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CENTRAL BANK OF NIGERIA

QUARTERLY ECONOMIC REPORT

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1.0 Summary

Provisional data from the National Bureau of Statistics (NBS) indicated that overall Gross Domestic Product (GDP) at 1990 constant basic prices grew by 6.4 per cent in 2008. Staff estimate for GDP growth in the first quarter of 2009 was put at 6.3 per cent, compared with 5.7 per cent in the corresponding quarter of 2008. The projected growth was driven mainly by the non-oil sector, particularly agriculture which constituted 35.8 per cent of total GDP and contributed 2.2 percentage points to the growth in real GDP in the quarter. Broad money (M_2) and narrow money (M_1) contracted by 1.9 and 3.9 per cent, respectively, relative to the preceding quarter. The decline in M_2 was attributed largely to the fall in foreign assets (net) of the banking system.

Available data indicated a general increase in banks' deposit and lending rates in the first quarter, 2009. The spread between the weighted average term deposit and maximum lending rates widened from 8.13 percentage points in the preceding quarter to 9.97 percentage points. The margin between the average savings deposit and maximum lending rates, also, widened from 16.62 to 19.33 percentage points during the period. The weighted average inter-bank call rate rose to 15.79 per cent from 14.01 per cent in the preceding quarter, reflecting the liquidity condition in the inter-bank funds market.

The value of money market assets outstanding rose by 5.5 per cent over the level in the preceding quarter to =N=2,996.8 billion in March 2009. The increase was attributed largely to the rise in outstanding FGN bonds and Bankers' Acceptances (BAs). Activities on the Nigerian Stock Exchange were bearish as all the major market indicators trended downward.

Total federally-collected revenue in the first quarter, 2009 stood at =N=1,183.72 billion, representing a decline of 10.8 and 31.9 per cent from the proportionate budget estimate and the preceding quarter's level. At =N=842.26 billion, oil receipts constituted 71.2 per cent of the total revenue representing an increase of 8.2 per cent over the budget estimate, but a decline of 39.5 per cent from the level in the preceding quarter. The fall in oil receipts relative to the budget estimate was attributed to the decline in crude oil and gas sales as well as petroleum profit tax and royalties. Non-oil receipts, at =N=341.46 billion or 28.9 per cent of the total, was lower than the receipts in the preceding quarter and the budget estimate by 1.6 and 37.7 per cent, respectively. The decline in non-oil receipts relative to the preceding quarter was attributed to the fall in independent revenue of the Federal Government, Customs and Excise Duties, Companies Income Tax (CIT), Customs Special levies and Value-Added-Tax. Federal Government retained revenue for the first quarter, 2009 was =N=747.37 billion, while total expenditure was =N=747.86 billion. Thus, the fiscal operations of the Federal Government resulted in an estimated overall deficit of =N=0.49 billion, compared with the budgeted deficit of =N=140.80 billion and =N=55.86 in

Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at 1.68 million barrels per day (mbd) or 151.20 million barrels for the quarter. Crude oil export was estimated at 1.23 mbd or 110.70 million barrels for the quarter, while deliveries to the refineries for domestic consumption remained at 0.445 mbd or 40.05 million barrels. The average price of Nigeria's reference crude, the Bonny Light (37^0 API), estimated at US$46.15 per barrel, fell by 23.0 per cent from the level in the preceding quarter. The end-period inflation rate for the first quarter, 2009, on a year-on-year basis, was 14.4 per cent, compared with 15.1 and 7.8 per cent recorded at the end of the preceding quarter and the corresponding quarter 2008, respectively. Inflation rate on a twelve-month moving average basis for the first quarter, was 13.1 per cent, compared with 11.6 and 5.8 per cent recorded in the preceding quarter and the corresponding quarter, 2008, respectively.

Foreign exchange inflow and outflow through the Central Bank of Nigeria (CBN) amounted to US$5.72 billion and US$11.26 billion, respectively, resulting in a net outflow of US$5.53 billion during the quarter. Foreign exchange sales by the CBN to the authorized dealers amounted to US$7.57 billion in the review quarter. The weighted average exchange rate of the Naira vis-à-vis the US dollar, depreciated by 17.0 per cent to =N=146.86 per dollar at the RDAS. In the bureaux de change segment of the market, the naira also depreciated from =N=125.25 per dollar to =N=160.37 per dollar. Non-oil export earnings by Nigerian exporters amounted to US$258.98 million, indicating an increase of 2.0 per cent over the level in the preceding quarter. The development was attributed largely to the increase in the prices of all the commodities traded at the international commodities market during the period.

Other major international economic developments of relevance to the domestic economy during the quarter included: the 2009 Annual Meeting of the World Economic Forum held in Davos-Klosters, Switzerland from January 28 – February 1, 2009 (see January 2009 Report). The bilateral meeting held between the Federal Government of Nigeria and the United Arab Emirates (UAE) in Abuja on January 15, 2009 (see January 2009 Report). the meeting between the Heads of the Multilateral Development Banks (MDBs) and the International Monetary Fund (IMF) held in Tunis, Tunisia, on February 12, 2009 at the invitation of the African Development Bank (see February 2009 Report). The 12th Assembly of the African Heads of State and Government met on February 3, 2009 in Addis Ababa, Ethiopia (see February 2009 Report).

In another development, the International Monetary Fund (IMF) convened a conference in Dar es Salaam, Tanzania from March 10 – 11, 2009. The meeting was a fall out of the severe challenges faced by African economies and the risk that the achievements of the past decade in poverty reduction might be reversed.

Also, the 6th Session of Nigeria-U.S TIFA Council meeting was held in Washington D.C., U.S.A from 30 - 31 March, 2009. The council meeting covered trade and investment issues of concern to Nigeria and U.S.

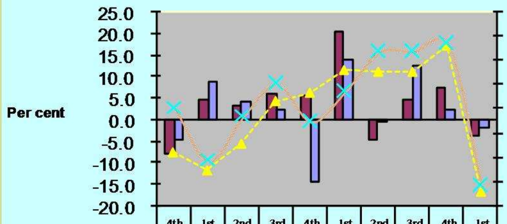
The G-20 Finance Ministers and Central Bank Governors, met on March 14, 2009 to prepare for the Leaders' London Summit. They agreed on further action to restore global growth and support lending, and reforms to strengthen the global financial system.

2.0 FINANCIAL SECTOR DEVELOPMENTS

2.1 Monetary and Credit Developments

Major monetary aggregates fell, while banks' deposit and lending rates increased in the first quarter of 2009. The value of money market assets increased, following largely the rise in outstanding FGN bonds and Nigerian Treasury Bills (NTBs). Transactions on the Nigerian Stock Exchange (NSE) were bearish as the major market indicators trended downward.

Figure 1: Aggreagate Money Supply in Nigeria (Quarterly and Cummulative Growth Rates in Per cent)



	4th Qtr 06	1st Qtr 07	2nd Qtr 07	3rd Qtr 07	4th Qtr 07	1st Qtr 08	2nd Qtr 08	3rd Qtr 08	4th Qtr 08	1st Qtr 09
QM1	-8.1	4.8	3.1	5.8	5.5	20.2	-4.8	4.6	7.4	-3.9
QM2	-4.5	8.8	4.2	2.2	-14.	14.0	-0.6	12.7	2.3	-1.9
CM1	12.2	4.8	15.7	33.2	36.6	45.9	45.2	45.2	55.9	-3.9
CM2	30.6	8.8	27.0	40.8	25.0	37.7	54.1	54.2	57.8	-1.9

Provisional data indicated contraction in monetary aggregates in the first quarter of 2009. Broad money supply (M_2) and narrow money (M_1) fell by 1.9 and 3.9 per cent to =N=8,997.8 billion and =N=4,666.7 billion, respectively, as against the increase of 2.3 and 7.4 per cent in December 2008. The decline in M_2 was attributed to the 5.2 per cent fall in foreign assets (net), reinforced by the 2.6 per cent contraction in credit to the domestic economy (net) (fig. 1 and table 1).

At =N=4,820.8 billion, aggregate banking system credit (net) to the domestic economy declined by 2.6 per cent in the first quarter of 2009, in contrast to the increase of 16.7 per cent in the preceding quarter. The development reflected wholly the 9.6 per cent fall in claims on the Federal Government.

Banking system's credit (net) to the Federal Government declined by 9.6 per cent to negative =N=3,405.6 billion, as against the increase of 3.8 per cent in the preceding quarter. The fall was attributed to the decline in CBN and DMBs' holding of Federal Government securities.

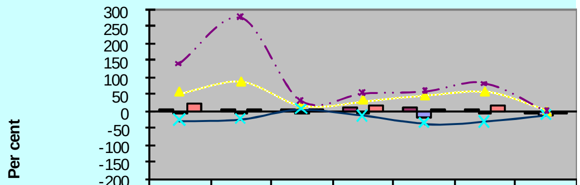
Banking system's credit to the private sector rose by 2.1 per cent to =N=8,226.4 billion, compared with the increase of 7.8 per cent in the preceding quarter. The rise reflected largely the 1.5 per cent increase in bank's claims on the sector (fig 2).

At =N=8,105.3 billion, foreign assets (net) of the banking system fell by 5.2 per cent, in contrast to the increase of 0.3 per cent in the preceding quarter. The development was attributed largely to the 4.3 per cent decline in the CBN's holdings.

Quasi money increased by 0.5 per cent to =N=4,331.1 billion, in contrast to the decline of 2.9 per cent in the preceding quarter. The development was attributed to the rise in all the components namely, time, savings and foreign currency deposits of the deposit money banks (DMBs).

Other assets (net) of the banking system, also, rose by 9.4 per cent to =N=3,928.4 billion, in contrast to the fall of 13.9 per cent in the preceding quarter. The increase reflected largely the decline in unclassified liabilities of the both the CBN and DMBs during the quarter.

Figure 2: Aggregate Domestic Credit to the Economy (Quarterly and Cummulative Growth Rate)



	3rd Qtr 07	4th Qtr 07	1st Qtr 08	2nd Qtr 08	3rd Qtr 08	4th Qtr 08	1st Qtr 09
QCP	7.5	7.3	3.9	13.3	10.4	7.8	2.1
QCG	1.3	-7.8	1.9	-8.6	-19.4	-3.8	-9.6
QAC	23.1	6.9	5.5	16.6	4.4	16.7	-2.6
CCP	58.6	90.8	18	33.6	47.5	59.4	2.1
CCG	-27	-22	5.6	-14.7	-36.9	-31.2	-9.6
CAC	144	276	28.8	50.2	56.8	84.2	-2.6

2.2 Currency-in-circulation and Deposits at the CBN

At =N=1,037.8 billion, currency in circulation rose by 1.3 per cent in March, 2009 over the level in December, 2008. The rise was attributed largely to the increase of 11.7 per cent in vault cash during the period.

Total deposits at the CBN amounted to =N=5,686.2 billion, indicating a decline of 3.2 per cent from the level in the preceding quarter. The development was attributed largely to the fall in Federal Government deposits. The shares of the Federal Government, banks and “others” in total deposits at the CBN were 89.0, 6.1 and 4.9 per cent, respectively, compared with the shares of 88.0, 6.7 and 5.3 per cent, in December 2008.

2.3 Interest Rate Developments

Available data indicated a general increase in banks’ deposit and lending rates in the first quarter of 2009. With the exception of the average savings and 7-day deposit rates, which declined by 0.26 and 0.09 percentage points to 2.91 and 6.97 per cent, respectively, all other rates on deposits of various maturities rose from a range of 12.10 – 12.76 per cent in the preceding quarter to 12.85 – 13.58 per cent. Similarly, the average prime and maximum lending rates rose by 2.31 and 2.45 percentage points to 18.34 and 22.24 per cent, respectively. Consequently, the spread between the weighted average term deposit and maximum lending rates widened from 8.13 percentage points in the preceding quarter to 9.97 percentage points. The margin between the average savings deposit and maximum lending rates, also, widened from 16.62 percentage points in the preceding quarter to 19.33 percentage points.

At the inter-bank call segment, the weighted average rate, which was 14.01 per cent in the preceding quarter, rose to 15.79 per cent, reflecting the liquidity squeeze in the inter-bank funds market. The weighted average rate for the Open Buy Back (OBB), however, fell to 7.89 per cent from 9.31 per cent in the preceding quarter. With regards to the Nigerian Inter-bank Offer Rate (NIBOR), the 7-day and 30-day tenors, rose respectively to 16.14 and 17.30 per cent from 14.90 and 16.49 per cent in the preceding quarter. With inflation rate at 14.4 per cent at end-March, all deposit rates were negative in real terms.

2.4 Money Market Developments

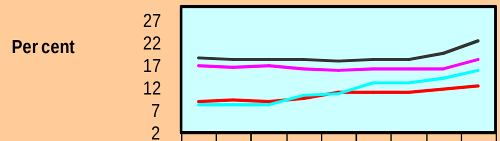
Provisional data indicated that the value of money market assets outstanding as at March 2009 was =N=2,996.8 billion, representing an increase of 5.5 per cent over the level at end-December 2008. The increase was attributed largely to the 8.8 and 21.8 per cent increase in outstanding FGN bonds and Nigerian Treasury Bills (NTBs), respectively.

Analysis of the money market during the first quarter showed a slow down in the level of activities at the secondary market. The liquidity squeeze which had confronted the banking system in the last quarter of 2008 persisted in the review quarter.

Consequently, the Bank continued to inject fund into the system through the expanded discount window and the standing lending facility to enable deposit money banks and discount houses even their positions.

Total NTBs that matured in the review quarter was =N=431.54 billion, compared with =N=783.26 billion in the fourth quarter of 2008. Total injections through the government fiscal policy actions and CRR computations fell to =N=902.60 billion from =N=1342.81 billion in the preceding quarter. There was no injection of funds through the purchase of government securities, as the rates were unattractive.

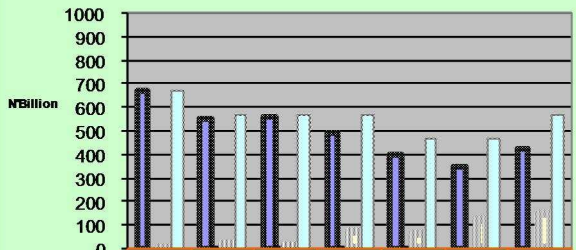
Figure 3: Selected Bank Interest Rates (Per cent Average)



	2nd Qtr 07	3rd Qtr 07	4th Qtr 07	1st Qtr 08	2nd Qtr 08	3rd Qtr 08	3rd Qtr 08	4th Qtr 08	1st Qtr 09
Avg. Term Deposits	8.97	8.99	8.69	9.35	10.78	11.06	11.06	11.67	12.27
Prime	16.92	16.46	16.9	16.05	15.86	15.97	15.97	16.03	18.34
Inter-bank	8.00	8.13	8.25	10.21	10.4	12.83	12.83	14.01	15.79
Maximum	18.74	18.27	18.24	18.17	17.9	18.1	18.1	19.79	22.24

Nigerian Treasury Bills of 91- 182- and 364-day tenors were offered forth-nightly, while the 364-day tenor was offered monthly. The total amount offered and allotted in the first quarter of 2009 were =N=256.58 billion and =N=235.57 billion, respectively while total subscription stood at N608.75 billion. In the fourth quarter of 2008, total subscription and allotment were =N=780.21 billion and =N=256.36 billion, respectively.

Figure 4:Treasury Bills Holdings (N' Billion)



	3rd Qtr 07	4th Qtr 07	1st Qtr 08	2nd Qtr 08	3rd Qtr 08	4th Qtr 08	1st Qtr 09
Banks/D.H	676.9	551.4	559.6	495.3	400.8	352.4	428
CBN	0.7	5.9	3.1	6.3	7.1	0.4	0.8
Others	0.3	17.6	12.2	73.3	64.0	119.1	146.1
Total	677.9	574.9	574.9	574.9	471.9	471.9	574.9

The surge in subscription at the primary market auctions for NTBs was attributable to investors' flight to safety from the stock segment of the capital market to the government securities (FGN Bonds), coupled with the need to maintain their portfolio holding of bills in order to meet regulatory guidelines.

The issue rates for the 91- and 182-day NTBs ranged from 1.898 to 5.100 per cent and 2.55 to 6.00 per cent, respectively in the review period, compared with a range of 5.00 to 9.00 per cent and 5.20 to 9.30 per cent, in the fourth quarter of 2008. The issue rates for the 364-day tenored instrument ranged from 4.75 to 5.98 per cent, compared with the range of 7.65 and 9.30 per cent in the fourth quarter of 2008. Analysis of the issues showed investors' preference for longer tenored bills due mainly to the higher returns as well as the need to hedge against interest rate volatility.

Monthly auctions of FGN Bonds continued as 3-, 5- and 20-year tranches were issued in January and subsequently reopened in February and March 2009, in line with the restructuring of the domestic debt profile to longer tenors. A total of =N=160.00 billion, made up of =N=60.00 billion 3-year Bond, =N=60.00 billion 5- year Bond, and =N=40.00 billion 20-year Bond were floated and allotted, and the total subscription was =N=277.51 billion during the first quarter of 2009. The coupon rates ranged from 9.92 to 10.95 per cent for the 3-year Bond, 11.40 to 12.00 per cent for the 5-year Bond and 13.21 to 13.45 per cent for the 20-year bond. In the last quarter of 2008, FGN Bonds of 3-, 5-, 10– and 20- years were issued with total issue and allotment of =N=90.00 billion apiece, while the total subscription was =N=269.17 billion. The coupon rates were 10.00 per cent for 3-year Bond, 10.50 per cent for 5-year Bond and 15.00 per cent for 20-year Bond. Trading at the secondary market (O-T-C) for FGN Bonds also remained very active in the review period.

The Monetary Policy Rate (MPR) remained at 9.75 per cent in the review quarter. Due to the liquidity unease that pervaded the banking system in the review quarter, the volume of lending by the Bank remained high as deposit money banks and discount houses accessed the facility on a daily basis. However, the total lending facility granted to deposit money banks and discount houses declined to =N= 7,891.38 billion, from the =N=9,366.30 billion in the fourth quarter, 2008. The development was attributed to the market players' preference for the Expanded Discount Window Facility, which accommodates variety of instruments and affords them longer tenor.

The maximum spread on the 90-day and 360-day tenor at the Expanded Discount Window was pegged at 195 and 500 basis points above the prevailing MPR, in March, 2009. Meanwhile, the eligible financial instruments used as collateral at the discount window included Bankers' Acceptances (BAs), Guaranteed Commercial Papers (CPs) and Promissory Notes, among others. Thus, the total amount injected through the medium as at March 2009 stood at =N=1,110.06 billion, compared with =N= 879.10 billion at end-December 2008.

2.5 Deposit Money Banks' Activities

Available data indicated that total assets/liabilities of the DMBs amounted to =N=15,542.6 billion, representing a decline of 2.4 per cent from the level in the preceding quarter. The development was attributed largely to the 7.7 per cent decline in unclassified assets, reinforced by the 9.8 per cent fall in foreign assets.

Funds, which were sourced mainly from unclassified liabilities and increased foreign assets were used mainly for the settlement of unclassified liabilities.

At =N=9,165.4 billion, credit to the domestic economy declined by 0.6 per cent from the level in the preceding quarter. The development was attributed largely to the 12.1 per cent decline in claims on the Federal Government.

Central Bank's credit to the DMBs rose by 1.9 per cent to =N=134.7 billion in the review quarter, reflecting the increase in CBN's overdrafts to the DMBs.

Total specified liquid assets of the DMBs stood at =N=3,123.1 billion, representing 35.6 per cent of their total current liabilities. At that level, the liquidity ratio rose by 3.0 percentage points over the preceding quarter's level, but was 4.4 percentage points below the stipulated minimum ratio of 40.0 per cent. The loans-to-deposit ratio fell by 1.4 percentage points to 86.6 per cent from the level in the preceding quarter, and was 6.6 percentage points above the prescribed minimum target of 80.0 per cent.

2.6 Discount Houses' Activities

Total assets/liabilities of the discount houses stood at =N=375.8 billion in the first quarter, 2009 indicating a decline of 9.9 and 14.2 per cent from the levels in the preceding quarter and corresponding period of 2008, respectively. The fall in assets was as a result of the 46.5 and 21.2 per cent decline in claims on the Federal Government and banks, respectively, during the quarter.

Correspondingly, the fall in total liabilities was attributed to the 48.0 and 13.1 per cent decline in money-at-call and borrowings during the period, respectively. Discount houses' investments in Federal Government securities of less than 91 days maturity declined by 42.2 per cent to =N=26.3 billion, representing 8.5 per cent of their total deposit liabilities. At this level, discount houses' investments fell by 4.3 per cent from the level in the preceding quarter. This level of investment was 51.5 percentage points below the prescribed minimum level of 60.0 per cent for fiscal 2009.

Total borrowing by the discount houses was =N=209.0 billion, while their capital and reserves amounted to =N=34.0 billion, representing an increase of 1.1 and 41.6 per cent over the levels in the preceding quarter and the corresponding period of 2008, respectively. Thus, resulting in a gearing ratio of 6.1:1, compared with the stipulated maximum target of 50:1 for fiscal 2009.

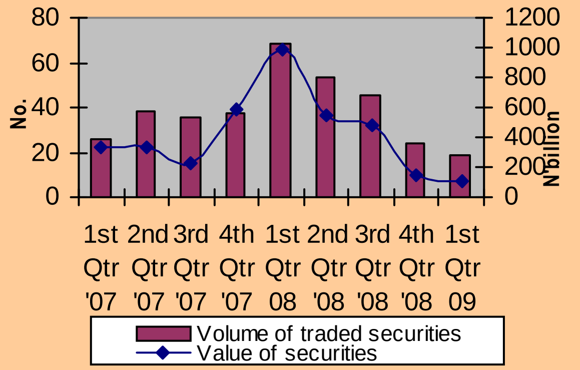
2.7 Capital Market Developments

Available data indicated that activities on the Nigerian Stock Exchange (NSE) in the first quarter of 2009 were bearish as all the major market indicators trended downward. The volume and value of traded securities declined by 19.7 and 29.1 per cent to 19.0 billion shares and =N=106.9 billion, respectively, compared with 23.7 billion shares and =N=150.8 billion in the fourth quarter of 2008. Relative to the 68.6 billion shares and =N=990.4 billion in the corresponding period of 2008, total turnover volume and value fell by 72.3 and 89.2 per cent, respectively, in the review quarter. The banking sub-sector was the most active on the Exchange with traded volume of 10.4 billion shares valued at =N=72.7 billion exchanged in 234,393 deals. There were no transactions on the Federal Government and industrial loans/ preference stocks.

Transactions on the over-the-counter (OTC) bond segment of the market indicated that a turnover of 4.2 billion units worth =N=4.3 trillion was recorded in the review quarter, in contrast to a total of 3.7 billion units valued at =N=3.6 trillion exchanged during the preceding quarter. The most active bond measured by turnover volume was the 3rd FGN Bond 2011 Series 13 with traded volume of 167.8 billion units valued at =N=193.8 billion in 1,579 deals.

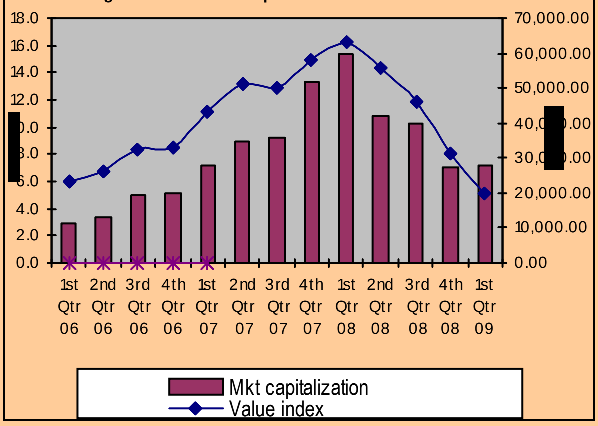
In the new issues market, a total of 4.4 billion ordinary shares in favour of HIS (Nigeria) Plc; 4.6 billion shares of =N=0.0015 each at =N=6.00 per share in favour of Pinnacle Point Group Plc; 4.0 billion units of Irredeemable Non-Cumulative Convertible Preference shares of =N=0.50 each at =N=9.50 per share in favour of Finbank Plc; and =N=50.0 billion Lagos State Fixed Bond (Series 1) were admitted into the daily official list during the review quarter. Thus, the number of listed State Government bonds increased to six (6). Also, there were (8) supplementary listings during the same period. Universal Trust Bank Plc was, however, delisted from the Daily Official List, following the successful takeover of the bank by Union Bank of Nigeria Plc through the Purchase & Assumption (P&A) model of bank resolution option. In another development, the name of PlatinumHabib Bank Plc was changed to Bank PHB Plc as advised by the Board of Directors in the review quarter.

Figure 5: Volume and value of traded securities



The NSE All-Share Index, which opened at 31,450.78, closed at 19,851.89, representing a decline of 36.9 per cent from the level in the preceding quarter. The total market value of the 302 listed securities declined by 4.0 per cent to =N=7.2 trillion from the preceding quarter's level. The fall in market capitalization was attributed to the price losses recorded by the highly capitalized stocks. The 214 listed equities accounted for =N=4.5 trillion or 62.6 per cent of the total market capitalization.

Figure 6: Market capitalization and value index



3.0 FISCAL OPERATIONS

3.1 Federation Account Operations

Available data showed that total federally-collected revenue during the first quarter of 2008 stood at =N=1,183.72 billion, representing a decline of 10.8 and 31.9 per cent from the proportionate budget estimate and receipts in the preceding quarter, respectively. At =N=842.26 billion, oil receipts, which constituted 71.2 per cent of the total, was higher than the proportionate budget estimate by 8.2 per cent, but lower than the receipts in the preceding quarter by 39.5 per cent. The fall in oil receipts relative to the preceding quarter was attributed to the decline in receipts from crude oil and gas sales as well as petroleum profit tax and royalties.

Non-oil receipts, at =N=341.46 billion or 28.8 per cent of the total, was lower than the budget estimate and receipts in the preceding quarter by 37.7 and 1.6 per cent, respectively. The development was attributed largely to the fall in Federal Government Independent Revenue, Customs and Excise Duties, Value-Added tax (VAT), Customs special levies and Companies Income Tax (CIT) (fig 7). As a percentage of GDP, oil revenue was 12.5 per cent, while non-oil revenue stood at 5.1 per cent in the first quarter of 2009. The decline in revenue relative to the level in the preceding quarter was due to the fall in oil and non-oil receipts during the review quarter.

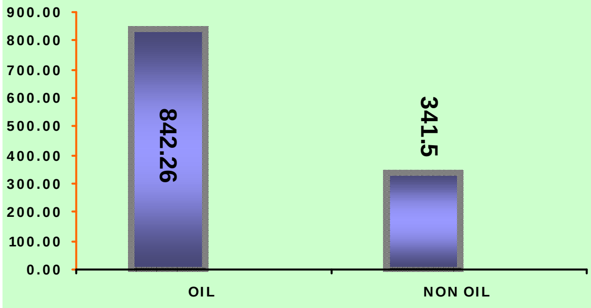
Of the total federally-collected revenue during the review quarter, the sum of =N=770.54 billion was transferred to the Federation Account for distribution among the three tiers of government and the 13.0 per cent derivation fund. The Federal Government received =N=363.79 billion, while the state and local governments received =N=184.52 billion and =N=142.26 billion, respectively. The balance of =N=79.97 billion went to the 13.0 per cent derivation fund for distribution by the oil producing states. To bridge the shortfall in revenue for the period, the sum of =N=310.65 billion was augmented and shared as follows: Federal Government (=N=142.38 billion), state governments (=N=72.22 billion), local governments (=N=55.68 billion) and oil producing states (=N=40.38 billion).

3.2 The Fiscal Operations of the Three Tiers of Government

3.2.1 The Federal Government

At =N=747.37 billion, the Federal Government retained revenue for the first quarter, 2009 was higher than the proportionate budget estimate by 24.5 per cent, but lower than the receipts in the preceding quarter by 18.3 per cent.

Figure 7: Components of Federally Collected Revenue(=N=Billion)



At =N=747.86 billion, total expenditure for the review period rose by 0.9 per cent over the proportionate budget estimate but declined by 23.0 per cent from the level in the preceding quarter. The increase in total expenditure for the review period relative to the budget estimate was attributed largely to the rise in current expenditure during the quarter. A breakdown of total expenditure showed that the recurrent component accounted for 67.8 per cent, the capital component accounted for 25.8 per cent, while statutory transfers accounted for the balance of 6.4 per cent. As a percentage of GDP, recurrent expenditure was 7.5 per cent, while capital expenditure and transfers stood at 2.9 and 0.7 per cent, respectively.

The fiscal operations of the Federal Government in the first quarter, 2009 resulted in an estimated overall deficit of =N=0.49 billion, compared with the respective deficits of =N=140.80 billion in the preceding quarter and the budgeted sum of =N=55.86 billion.

3.2.2 Statutory Allocations to State Governments

During the first quarter, 2009 total receipts, including the 13 per cent Derivation Fund and share of VAT by the state governments from the Federation Account stood at =N=352.14 billion, representing a decline of 22.8 and 14.6 per cent from the levels in the preceding quarter and the corresponding period of 2008, respectively.

Further breakdown showed that at =N=54.43 billion, receipts from the VAT Pool Account declined by 13.6 per cent from the level in the preceding quarter, while receipts from the Federation Account stood at =N=297.71 billion. On monthly basis, the sum of =N=157.9 billion, =N=103.9 billion and =N=90.3 billion were allocated to the 36 state governments in January, February and March 2009, respectively.

3.2.3 Statutory Allocations to Local Government Councils

Total receipts by the local governments from the Federation and VAT Pool Accounts during the first quarter, 2009 stood at =N=196.78 billion. This was lower than the level in the preceding quarter by 23.0 per cent, but higher than the corresponding quarter of 2008 by 1.8 per cent. Of this amount, allocation from the Federation Account was =N=174.78 billion or 83.9 per cent of the total.

VAT Pool Account accounted for =N=38.54 billion, representing a decline of 6.2 per cent from the level in the preceding quarter. On monthly basis, the sums of =N=84.39 billion, =N=60.33 billion and =N=52.06 billion were allocated to the 774 local governments in January, February and March 2009, respectively.

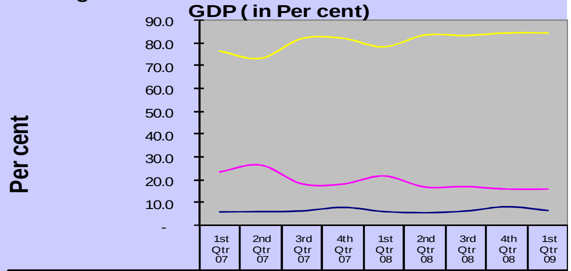
3.3 Domestic Debt

The domestic debt stock of the Federal Government outstanding at the end of the first quarter, 2009 was estimated at =N=2,579.07 billion, representing an increase of 28.7 per cent over the level at the end of the fourth quarter, 2008. As a percentage of GDP, total domestic debt was 9.6 per cent. The increase in total domestic debt was attributed largely to the issuance of additional FGN Bonds during the quarter.

4.0 DOMESTIC ECONOMIC CONDITIONS

Aggregate output growth in the economy measured by the gross domestic product (GDP) was estimated at 6.3 per cent in the first quarter, 2009, compared with 5.8 per cent in the corresponding quarter of 2008. The projected growth was driven mainly by the non-oil sector particularly agriculture which constituted 35.8 per cent of total GDP and contributed 2.2 percentage points to the growth in real GDP in the quarter. The major agricultural activities in the first quarter, 2009 were harvesting of late maturing grains and pre-planting operations for dry season farming. Crude oil production was estimated at 1.89 million barrels per day (mbd) or 173.88 million barrels for the quarter. The end-period inflation rate for the first quarter, 2009 on a year-on-year basis, was 15.1 per cent, compared with 13.0 per cent in the preceding quarter. The inflation rate on a 12-month moving average basis was 11.6 per cent, compared with the preceding quarter's level of 9.2 per cent.

Figure 8: Trends in Oil and Non-Oil Share of GDP (in Per cent)



	1st Qtr 07	2nd Qtr 07	3rd Qtr 07	4th Qtr 07	1st Qtr 08	2nd Qtr 08	3rd Qtr 08	4th Qtr 08	1st Qtr 09
GDP Growth	5.7	5.7	6.1	7.8	5.8	5.2	6.0	8.2	6.3
Oil Share of GDP	23.4	26.4	18.1	18.0	21.6	16.7	16.9	15.8	15.8
Non-Oil Share of GDP	76.6	73.6	81.9	82.0	78.4	83.3	83.1	84.2	84.2

4.1 Agricultural Sector

The weather situation during the first quarter of 2009 was mixed. The first two months witnessed the prevalence of dry harmattan but in March, there was rainfall in the coastal areas and the Federal Capital Territory. Agricultural activities in the southern states centered on harvesting of tree crops and the clearing of land for the cropping season, while farmers in the northern states were engaged in the preparation of irrigated land for cultivation. In the livestock sub-sector, farmers restocked broilers and layers to replenish the sales of the festive season in late 2008.

During the review quarter, a total of =N=738.78 million was guaranteed to 4,601 farmers under the Agricultural Credit Guarantee Scheme (ACGS). This amount represented a decline of 74.5 per cent from the level in the preceding quarter but an increase of 34.1 per cent over the level in the corresponding quarter of 2008. A sub-sectoral analysis of the loans guaranteed indicated that the food crop sub-sector had the largest share of =N=367.90 million or 47.8 per cent to 3,659 beneficiaries, while the livestock sub-sector received =N=234.00 million or 31.7 per cent to 486 beneficiaries. Also, 337 beneficiaries in the fisheries sub-sector obtained =N=107.3 million or 14.5 per cent. In the cash crops sub-sector, 39 beneficiaries got =N=18.60 million or 2.5 per cent, while 80 beneficiaries in 'others' had =N=11.0 million or 1.5 per cent. Further analysis showed that all the 23 states benefited from the scheme during the quarter, the highest and lowest sums of =N=85.00 million (11.5 per cent) and =N=1.30 million (0.2 per cent) went to Oyo and Akwa Ibom States, respectively.

The retail prices of most staples recorded increases in the first quarter of 2009. Thirteen of the fourteen commodities monitored recorded price increases, which ranged from 1.7 per cent for white garri to 25.0 per cent for palm oil over their levels in the preceding quarter, while millet recorded a price decline of 4.4 per cent. The rise in the price of most commodities was attributed to the subsisting food situation in the country.

4.2 Industrial Production

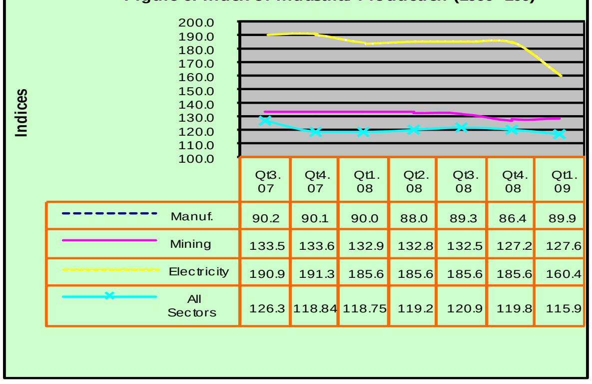
Industrial activities during the first quarter, 2009 declined relative to the preceding quarter. At 115.9 (1990=100), the estimated index of industrial production fell by 1.1 and 2.6 per cent from the levels attained in the preceding quarter and the corresponding period of 2008, respectively. The fall reflected the poor performance in manufacturing activities, mining output and electricity generation.

The estimated index of manufacturing production, at 89.9 (1990=100), declined by 1.9 and 0.9 per cent from the levels in the preceding quarter and corresponding period of 2008, respectively. The estimated capacity utilization also fell by 1.6 percentage points during the review quarter. The development was attributed to the fall in manufacturing production arising from weak demand and influx of imported goods.

At 127.6 (1990=100), the index of mining production declined by 1.1 and 2.5 per cent from the levels in the preceding quarter and the corresponding period of 2008, respectively. The decline was attributed to the fall in crude oil and gas production, resulting from the crisis in the Niger Delta region.

At 2,305.9 MW/h, estimated average electricity generation fell by 13.6 per cent from the level attained in the preceding quarter. The decline reflected the fall in water levels at the reservoirs, which power the hydro power plants in the country as well as the reduction in gas supply to thermal stations.

Figure 9: Index of Industrial Production (1990=100)



	Qt3. 07	Qt4. 07	Qt1. 08	Qt2. 08	Qt3. 08	Qt4. 08	Qt1. 09
Manuf.	90.2	90.1	90.0	88.0	89.3	86.4	89.9
Mining	133.5	133.6	132.9	132.8	132.5	127.2	127.6
Electricity	190.9	191.3	185.6	185.6	185.6	185.6	160.4
All Sectors	126.3	118.84	118.75	119.2	120.9	119.8	115.9

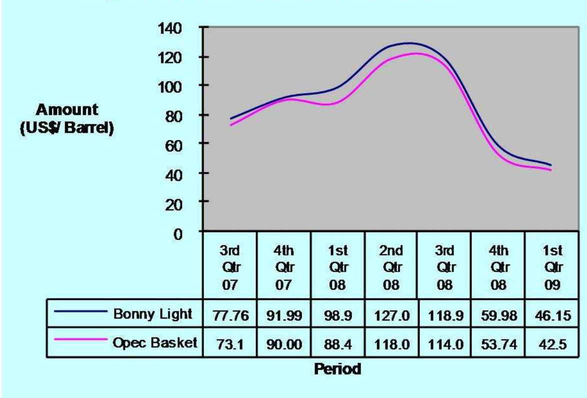
At 1,955.5 MW/h, estimated average electricity consumption declined by 13.9 per cent from the level in the preceding quarter. Of the total, residential consumption accounted for 51.3 per cent, commercial & street lighting accounted for 26.2 per cent, while industrial consumption accounted for 22.5 per cent. The fall in electricity consumption was attributed to low power generation and supply during the review quarter.

4.3 Petroleum Sector

Nigeria's crude oil production, including condensates and natural gas liquids was estimated at 1.68 million barrels per day (mbd) or 151.20 million barrels (mbd) during the first quarter, 2009, compared with 1.87 mbd or 168.3 mbd in the preceding quarter. This represented a decline of 10.2 per cent. Crude oil export was estimated at 1.23 mbd or 110.70 million barrels in the review quarter, compared with 1.42 mbd or 127.8 million barrels in the preceding quarter. Deliveries to the refineries for domestic consumption remained at 0.445 mbd or 40.05 million barrels in the review quarter.

At an estimated average of US$46.15 per barrel, the price of Nigeria's reference crude, the Bonny Light (37º API), fell by 23.0 per cent from the level in the preceding quarter. The average prices of other competing crudes namely, the West Texas Intermediate, the U.K Brent and the Forcados also fell by 33.2, 24.4 and 22.9 per cent to US$40.86, US$43.69 and US$46.69 per barrel, respectively. The average price of OPEC's basket of eleven crude streams also, fell by US$19.1 dollars to US$42.5 from the level in the preceding quarter. The decline in price was attributed to the fall in global demand for crude following the continued deterioration in the world economy.

Figure 10: Trends in Crude Oil Price



	3rd Qtr 07	4th Qtr 07	1st Qtr 08	2nd Qtr 08	3rd Qtr 08	4th Qtr 08	1st Qtr 09
Bonny Light	77.76	91.99	98.9	127.0	118.9	59.98	46.15
Opec Basket	73.1	90.00	88.4	118.0	114.0	53.74	42.5

4.4 Consumer Prices

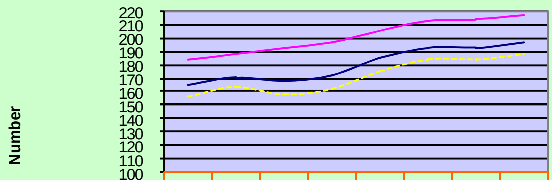
Available data showed that the all-items composite Consumer Price Index (CPI) for the end of the first quarter, 2009 was 196.2 (May 2003=100), representing an increase of 1.9 and 14.3 per cent over the levels in the preceding quarter and the corresponding period of 2008, respectively. The development was attributed to the increase in the prices of some staple food items, beverages, household goods, newsprints and stationeries and miscellaneous services.

The urban all-items CPI at the end of the first quarter, 2009 was 215.8 (May 2003=100), indicating an increase of 1.2 and 9.9 per cent over the levels in the preceding quarter and the corresponding quarter of 2008, respectively. Similarly, the rural all-items CPI for the quarter, at 183.7 (May 2003=100), represented an increase of 2.2 and 16.7 per cent over the levels in the preceding quarter and the corresponding period of 2008, respectively.

The end-period inflation rate for the first quarter of 2009, on a year-on-year basis, was 14.4 per cent, compared with 15.1 and 7.8 per cent in the preceding quarter and the corresponding quarter of 2008, respectively.

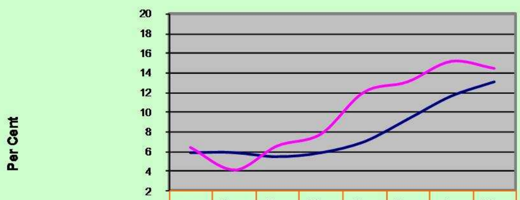
The inflation rate on a twelve-month moving average basis for the first quarter, 2009 was 13.1 per cent, compared with 11.6 and 5.8 per cent recorded in December 2008 and the corresponding period of 2008, respectively.

Fig. 11: Quarterly Consumer Price Indices in Nigeria (2003=100)



	June. 07	Sept. 07	Dec. 07	March. 08	June. 08	Sept. 08	Dec. 08	March. 09
Composite	164.3	170.2	167.4	171.6	184.1	192.4	192.6	196.2
Urban	183.5	186.9	191.4	196.3	204.7	212.1	213.1	215.8
Rural	156	163	157	160.9	175.2	183.8	183.7	187.8

Figure 12: Inflation Rate in Nigeria (Per Cent)



	Jun.07	Sept. 07	Dec. 07	Mar. 08	Jun. 08	Sept. 08	Dec. 08	Mar. 09
Inflation 12MMA	5.9	5.9	5.4	5.8	7.0	9.2	11.6	13.1
Inflation Yr-on-Yr	6.4	4.1	6.6	7.8	12.0	13.0	15.1	14.4

Source: National Bureau of Statistics (NBS), Abuja

5.0 EXTERNAL SECTOR DEVELOPMENTS

The Retail Dutch Auction System (RDAS) was re-introduced on January 15, 2009 to facilitate the stability of the value of the naira, following the increased demand for foreign exchange induced by the global financial crisis, which if left unchecked could lead to faster depletion of the external reserve.

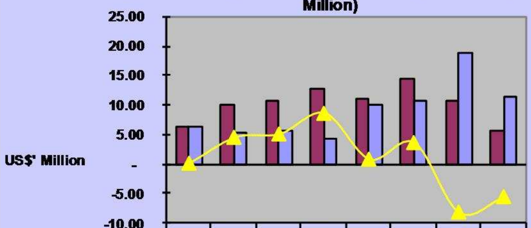
5.1 Foreign Exchange Flows

Foreign exchange inflow and outflow through the CBN in the first quarter of 2009 amounted to US$5.72 billion and US$11.26 billion, respectively, representing a net outflow of US$5.54 billion. Relative to the respective levels of US$10.78 billion and US$18.93 billion in the preceding quarter, inflow and outflow fell by 46.9 and 40.6 per cent. The decline in inflow was attributed to the 56.9 per cent fall in oil receipts, while the rise in outflow was attributed largely to the 39.5 per cent increase in RDAS utilization during the review quarter.

Available data on aggregate foreign exchange flows through the economy indicated that total inflow amounted to US$19.12 billion, representing a decline of 19.8 and 34.1 per cent from the levels in the preceding quarter and the corresponding period of 2008. Oil sector receipts, which accounted for 22.2 per cent of the total, stood at US$4.25 billion, compared with the respective levels of US$9.87 billion and US$10.69 billion in the preceding quarter and corresponding period of 2008. Non-oil public sector inflows, which accounted for 7.7 per cent of the total, rose by 62.6 per cent, while autonomous inflow, which accounted for 70.1 per cent increased by 2.5 per cent.

At US$11.45 billion, aggregate foreign exchange outflow from the economy declined by 40.0 per cent from the level in the preceding quarter but increased by 114.0 per cent over the level in the corresponding period of 2008. The fall in outflow relative to the preceding quarter was attributed largely to the respective declines in RDAS utilization and other official payments during the review quarter.

Figure 13: Foreign Exchange Flow Through the CBN (US$' Million)



	2nd Qtr 07	3rd Qtr 07	4th Qtr 07	1st Qtr 08	2nd Qtr 08	3nd Qtr 08	4th Qtr 08	1st Qtr 09
Inflow	6.41	10.0	10.8	12.89	11.08	14.55	10.78	5.72
Outflow	6.23	5.44	5.67	4.19	10.21	10.86	18.93	11.26
Netflow	0.18	4.61	5.16	8.70	0.88	3.69	-8.15	-5.53

5.2 Non-Oil Export Proceeds by Exporters

Total non-oil export earnings by Nigeria's exporters increased by 2.0 per cent to US$258.98 million over the level in the preceding quarter. A breakdown of the proceeds in the review quarter showed that the proceeds of industrial, food products, manufactured products, transport, agricultural, and minerals stood at US$92.67 million, US$1.57 million, US$51.32 million, US$0.00 million, US$59.97 million and US$53.45 million, respectively.

The shares of industrial, food products, manufactured products, transport, agricultural, and minerals sub-sectors in non-oil export proceeds were 35.8, 0.6, 19.8, 0.0, 23.2 and 20.6 per cent, respectively, in the review quarter. The development was attributed largely to the increase in the prices of the goods traded at the international market.

5.3 Sectoral Utilisation of Foreign Exchange

The invisibles sector accounted for the bulk (26.2 per cent) of total foreign exchange disbursed in the first quarter of 2009, followed by the industrial sector (23.7 per cent). Other beneficiary sectors, in a descending order of importance, included: minerals & oil (18.6 per cent), manufactured products (16.8 per cent), food (9.2 per cent), transport (4.8 per cent) and agricultural products (0.7 per cent) (Fig.12).

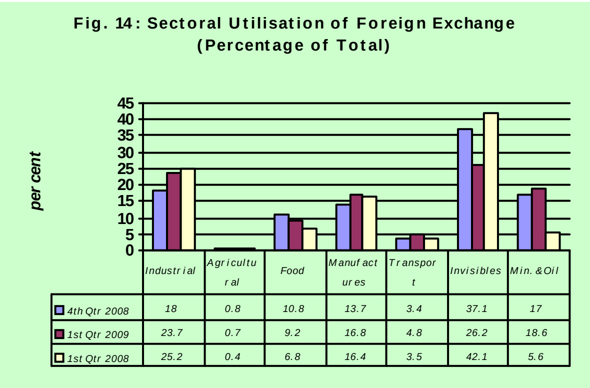


Fig. 14: Sectoral Utilisation of Foreign Exchange (Percentage of Total)

5.4 Foreign Exchange Market Developments

Foreign exchange demand by the authorized dealers stood at US$11.45 billion, indicating a decline of 32.0 per cent from the level in the preceding quarter. Relative to the level in the corresponding period of 2008, demand rose by 238.1 per cent. Consequently, a total amount of US$7.57 billion was sold by the CBN during the period, indicating a fall of 22.0 per cent from the level in the preceding quarter.

Under the RDAS, the weighted average exchange rate of the Naira vis-à-vis the US dollar depreciated by 17.0 per cent to =N=146.86 per dollar from =N=121.92 per dollar in the preceding quarter.

It also showed a depreciation of 19.8 per cent from the level in the corresponding period of 2008. In the bureaux-de-change segment of the market, the naira traded at an average of =N=160.37 per dollar, compared with =N=125.25 and =N=118.81 per dollar in the preceding quarter and the corresponding quarter of 2008, respectively. Consequently, the premium between the official and the bureaux-de-change rates widened from 2.7 per cent in the preceding quarter to 9.2 per cent (fig. 16).

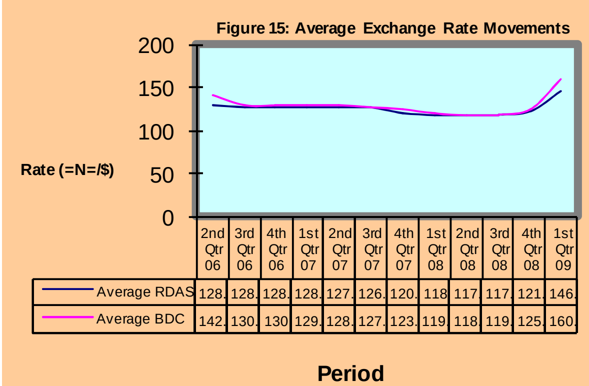


Figure 15: Average Exchange Rate Movements

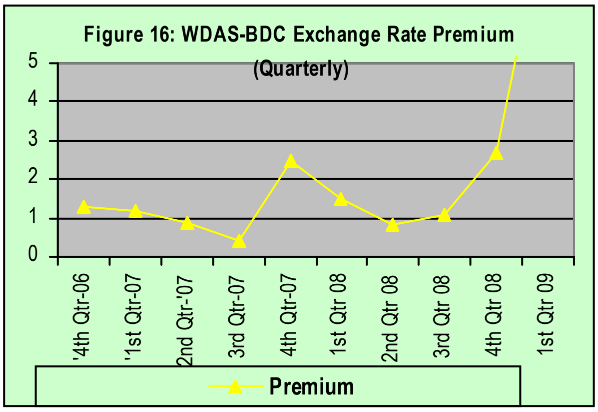


Figure 16: WDAS-BDC Exchange Rate Premium (Quarterly)

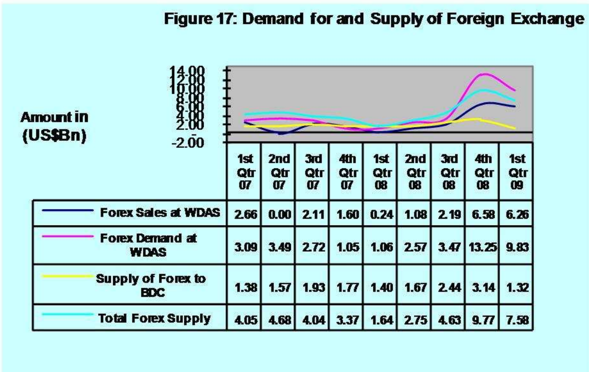


Figure 17: Demand for and Supply of Foreign Exchange

6.0 OTHER INTERNATIONAL ECONOMIC DEVELOPMENTS

World crude oil output in the first quarter, 2009 was estimated at 84.06 million barrels per day (mbd), while demand was estimated at 85.10 mbd, compared with 85.30 and 85.50 mbd supplied and demanded in the preceding quarter, respectively. The marginal decline in demand was due to the continued deterioration of economic activities in the world economy.

Other major international economic developments of relevance to the domestic economy during the quarter included: the 2009 Annual Meeting of the World Economic Forum held in Davos-Klosters, Switzerland from January 28 – February 1, 2009. The purpose of the meeting was to give support to governments and governance institutions, particularly the G20; develop recommendations on how the structures and strategies of international cooperation should be strengthened to confront the contemporary global challenges; and improve on the ethical value base for business, as a constructive social actor (see January 2009 Report).

An update of the World Economic Outlook (WEO) released by the International Monetary Fund (IMF) on January 29, 2009 showed that global growth in 2009 is expected to fall to 0.5 per cent when measured in terms of purchasing power parity and to turn negative when measured in terms of market exchange rates. This represented a downward revision of about 1.8 percentage points from the November 2008 WEO Update (see January 2009 Report).

The Federal Government of Nigeria and the United Arab Emirates (UAE) held bilateral meeting in Abuja on January 15, 2009. The major highlight of the meeting was the signing of a $16.0 billion investment agreement where the United Arab Emirates was to improve basic infrastructural facilities in the country. The agreement covers areas such as dams, electricity, agriculture, mineral resources and the development of the Federal Capital Territory (FCT), among others (see January 2009 Report).

Others are the meeting of the Heads of the Multilateral Development Banks (MDBs) and the International Monetary Fund (IMF) held in Tunis, Tunisia, on February 12, 2009 at the invitation of the African Development Bank. The purpose of the meeting was to discuss recent developments in the global financial and economic crisis and the response of each institution as well as the way forward (see February 2009 Report).

The Board of Directors of the African Development Bank Group (AfDB), on February 18, 2009 approved a US$100 million Line of Credit (LoC) to support Nigeria's Intercontinental Bank Plc in financing small and medium-sized enterprises (SMEs). The LoC will be used for medium- to long-term financing for SMEs in manufacturing, services, and natural-resource projects across Nigeria. The projects are intended to ultimately enhance the productive capacity and growth in the country (see February 2009 Report).

The 12th Assembly of the African Heads of State and Government met on February 3, 2009 in Addis Ababa, Ethiopia. The purpose of the meeting was to discuss the global financial crisis so as to speak with one voice in the world economic arena (see February 2009 Report).

The World Bank and the United States Congressional Caucus for Dialogue on the World Bank urged rich countries to resist the temptation to slash foreign aid in the face of current global financial and economic crisis, the worst since the Great Depression. The dialogue spearheaded by the Caucus was intended to help deepen understanding and build a global collaboration between the efforts of the U.S. Congress with other partners such as the World Bank in tackling diseases, food insecurity and other crises (see February 2009 Report).

In another development, the International Monetary Fund (IMF) convened a conference in Dar es Salaam, Tanzania from March 10 – 11, 2009. The meeting was conceived to discuss the severe challenges faced by African economies and the risk that the achievements of the past decade in poverty reduction might be reversed.

African Ministers and Governors underlined six building blocks of stronger partnership between Africa and the IMF as enhancing IMF surveillance over the policies of all its members, in a spirit of evenhandedness; expanding the IMF's financing facilities and their accessibility to low-income countries; consolidating the debt relief process by adjusting the IMF's debt sustainability framework to accommodate Africa's new financing needs and opportunities; accelerating reforms of IMF governance to enhance Africa's voice and representation at all levels of the institution; enhancing the policy dialogue between the IMF and its African members, including through technical assistance, to ensure that African countries' policies benefit from the IMF's experience and expertise; and reinforcing the IMF's catalytic role to leverage public and private financing for Africa's critical infrastructure needs.

The African Governors and Ministers' Joint Declaration:

- ♦ reaffirmed that facing the global economic crisis requires stronger partnerships and called for development partners to increase their efforts to support Africa, including through aid, trade, and technical assistance.
- ♦ noted the need to ensure that Africa's financing needs are addressed and called on Africa's development partners to step up their support to assist Africa in these difficult times and ensure continued progress toward the achievement of the Millennium Development Goals.
- ♦ supported the IMF Managing Director's call to double the IMF's concessional resources and raise African countries' access to IMF financing urgently. They welcomed the forthcoming review of the IMF's financing facilities for low-income countries, stating that these facilities need to be sufficiently responsive and flexible to meet the diverse needs of African countries, including during the global downturn.
- ♦ welcomed the decision by the IMF to open two new Regional Technical Assistance Centers in Africa, in addition to expanding the existing three, which will provide enhanced assistance to Africa, while strengthening its timeliness and ownership.
- ♦ reaffirmed African countries' commitment to the implementation of sound economic policies and the establishment of strong institutions that are consistent with their long-term development goals.

The IMF and its African members expressed their commitment to a new and enhanced partnership. They agreed to:

- ♦ work together towards the shared goals of making IMF financing more timely and responsive, making its technical assistance more effective, and enhancing dialogue on the policy challenges and opportunities facing Africa.

- ♦ Build on the first steps that were taken in 2008 to increase the voice and representation of African members of the IMF, with the aim of agreeing rapidly on further steps in this direction to ensure that the diversity of the IMF's membership is fully reflected in its governance structures.
- ♦ Review the implementation of the joint commitments between the IMF and its African members every six months in the context of the African Consultative Group.

Also, the 6th Session of Nigeria-U.S TIFA Council meeting was held in Washington D.C., U.S.A from 30 - 31 March, 2009. The council meeting covered trade and investment issues of concern to Nigeria and U.S.

The major highlights of the meeting were as follows:

- ♦ Nigeria and U.S delegations expressed the desire for a successful conclusion of the Doha Round of multilateral trade talks.
- ♦ The U.S requested Nigeria to further reduce the tariff rates and import prohibitions imposed on some products which are of interest to U.S. Responding, the Nigerian team informed the U.S that it cannot unilaterally reduce tariffs because of its regional commitment to ECOWAS Common External Tariff (CET).
- ♦ U.S promised to assist Nigeria to train sanitary and phyto-sanitary specialists in order to improve quality of Nigeria's products to enhance market access.
- ♦ Nigeria solicited for funds to assist small and medium enterprises to participate in bilateral trade.
- ♦ Nigeria advocated for capacity building to enhance packaging and labeling of export products to U.S.
- ♦ The Federal Government's initiatives to end corruption in the economy were highlighted.
- ♦ U.S entrepreneurs were invited to take part in the energy sector development given the policy of public private partnership.
- ♦ Financial sector reforms in the banking sector and the emergence of strong banks to foster trade and investment were made known to U.S investors.
- ♦ Both parties (U.S and Nigeria) agreed to revisit issues concerning intellectual property, bilateral investment treaty and avoidance of double taxation.

The G-20 Finance Ministers and Central Bank Governors, met on March 14, 2009 to prepare for the Leaders' London Summit. They agreed on further action to restore global growth and support lending, and reforms to strengthen the global financial system.

The following were the highlights and decisions of the meeting:

- ♦ They expressed commitment to fight all forms of protectionism and maintain open trade and investment.
- ♦ They stated that their key priority was to restore lending by tackling, where needed, problems in the financial system through continued liquidity support, bank recapitalisation and dealing with impaired assets, through a common framework. They reaffirmed their commitment to take all necessary actions to ensure the soundness of systemically important institutions.

- They stressed their commitment to deliver the scale of sustained effort necessary to restore growth, and called on the International Monetary Fund (IMF) to assess the actions taken and the actions required.
- They reiterated their commitment to help emerging and developing economies to cope with the reversal in international capital flows. They agreed on the urgent need to increase IMF resources very substantially. This could include further bilateral support, a significantly expanded and increased New Arrangements to Borrow (NAB), and an accelerated quota review. They welcomed the progress by the IMF and World Bank in introducing new and enhanced instruments, including the development of a new high-access, quick-disbursing precautionary facility.
- To further strengthen the global financial system they welcomed the Financial Stability Forum's (FSF) expansion to all G20 members.

They made recommendations to the London Summit to ensure that.

- All systemically important financial institutions, markets and instruments are subject to an appropriate degree of regulation and oversight, and that hedge funds or their managers are registered and disclose appropriate information to assess the risks they pose;
- Stronger regulation is reinforced by strengthened macro-prudential oversight to prevent the build-up of systemic risk;
- Strengthened international cooperation to prevent and resolve crises, including through supervisory colleges, institutional reinforcement of the FSF, and the launch of an IMF/FSF Early Warning Exercise.

They noted that in order to strengthen the effectiveness and legitimacy of the IFIs they must enhance their governance and ensure they fully reflect changes in the world economy. Emerging and developing economies, including the poorest, should have greater voice and representation and the next review of IMF quotas should be concluded by January 2011. The heads of the IFIs should be appointed through open, merit based selection processes.

Appendix 1: Selected Macroeconomic Indicators (GDP, Money & Credit, Money Market & Capital Market Indicators)

	1st Qtr 07	2nd Qtr 07	3rd Qtr 07	4th Qtr 07	1st Qtr 08	2nd Qtr 08	3rd Qtr 08	4th Qtr 08	1st Qtr 09
GROSS DOMESTIC PRODUCT (at 1990 Constant Basic Prices)									
Growth Rate (%)	5.7	5.5	6.6	7.8	5.8	5.2	6.0	8.2	6.3
Oil share of GDP (%)	23.8	18.7	18.6	18.0	21.6	16.7	16.9	15.8	15.8
Non-Oil share of GDP (%)	76.2	81.3	81.4	82.0	78.4	83.3	83.1	84.2	84.2
GROSS DOMESTIC PRODUCT (at Current Basic Prices)									
Growth Rate (%)	23.6	26.9	12.99	38.70	14.35	17.52	14.77	15.13	
Oil share of GDP (%)	29.5	29.7	45.7	31.0	46.31	37.50	35.20	37.92	
Non-Oil share of GDP (%)	70.5	70.3	54.3	69.0	53.69	62.50	64.80	62.08	
MONEY & CREDIT									
Narrow Money (M_1) (%)[1]	4.8	-4.0	17.5	11.9	20.2	-4.1	4.5	7.4	-3.9
Broad Money (M_2) (%)[1]	8.8	2.0	9.3	7.9	14.0	-0.2	12.7	2.3	-1.9
Narrow Money ((M_1) (%)[2]	4.8	0.6	18.3	32.4	45.9	39.9	45.2	55.9	-3.9
Broad Money (M_2) (%)[2]	8.8	11.0	21.3	30.9	37.7	37.4	54.1	57.8	-1.9
Aggregate Credit (Net) (%)[1]	-63.7	20.9	324.6	52.4	35.8	17.7	4.4	27.0	-2.6
Aggregate Credit (Net) (=N= 'b)[1]	-480.2	330.9	1,404.8	2,141.4	2,907.4	613.2		5,391.8	4,820.8
Credit to Government (Net) (%)[1]	-50.7	-14.2	11.7	-5.6	-5.0	-7.8	-18.9	-17.2	-9.6
Credit to Government (Net) (=N= 'b)[1]	-918.2	-3,117.0	-2,752.6	-2,908.1	-3,054.0	-195.9	-3,230.0	-2,674.5	-3,405.6
By CBN	-516.6	-3,596.9	-3,818.4	-4,074.4	-4,474.0	61.0	-5,107.6	-4,097.8	-4,658.2
By DMB	-401.6	480.0	1,065.8	1,166.3	1,420.1	-256.9	1,877.6	-1,423.3	1,252.6
Federal Government Deposits (=N= 'b)	4,182.1	4,718.4	4,963.7	4,171.5	4,548.2	4,498.7	4,745.2	5,475.3	5,059.4
Credit to Private Sector (%)[1]	17.1	14.8	20.6	21.5	18.1	13.6	10.4	7.9	2.1
Credit to Private Sector (=N= 'b)[1]	438.0	3,447.8	4,157.4	5,049.5	5,961.3	809.1	7,474.7	8,066.3	8,226.4
Private Sector Deposit (=N= 'b)	46.7	15.8	11.6	70.5	54.8	63.4	163.0	339.6	280.5
Aggregate Credit (%) [2]	-63.7	340.4	86.3	184.1	35.8	51.6	56.8	100.6	-2.6
Credit to Government (%) [2]	-50.7	50.4	-51.9	-60.5	-5.0	-13.9	-36.4	-12.3	-9.6
Credit to Private Sector (%)[2]	17.1	14.8	62.0	96.8	18.1	33.9	47.8	59.5	2.1
Base Money (=N= 'b)	841.3	858.3	898.3	1,195.3	1,200.0	1,517.8	1,247.2	1,497.0	1,239.4
(Growth Rate, %)[1]									
Currency in Circulation (=N='b)	715.0	722.3	960.8	891.8	891.8	918.3	976.4	1,155.3	1,037.8
Bank Reserves (=N='b)	143.3	245.0	647.0	827.4	308.2	599.5	270.8	342.2	201.9
Money Supply (=N='b)	4,079.8	4,458.5	4,811.7	6,486.2	7,998.2	7,982.9	8,960.7	9,180.9	8,997.8
NTB SALES (=N='b)									
NTB Sales at Primary Market	338.1	359.9	327.1	689.6	399.5	569.0	188.8	264.2	235.6

	1st Qtr 07	2nd Qtr 07	3rd Qtr 07	4th Qtr 07	1st Qtr 08	2nd Qtr 08	3rd Qtr 08	4th Qtr 08	1st Qtr 09
NTB Sales at OMO (N' B)	307.2	743.6	847.7	1,684.0	484.3	919.0	861.5	0.0	62.29
INTEREST RATES (%)									
Inter-bank Call Rate (Weighted Average)	7.28	8.00	8.13	8.25	10.21	10.40	12.83	14.01	15.79
Minimum Rediscount Rate/Monetary Policy Rate	10.0	8.00	8.00	9.5	10.0	10.25	9.45	9.75	9.75
Treasury Bill Rate									
Savings Deposit Rate	3.62	3.81	3.51	3.23	2.97	2.97	3.06	3.17	2.91
Deposit Rates (Consolidated)	7.59	7.75	7.67	7.47	7.86	9.67	9.92	10.45	10.65
Average Term Deposit Rate	8.88	9.04	9.05	8.69	9.35	10.78	11.06	11.67	12.27
7 Days	5.40	5.59	5.83	5.54	5.38	5.55	5.64	7.06	6.97
1 Month	10.25	10.38	10.50	9.90	10.51	11.71	11.52	12.10	12.85
3 Months	10.28	10.37	10.45	9.87	10.71	12.19	12.22	12.76	13.85
6 Months	9.84	9.96	9.67	9.49	9.98	11.94	12.33	12.74	13.57
12 Months	8.42	8.11	7.46	7.75	9.48	11.16	12.28	12.68	13.43
Over 12 Months	8.78	9.85	9.69	9.56	10.01	12.14	12.38	12.66	13.23
Prime Lending Rate	17.48	17.30	14.48	16.49	16.05	15.86	15.97	16.03	18.34
Maximum Lending Rate	18.75	18.16	15.63	18.24	18.17	17.90	18.10	19.79	22.24
Average Lending Rate									
Real Interest Rate (Max. Lending Rate)	13.55	12.34	11.53	11.64	10.37	5.08	3.3	4.69	7.14
Real Interest rate (Ave. Deposit Rate)	3.68	1.31	3.57	2.09	1.55	-1.22	-4.88	-4.65	-2.83
CAPITAL MARKET									
All Share Value Index	43,456.0	51,330.46	50,229.01	57,990.22	63,016.56	55,949.00	46,216.13	31,450.78	19,851.89
Market Capitalization (=N='t)	7.1	8.9	9.2	13.3	15.3	14.2	10.0	7.0	7.2
Value of Shares Traded (=N='b)	335.6	330.5	231.3	582.4	990.4	743.1	475.6	150.8	106.9
Volume of Shares Traded ('b)	26.2	37.8	35.9	37.7	68.6	53.1	45.6	23.7	19.0

1 Percentage change over preceding Quarter
2 Percentage change over preceding December
** Commencement of MPR*
GDP Figures are revised for 2007

Appendix 2: Selected Macroeconomic Indicators (Fiscal, External & Real Sectors Indicators)

	1st Qtr 07	2nd Qtr 07	3rd Qtr 07	4th Qtr 07	1st Qtr 08	2nd Qtr 08	3rd Qtr 08	4th Qtr 08	1st Qtr 09
FISCAL OPERATIONS OF THE FEDERAL GOVT									
Federally Collected Revenue (=N=‘b)	1224.7	1,120.2	1,479.4	1,699.3	1,889.4	1,880.3	2,374.7	1,718.3	1,183.72
Oil Revenue	1,018.6	926.8	1,165.6	1,279.1	1,574.3	1,559.3	2,004.96	1,392.1	842.26
Non-Oil Revenue	206.0	193.4	281.0	420.2	315.1	321.0	369.8	326.2	341.46
Retained Revenue (=N=‘b)	473.1	670.5	566.6	700.6	560.7	829.3	905.2	915.1	747.37
Total Expenditure (=N=‘b)	485.1	585.5	515.7	941.3	464.1	961.8	865.6	971.0	747.86
Recurrent	307.1	251.5	375.27	615.5	434.9	544.9	551.4	617.6	507.22
Capital Expenditure	152.5	308.5	6.93	291.5	-	366.3	262.4	332.2	192.74
Transfers	25.6	25.6	16.75	34.4	19.5	50.6	51.8	21.1	37.07
Surplus/Deficit (=N=‘b)	-12.1	85.1	153.47	-240.7	123.5	-132.5	39.58	-55.86	-0.49
Ways and Means Advances (=N= ’b)	-	-	-	-	-	-	-	-	-
Statutory Limit (% of Budgeted Revenue)	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5
FOREIGN EXCHANGE FLOWS Through the CBN (US$’m)									
Inflow	8,146.21	6,406.19		10,832.60	12,888.86	11,119.29	14,554.95	10,782.36	5,724.61
Outflow	7,017.01	6,226.87	5,442.38	5,668.44	4,187.77	10,205.15	10,870.27	18,934.42	11,255.67
(Debt Service)	676.71	109.17	129.43	111.15	110.4	118.44	130.9	105.36	93.06
Net Flow	1,129.2	179.32	4,608.35	5,164.16	8,701.09	914.14	3,684.68	8,152.06	-5,531.06
FOREIGN EXCHANGE MARKET									
Forex Sales at WDAS (US$’m)	2,657.85	2306.06	2,107.64	1,599.10	240.50	1,079.79	2,188.67	6,576.53	6,259.96
Forex Demand at WDAS (US$’m)	3,094.05	3493.66	2,719.61	1,046.40	1,063.51	2,574.99	3,470.16	13,245.69	9,831.10
Supply of Forex to BDC (US$’m)	1,384.1	1,185.60	1,930.6	1,771.19	1,402.39	1,666.90	2,444.44	3,137.03	1,316.64
Total Forex Supply (US$’m)	4,051.92	4,679.26	4,038.28	3,370.29	1,642.89	2,746.69	4,633.11	9,768.56	7,576.60
Average WDAS Exchange Rate	128.23	127.65	126.63	120.87	118.04	117.95	117.75	121.92	146.86
Average BDC Exchange Rate (=N=/$)	129.80	128.83	127.15	123.89	119.79	119.37	119.00	125.25	160.37
BDC Premium	1.22	0.9	0.4	2.5	1.2	1.2	1.1	2.7	9.2
Depreciation									
BALANCE OF PAYMENTS (=N=’b)									
Current Account (=N=’b)	876.06	1,217.07	1,571.41	-	-	-	-	-	-
Goods	486.44	741.87	854.42	-	-	-	-	-	-
Export	1,320.18	1,505.46	1,646.70	-	-	-	-	-	-
Import	-833.75	-763.59	-792.29	-	-	-	-	-	-
Services (net)	-6.27	-3.50	-43.06	-	-	-	-	-	-
Income (net)	7.13	-20.53	-16.23	-	-	-	-	-	-

	1st Qtr 07	2nd Qtr 07	3rd Qtr 07	4th Qtr 07	1st Qtr 08	2nd Qtr 08	3rd Qtr 08	4th Qtr 08	1st Qtr 09
Current Transfers (net)	388.76	499.23	657.70	-	-		-		-
Capital and Financial Accounts	-762.67	-1,231.15	-897.94	-	-	-	-	-	-
Capital Account (net)	1.60	1.96	2.58	-	-	-	-	-	-
Financial Accounts (net)	-764.27	-1,233.11	-900.52	-	-	-	-	-	-
Direct Investment	147.50	161.14	365.22	-	-	-	-	-	-
Net Errors and Omissions	-3.58	-3.80	-2.52	-	-	-	-	-	-
Overall Balance	109.82	6.50	670.95	-	-	-	-	-	-
EXTERNAL RESERVES (US$'b)	42.60	42.63	47.97	51.33	59.70	59.16	62.08	52.82	
CRUDE OIL PRODUCTION (MBD)									
Total World Supply	85.4	85.5	86.0	85.9	87.3	86.8	87.08	85.30	84.06
OPEC	33.7	35.1	36.3	35.1	37.2	36.9	37.4	34.9	33.28
Non-OPEC	50.6	50.3	49.5	50.8	50.1	49.9	49.7	50.4	50.8
CRUDE OIL PRICES (US$/Barrel)									
Bonny Light	59.9	71.2	79.6	92.0	98.9	138.7	118.	59.98	146.15
OPEC Basket	54.6	64.3	73.1	90.0	88.4	128.3	114.09	53.74	42.46
DOMESTIC PRICES									
12 MMA Inflation Rate (%)	7.2	5.9	5.9	5.4	5.8	7.0	9.2	11.6	13.1
Y/Y Inflation Rate (%)	5.2	6.4	4.1	6.6	7.8	12.0	13.0	15.1	14.4
Core Inflation:12 MMA (%) [2]	13.4	11.1	10.6	9.2	6.8	5.8	4.5	5.1	6.5
Core Inflation: Y/Y (%) [2]	8.9	9.6	10.5	3.6	0.5	3.6	6.9	10.4	11.8
Food Inflation:12 MMA (%) [3]	3.3	2.0	2.1	1.9	4.2	7.4	12.3	16.1	17.7
Food Inflation: Y/Y (%) [3]	1.7	3.2	-0.8	8.2	12.4	18.1	17.1	18.0	16.2
INDUSTRIAL PRODUCTION									
Index of Industrial Production	120.80	121.70	120.90	118.84	118.75	119.2	118.75	119.8	115.9
Index of Manufacturing Production	89.60	89.80	89.40	90.07	89.96	88.0	89.96	86.4	89.9
Index of Mining Production	132.10	132.40	133.50	133.64	132.90	132.8	132.90	127.2	127.6
Average Electricity Generation (MW/h)	2,271.5	2,950.0	2,794.1	3,850.0	3,850.0	2,500.0	3,850.0	2,833.3	2,305.9
Average Electricity Consumption (MW/h)	1,689.1	1,796.6	1,617.0	1,750.0	1,750.0	1,300.0	1,750.0	2,472.9	1,955.5

1 Provisional
2 Core Inflation based on consumer price index (CPI) of All Items less Farm Produce
3 Inflation based on consumer price index (CPI) of food