

PRESS RELEASE
CENTRAL BANK OF NIGERIA
A COMMUNIQUE (NO. 21) OF THE MONETARY POLICY COMMITTEE
FOR THE MONTH OF FEBRUARY 2003

In keeping with the policy of transparency in the conduct of monetary and financial policies, the Central Bank of Nigeria (CBN) hereby publishes the summary of the deliberations and decisions of the Monetary Policy Committee (MPC) in February, 2003.

During the month, the Committee met once, on the 25th of February 2003, to review developments in the financial markets and the macroeconomy. The Committee noted that the relative price stability observed in most of 2002 was sustained during the month. It was, however, observed that the problem of excess liquidity in the system persisted, with the broad money stock (M2) rising by 2.55 per cent. Helped by the surfeit of funds in the financial market, the weighted average call rate in the inter-bank money market declined to 10.88 per cent during the review month, down from the 11.97 per cent in January, 2003. A review of developments in the foreign exchange market revealed a significant rise in the demand for foreign exchange, resulting in the modest depreciation of the naira value in all segments of the market.

No additional policy action was introduced during the month. The CBN will, however, continue to closely monitor macroeconomic developments in the country, with a view to taking appropriate policy action to ensure the achievement of the programmed targets for the year.

A handwritten signature in black ink, appearing to read 'JKA Olekah', written over a horizontal line.

JKA Olekah
Secretary, Monetary Policy Committee
Central Bank of Nigeria

February 28, 2003