economic Policy Directorate
Central Bank of Nigeria,
Abuja

DEVELOPMENTS IN THE EXTERNAL SECTOR

VOLUME 1, ISSUE 3

QUARTER THREE 2010

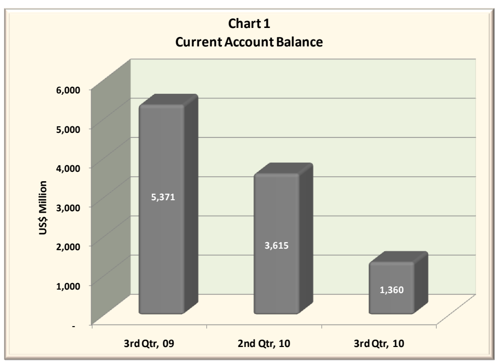
HIGHLIGHTS:

- ***Challenging performance of the external sector***
- ***Current Account Balance***
- ***Capital and Financial Account***
- ***FDI and Portfolio Inflows***
- **Foreign Exchange Flows through the CBN increased**
- **Stock of *External Reserves***
- **The Demand and Supply of Foreign Exchange Rose**
- ***Exchange Rate movement***
- ***External Debt Sustainability***
- ***Global Commodity Prices.***

External Sector Records Challenging Performance

Summary:

This report on the external sector of the Nigerian economy for quarter three (Q3), 2010 highlights some major developments in the sector in comparison with the preceding quarter and corresponding quarter of 2009.The objective is to sensitize the management on the policy implications of these developments for the Nigerian economy. Consequently, the issues requiring management attention from the analysis of development during the quarter included the continued over dependence on imported goods and services, low competitiveness of the external sector, especially the services sub-sector, the rapid decline in Nigerian investment abroad, and continued depletion of external reserves as well as the exposure of Nigerian investment to currency, country exchange rate risks, and possibility of capital flight. A review of the trade policies constituting an inter–departmental committee to monitor on regular basis the utilization of foreign exchange, strengthening collaboration with security agencies such as EFCC, NDLEA etc, prudent fiscal management are some of the policies suggested for consideration.



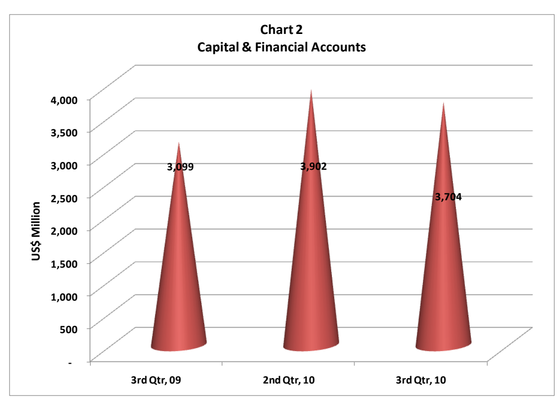
- **Current Account**

The estimated current account surplus which stood at US$ 3,614.92 million in Q2, 2010 declined to US$ 1,359.75 million in Q3,2010. When compared with the level in the corresponding quarter of 2009, the decline in the current account surplus was steep (Table I and Chart I). This development was traced to the high import bills (visible and invisible) and a slight drop in aggregate exports, reflecting the country's over-dependence on imported goods and services coupled with the fact that the services subsector is not competitive, occasioned largely by the absence of technical know-how required for external competitiveness. This underscore the need for significant investment in service industries and education sector. Also, in comparison with the revised levels recorded in Q2, 2010, current account as a percentage of GDP declined from 7.89 per cent to 2.62 per cent (in Q3, 2010Chart 4). This development notwithstanding, the goods account position remains robust at US$5,886.43 million during the period under review.

Capital and Financial Accounts

Capital and Financial Accounts:

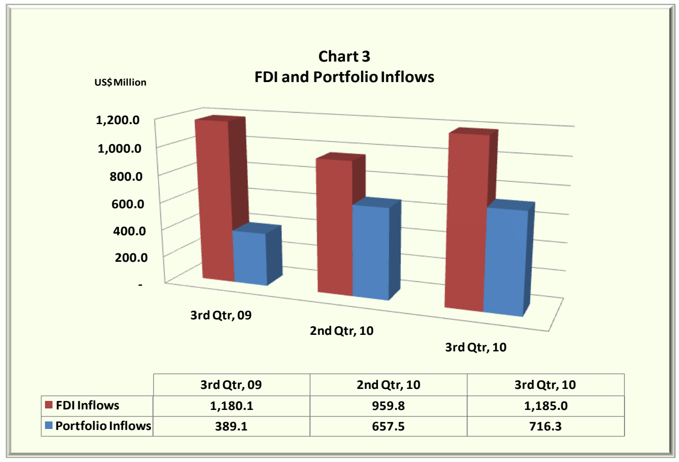
Estimates indicated that the balance in the capital and financial accounts stood at US$3,703.70 million in Q3, 2010 as against US$3,901.71 million in Q2, 2010 (Table 1, Chart 2). Further analysis revealed that the country's assets abroad declined to US$924.20 million in Q3, 2010 with corresponding liabilities increasing to US$2,779.50 million during the period under review. The decline in investment abroad is a reflection of the continued depletion of Nigeria's external reserves which constitute over 95 .0 percent of the aggregate investment abroad.



FDI and Portfolio Inflows

- **FDI and Portfolio Inflows:**

Foreign direct investment (FDI) and portfolio investment (PI) inflows were both estimated to have increased in Q3, 2010, when compared with the levels recorded in Q2, 2010. As shown in Table 1, FDI and PI increased respectively from US$959.83 million and US$657.49 million in Q2, 2010 to US$ 1,185.04 million and US$716.32 million in Q3, 2010 (Chart 3). The observed increases in inward foreign investment was attributable to the renewed confidence in the Nigerian economy induced by calmness in the Niger-Delta region, improved macroeconomic environment and the on-going reforms in the financial sector as well as government commitment to tackle the challenge of power infrastructure inadequacy which had been a major constraint to the growth of the real sector.

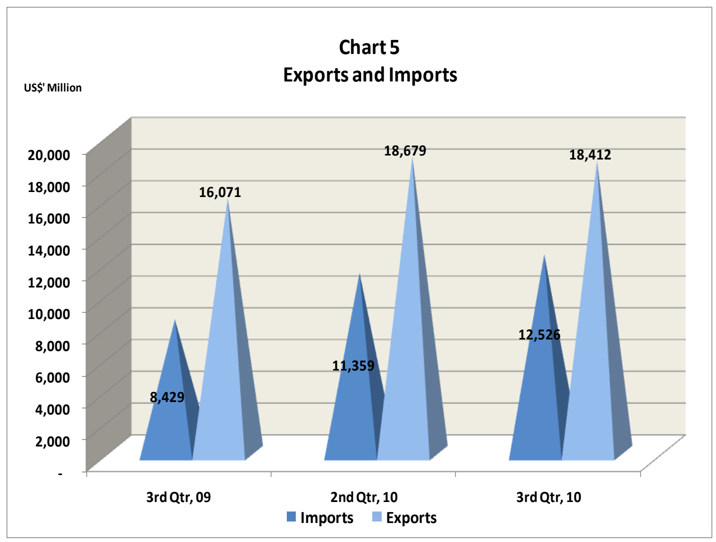


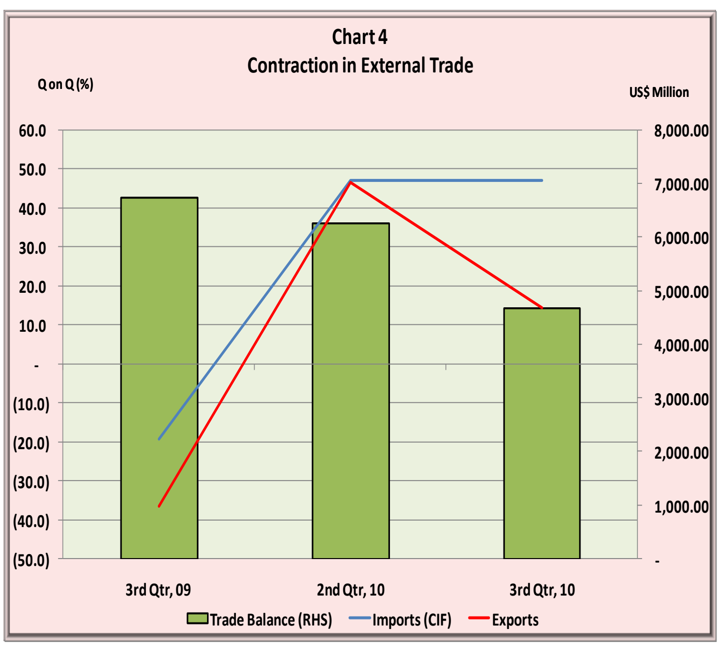
External Trade Position

- **External Trade**

Available data (Table1) revealed that Nigeria's trade surplus declined in Q3, 2010 following sustained expansion in merchandise imports (CIF) (Chart 4 and Table 2). Nigeria's imports (CIF) rose from US$12,408.90 million in Q2, 2010 to US$13,738.74 million during the review period. This resulted in contraction in external trade balance from US$6,270.28 million to US$4,673.59 million. Estimated growth in exports (FOB) fell from 46.8 per cent in Q2, 2010 to 14.6 per cent in Q3, 2010. Imports growth also decreased, albeit slightly, during the period under review from 47.3 per cent in Q2, 2010 to 47.2 per cent in Q3, 2010.

Further analysis revealed that aggregate exports (FOB) and imports (FOB) which stood at US$18,679.18 and US$11,358.65 million, respectively in Q2, 2010 adjusted to US$18,412.33 and US$12,525.91million in Q3, 2010, indicating a decline of 1.4 per cent, and an increase of 10.3 per cent, respectively.

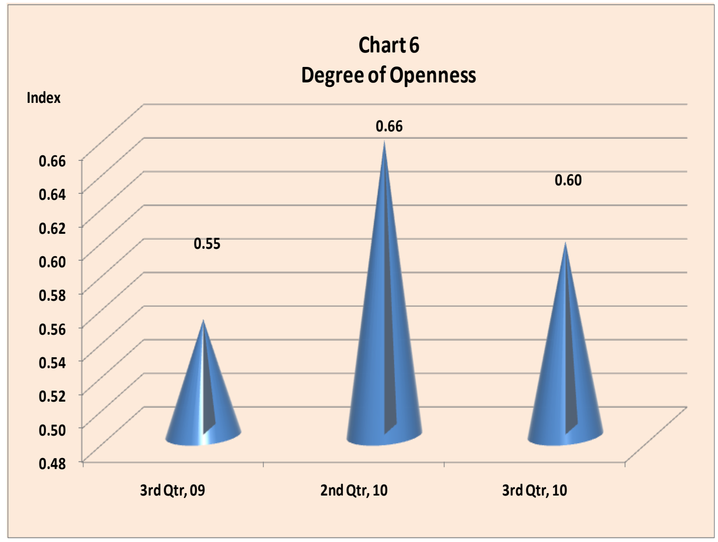




Integration to the Global Economy

- **Integration to the Global Economy:**

The degree of openness, recorded by the share of Nigeria's total external trade to gross domestic products (GDP) declined marginally, from 66.0 percent recorded in the preceding quarter to 60.0 percent attained in the period under review. Other indicators such as trade balance as a percentage of GDP, total foreign exchange flows as a percentage of GDP, exports as a percentage of GDP and net foreign exchange flows as a percentage of GDP, also declined from their Q2, 2010 levels, indicating the tragic integration of the Nigerian economy into global economy. This implies that the productive base of the economy has to be enhanced to be fully integrated into the global economy. This will entail shifting forward the production frontier through appropriate technology, sound economic management and fast tracking the rehabilitation of the decayed infrastructure in order to drastically bring down the cost of doing business in Nigeria.

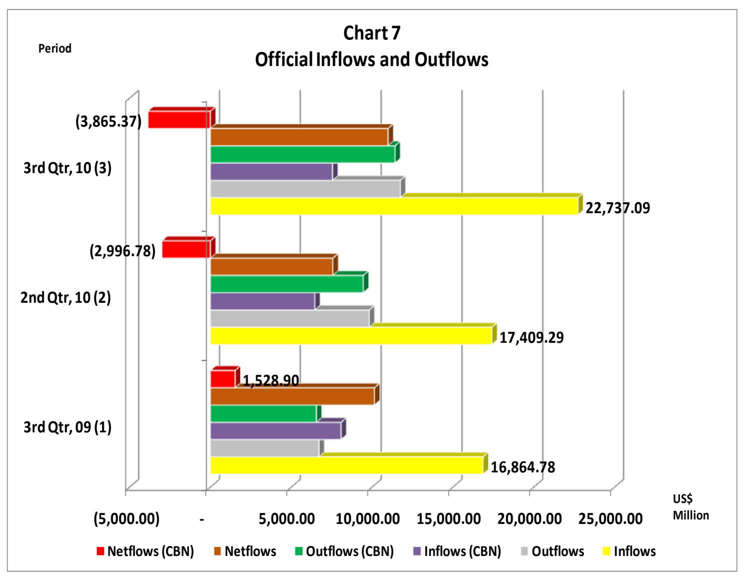


Foreign Exchange Flows Through The CBN

- . **Inflow and Outflow**

Available statistics (Table 4) indicated that foreign exchange inflows through the economy in Q3, 2010, stood at US$22,737.09 million compared with US$17,409.29 million recorded in Q2, 2010, representing an increase of 30.6 per cent. The inflows were largely dominated by receipts from autonomous source.

On the other hand, total outflows during the period under review amounted to US$11,745.81 million, showing an increase of 19.47 per cent above the level in the preceding quarter. Consequently, a net inflow position of US$10,991.28 million was recorded in Q3, 2010 compared with the US$7,578.06 million in Q2, 2010. This is graphically depicted in Chart 7. The increase in net inflows during Q3, 2010 was induced by the positive trade shock largely occasioned by the increase in average crude oil prices from US$ 79.5 per barrel in Q2,2010 to US$84.3 per barrel in Q3, 2010.

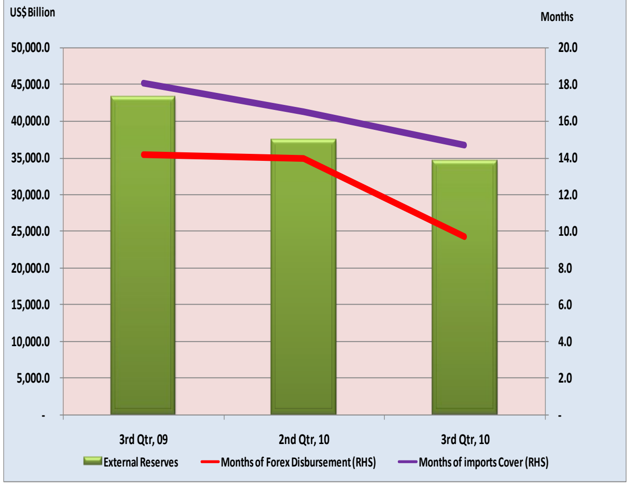


External Reserves

- **External Reserves:**

The stock of external reserves as at end September, 2010 stood at US$34, 589.0 million. This level of reserves could finance 9.7 months of foreign exchange disbursements and 14.7 months of imports cover. This contrasted with the preceding period, where the level of reserves could finance 13.9 months of foreign exchange disbursements and 16.5 months of imports cover. (Chart 8). The continued depletion of external reserves indicated by the reduction in both months of foreign exchange disbursements and imports cover suggest the need for proactive foreign exchange management policy as well as sound and robust fiscal management which may include a review of trade policy instruments, withdrawal of subsidies and a sharp reduction in government recurrent expenditure.

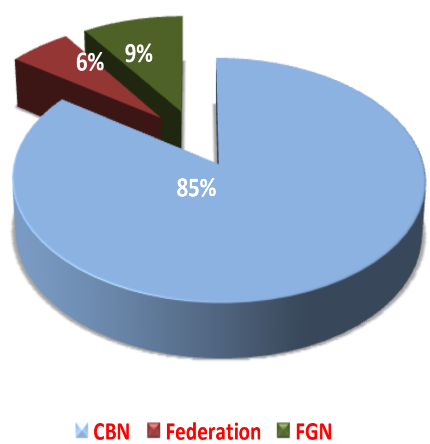
Chart 8
External Reserves, Months of Foreign Exchange Disbursement and Imports Cover



- **Holdings of External Reserves**

Analysis of the data on the holdings of external reserves revealed that the share of the CBN was 85.0 per cent of total reserves while the shares of the Federation and Federal government were 9.0 and 6.0 percent, respectively.

Chart 9
Holdings of External Reserves as at end-September 2010

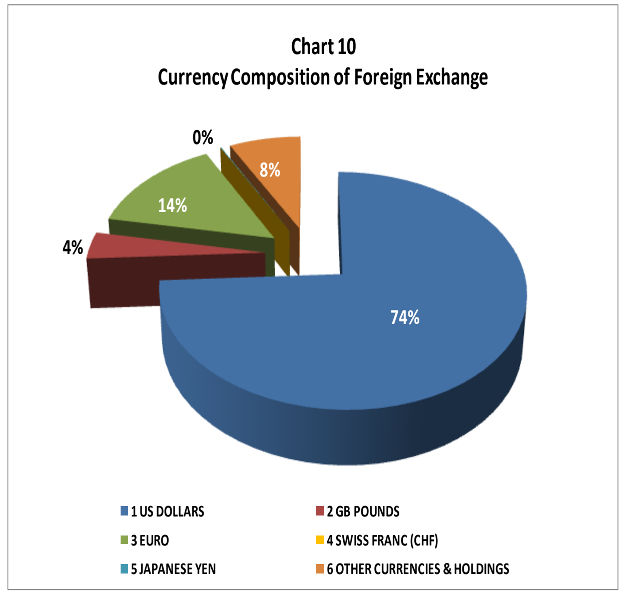


US Dollar Denominated Investments Dominate

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) showed that total external reserves stood at US$34,589.0 million during the period under review, representing declines of 8.3 and 25.3 per cent, when compared with the levels recorded in the preceding quarter and corresponding quarters of 2009, respectively. Though, holdings of foreign reserves in US dollar in the review period constituted 74.2 per cent of the total foreign reserves holdings, it declined from US29,367.4 million in Q2, 2010 to US$25,649.7 million in Q3, 2010. The Swiss franc (CHF) on the other hand, registered the least holdings of 0.01 per cent of total. The volume of Japanese Yen in total reserves increased from US$22.9 million in Q2,2010 to US$29.8 million during the review period. It was also higher than US$16.5 million recorded in the corresponding quarter of 2009 (Table 5). The continued domination of US dollar investment has exposed Nigerian investment abroad to currency, country and exchange rate risks which implies that an adverse development in US dollar investment market portends a serious danger to the Nigerian economy.



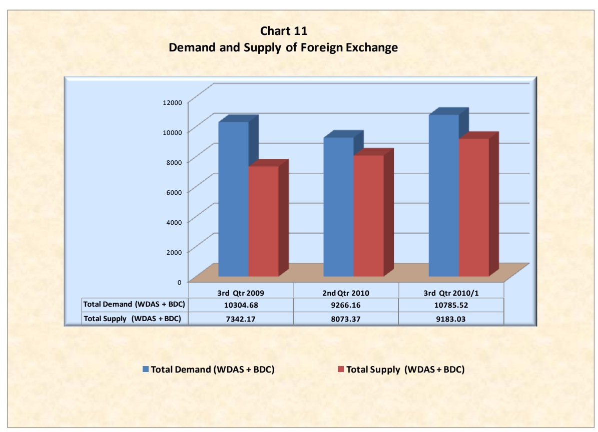
Demand and Supply of Foreign Exchange

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$10,785.52 million, representing increases of 16.4 percent and 4.7 per cent in comparison with the levels recorded in the preceding quarter and corresponding quarters of 2009, respectively.

A total amount of US$9,183.03 million was supplied in Q3, 2010, consisting of US$7,377.26 million and US$1,805.77 million to the WDAS and BDC operators, respectively (Table 6 and Chart 11). Consequently, a demand gap of US$ 1,601.49 million was recorded in Q3, 2010 suggesting the existence of market disequilibrium which requires proactive exchange rate management to correct distortions in the foreign exchange market.

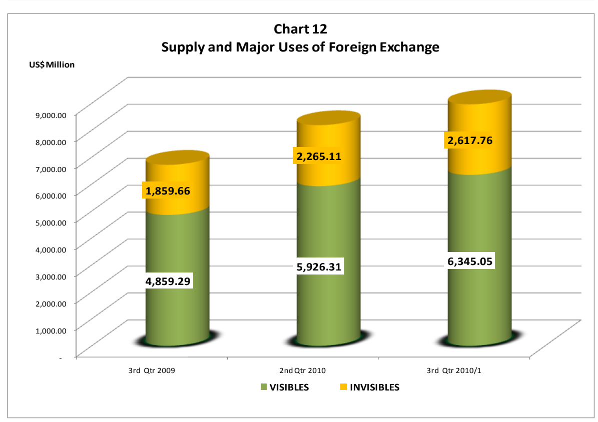


Sectoral Utilization of Foreign Exchange for Oil Sector Imports dominated

- **Major Uses of Foreign Exchange**

The aggregate supply of foreign exchange for visible and invisible trade during the period under review stood at US$8,962.81 million. This represents an increase of 9.42 and 33.40 per cent over the levels recorded in preceding quarter and the corresponding quarters, respectively.

The total amount supplied in Q3, 2010, consisted of US$6,345.05 million and US$2,617.76 million for visible and invisible trades, representing 71 and 29 per cent, respectively. This domination by visible trade existed during the three quarters analyzed (Table 4 and Chart 13).



Sectoral Utilization of Foreign Exchange

- **Sectoral Utilization of Foreign Exchange**

Analysis of foreign exchange utilization by sectors revealed that US$6,345.05 million was spent on the importation of various items into the country in Q3, 2010, and represented 71 per cent of the total foreign exchange utilized during the period. This represented increase of 7.07 and 30.58 per cent in comparison with the levels recorded in the preceding quarter and the corresponding quarter of 2009 respectively. As shown in Chart 13a, the importation of industrial, oil, food, and manufactured products sectors gulped 26.1, 26.1, 19.4 and 19.0 per cent of the total amount utilized for imports, respectively (Table 7).

In Q3, 2010, the major components that gulped the sum of US$2,617.76 million of foreign exchange expended on invisible items included financial, business and transport services constituted 70.1, 13.3 and 8.9 per cent, respectively (Chart 13b). However, a comparison of the total amount supplied (US$9,183.09 million) and the amount utilized (US$ 8,962.81 million) showed an unaccounted balance of US$220.22 million, suggesting a possibility of capital flight. This may require setting up of an inter-developmental committee to monitor on a regular basis, the utilization of foreign exchange for the purpose for which they were procured. This would help to check capital flight. There is also need for the CBN to strengthen its collaboration with security agencies such as NDLEA, EFCC, Nigerian Customs Service (NCS) and the Nigerian Immigration Service.

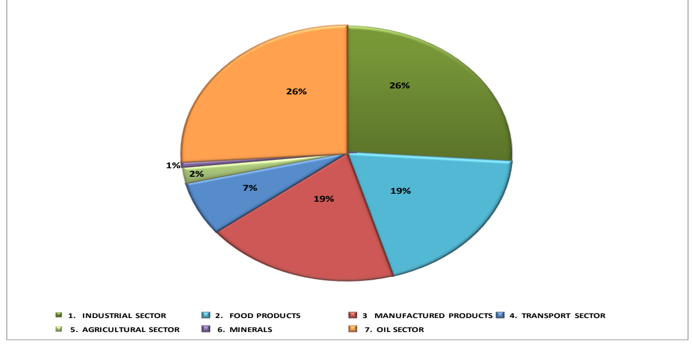


Chart 13a
Sectoral Utilisation of Foreign Exchange: Imports (US$'Million)

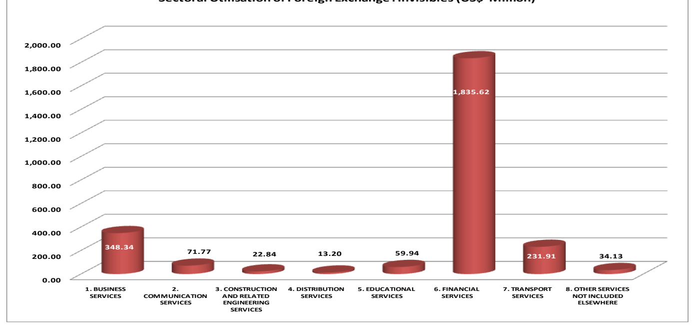


Chart 13b
Sectoral Utilisation of Foreign Exchange : Invisibles (US$' Million)

Movements in Official and BDC Exchange Rates

- **Official and BDC Rates**

In the third quarter of 2010, the average official exchange rate depreciated marginally, as the naira exchanged at N150.5 as against N150.1 to the US$ recorded in Q2, 2010. However, at the bureau-de-change (BDC) segment of the market, the naira exchanged at N152.8 to the US dollar in Q3, 2010, as against N153.0 in Q2, 2010 (Table 8). Consequently, the BDC premium narrowed.

- **Inter-bank Rate**

During the period under review, the inter-bank market average exchange rate stood at N151.2 as against N151.0 and N152.8 in Q2, 2010 and Q3, 2009, respectively. The movement in the inter-bank rate was in tandem with the behavior of the exchange rate movement at the official segment of the foreign exchange market.

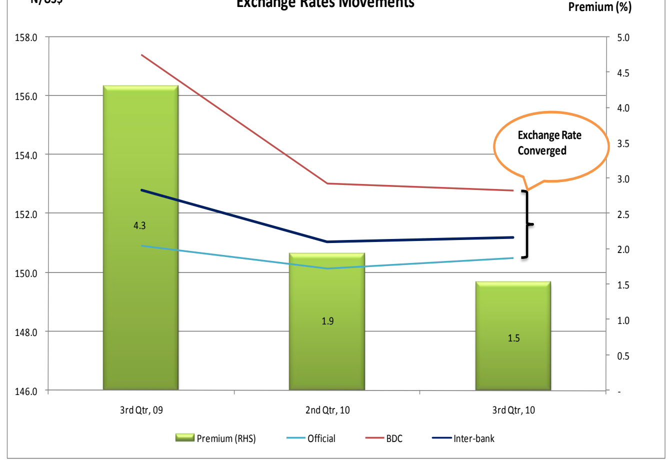
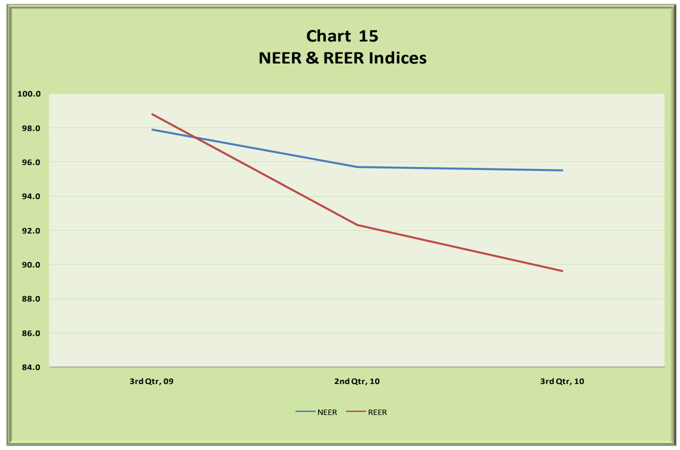


Chart 14
Exchange Rates Movements

- **NEER and REER**

The nominal effective exchange rate (NEER) index of the naira declined by 20 basis points from 95.7 in Q2, 2010 to 95.5 (2009=100) in Q3, 2010. In the case of the real effective exchange rate (REER), there was also a decline from 92.3 to 89.6 (Table 9 and Chart 15). The decline in NEER and REER indicate the relative weakness of Naira to the US Dollar suggesting improvement in the external competitiveness and this may further boost the growth of non-oil exports.



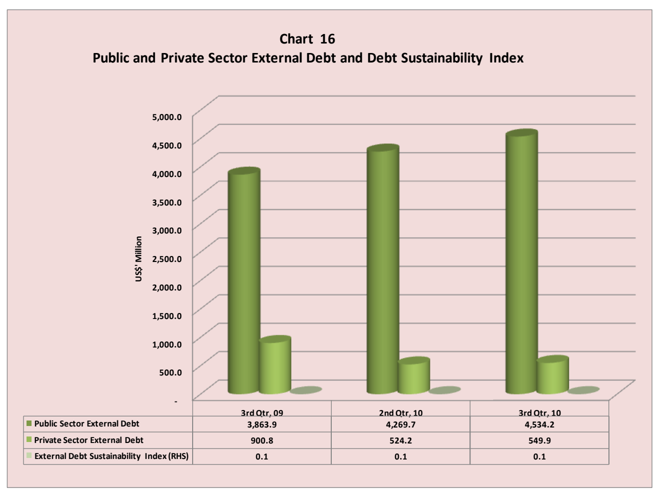
External Debt Sustainability Index

- **Public Sector External Debt**

The external debt sustainability index, computed as the ratio of external debt to nominal GDP remained unchanged at 0.1 during the period under review. The public sector external debt increased from US$3.9 billion in Q3, 2009 to US$4.3 billion in Q3, 2010, signifying the contraction of new debt. However, even with this development, public sector external debt remain sustainable, as a result of the overwhelming impact of the growth in nominal GDP. The rising external debt, however, suggest the need to ensure that the newly contracted loans were expended on self repaying capital projects to avoid falling into the debt crisis experienced by the country in the 80's to early 2000's.

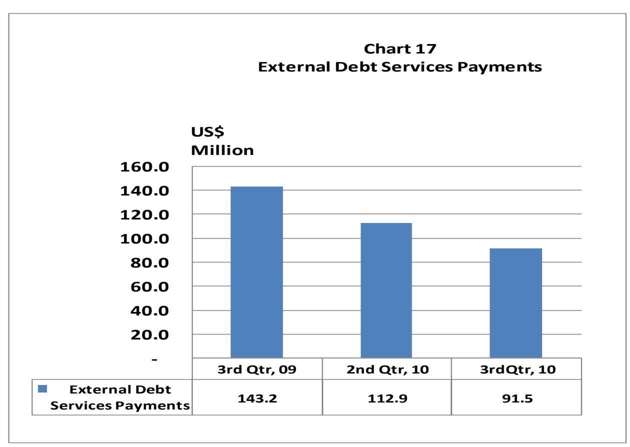
- **Private Sector External Debt**

The private sector external debt as at end-September, 2010 stood at US$549.9 billion, compared with US$.524.2 billion in Q2, 2010 and US$900.8 billion in Q3, 2009. This class of debt represented debt drawn within the review period only (Chart 16).



- **Debt Service Payments**

Available data showed that public sector debt service payments declined from US$112.9 million in Q2, 2010 to US$91.5 million in Q3, 2010 (Chart 17).



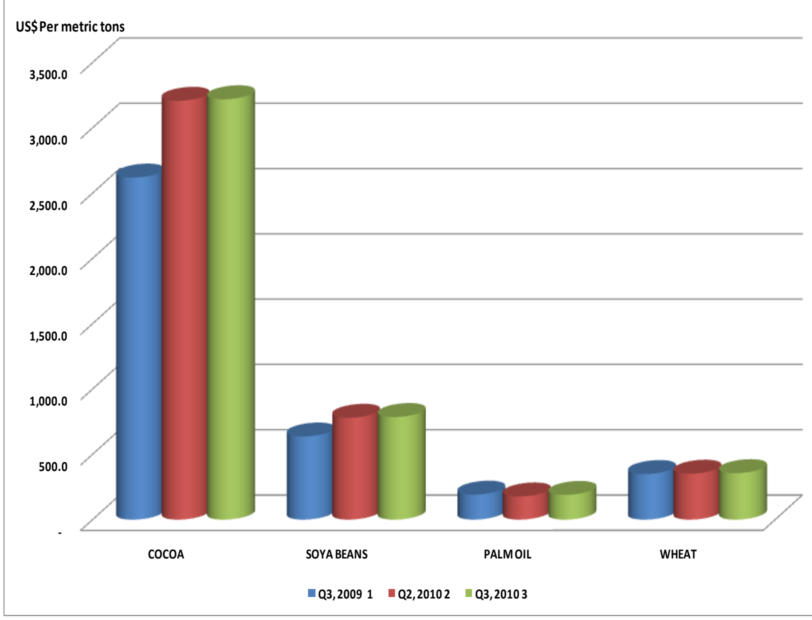
Global Commodity Prices

Agricultural Commodity Prices

The International prices of the agricultural commodities monitored during the period under review displayed mixed developments, when compared with the levels recorded in the preceding quarter and the corresponding quarters of 2009. For instance, while the price per metric ton of cocoa stood at US$3,206.98 in Q2, 2010, it increased to US$3,218.76 in Q3, 2010, representing an increase of 22.9 per cent. In comparison with the corresponding quarter of 2009, an increase of 0.4 per cent was observed (Table 10).

The price per metric ton of palm oil, which stood at US$785.61 in Q3, 2010, recorded increases of 23.4 and 0.7 per cent in relation to Q2,2010 and Q3, 2009, respectively. In a contrasting development, wheat recorded a price decline of 1.0 percent and an increase of 6.7 per cent in the period under review, when compared with the preceding quarter and the corresponding quarter of 2009, respectively (Chart 18).

Chart 18
International Agricultural Commodity Prices



-**<u>Crude oil Prices:</u>**

In the quarter under review, the price of Bonny Light crude oil recorded a slight fall from US$79.54, in Q2 2010, to US$78.43 in Q3, 2010. This represented a percentage change of –1.4%. The Brent crude oil traded for US$80.80 in quarter 3 as against US$75.5 in quarter 2 2010 an increase of 7.02 percent.

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

	3rd Qtr, 2009 /2	4th Qtr, 2009/2	1st Qtr, 2010/2	2nd Qtr, 2010 /2	3rd Qtr, 2010 /1
CURRENT ACCOUNT	5,371.36	9,455.37	2,115.04	3,614.92	1,359.75
Goods	7,641.10	12,147.57	5,731.37	7,320.53	5,886.43
Exports	16,070.53	20,057.77	18,457.89	18,679.18	18,412.33
Crude Oil & Gas	15,685.60	19,395.44	17,723.71	18,032.50	17,892.41
Non-Oil	384.94	662.33	734.18	646.68	519.93
Imports	-8,429.44	-7,910.21	-12,726.52	-11,358.65	-12,525.91
Crude Oil & Gas	-1,981.04	-2,111.22	-2,874.08	-2,293.97	-2,028.11
Non-Oil	-6,448.40	-5,798.99	-9,852.44	-9,064.68	-10,497.79
Services (net)	-4,097.57	-5,798.99	-4,364.35	-3,848.77	-4,789.93
Income (net)	-2,742.35	-3,435.53	-3,837.53	-3,850.40	-3,816.40
Current transfers (net)	4,570.18	4,934.53	4,585.55	3,993.56	4,079.65
CAPITAL & FINANCIAL ACCOUNT	3,099.00	1,425.16	1,758.71	3,901.71	3,703.70
Capital Account (net)	0	0	0	0	0
Financial Account (net)	3,099.00	1,425.16	1,758.71	3,901.71	3,703.70
Assets	-2,168.44	-525.82	-138.50	2,728.32	924.20
Direct Investment Abroad	-4.98	-68.36	-55.20	26.28	-49.52
Portfolio Investment Abroad	-178.13	-240.87	-326.48	-306.18	-34.13
Other Investment	-2,104.73	-1,177.43	-1472.28	-1,90.37	-1,871.59
Reserves Assets	119.41	960.84	1,715.46	3,198.59	2,879.43
Liabilities	5,267.44	1,950.99	1,897.21	1,173.39	2,779.50
Direct Investment Inflows	1,180.11	1,569.65	835.04	959.83	1,185.05
Portfolio Investment Inflows	389.13	314.62	854.93	657.49	716,32
Other Investment Liabilities	3,698.19	66.72	207.25	-443.93	878.14
Net Errors & Omission	**-8,470.36**	**-10,880.53**	**-3,873.75**	**-7,516.63**	**-5,063.45**
Memorandum Items					
Trade Balance	6,739.04	11,348.12	4,658.09	6,270.28	4,673.59
Current Account Balance as % of GDP	11.90	20.64	5.04	7.89	2.62
Capital & Financial Accounts as % of GDP	6.86	3.11	4.19	8.51	7.12
Overall Balance as % of GDP	-5.60	-2.10	-4.09	-6.98	-5.54
Imports (CIF)	9,331.49	8,709.65	13,799.80	12,408.90	13,738.74
External Reserves– Stock (US$' Million)	43,343.33	42,382.49	40.667.03	37,468.44	34,589.01
Number of Months of Imports Cover	18.1	17.9	15.9	16.5	14.7
No. of Months of Foreign Exchange Disbursements	14.2	15.1	10.5	13.9	9.7
Public External Debt Stock (US$' Million)	3,863.93	3,947.30	4,306.18	4,269.71	4,269.71
Private External Debt (US$ Million)	900.83	593.93	500.74	524.19	549.94
Effective Central Exchange Rate (N/$)	147.99	147.27	148.70	148.89	149.21
End-Period Exchange Rate (N/$)	148.79	149.58	149.58	149.99	151.35
Average price of crude (Bonny Light)	70.22	75.11	80.27	75.79	79.45

1/Provisional 2/ Revised

Table 2: External Trade Position

	Imports (CIF) % (Q on Q)	Export (FOB) % (Q on Q)	Trade Balance (US$ million)
3rdQtr, 2009	-19.2	-36.5	6.739
2nd Qtr, 2010	47.3	46.8	6,270
3rd Qtr, 2010	47.2	14.6	4,674

Source: Statistics Dept. CBN

Table 3: Measures of Openness

	3rd Qtr, 2009	2nd Qtr, 2010	3rd Qtr, 2010
Total trade as % 0f GDP	12.1	7.9	2.6
Trade balance as % of GDP	15.2	13.8	8.8
Imports as % of GDP	-19.0	-25.0	-23.7
Export % of GDP	36.2	41.1	34.8
Total forex flows % of GDP	38.0	38.3	43.0
Net flows as % of GDP	22.8	16.7	20.8

Source: Statistics Dept. CBN

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

	3rd Qtr, 2009 (1)	2nd Qtr, 2010 (2)	3rd Qtr, 2010 (3)	Percentage Change (1) & (3)	Percentage Change (2) & (3)
Inflows	16,864.78	17,409.29	22,737.09	34.8	30.6
Inflows through CBN	8,082.92	6,460.95	7,555.98	-6.51	16.96
Inflows through Autonomous Sources	8,781.82	10,948.34	15,180.11	72.9	38.65
Outflows	6,716.66	9,831.23	11,745.81	74.9	19.47
Outflows through CBN	6,554.06	9,457.73	11,422.35	74.3	20.8
Outflows through Autonomous Sources	162.60	373.50	323.46	98.9	-13.40
Net Flows through CBN	1,528.90	-2,996.78	-3,865.37	-81	-4
Net Flows	10,148.12	7,578.06	10,991.28	8.31	45.0

Source: Reserves Management Dept., CBN

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

Currencies	3rd Qtr, 2009	2nd Qtr, 2010	3rd Qtr, 2010	Share of Total
US Dollar	34,784,320,131.36	29,367,378,969.52	25, 649, 652, 372.54	74.16
GB Pounds	1, 372,908,732.39	1,266,748,119.25	1, 323, 719, 017.85	3.82
Euro	4, 716,711,917.96	4,324,217,142.94	4, 969, 217, 674.97	14.37
Swiss Franc (CHF)	3, 241,396.24	2,068,203.85	2, 293, 303.43	0.006
Japanese Yen	16,476,336.54	22,857,857.42	29, 842, 276.50	0.08
Other Currency Holdings	2,449,669,537.92	2,485,174,585.47	2, 614, 283, 856.44	7.56
Total	43, 343,330,052.41	37,468,444,880.45	34, 589, 008, 503.73	100

Source: Reserves Management Dept., CBN

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

	3rd Qtr, 2009 (1)	2nd Qtr, 2010 (2)	3rd Qtr, 2010 (3)	(1) & (3)	(2) & (3)
WDAS Demand	9.188.40	8,025.28	8,979.75	-2.27	11.89
BDC Demand	1,116.28	1,240.88	1,805.77	61.77	45.52
Total Demand	**10,304.68**	**9,266.16**	**10,785.52**	4.67	16.40
Supply to WDAS	6,225.89	6832.49	7,377.26	18.49	7.97
Supply to BDC	1,116.28	1240.88	1,805.77	61.77	45.52
Total Supply	7,342.17	8,073.37	9,183.03	25.07	13.74

Source: Financial Market Dept. , CBN

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

	3rd Qtr 2009	2nd Qtr 2010	3rd Qtr 2010/1	Share of Total	Percentage Change Between	
	(1)	(2)	(3)		(1) &(3)	2&3
A. VISIBLE	**4,859,289,240.09**	**5,926,305,511.43**	**6,345,047,332.22**	**100.00**	**30.58**	**7.07**
INDUSTRIAL SECTOR	1,319,164,449.65	1,423,811,069.87	1,656,886,582.15	**26.1**	**25.60**	**16.37**
FOOD PRODUCTS	856,481,554.95	1,099,630,301.12	1,230,388,408.99	**19.4**	**43.66**	**11.89**
MANUFACTURED PRODUCTS	1,408,139,545.91	1,392,995,364.41	1,204,374,259.72	**19.0**	**-14.47**	- **13.54**
TRANSPORT SECTOR	359,068,449.59	355,077,144.90	424,836,955.14	**6.7**	**18.32**	**19.65**
AGRICULTURAL SECTOR	92,119,694.83	47,654,357.35	134,344,887.37	**2.1**	**45.84**	**181.92**
MINERALS	42,920,301.70	55,378,929.40	40,235,549.29	**0.6**	**-6.26**	- **27.35**
OIL SECTOR	781,395,243.46	1,551,758,344.38	1,653,980,689.56	**26.1**	**111.67**	**6.59**
B. INVISIBLE	**1,859,660,437.94**	**2,265,109,998.12**	**2,617,766,325.93**	**100.00**	**40.77**	**15.57**
1. BUSINESS SERVICES	446,010,883.25	391,293,703.24	348,344,318.79	13.3	**-21.90**	- **10.98**
2. COMMUNICATION SERVICES	22,547,640.56	43,785,787.16	71,774,039.72	2.7	**218.32**	**63.92**
3. CONSTRUCTION AND RELATED ENGINEERING SERVICES	19,140,502.38	29,881,481.03	22,842,145.30	0.9	**19.34**	- **23.56**
4. DISTRIBUTION SERVICES	10,592,782.69	15,527,038.70	13,203,172.32	0.5	**24.64**	- **14.97**
5. EDUCATIONAL SERVICES	87,909,589.77	26,137,792.47	59,940,444.38	2.3	**-31.82**	**129.32**
6. ENVIRONMENTAL SERVICES	133245.78	-	26267.87	0.0		
7. FINANCIAL SERVICES	1,033,043,889.64	1,527,090,496.02	1,835,619,384.77	70.1	**77.69**	**20.20**
8. HEALTH RELATED AND SOCIAL SERVICES	727,671.01	272,948.48	182,460.67	0.0	**-74.93**	- **33.15**
9. TOURISM AND TRAVEL RELATED SERVICES	441,530.89	30,882,023.59	15,503,962.57	0.6	**3411.41**	- **49.80**
10. RECREATIONAL, CULTURAL AND SPORTING SERVICES	93,238.37	16,300.00	7,148.00	0.0	**-92.33**	- **56.15**
11. TRANSPORT SERVICES	202,187,653.26	187,485,210.65	231,914,895.98	8.9	**14.70**	**23.70**
12. OTHER SERVICES NOT INCLUDED ELSEWHERE	36,831,810.34	12,737,216.78	18,408,085.56	0.7	**-50.02**	**44.52**
TOTAL (A+B)	**6,718,949,678.03**	**8,191,415,509.55**	**8,962,813,658.15**		**33.40**	**9.42**

/1 Provisional

Source: Trade and Exchange Department, CBN

Table 8: Average Exchange Rates

	3rd Qtr, 2009	2nd Qtr, 2010	3rd Qtr, 2010	Apprecia-tion/depreciation
Official Exchange Rate (WDAS) (N/US$ 1.00)	150.9	150.13	150.5	-0.27
Inter-Bank Rate (N / US$ 1.00)	152.8	151.05	151.2	-0.13
Bureau de Change Rate (BDC) (N/US$ 1.00)	157.4	153.04	152.8	0.13
Premium (%)	4.3	1.94	1.5	

Table 9 NEER and REER Indices (Nov. 2009=100)

	3rd Qtr, 2009	2nd Qtr, 2010	3rd Qtr, 2010
NEER	97.9	95.7	95.5
REER	98.8	92.3	89.6

Source: Statistics Department, CBN

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

	3rd Qtr, 2009 (1)	2nd Qtr, 2010 (3)	3rd Qtr, 2010 (3)	% Chg (1) & (3)	% Chg (2) & (3)
Cocoa	2,619.12	3,206.98	3,218.76	0.4	22.9
Palm Oil	636.42	779.78	785.61	0.7	23.4
Wheat	191.09	177.38	189.18	6.7	-1.0
Soya Beans	349.05	351.73	355.69	11	1.9

Source: International Cocoa Organization/International Monetary Fund