2009

CENTRAL BANK OF NIGERIA

ECONOMIC REPORT FOR THE FIRST HALF OF 2009

Central Bank of Nigeria
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Vision

To be one of the most efficient and effective world's central banks in promoting and sustaining economic development

Mission

To be proactive in providing a stable framework for the economic development of Nigeria through the effective, efficient and transparent implementation of monetary and exchange rate policy and management of the financial sector

THE CENTRAL BANK OF NIGERIA

Established by the Central Bank of Nigeria (CBN) Act of 1958, the Principal objects of the Bank as contained in the new CBN Act, 2007 are to

- *ensure monetary and price stability*
- *issue legal tender currency in Nigeria*
- *maintain external reserves to safeguard the international value of the legal tender currency*
- *promote a sound financial system in Nigeria*
- *act as banker and provide economic and financial advice to the Federal Government of Nigeria*

MEMBERS OF THE BOARD OF DIRECTORS OF THE BANK AS AT JUNE 30, 2009

1.	Sanusi Lamido Sanusi	-	Governor (Chairman)
2.	....	-	Deputy Governor (Corporate Services)
3.	Sarah O. Alade (Mrs)	-	Deputy Governor (Economic Policy)
4.	Tunde Lemo	-	Deputy Governor (Financial Sector Surveillance)
5.	Suleiman A. Barau	-	Deputy Governor (Operations)
6.	Stephen Oronsaye	-	Director (Permanent Secretary, Federal Ministry of Finance)
7.	Ibrahim H. Dankwambo	-	Director (Accountant General of the Federation)
8.	Akpan H. Ekpo	-	Director
9.	Juliet A. Madubueze (Mrs)	-	Director
10.	Dahiru Muhammad	-	Director
11.	Samuel O. Olofin	-	Director
12.	Joshua O. Omuya	-	Director
	Umaru B. Girei	-	Secretary to the Board

MEMBERS OF THE COMMITTEE OF GOVERNORS OF THE BANK AS AT JUNE 30, 2009

1.	Sanusi Lamido Sanusi	-	Governor (Chairman)
2.	....	-	Deputy Governor (Corporate Services)
3.	Sarah O. Alade (Mrs)	-	Deputy Governor (Economic Policy)
4.	Tunde Lemo	-	Deputy Governor (Financial Sector Surveillance)
5.	Suleiman A. Barau	-	Deputy Governor (Operations)
	Umaru B. Girei	-	Secretary

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EXECUTIVE SUMMARY

POLICY FRAMEWORK

The Central Bank of Nigeria (CBN) continued to rely on the monetary targeting framework in pursuance of its primary objective of monetary and price stability. The Bank sustained the use of the Open Market Operations (OMO), adjustments of the Monetary Policy Rate (MPR) and Cash Reserve Requirements (CRR) as well as discount window operators as the major tools of its monetary operations. These were complemented with interventions in the foreign exchange market as well as auctioning of treasury securities in the primary market. The Bank intensified its supervisory and surveillance activities to ensure the soundness of the banking sector. As part of its developmental activities, the Bank, in collaboration with the Federal Ministry of Agriculture and Water Resources (FMAWR) initiated the Commercial Agricultural Credit Scheme. The Bank also continued the implementation of the Agricultural Credit Guarantee Scheme (ACGS) and strengthened the Microfinance and Entrepreneurship Development Centre (EDC) schemes.

CBN OPERATIONS

Liquidity Management

The Bank's liquidity management operations were anchored on MPR, OMO instruments including the two-way quote trading, tenored repo and standing lending facilities, discount window and reserve requirements. Supportive instruments employed included the liquidity ratio (LR) and the Expanded Discount Window (EDW) operations. The measures produced the anticipated effects as the reserve money was only 4.1 per cent below the indicative benchmark for half-year 2009. As part of efforts to contain the rise in interest rates, the Bank intermittently reviewed the MPR and prudential ratios.

Payments & Clearing System

The Nigerian payments system improved in the first half of 2009 with the operationalization of the Nigeria Automated Clearing System (NACS) in the Kano clearing zone. In addition, the pilot run of the electronic payment in respect of salaries/contractual obligations under the Integrated Personnel Payroll Information System (IPPIS) was successful. Furthermore, the institutional framework for electronic payment was strengthened with the approval of the Guidelines on Transaction Switching and Regulatory Framework for Mobile Payment Services in Nigeria.

Financial Sector Surveillance

At end-June 2009, one bank, for which the NDIC had obtained final court order for liquidation, was resolved under the Purchase and Assumption (P&A) model, bringing the total to twelve (12). With the introduction of the Resident Examiner Programme (REP), the Bank deployed examiners to the banks to provide real-time evaluation report on their operations. In addition, the CBN conducted target examination of banks focusing on identifying/ provisioning for margin loans exposures. Preparatory to the Risk-based and Consolidated Supervision, the Bank commenced the process of enhancement of the e-FASS software and developing various supervisory guidelines. The assessment of the health of the banking sector through the CAMEL parameters indicated that the industry average rating was satisfactory. With the industry-wide average composite score of 55.0 per cent and liquidity ratio (LR) of 43.4 per cent, the banking system out-performed the 10.0 and 25.0 per cent minimum requirements, respectively. At 8.4 per cent, the ratio of non-performing loans (NPLs) to industry total rose by 2.1 percentage points above the level at end-June 2008, but, was below the contingency threshold of 35.0 per cent for the industry. A number of circulars relating to: exposure to public and private sectors, common accounting year end, anti-money laundering/combating financing of terrorism and non-interest banking, among others, were issued to banks. The operating licence of Savannah Bank Plc was restored, following an order of the Federal High Court, Abuja, in February 2009.

Foreign Exchange Management

The foreign exchange market experienced considerable demand pressure relative to the corresponding period of 2008, owing to the speculative activities triggered by the de-accumulation of external reserves in the aftermath of the global economic meltdown. Consequently, foreign exchange demand by authorised dealers at the rDAS and BDC segments of the market rose substantially leading to the depreciation of the domestic currency. The average exchange rate of the naira vis-à-vis the US dollar depreciated by 20.0 and 29.0 per cent in the rDAS and BDC segments of the market, respectively, relative to the levels in the corresponding period of 2008. Consequently, the premium between the rDAS/wDAS and BDC rates widened from 0.8 per cent at end-June 2008 to 12.1 per cent at end-June 2009. Furthermore, foreign exchange inflows into the economy contracted, reflecting the drop in Nigeria's crude oil earnings, while outflow increased owing to the increased funding of the rDAS segment of the foreign exchange market. Consequently, a net inflow of US$10.1 billion was recorded at the end of the first half of 2009, compared with US$37.7 billion in the corresponding period of 2008.

THE FINANCIAL SECTOR

Growth in monetary aggregates decelerated in the first half of 2009. Available data indicated that relative to the level at end-December 2008, broad money supply (M_2) fell by 1.0 per cent, in contrast to the increase of 36.8 per cent recorded at end-June 2008. Similarly, narrow money supply (M_1) declined by 7.7 per cent below the level at end-December 2008 as against an increase of 39.9 per cent in the corresponding period of 2008. The contraction reflected the fall in the foreign assets (net) of the banking system. The Federal Government was a net creditor to the banking system despite the 7.3 per cent increase in credit to government (net). Credit to the domestic economy grew by 14.7 per cent at the end of the first half of 2009. The growth in net domestic credit was driven wholly by the expansion in credit to the private sector, which rose by 6.2 per cent, compared with 33.6 per cent in the corresponding period of 2008.

Short-term maturity remained a dominant feature of the credit and deposit portfolios of banks. Bank average prime and maximum lending rates rose sharply owing to the tight market liquidity conditions in the first half of 2009. Consequently, the spread between banks' average term deposit and maximum lending rates widened to 10.49 percentage points from 7.97 percentage points in the corresponding half of 2008. With the year-on-year inflation rate at 11. 2 per cent at end-June 2009, most of the term deposit rates were positive in real terms. At ₦5,740.5

billion, aggregate institutional savings at half year 2009 rose substantially by 51.6 per cent over the level in the corresponding half year of 2008. The DMBs remained the dominant savings institutions, accounting for 80.0 per cent of the total. Activities on the floor of the Nigerian Stock Exchange remained bearish as market capitalization (MC) and All-share Index (ASI) dipped by 7.4 and 14.6 per cent, to close at ₦8.8 trillion and 26,861.55 (1984= 100), respectively, down from their levels at end-December 2008.

THE GOVERNMENT SECTOR

Provisional data indicated that total federally-collected revenue, at ₦2,224.1 billion, was 16.2 and 40.7 per cent lower than the proportionate budget estimate and the actual revenue in the corresponding period of 2008, respectively. Oil-revenue contributed 69.2 per cent and non-oil revenue accounted for the balance. At ₦1,266.7 billion, Federal Government retained revenue was 5.5 per cent higher than the proportionate budget estimate, but was 7.7 per cent lower than the level in the first half of 2008. Aggregate expenditure of the Federal Government stood at ₦1,591.0 billion, and was 7.3 and 13.3 per cent above the proportionate budget estimate and the level in the corresponding period of 2008. The expenditure performance relative to the proportionate budget estimate reflected the increase in personnel and overhead costs component of the recurrent expenditure. Consequently, the fiscal operations of the Federal Government resulted in an overall notional deficit of ₦324.3 billion or 2.7 per cent of GDP, compared with the proportionate budget deficit of ₦418.3 billion and a notional deficit of ₦31.1 billion at the corresponding half year of 2008. At ₦3,358.6 billion, the stock of Federal Government consolidated debt comprising - domestic ₦2,812.8 billion and external US$3.7 billion or (₦545.8 billion) - rose by 20.8 per cent over the level at half year 2008.

THE REAL SECTOR

Provisional data from the National Bureau of Statistics (NBS) indicated that the Gross Domestic Product (GDP) at 1990 constant basic prices grew by 5.1 per cent in the first half of 2009, compared with 5.2 per cent in the corresponding period of 2008. The growth was driven mainly by the non-oil sector which expanded by 8.0 per cent and contributed 85.6 per cent to the GDP. At 215.3 (1990=100), the provisional aggregate index of agricultural production increased by 5.4 per cent, compared with 4.8 per cent in the corresponding half of 2008. Activities in the industrial sector declined as the index of production at 115.23 (1990=100) fell by 2.9 per cent below the level in the first half of 2008. The poor industrial performance reflected the deficient infrastructural facilities, especially electricity supplies. Crude oil production, including condensates continued to decline; average daily production dropped by 0.18 million barrels per day (mbd) below the level in the first half of 2008 to 1.76 mbd in the first half of 2009. The average spot price of Nigeria's reference crude, the Bonny Light (37^0 API), crashed by 52.5 per cent to US$53.65 per barrel. Inflationary pressure subsided, as the headline year-on-year dropped to 11.2 per cent in June 2009 even as the 12-month moving average trended upward.

The pressure on Nigeria's external sector witnessed since the second half of 2008 persisted as the overall deficit in the balance of payments widened by 54.9 per cent to ₦1,134.0 billion. The

EXTERNAL SECTOR

development reflected the unfavourable macroeconomic environment induced by the global financial and economic meltdown as well as the drop in the value of crude oil exports. Thus, the current account swung into a deficit of ₦168.0 billion while the deficit in the capital and financial account stood at ₦651.5 billion. Provisional data indicated that Nigeria's external assets at end-June 2009 stood at ₦ 6,036.5 billion (US$40.7 billion), representing a decline of 29.3 per cent over the level at end-June 2008. At US$43.5 billion, Nigeria's external reserves also dropped by 18.0 per cent below the level at end-December 2008 which could finance 15.7 months of current imports.

World output plummeted, reflecting the lingering effects of the global financial and economic crises. The advanced economies (US and Western Europe) were worst hit as they experienced unprecedented decline in real GDP. The emerging markets were undermined through finance and trade, particularly, those that relied heavily on manufactured exports and capital flows. Africa was also affected by the meltdown as demand for her exports and commodity prices fell while remittance flows weakened.

Global commodity prices fell, and inflationary pressures continued to ease. Thus, world inflation (year-on-year) moderated in May 2009, to 1.7 per cent.

OUTLOOK FOR THE REST OF 2009

The steady decline of inflation rate recorded in the first half of the year is expected to engender a favourable macroeconomic environment in the second half. Thus, the real GDP growth rate is projected to improve. This is premised on the expected rise in agricultural output resulting from government initiatives particularly, the part disbursement of the ₦200.0 billion commercial agriculture fund and the clement weather across the country. The growth in industrial output is expected to remain unimpressive, except the proposed Federal Government investment in the power sector yields positive results. Crude oil production is expected to be boosted, following anticipated increase in global oil demand and the quick resolution of the Niger Delta crisis. The expected increase in federation revenue following the recovery of oil prices would provide funds for stimulating the economy. Inflationary pressure might be induced by the expansionary fiscal operations of the three tiers of government occasioned by expected increase in allocation. However, this may not likely pose any serious problem to macroeconomic stability, as the economy presently needs some measure of reflation. The prospect of increased foreign exchange inflows would improve overall balance of payments position and engender stability in the foreign exchange market. In the circumstance, the monetary authorities should remain proactive in their management of the economy in order to maintain internal and external stability.

Selected Macroeconomic and Social Indicators

Indicator	Jun-05	Jun-06	Jun-07	Jun-08	Jun-09
Domestic Output and Prices					
GDP at Current Mkt Prices (N' billion) 3/	6,568.97	8,412.36	9,594.65	12,089.27	
GDP at Current Mkt Prices (US$' billion) 3/	49.44	65.50	75.36	102.63	
GDP per Capita (N) 3/	49,095.44	60,088.29	66,398.96	81,081.60	
GDP per Capita (US$) 3/	369.50	467.83	521.55	688.30	
Real GDP Growth (Growth Rate%) 3/	5.80	5.30	5.51	6.11	5.1
Oil Sector	-1.74	-3.70	-4.34	-3.30	-9.4
Non-oil Sector	8.42	9.48	8.51	8.65	8
Sectoral Classification of GDP (Growth Rate %)					
Agriculture	6.93	7.32	6.21	6.30	5.4
Industry 4/	7.23	7.12	-2.98	-1.93	-5.8
Services 5/	13.14	15.05	9.58	10.28	10.4
Oil Production (mbd)	2.46	2.34	2.14	1.94	1.76
Manufacturing Capacity Utilisation (%) 1/	48.40	45.10	43.90	54.20	53.81
Inflation Rate (%) (Year-over-Year)	18.60	8.50	6.40	12.00	11.2
Inflation Rate (%) (12-month moving average)	16.20	13.60	5.90	7.00	13.7
Core Inflation Rate (%) (Year-over-Year) 7/	16.20	13.60	9.60	3.60	8.5
Core Inflation Rate (%) (12-month moving average) 7/	6.70	11.00	11.10	5.80	8.3
Federal Government Finances (% of GDP)					
Retained Revenue	10.86	9.24	11.26	11.35	10.71
Total Expenditure	11.09	8.93	11.58	11.42	13.5
Recurrent Expenditure	8.15	7.06	6.24	7.81	7.0
Of which: Interest Payments					
Foreign	1.47	1.15	0.54	0.31	0.2
Domestic	0.92	0.25	0.46	0.94	0.9
Capital Expenditure and Net Lending	2.36	1.37	4.80	3.03	4.0
Transfers	0.58	0.50	0.53	0.58	0.6
Current Balance (Deficit(-)/Surplus(+))	2.71	2.18	5.02	3.54	2.1
Primary Balance (Deficit(-)/Surplus(+))	5.10	3.58	0.68	1.17	-1.7
Overall Fiscal Balance (Deficit(-)/Surplus(+))	-0.23	0.31	-0.32	-0.07	-2.7
Financing					
Foreign	0.00	0.00	0.00	0.00	0.00
Domestic	0.94	0.00	0.00	0.00	0.00
Banking System	0.73	0.00	0.00	0.00	0.00
Non-bank Public	0.21	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.32	0.07	2.70
Consolidated Government Debt Stock					
External	69.23	7.36	4.45	3.66	4.60
Domestic	20.77	18.58	21.44	19.35	23.80

Selected Macroeconomic and Social Indicators (Cont...)

Indicator	Jun-05	Jun-06	Jun-07	Jun-08	Jun-09
Money and Credit (Growth Rate %)					
Reserve Money	2.10	4.60	-12.00	26.90	-16.60
Narrow Money (M1)	9.29	28.49	15.70	38.90	-7.70
Broad Money (M2)	18.9	38.90	27.00	36.80	-0.98
Net Foreign Assets	28.50	35.90	21.00	14.5	-10.61
Net Domestic Assets	-85.40	-29.10	-10.40	74.70	132.5
Net Domestic Credit	8.00	14.40	30.10	46.50	14.70
Net Credit to Government	-29.65	17.90	-35.03	-14.70	7.33
Credit to Private Sector	19.96	14.80	32.20	33.60	6.17
Money Multiplier for M2	3.60	4.90	5.90	5.20	7.03
Income Velocity of M2					
Interest Rates (% per annum)					
Minimum Rediscount Rate (MRR) 9/	13.00	14.00	…		
Monetary Policy Rate (MPR) 9/	…	…	8.00	10.25	8.00
Repurchase Rate					
Reverse Repurchase Rate					
Treasury Bill Rate					
91-day	4.22	11.20	6.59	8.28	-
Inter-bank Call Rate	5.48	8.16	8.46	11.23	18.6
Deposit Rates					
Savings Rate	4.03	2.96	3.78	3.15	2.93
3-months Fixed	10.52	9.95	10.24	11.77	13.12
6-months Fixed	10.74	9.43	10.00	11.63	13.34
12-months Fixed	11.02	8.19	8.02	11.68	13.06
Prime Lending Rate	17.80	17.08	16.92	16.04	18.16
Maximum Lending Rate	19.17	18.61	18.74	17.08	22.64
External Sector					
Current Account Balance (% of GDP)	16.8	24.7	12.2	17.3	-2.07
Goods Account	17.3	21	13.7	11.4	-1.78
Services and Income Account	-4.1	-4.2	-10.6	-5.8	-16.82
Current Transfers	3.6	7.9	9.1	11.7	16.53
Capital and Financial Account Balance (% of GDP)	-6.2	11.9	2.4	1.1	8.02
Overall Balance (% of GDP)	10.5	12.7	0.4	7.4	-13.96
External Reserves (US $ million)	24,367.12	36,479.00	46,626.20	59,812.90	43,462.72
Number of Months of Import Equivalent	18.6	23	15.3	16.6	15.74
Debt Service Due (% of Exports of Goods and Services)	8.96	1.6	-	-	0
Average Crude Oil Price (US$/barrel)	49.95	61.44	65.66	113.03	53.65
Average DAS Rate (N/$1.00)	132.87	128.4543	127.94	117.94	147.31
End of Period DAS Rate (N/$1.00)	132.87	128.44	127.31	117.80	148.20
Average Bureau de Change Exchange Rate (N/$)	141.21	136.8182	129.31	119.21	168.03
End of Period Bureau de Change Exchange Rate (N/$)	142.50	132.50	128.00	119.00	166.14
Capital Market					
All Share Value Index (1984=100)	26,877.9	26,161.2	51,330.5	55,949.0	26,860.55
Value of Stocks Traded (Billion Naira)	100.10	167.60	666.20	106.30	301.5
Market Capitalization (Trillion Naira)	1.90	3.50	8.90	12.10	8.8

Selected Macroeconomic and Social Indicators (Cont...)

Indicator	Jun-05	Jun-06	Jun-07	Jun-08	Jun-09
Social Indicators					
Population (million)	133.8	140.0	144.5	149.2	154.0
Population Growth Rate (%)	2.8	2.8	3.2	3.2	3.2
Life Expectancy at Birth (Years)	54	54	54	54	54
Adult Literacy Rate (%)	57	64.2	66.9	66.9	66.9
Incidence of Poverty 11/	54.4	54.4	54.4	54.4	54.4

1/ Revised

2/ Provisional

3/ Revised based on National Accounts of Nigeria 1981-2005 Harmonised series

4/ Includes Building and Construction.

5/ Includes Wholesale and Retail Services

6/ Based on GDP at purchasers' value (i.e. GDP at market prices)

7/ Core Inflation is measured as the rate of change of all-item Consumer Price Index (CPI) less farm produce.

8/ Based on GDP at Current Purchasers' Value (Current Market Price).

9/ MPR replaced MRR with effect from December 11, 2006

10/ The 182-day and the 364-day bills were introduced with effect from _____

11/ The incidence of poverty in Nigeria was projected to increase from 65.6 per cent in 1996 to 70.0 per cent in 2000.

However, the result of a Nigeria Living Standard Survey of 2003/2004 from NBS (former FOS), showed that the incidence of poverty declined to 54.4 per cent in 2003/2004.

**** indicates not available.*

1.0 Introduction

The conduct of monetary policy was challenging in the first half of 2009 as efforts were focused on cushioning the effects of the liquidity/credit crunch that emanated from the global financial meltdown. Thus, the thrust of policy under the framework of monetary targeting was aimed at ensuring optimum liquidity supply that is capable of promoting the desired level of economic activity. These measures were to ensure the achievement of a sustainable, low and stable inflation rate consistent with real Gross Domestic Product (GDP) growth rate of 5.0 per cent. The Bank continued to use the Open Market Operations (OMO) and the Monetary Policy Rate (MPR) as the primary instruments for liquidity management.

Table 1: Monetary Policy Targets (Growth in % except otherwise stated)

Key Policy Variables	2005	2006	2007	2008	Target 2009	Outcome* Half Year 2009
Broad Money Growth (M2)	15.04	15-17	19.00	56.83	20.80	**-0.98**
Narrow Money Growth (M1)	11.38	13.30	-	56.00	32.23	**-7.67**
Base Money (Reserve) Naira Billion	-	₦800	₦860	₦1,124.8	₦1,346.3	**₦1,291.5**
Aggregate (Net) credit to the domestic economy	22.54	22.50	-29.96	72.84	86.97	**14.65**
Credit (Net) to Government	14.01	-57.20	-54.94	-5.31	21.90	**7.33**
Credit to the private sector	25.24	30.00	30.00	33.95	44.99	**6.2**
Inflation rate	10.00	9.00	9.00	10.20	10.00	**11.2**
Real GDP Growth	6.00	7-10	10.00	**6.55**	**5.00**	**5.1**

*** Provisional**

Other instruments included Cash Reserve Requirement (CRR), Liquidity Ratio (LR) as well as the Discount Window operations. In addition, the Bank continued to intervene in the foreign exchange (FX) market and reverted to the retail Dutch Auction System (rDAS) in January, 2009 to stem the speculative activities in the FX market as well as support liquidity management. Following the observed tight liquidity conditions in the money market, the CBN Standing Lending Facility and expanded discount window were accessed by the Deposit Money Banks (DMBs) to square up short falls.

2.0 Operations of the Central Bank of Nigeria

2.1 Liquidity Management

The economy was characterized by tight liquidity conditions arising largely from the effects of the global economic meltdown, which reduced the net foreign assets (NFA) component of the system's liquidity. The development was due mainly to the fall in the value of crude oil exports. This exacerbated the fall in the federation revenue and, thus, the statutory revenue distributed to the three tiers of government. Consequently, the central government borrowing through bonds from the domestic financial market increased from ₦50.0 billion monthly in 2008 to ₦60.0 billion in 2009. Liquidity shortage, however, persisted in spite of the draw down on the excess crude account to augment the statutory revenue allocation to the three tiers of government and measures to inject liquidity by the CBN. The challenges of monetary management necessitated the convening of two (2) special meetings of the Monetary Policy Committee, in addition to two (2) regular ones during the period.

Monetary policy decisions focused mainly on boosting liquidity in both domestic inter-bank money and foreign exchange markets as well as engendering confidence in the Nigerian financial markets. The Bank, therefore, deployed various tools to ease liquidity in the system. These included the downward review of the MPR by 175 basis points, to 8.0 per cent, Liquidity Ratio from 30 to 25 per cent and CRR from 2.0 to 1.0 per cent in April 2009. Others were the use of OMO instruments, including the 2-way quote platform, tenored repo and standing lending facility. In addition, the discount window was expanded to accommodate private sector securities with the tenor extended from overnight to 365 days. The domestic money market instruments were supplemented by foreign exchange market intervention at both the retail Dutch Auction System (rDAS) and inter-bank markets; and review of DMBs' Net Open Position (NOP) from 10.0 to 2.5 per cent during the review period. In spite of the liquidity injections by the CBN through these measures, the provisional data indicated that the reserve money (RM), at ₦1,291.5 billion at end of June 2009, was 4.1 per cent below the indicative benchmark of ₦1,346.3 billion for the period.

Monetary Policy Committee Decisions During the First Half of 2009

Date of Meeting	Type of Meeting	Decisions
January 14, 2009.	Special	1. Re-introduction of the Retail Dutch Auction System (rDAS) with effect from Monday January 19, 2009 and to be conducted on Mondays and Wednesdays every week 2. Bids for foreign exchange under the rDAS must be cash –backed at the time of bid 3. Funds purchased from the CBN should be used for eligible transactions only, and not transferable 4. Unutilised funds must be returned to the CBN within five (5) business days after delivery 5. Foreign exchange purchases by banks for their customers would be published in the dailies forth-nightly 6. Foreign exchange net position of banks was reduced from 10 to 5 per cent with effect from Monday, January 19, 2009 7. CBN remains committed to section 15 (4), of the Foreign Exchange (Monitoring and Miscellaneous Provisions) Act of 1995, which guarantees unconditional transferability of funds in respect of loans and portfolio investments into Nigeria
February 9, 2009	Regular	1. Monetary Policy Rate (MPR) remained unchanged 2. CBN to meet with banks' chief executive officers to agree on modalities to check excessive interest rates 3. Exchange rate would be managed within a band of +/-3 per cent until further notice 4. The difference between the CBN buying and selling rates would not be more than 1 per cent, while that of banks and BDCs would not be more than 1 per cent, respectively around the CBN rate.
April 8, 2009	Regular	1. Reduced MPR from 9.75 to 8.0 per cent 2. Reduced Liquidity Ratio (LR) from 30.0 per cent to 25.0 per cent with effect from April 14, 2009; and 3. Reduced Cash Reserve Requirement (CRR) from 2.0 per cent to 1.0 per cent.
May 21, 2009	Special	1. To issue short term instruments to mop-up excess liquidity 2. To return to a regime of fully liberalised foreign exchange market over the next three months 3. Net foreign exchange position increased to 2.5 per cent from 1.0 per cent 4. Banks no longer required to sell to the CBN, after 5 days funds sourced from non-rDAS and export proceeds and may use such funds at inter-bank 5. Effective June 1, 2009, rDAS will be twice weekly 6. Approval-in-Principle (AIP) granted to 50 non-bank Class 'A' BDCs. The BDCs are to sell at retail rate of not more than 2.0 per cent above CBN selling rate; and 7. Government Agencies and Oil Companies at discretion to sell foreign exchange at the inter-bank foreign exchange market or to the CBN with effect from May 25, 2009

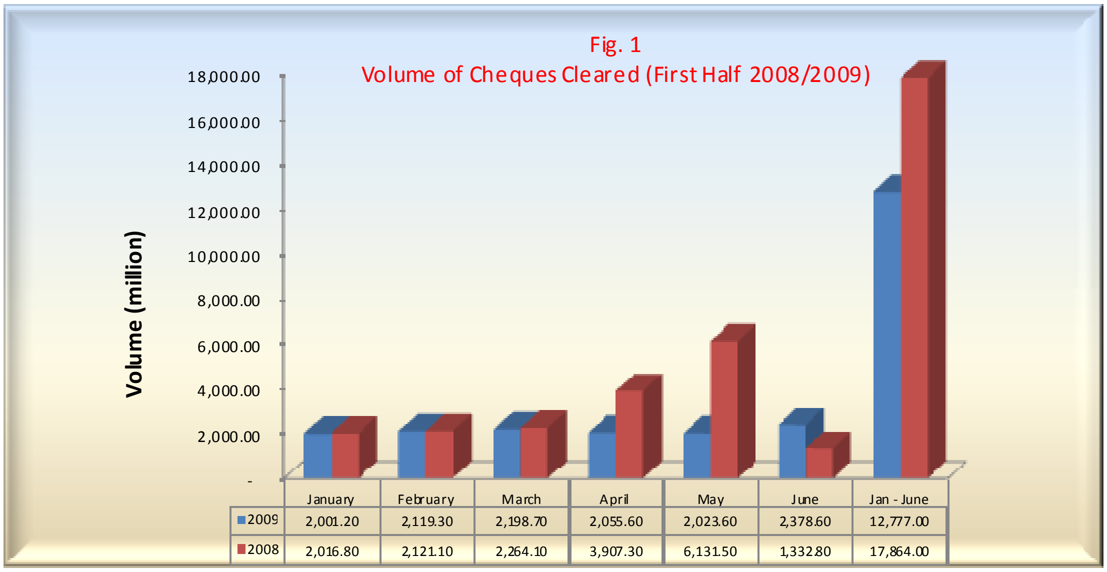
2.2 Payments and Clearing System

Nigeria's payments landscape improved further during the review period. In particular, payments infrastructure received a boost with the deployment of the Nigeria Automated Clearing System (NACS) equipment in the Kano clearing zone. This brought to six (6) the number of clearing zones with NACS infrastructure. Electronic payments in Nigeria were further enhanced with the adoption of the Integrated Personnel Payroll Information System (IPPIS) by the Federal Government. The pilot runs of the electronic payment of salaries through the Nigeria Interbank Settlement System (NIBSS) Electronic Funds Transfer (EFT) system commenced in January 2009. In addition, the institutional framework for electronic payments system was strengthened with the approval of the guidelines on transactions switching and the regulatory framework for mobile payment services in Nigeria.

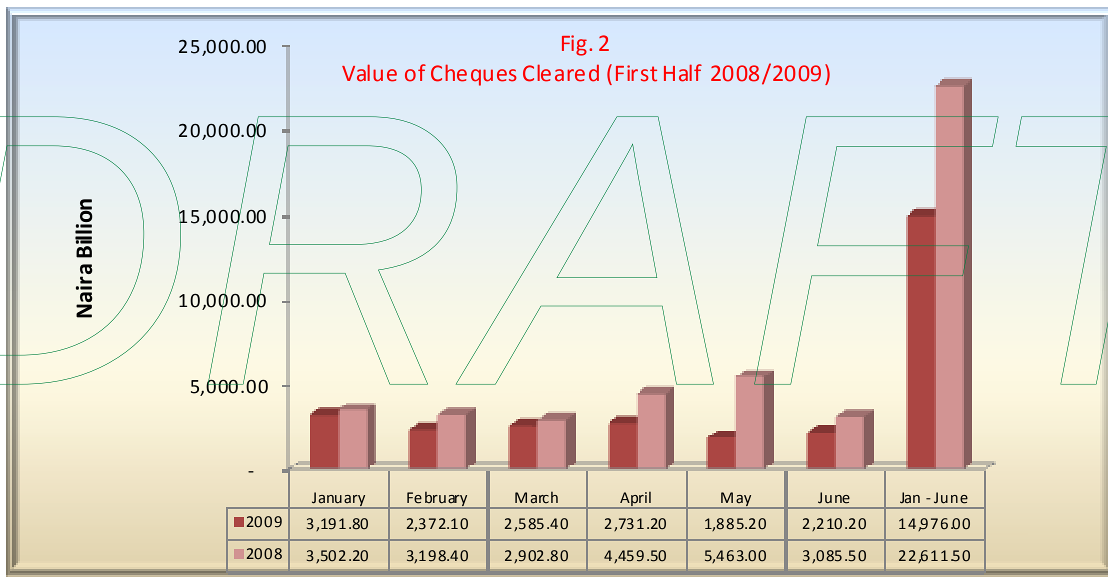
2.2.1 Retail Payments System

2.2.1.1 Cheque

Cheque transactions during the review period were influenced by the recent developments in the electronic payments segment as evidenced by the trends in the volume and value of financial instruments cleared through the system. At 12,776,991 and ₦14,976.0 billion, the volume and value of financial instruments cleared through the system was down by 28.5 and 33.8 per cent, respectively, relative to the levels in the corresponding half year. The development reflected largely, the impact of the Federal Government directive on e-payment of suppliers/contractors and salaries of staff of Ministries, Departments and Agencies (MDAs) as well as the increased usage of automatic teller machines (ATMs) and other e-payment instruments.



	January	February	March	April	May	June	Jan - June
2009	2,001.20	2,119.30	2,198.70	2,055.60	2,023.60	2,378.60	12,777.00
2008	2,016.80	2,121.10	2,264.10	3,907.30	6,131.50	1,332.80	17,864.00



	January	February	March	April	May	June	Jan - June
2009	3,191.80	2,372.10	2,585.40	2,731.20	1,885.20	2,210.20	14,976.00
2008	3,502.20	3,198.40	2,902.80	4,459.50	5,463.00	3,085.50	22,611.50

As in the past, in volume terms, Lagos (64.8 per cent) led the other clearing zones, followed by Abuja (5.5 per cent), Port Harcourt (4.4 per cent) and Ibadan (3.1 per cent). In value terms, Lagos also led with 48.4 per cent, followed by Abuja (11.6 per cent), Port Harcourt (7.3 per cent) and Kano (2.9 per cent).

2.2.1.2 Electronic Payments

Electronic payments continued to enjoy wide acceptability, as evidenced by the data on various e-payment channels. Automated Teller Machine (ATM) remained the most patronized channels accounting for over 80.0 per cent of the total e-payment transactions both in value and volume terms. Point-of-sale (POS) terminal was the least in both value and volume terms.

Table 2: Percentage Value and Volume of Electronic Payments Channels		
	Transaction Channel	**Per cent Share**
Volume Terms	ATM	80.0
	Mobile	2.9
	Web (Internet)	14.9
	POS	2.2
Value Terms	ATM	84.5
	Mobile	12.7
	Web (Internet)	1.7
	POS	1.1

2.2.1.2.1 ATM Transactions

The usage of ATM transactions continued on the upswing in the review period with the volume and value standing at 49,671,367 and ₦285.87 billion, and represented an increase of 162.1 and 99.5 per cent, respectively, above the levels in the corresponding period of 2008. The increase in the usage of ATMs was attributed to the increased number of the facility in the country and the ease as well as convenience of the system.

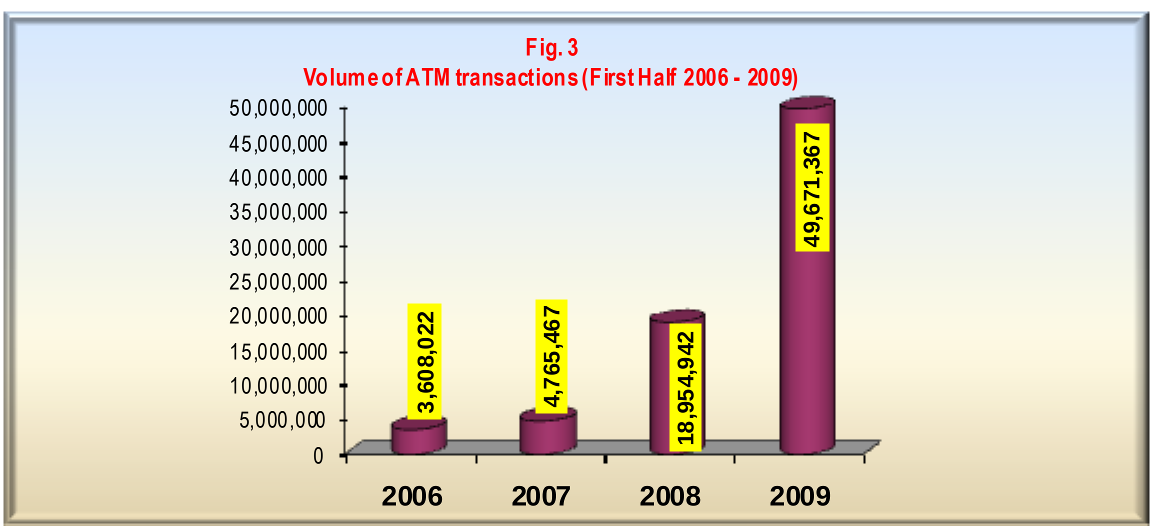
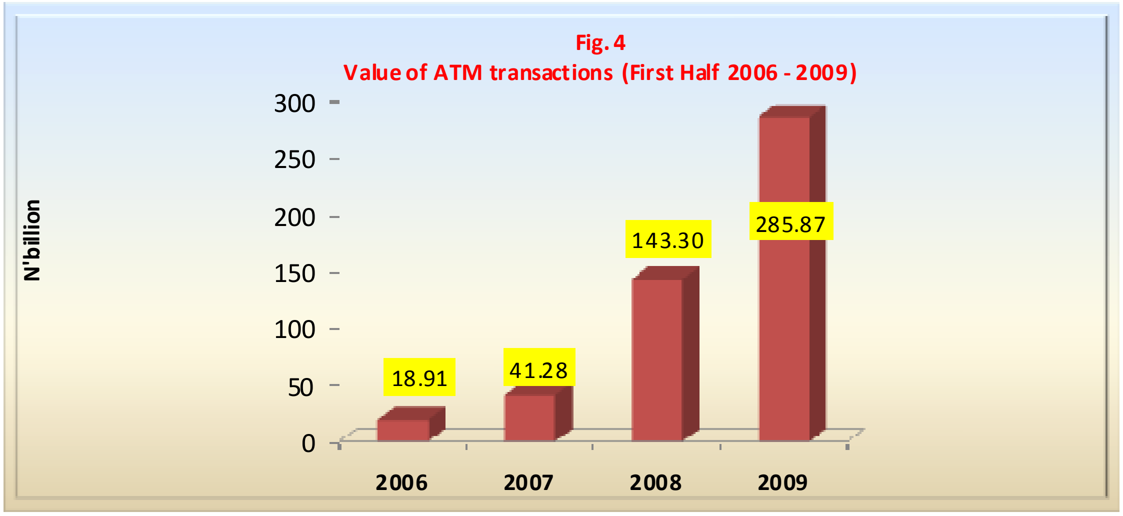


Fig. 3
Volume of ATM transactions (First Half 2006 - 2009)

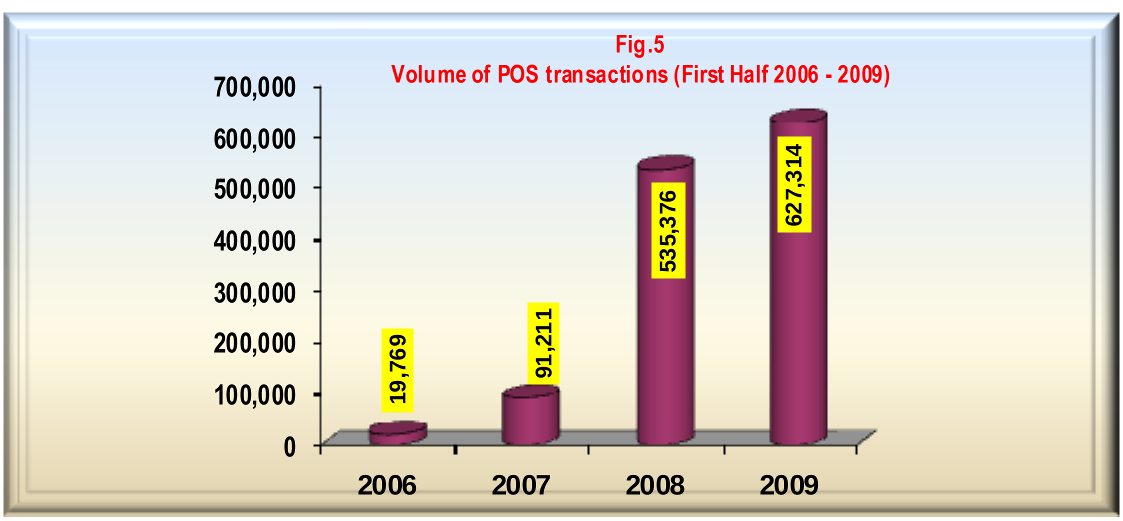


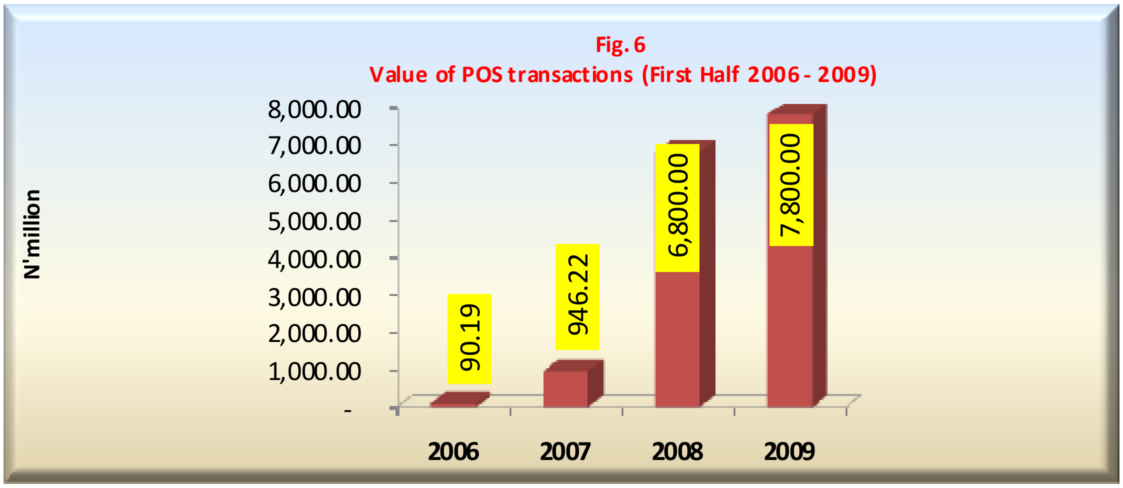
2.2.1.2.2 Web Transactions

Internet payments increased by 47.2 and 594.7 per cent to 1,008,044.0 and ₦53.0 billion in volume and value, respectively, in the review period. The increase was due to the growing number of airlines and merchants that accept payments through their web sites.

2.2.1.2.3 Point of Sale (POS) Transactions

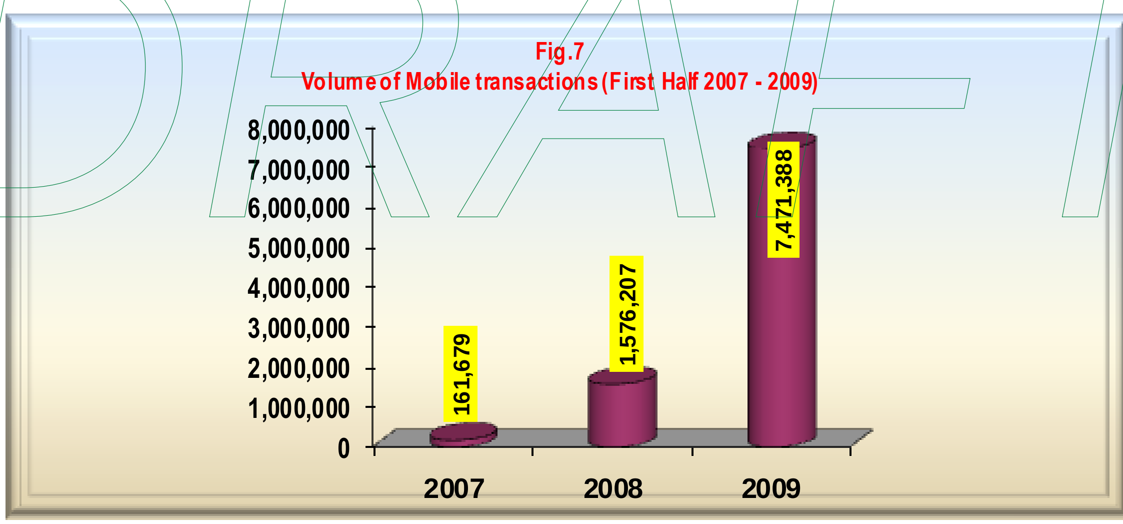
The first half of 2009 witnessed an increase in the volume and value of on-line POS transactions. At 627,314 and ₦7.8 billion, POS transactions rose by 17.2 and 15.5 per cent, respectively, from 535,376 and ₦6.8 billion, in volume and value terms, above the levels in the corresponding half of 2008. The growth in the POS transactions was due to the increase in the number of people and merchants using debit cards.





2.2.1.2.4 Mobile Payments

During the review period, the use of mobile telephone for payments increased in volume by 374.0 per cent to 7,471,388 and value by 6,149.2 per cent to ₦10.30 billion. The development reflected the improved mobile teledensity in the country.



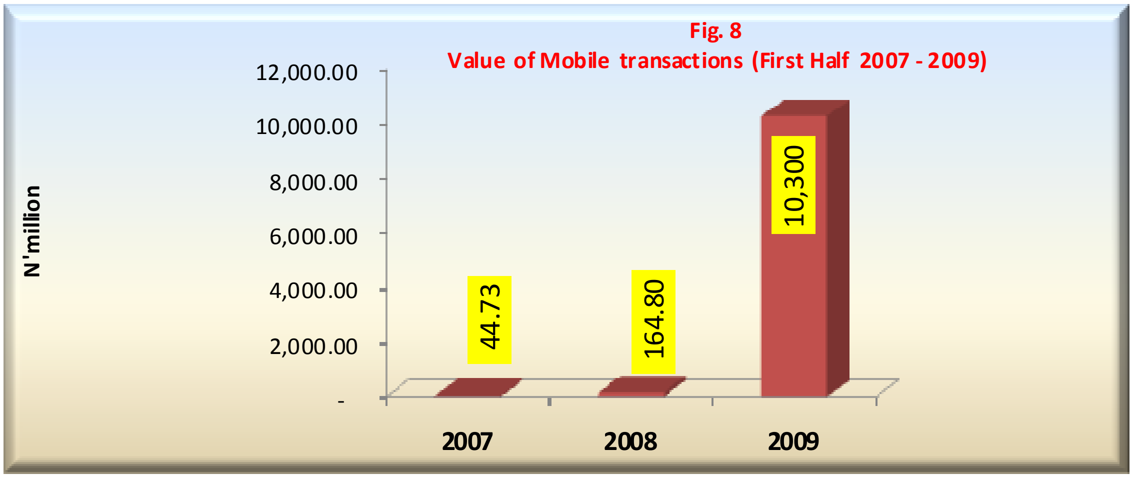


Fig. 8
Value of Mobile transactions (First Half 2007 - 2009)

2.2.2 Wholesale Payments System

Developments in the inter-bank transfer segment were mixed in the review period. The volume of inter-bank transfers increased by 25.3 per cent to 136,299, while the value declined by 36.3 per cent to ₦27,665.2 billion, relative to the levels in the corresponding period of 2008. The development reflected the stoppage of third-party transfers for Bureaux-de-Change deposit for foreign exchange purchases.

2.3 Financial Sector Surveillance

2.3.1 Banking Supervision

The CBN intensified its supervisory and surveillance activities in the banking sector during the first half of 2009. It adopted various approaches, including regular appraisal and review of banks' periodic returns, spot checks, special investigations, and risk-based supervision, among others.

The Resident Examiners' Programme was introduced in the review period to provide real-time and continuous evaluation of the risks posed by banks' operations. The programme placed emphasis on the evaluation of a bank's risk management system and controls, as opposed to performing transaction testing and asset valuation under conventional examinations. In that regard, Resident Examiners (REs) were deployed to the 24 deposit money banks to monitor and supervise the activities of the banks on a daily basis and report to the Bank.

As part of the efforts toward the attainment of the overall objective of making Nigeria an international financial centre, an exposure draft of the framework for the regulation and supervision of Non-Interest Banks in Nigeria was circulated to stakeholders in March 2009. Some of the comments and input received thus far, were being reviewed.

The operating licence of Savannah Bank Plc was returned, following an order of the Federal High Court, Abuja, to the CBN in February 2009.

The resolution of the failed banks, whose operating licences were revoked by the CBN in January 2006, continued in the first half of 2009. As at end-June 2009, the NDIC had not obtained final court order for the liquidation of the remaining two (2) out of the 14 failed banks and as such, the affected banks could not be offered for purchase and assumption. The number of failed banks that had been resolved under the Purchase and Assumption (P&A) model increased from eleven (11) to twelve (12) as indicated in the table below:

S/N	Failed Banks	Assumed By
1	Allstates Trust Bank	Ecobank Plc
2	Assurance Bank	Afribank Plc
3	Lead Bank	Afribank Plc
4	Trade Bank	UBA Plc
5	Metropolitan Bank	UBA Plc
6	City Express Bank	UBA Plc
7	Hallmark Bank	Ecobank Plc
8	African Express Bank	UBA Plc
9	Eagle Bank	Zenith Plc
10	Gulf Bank	UBA Plc
11	Liberty Bank	UBA Plc
12	African International Bank	Ecobank Plc

The CBN issued a number of circulars to the banks bordering on their operations, in the areas of exposure to public and private sectors, common accounting year end, non-interest banking, anti-money laundering/combating financing of terrorism, publication of interest rates, among others.

In line with the new approach to supervision, the e-FASS Implementation Committee commenced the identification of additional enhancements needed in the software to meet the requirements of Risk-Based and Consolidated Supervision.

The Supervisory Methodology Group developed supervisory guides and other supporting documents to facilitate the implementation of the Risk-Based Supervision framework. These included: Risk Assessment Summary (RAS); Supervisory Guide; Knowledge of Business and Identification of Significant Activities Guide; Developing Supervisory Strategy Guide; Risk Management Guide; Supervisory Documentation Guide; Management Reporting Guide; and Inherent Risk Guide. The process was at the training stage, to be followed by pilot examination of small-to-medium size banks.

2.3.2 Target Examination

Target examination of the 24 deposit money banks was conducted with a cut-off date of February 28, 2009. The exercise focused on identifying and making provisions, in line with the prudential guidelines, for exposures to margin loans; oil and gas, and energy sectors as well as compliance with the recommended provisions for the approval of the annual accounts of the banks with common accounting year-end within the first half of 2009. Also, the joint CBN/NDIC target examination of deposit money banks commenced with 10 banks during the review period to determine the state of health of the banks.

2.3.3 Banking Sector Soundness

An assessment of the health of the banking sector using CAMEL ratings indicated that the average composite score of the banking system was 55.0 per cent, while the average industry rating was satisfactory. The average Capital Adequacy Ratio (CAR) of the banks was consistently above the stipulated minimum of 10.0 per cent. The industry-wide liquidity ratio was 43.4 per cent, exceeding the 25.0 per cent minimum requirement by 18.4 percentage points.

The non-performing credits of the banks, in absolute terms, stood at N641.0 billion, compared with N402.0 billion at end-June 2008. The ratio of non-performing credit to industry total credit rose to 8.4 per cent from 6.3 per cent at end-June 2008, reflecting a deterioration in the quality of credit facilities. The ratio was, however, below the acceptable contingency threshold of 35.0 per cent for the industry.

2.3.4 Compliance with Code of Corporate Governance for Banks in Nigeria

The challenges posed by the global financial crisis to the Nigerian financial system underscored the need for sound corporate governance and risk management practices in the sector. Consequently, in the first half of 2009, the Bank renewed its efforts to address the reported constraints to compliance with the provisions of the "Code of Corporate Governance for Banks in Nigeria". As part of these efforts, the Financial Sector Regulatory Coordination Committee (FSRCC) directed the setting up of an inter-agency committee to review and harmonize all existing codes in the financial services industry with a view to producing a sector-wide code that would enhance sound governance practices and eliminate regulatory arbitrage among operators. The Committee commenced work during the period under review.

2.3.5 Examination of Other Financial Institutions

On-site examinations were carried out on a total of 255 other financial institutions (OFIs) during the review period. These comprised one (1) development finance institution (DFI), 99 microfinance banks (MFBs), 84 finance companies (FCs) and 71 primary mortgage institutions (PMIs).

A routine examination on one (1) of the four (4) reporting DFIs commenced during the review period, while that on the rest would be conducted later. The examination was expected to reveal the performance of the institutions towards the attainment of their core mandates, asset quality and state of corporate governance compliance.

Maiden and post-conversion examinations were conducted on 99 MFBs. The examinations were undertaken to ascertain the compliance of the newly converted or licensed MFBs with the terms of their business plans, extant rules and regulations. The exercise showed that the institutions were, on the average, capitalized above the prescribed minimum of ₦20.0 million. The asset quality of the MFBs, however, fell short of the prescribed maximum portfolio-at-risk (PAR) of 2.5 per cent. The examination also revealed that corporate governance in the MFBs was weak, indicating the need for greater focus on capacity building and mentoring to ensure the long-term sustainability of the MFB initiative.

A routine examination on the finance company sub-sector revealed that eighty-four (84) were active, while twenty-six (26) were inactive. The examination report showed that activities in the sub-sector were generally low and most of the institutions were found to be largely engaged in capital market operations.

Routine examination carried out on 71 PMIs under the collaborative examination arrangement with the NDIC revealed the continued preponderance of commercial assets over mortgage assets in their loan portfolios. This indicated that the operational focus of these institutions was still not on their core mandate of promoting housing finance/mortgage banking.

In the area of off-site supervisory approvals, appointments were confirmed for 59 members of the Board of Directors and top management staff of the various existing OFIs. Approvals were also given for the establishment of 17 branches, five (5) change of names, 16 relocation/change of addresses and 18 appointments of external auditors.

In addition, audited financial statements were approved for 152 OFIs, approval to access the National Housing Fund (NHF) was granted to two (2) PMIs and restructuring was approved for two (2) OFIs. One of these institutions converted its operating licence from a finance company to a primary mortgage institution after recapitalisation/restructuring. Sixty-nine (69) OFIs were penalised for various infractions, including late/non-rendition of statutory returns, late/non-submission of audited accounts and non-compliance with examiners' recommendations.

2.4 Foreign Exchange Management

Seventy four (74) trading sessions were held under the rDAS in the first half of 2009 as against 49 under the wDAS in the corresponding period of 2008. Aggregate demand for foreign exchange by authorized dealers at the rDAS and Bureaux-de-Change (BDC) segments of the foreign exchange (FX) market in the first half of 2009 was US$26.78 billion, compared with US$7.3 billion in the corresponding period of 2008. Of the total amount, the demand under the rDAS accounted for 91.5

per cent or US$24.50 billion and BDC US$2.30 billion or 8.4 per cent. The sharp drop in oil price and its attendant effect on the country's external reserves resulted in huge demand pressure that led to the depreciation of the naira exchange rate at end-2008. Consequently, the value of FX sold by the Bank at the rDAS segment of the FX market rose by 209.5 per cent over the level in the first half of 2008 to US$15.4 billion. At the BDC window, sales stood at US$2.3 billion, compared with US$3.7 billion in the first half of 2008, owing to the suspension of sales to the BDCs in February 2009.

At the interbank segment of the FX market, the Bank sold US$2.6 billion, compared with US$7.9 billion in the corresponding half year.

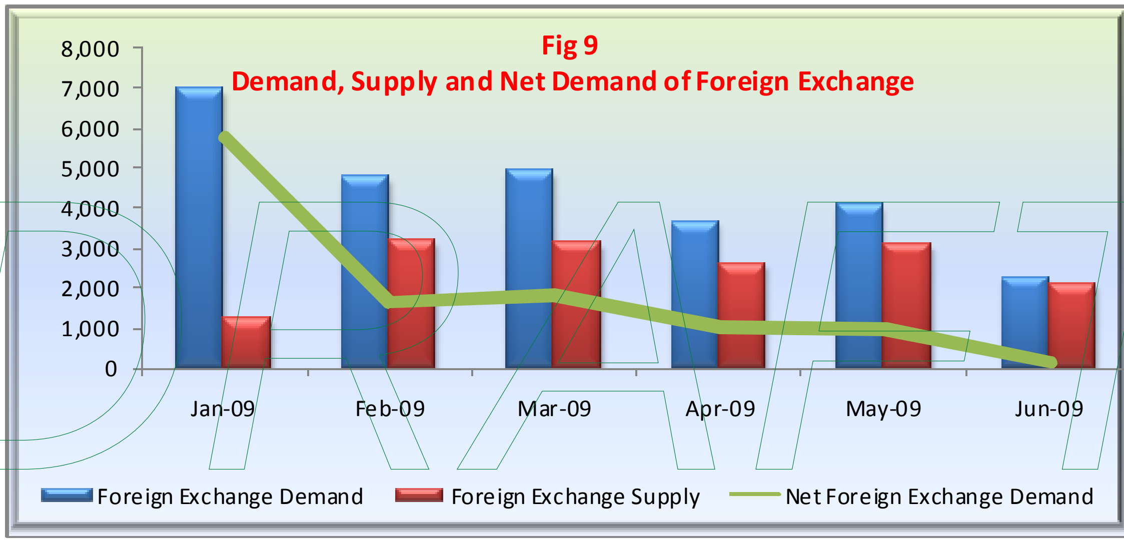


Fig 9
Demand, Supply and Net Demand of Foreign Exchange

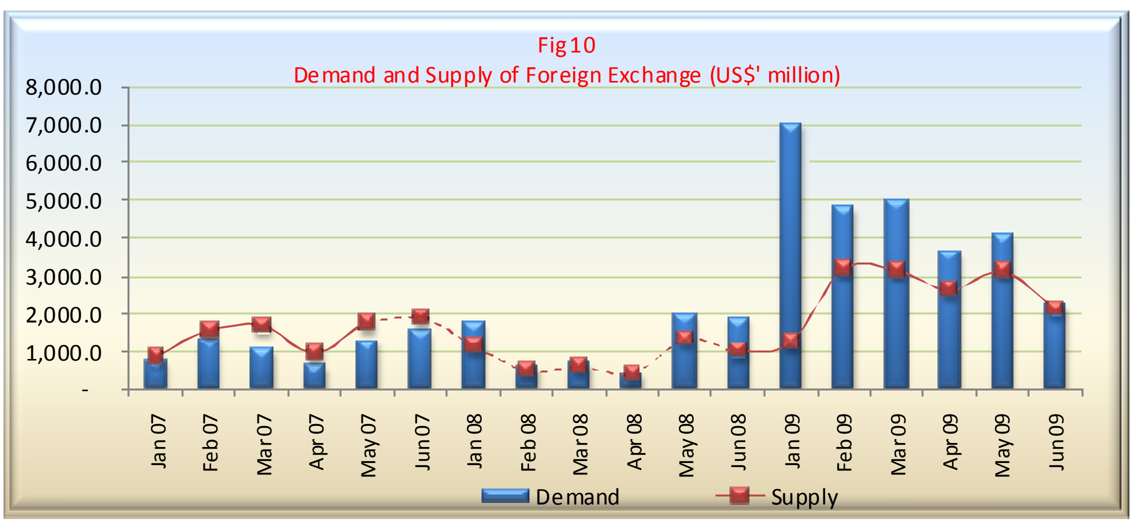
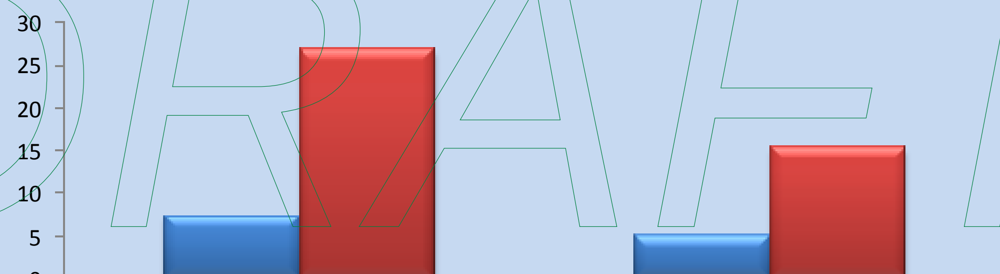


Fig 10
Demand and Supply of Foreign Exchange (US$' million)

The exchange rate of the naira to the US dollar stabilized towards the end of the first half of 2009, after the sharp depreciation and the accompanying volatility from the last quarter of 2008 through to the first quarter of 2009. The average exchange rate at the rDAS in the first half of 2009 was ₦147.31/$1, a depreciation of 20.0 and 18.7 per cent compared with the first and second halves of 2008, respectively. Similarly, at the BDC segment, the average exchange rate depreciated, by 29.0 and 27.4 per cent relative to the levels in the first and second halves of 2008, respectively. The policy measures adopted by the CBN to contain the demand pressure in the market included the return to rDAS in January and the directive to oil and oil services companies as well as other government agencies to sell the proceeds of the foreign exchange earned to the CBN, to increase supply in the official market. As a consequence of the sharp depreciation, the premium between the rDAS/BDC rates widened from 0.8 per cent in June 2008 to 12.1 per cent at the end of the first half of 2009. The interbank FX market was effectively shut down during the first half of 2009 when the rDAS was re-introduced in January 2009.

Fig 11

Demand and Supply of Foreign Exchange (US$ Billion)



	First Half 2008	First Half 2009
Demand	7.3	5.00
Supply	26.8	15.4

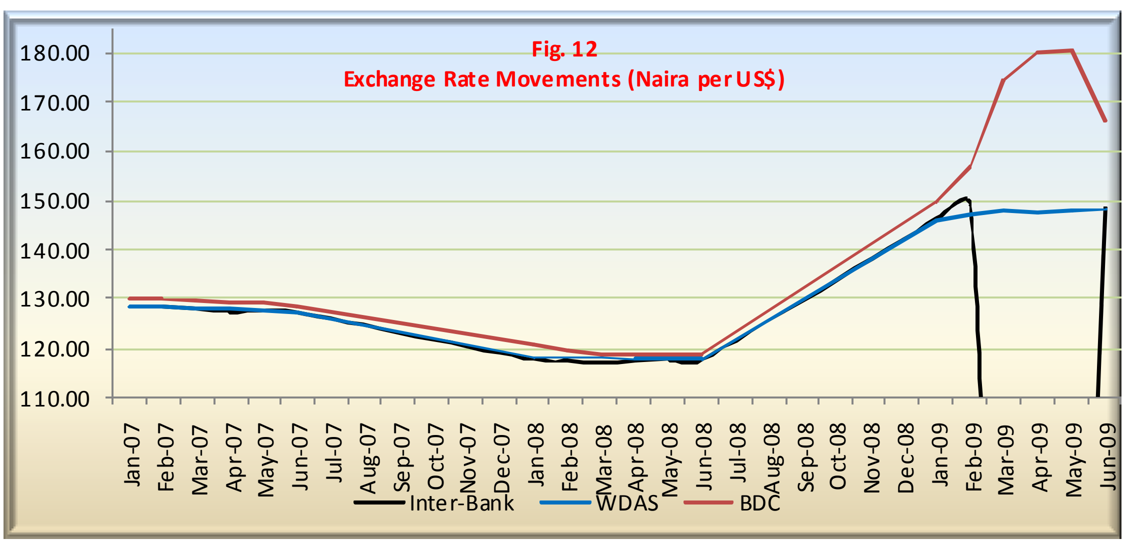
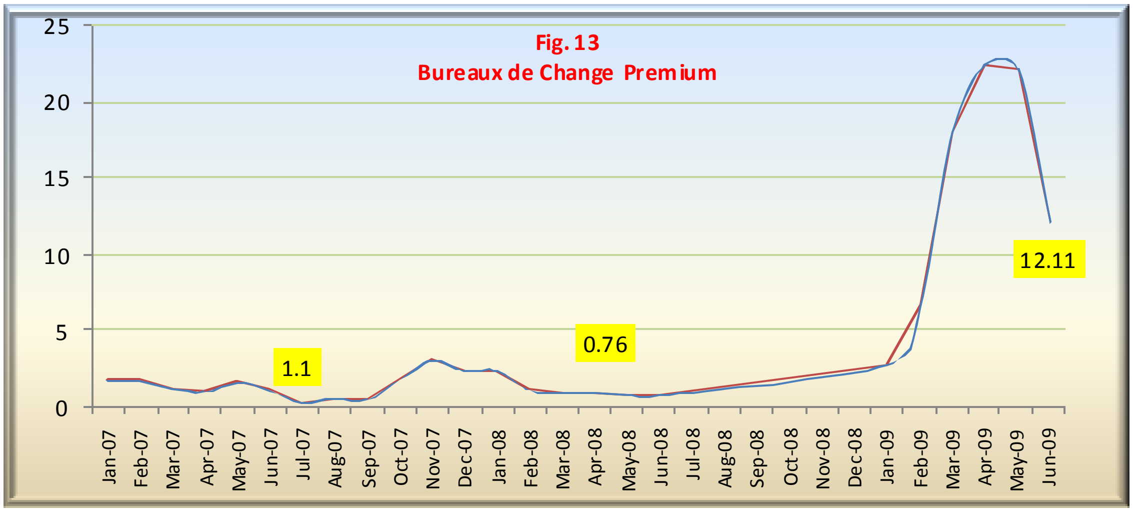


Fig. 12

Exchange Rate Movements (Naira per US$)



2.4.2 Foreign Exchange Flows

Total foreign exchange inflow through the economy declined by 43.3 per cent from US$54.50 billion in the first half of 2008 to US$30.9 billion. The development resulted from the 64.4 per cent drop in crude oil receipts from its level in the first half of 2008. Of the total, inflow through the CBN accounted for 36.2 per cent while the automonous sources accounted for the balance. The total foreign exchange outflow through the economy was US$20.8 billion, compared with US$16.8 billion in the corresponding period of 2008. The net inflow through the economy amounted to US$10.1 billion, compared with US$37.7 billion in the first half of 2008.

Foreign exchange inflow through the CBN stood at US$11.2 billion, compared with US$24.0 billion in the first half of 2008. The share of the oil sector was 66.8 per cent while the non-oil sector accounted for the balance. The total outflow through the CBN amounted to US$20.4 billion, an increase of 25.9 per cent over the level in the first half of 2008. This was due to the increased funding of the official foreign exchange market, drawings on Letters of Credit, external debt services and other official payments, which represented 86.8, 2.8, 1.0 and 9.4 per cent, respectively, of the total outflow through the CBN. The sales to authorized dealers under the rDAS, BDC and Interbank were US$12.9 billion, US$2.3 billion and US$2.6 billion, respectively, compared with US$1.3 billion, US$4.8 billion and US$7.9 billion in the corresponding half year. The drop in sales at the BDC and Interbank windows was due to the suspension of sales from the two segments of the foreign exchange market in the first half of 2009.

Fig.14
Foreign Exchange Disbursements through the Economy (First Half Year 2009)

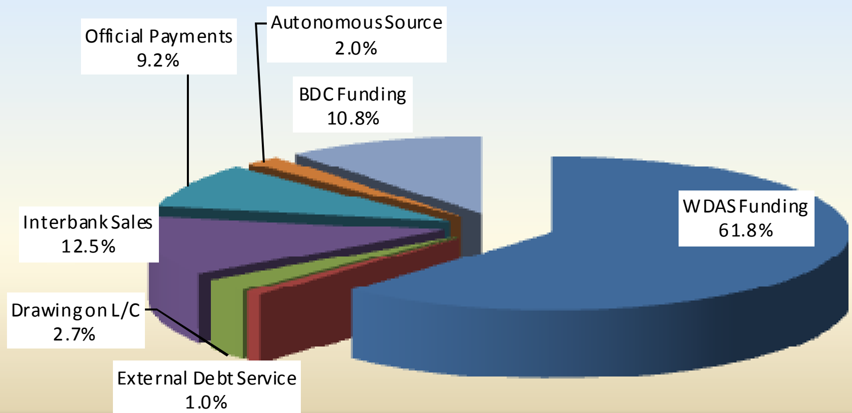
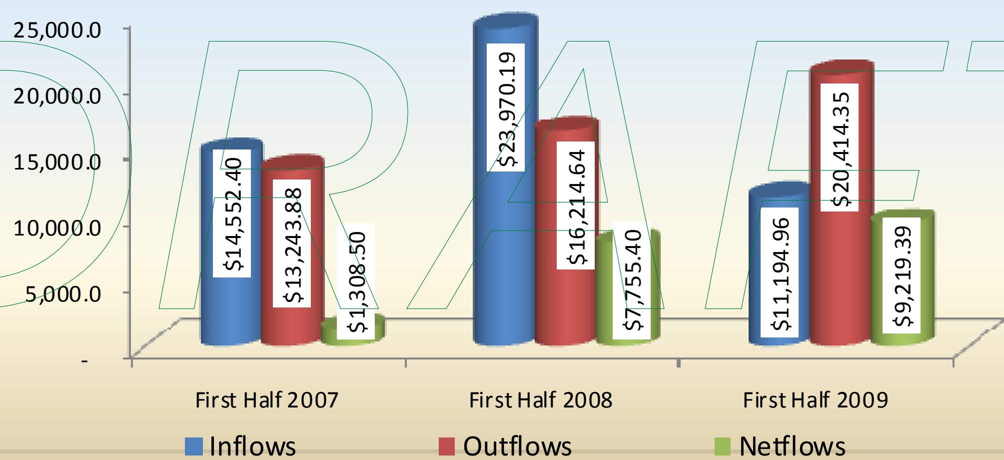


Fig. 15
Foreign Exchange Flows through the CBN (First Half 2009)



2.4.3 Sectoral Utilization of Foreign Exchange

The aggregate sectoral utilization of foreign exchange fell by 10.5 per cent to US$18.7 billion in the first-half of 2009, compared with the same period in the preceding year. An analysis of the foreign exchange utilization showed that visible imports accounted for 72.9 per cent and invisible 27.1 per cent of the total. A break-down of visible imports showed that total foreign exchange utilization for the industrial, manufactures, oil and mineral and food products accounted for 32.3, 25.6, 21.6 and 12.9 per cent, respectively. In addition, transport and agriculture accounted for 6.6 and 1.0 per cent, respectively. In the invisible category, financial, business, transport, communication, and educational services accounted for 73.0, 14.4, 5.0, 4.8, and 1.4 per cent of the total, respectively, and the "others" accounted for the balance.

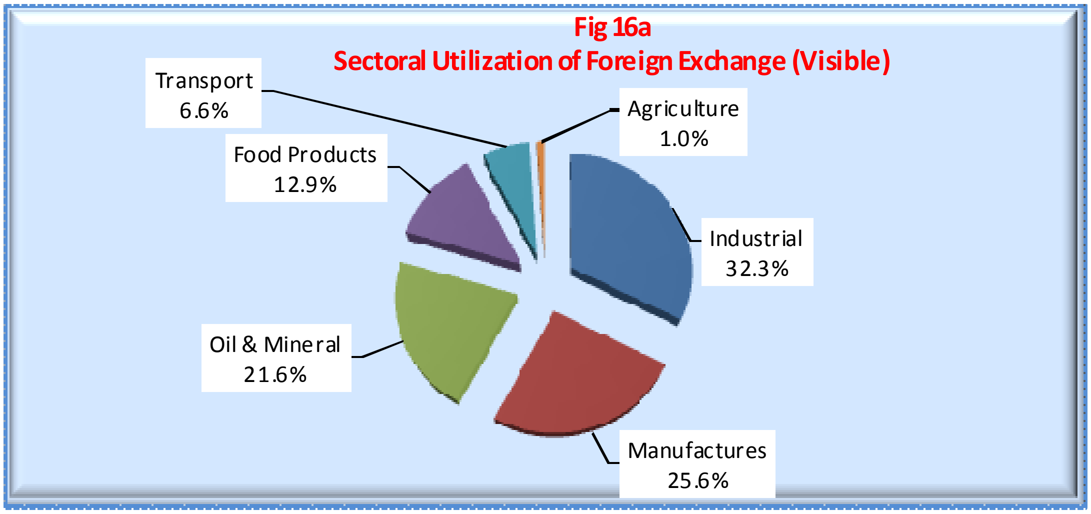


Fig 16a
Sectoral Utilization of Foreign Exchange (Visible)

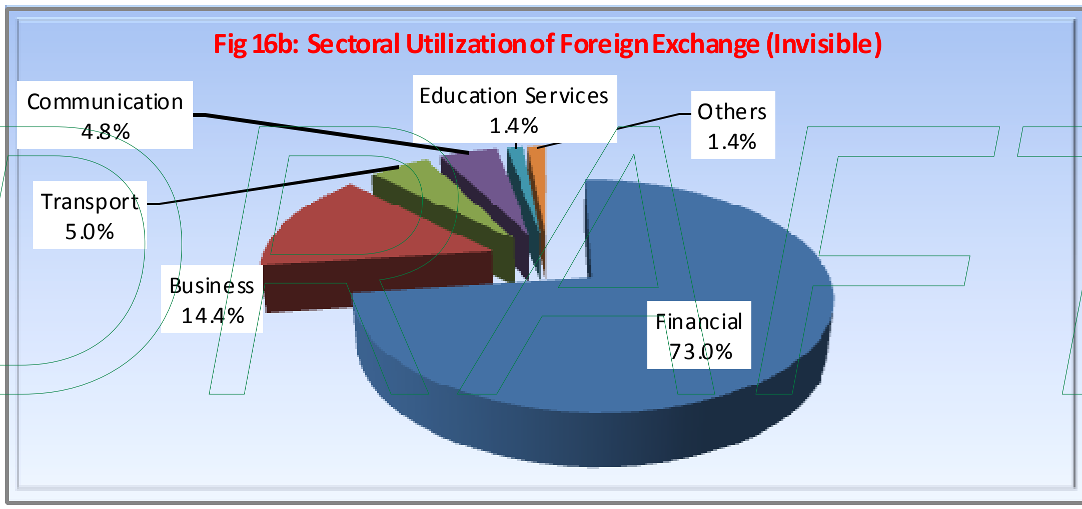


Fig 16b: Sectoral Utilization of Foreign Exchange (Invisible)

2.5 Development Finance Operations

2.5.1 Agricultural Credit Guarantee Scheme Fund (ACGSF)

The authorized and called-up share capital of the ACGSF at end–June 2009 remained at ₦3.2 billion, while the paid-up capital was ₦2.3 billion, same as in the corresponding period of 2008. Total resources under the scheme as at end-June 2009 was ₦5.8 billion, same as in the corresponding period of 2008. A total of 9,521 loans valued at ₦1.6 billion were guaranteed, compared with 17,170 loans valued at ₦2.0 billion recorded in the first half of 2008. This represented a decrease of 44.6 and 17.7 per cent in volume and value, respectively, when compared with the corresponding period of 2008. The total number of loans repaid was 18,882, valued at ₦1.8 billion. The cumulative volume and value of ACGSF loans from inception in

1978 were 535,757 and ₦19.5 billion, respectively. No claim was settled under the scheme in the review period.

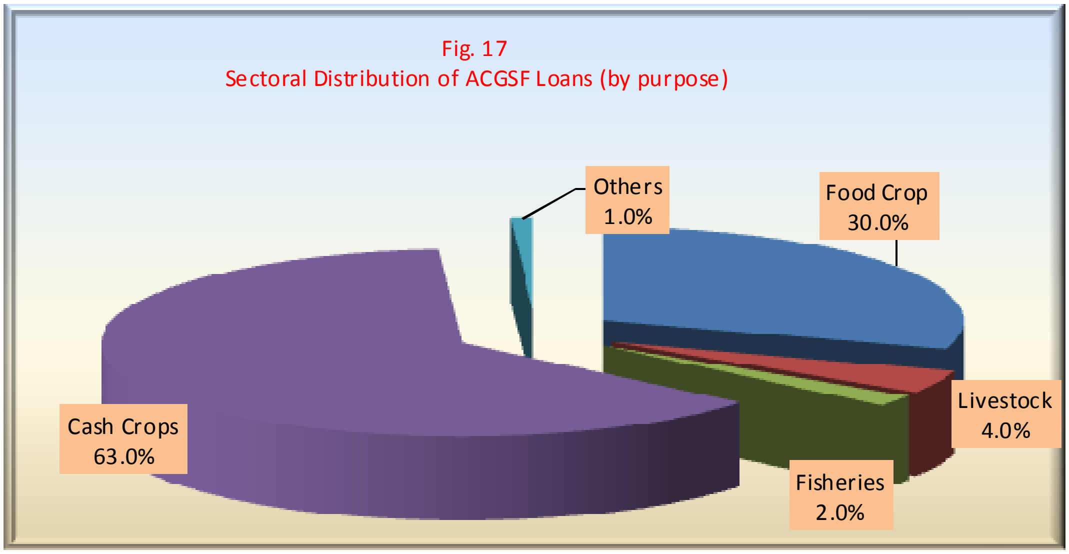


Fig. 17
Sectoral Distribution of ACGSF Loans (by purpose)

2.5.2 Interest Drawback Programme (IDP)

The number of settled IDP claims declined by 25.6 per cent, but the value rose by 8.7 per cent to 6,858 and ₦35.7 million, respectively, compared with the levels recorded in the first half of 2008. The decline in volume was attributable to the reduction in the volume of loans fully repaid thus far in 2009 that qualified for IDP claims.

2.5.3 The Trust Fund Model (TFM)

A total of three (3) Memorandum of Understanding (MoUs) were signed under the TFM in the review period, compared with twenty (20) in the corresponding period of 2008. They were signed in favour of Delta Women in Agriculture/FBN Plc (₦28.0 million), Oyo State Government/Integrated Microfinance Bank/Union Bank Plc (₦250.0 million) and Oshimili North LGA (Delta State)/Afribank Plc (₦1.0 million). The decline in the level of activity was attributed to the fact that most stakeholders did not back their intentions with funds. Consequently, at end-June 2009, there were 53 stakeholders who had placed ₦5.11 billion under the TFM.

2.5.4 Microfinance Related Activities

2.5.4.1 Capacity Building Programme for Staff of Microfinance Institutions

The Bank conducted a capacity building workshop for 435 staff of Microfinance Institutions (MFIs) in the six geo-political zones of the country (Ibadan, Enugu, Calabar, Kaduna, Bauchi and Lokoja) in June 2009. The objective of the programme was to ensure that MFIs acquired the necessary capacity that would enable them to be licensed.

2.5.4.2 Entrepreneurship Development Centres (EDCs)

The Bank progressed with the implementation of the Entrepreneurship Development Centres (EDCs) scheme. Under the initiative, 8,527 entrepreneurs were trained and offered business advisory services, as at June 2009. Thus, the cumulative number of trainees stood at 13,441 (9,350 males and 4,136 females). Forty (40) of the trainees obtained ₦45.6 million from banks to start their businesses. Also, 355 jobs (136 direct jobs and 219 indirect jobs) have thus far been created, while 484 jobs have been expanded under the programme.

2.5.4.3 Rural Finance Institutions (RUFIN) Building Project

In readiness for the implementation of the Rural Finance Institutions (RUFIN) Building Project, the Bank reviewed the draft Memorandum of Understanding (MOU) with the Federal Ministry of Agriculture and Water Resources as the Lead Programme Implementing Agency. The purpose of the MOU included:

- Ensuring the building of capacity for rural finance institutions e. g. cooperatives, NGOs and microfinance bank operators; and
- Providing guarantees/refinancing facilities for MFBs and other institutions as well as promoting linkages between microfinance institutions and conventional institutions.

2.5.4.4 Operations of the Micro Credit Fund (MCF)/Small & Medium Enterprise Equity Investment Scheme (SMEEIS)

Following the decision to make participation under SMEEIS optional for banks, the balance of the total funds set aside by the banks under the scheme remained ₦42.02 billion, same as in June, 2008. During the period under review, the total value of SMEEIS investments stood at ₦28.20 billion (67.1 per cent of the funds set aside) in 333 projects compared with ₦26.03 billion investment in 332 projects in June 2008.

In accordance with the shift in focus from SMEEIS by the Bankers' Committee, the balance in the SMEEIS Fund Account was transferred as seed fund to kick-start the Micro Credit Fund (MCF) initiative.

2.5.5 The Commercial Agricultural Credit Scheme (CACS)

The Bank signed agreement with the two participating banks (UBA Plc and FBN Plc) for a ₦200.0 billion Commercial Agricultural Credit Scheme (CACS) in the first half of 2009. Also, the Technical Implementation Committee (TIC) of the Scheme was constituted with membership drawn from the Federal Ministry of Agriculture & Water Resources (FMAWR), the CBN and Consultants of the Commercial Agricultural Development Programme (CADP).

The first tranche of ₦100.0 billion was raised and allocated to UBA (₦75.0 billion) and FBN (₦25.0 billion) to finance commercial agricultural enterprises and small scale farmers through the State Governments and the FCT in the ratio of 80:20, respectively.

A total of 90 applications, valued at ₦292.7 billion, were presented by the two appointed banks to the CBN as at June 2009. Of these, 34 valued at ₦69.6 billion were processed for the issuance of 'No Objection' notes. A breakdown of the applications showed that promoters of commercial farms/enterprises applied for ₦188.5 billion, while State Governments applied for ₦104.2 billion.

2.5.6 The Agricultural Credit Support Scheme (ACSS)

Returns from the DMBs showed that five applications valued at ₦167.0 million were received by the banks in the first half of 2009 while the sum of ₦147.5 million was approved for the five projects. Also, five projects were verified during the period.

2.6 CBN Assets and Liabilities

Provisional data indicated that the total assets of CBN as at end-June 2009 declined by 8.1 per cent and 2.1 per cent relative to end-December and end-June 2008, respectively. The development relative to the preceding half year was largely attributed to the respective decline of 9.5 per cent and 51.9 per cent in total external reserves and Federal government securities. However, over the corresponding period of 2008, the decline in CBN assets was wholly attributed to the 10.9 per cent decline in total external reserves.

The decline in total liabilities relative to end December 2008, was attributed to the decline of 12. 4 per cent and 12.9 per cent in total deposits and currency in circulation, respectively, while the development relative to the corresponding period of 2008 was attributable to the 13.8 per cent and 4.4 per cent decline in other liabilities and total capitalization, respectively.

ECONOMIC REPORT

3.0 GLOBAL ECONOMIC DEVELOPMENTS

Economies around the world were seriously affected by the lingering effects of the global financial crisis of 2007/2008. The advanced economies experienced an unprecedented 7.5 per cent decline in real GDP in the fourth quarter of 2008 which continued into the first quarter of 2009. Although the US economy appeared to have suffered most from intensified financial strains and continued fall in the housing sector activities, Western Europe and advanced Asia were hard hit by the collapse in global trade and rising financial problems. Emerging market economies were undermined via trade and financial channels, particularly East Asian countries that rely heavily on manufactured exports and the emerging European and Commonwealth of Independent States (CIS) economies, which depended on strong capital flows.

Africa also experienced the impact of the global financial crisis. Demand for African exports fell, commodity prices declined, and remittance flows also weakened. Tighter global credit and investor risk aversion led to the reversal of portfolio flows, deterred foreign direct investment and made trade finance costly.

3.1 Global Commodity Prices

Given the strong correlation between global economic output growth and commodity prices, world economic recession started to bottom out following the deceleration in the decline of global commodity prices. The aggregate production/supply of crude oil, including natural gas liquids (NGLs) and condensates by the Organization of Petroleum Exporting Countries (OPEC) was estimated at 33.36 million barrels per day (mbd) during the first half of 2009. This translated to a decrease of 2.4 and 3.7 mbd when compared with the last and corresponding halves of 2008, respectively. Non-OPEC supply was estimated at 50.36 mbd showing a 0.7 per cent increase over the corresponding half of 2008. Total world supply was estimated at 83.72 mbd for the period under review, showing a decline of 2.7 and 3.8 per cent from the levels recorded in the preceding half and the corresponding half of 2008, respectively.

World crude oil demand was estimated at 82.86 mbd in the first half of 2009, compared with 87.48 mbd in the first half of 2008. Of this, demand from the

Organization for Economic Co-operation and Development (OECD) countries was estimated at 45.23 mbd, while that of Non-OECD was 37.63 mbd. The falling demand was attributed to the subsisting global economic recession. Indeed, China took advantage of the low prices to stock pile and this shored up prices over the first quarter levels. Forecasts of sluggish global economic growth rate for 2010 had, however, hindered the commodities futures market.

3.2 Global Inflation

Inflationary pressures continued to ease with the continued weakness of the global economy. World inflation moderated to 1.7 per cent (year-on-year) in May 2009 from 6.0 per cent in the preceding year. Headline inflation declined below zero per cent in May, in the advanced economies, as crude oil prices remained far below the levels in the preceding year, in spite of their recent recovery. Also, core inflation was 1.5 per cent, down from 2.0 per cent in the corresponding period of 2008. Headline and core inflation in the emerging market economies similarly moderated, falling below 4.5 and 1.0 per cent in May 2009, respectively. Developments had, however, been uneven with price level declining more in China, India, and the Middle East than elsewhere. In spite of the upward inflationary pressures from recovering commodity prices, global inflation is expected to remain under control through 2010. Consequently, risks of sustained deflation are minimal as inflation expectations in most major economies were still within the range of 1.0 and 2.0 per cent.

3.3 The International Financial Markets

The unprecedented policy measures undertaken by monetary authorities and governments around the world succeeded in stabilizing banks' financial conditions, reduced funding pressures and counterparty risk concerns. Indeed, risks to the global financial system moderated from extreme levels of the first quarter to a growth supporting one in the second quarter of 2009. Concerns for liquidity and counterparty risks in the banking sector declined as evidenced by the narrowing of LIBOR-overnight index and credit default swap spreads. Also, some of the banks in the US started paying back to the Treasury the credit under the Troubled Assets Relief Programme (TARP). However, overall financial conditions remained tight, as credit expansion to the private sector continued to slow in matured economies, and securitization markets outside those supported by the public sector remained impaired, while marginal borrowers had little access to capital market funding. Corporate bonds markets functioned more normally, notably in the US that relied heavily on non-bank market financing. Corporate credit and asset-backed spreads tightened significantly and issuance has risen, as firms sought alternatives to scarce bank credit.

Emerging market assets benefited from commodity price recovery and improved growth prospects, especially in Asia. The return of appetite led to a resumption of portfolio inflows from investors. Emerging market equities rebounded 30.0 to 60.0 per cent, matching mature market equities in some instances. Despite the positive development, the overall outlook for emerging markets remained vulnerable to lower than expected global growth and constrained global bank credit. Globally, sovereign yield curves steepened considerably, as conventional monetary policy easing anchored short-term rates, while the longer end of the curve rose sharply, reflecting in part, improved recovery prospects and reduced risks of deflation. Banks contracted their cross-border positions at a faster rate than their domestic balance sheets, although there was evidence that parent banks maintained funding levels to their emerging market subsidiaries. In effect, cross-border deleveraging led to an unwinding of the rapid financial globalization that occurred over the past ten years. This trend could continue, placing additional pressure on those banking systems that were heavily reliant on cross-border funding.

3.4 World Economic Outlook for the Rest of 2009

Advanced economies were projected to suffer deep recession. Overall, output is projected to contract by 2.6 per cent due to the impact of the fiscal stimulus. Emerging and developing economies as a group are still projected to record a modest growth of 1.6 per cent in 2009. The biggest output declines could be in CIS countries as reversal of capital flows has punctured credit booms and commodity export revenues had dwindled. Countries in emerging Europe have to adjust to the curtailment of external financing as well as drop in demand from Western Europe. China and India would experience growth declines but still witness solid growth rates going by contemporary standards. Middle East countries would continue to utilize financial reserves to maintain government spending plans to cushion the impact of lower oil prices. Latin America and Africa, are expected to grow by -1.5 and 2.0 per cent, respectively, having experienced commodity declines and tight external financing.

Global economic activity was projected to contract by 1.3 per cent in 2009, predicated on strong macroeconomic policy support. Monetary policy rates are expected to be lowered or kept at near zero level in major advanced economies, while central banks would continue to explore unconventional ways to ease credit conditions and provide liquidity. Fiscal deficits are expected to widen in both advanced and emerging/developing economies as the governments of G-20 countries implement fiscal stimulus.

4.0 DEVELOPMENTS IN THE DOMESTIC ECONOMY

4.1 MONETARY AND CREDIT DEVELOPMENTS

Recent developments in Nigeria's financial sector had been influenced by the global financial crisis, which negatively impacted the financial system of various countries in different ways. The global credit squeeze led to cautious credit operations by Nigerian financial institutions in order to improve their asset quality. Against that backdrop, money supply contracted in the first half of 2009.

4.1.1 Reserve Money

Reserve money (RM) as at the end of the first half of 2009, stood at ₦1, 291.5 billion, showing a decline of 16.6 per cent relative to the level at end-December 2008, as against the increase of 26.9 per cent at the end of the corresponding half of 2008. It was below the indicative benchmark for the end of the review period by 4.1 per cent. The development was attributable to the decline in both currency in circulation and bank reserves.

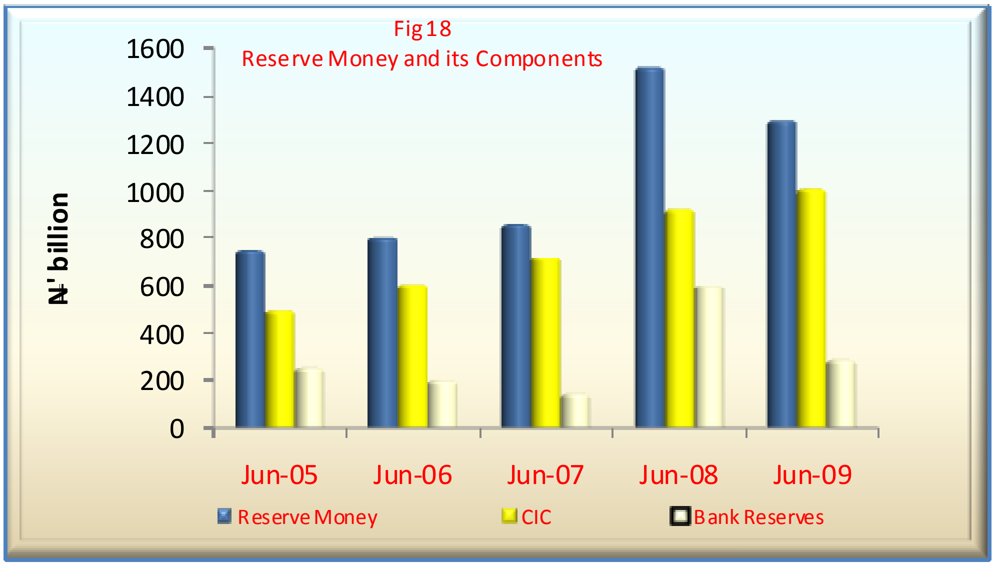


Fig 18
Reserve Money and its Components

4.1.2 Broad Money (M_2)

Available data indicated that broad money supply (M_2) at ₦9, 077.0 billion, fell by 1.0 per cent, as against the increase of 36.8 per cent recorded at the end of the corresponding half of 2008. The decline in broad money supply was wholly attributed to the fall in foreign assets (net) of the banking system. The decline in broad money supply was, however, moderated by the increase in net domestic credit and other assets (net).

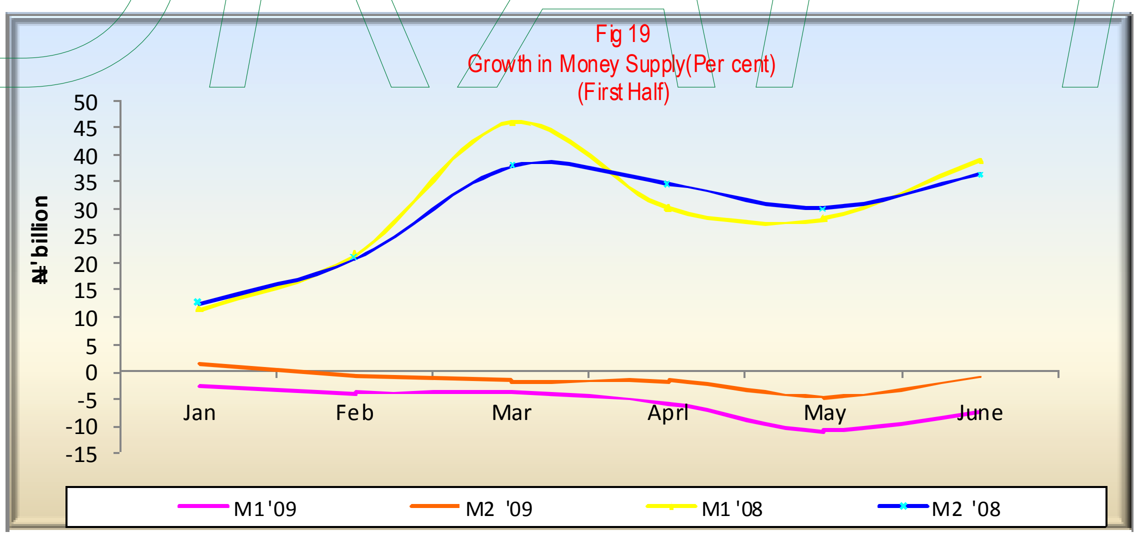


Fig 19
Growth in Money Supply(Per cent)
(First Half)

4.1.3 Narrow Money (M_1)

Narrow money supply (M_1), fell by 7.7 per cent relative to the level at end-December 2008, as against the increase of 38.9 per cent at the end of the corresponding half of 2008. The decline relative to end-December 2008 level was attributable largely to the fall in currency outside banks as well as the demand deposits component, arising from increased use of electronic payments system.

4.1.4 Currency-in-Circulation and Deposit at the CBN

Relative to end-December 2008, currency in circulation fell by 12.9 per cent to ₦1,006.0 billion at the end of the first half of 2009, in contrast to the 9.6 per cent increase at the end of the corresponding period of 2008. Similarly, currency outside banks fell by 16.4 per cent relative to end-December 2008, compared with the decline of 8.8 per cent at the end of the corresponding period of 2008. At ₦284.9 billion , deposit money banks' reserves at the CBN fell by 52.3 per cent, compared with 53.7 per cent at the end of the corresponding period of 2008. The decline was attributable to the fall in deposit money banks' demand deposit and reserve requirements by 35.8 and 73.0 per cent, respectively. The outcome of the reserve requirement was due to the downward review of the CRR during the first half of the year.

4.1.5 Drivers of Movement in Monetary Aggregates

4.1.5.1 Net Foreign Assets (NFA)

Net foreign assets of the banking system, at ₦7, 643.6 billion, declined by 10.6 per cent relative to end-December 2008, as against the increase of 14.5 per cent at end-June 2008. The development was due mainly to the impact of the lower crude oil receipts arising from low domestic production and weak international prices. Net foreign assets remained a key driver of the changes in M_2 as its negative contribution (-9.89 percentage points) overwhelmed the positive effect of the net domestic assets component (8.91percentage points). As a percentage of M_2, NFA was 84.2 per cent at the end of the first half of 2009, compared with 114.1 per cent at the end of the corresponding half of 2008.

4.1.5.2 Net Domestic Assets (NDA)

Net domestic assets increased at the end of the first half of 2009 relative to the level at end-December 2008. At ₦1, 433.4 billion, the NDA showed an increase of 132.5 per cent, in contrast to the decline of 74.8 per cent recorded at the end of the corresponding period of 2008. The development was largely attributable to the 14.7 and 2.1 per cent increase in net domestic credit (NDC) and other assets net (OAN) of the banking system, respectively.

4.1.5.3 Net Domestic Credit (NDC)

Over the level at end-December 2008, NDC grew by 14.7 per cent at the end of the first half of 2009, compared with an increase of 46.5 per cent at the end of the corresponding period of 2008. The expansion was driven by the increase in credit to the private sector and credit to the government (net). NDC contributed 7.9 percentage points to the change in total monetary assets and constituted 62.5 per cent of M_2 at the end of the review period.

4.1.5.4 Credit to the Government (Cg)

Relative to end-December 2008, credit to the Federal Government (net) increased by 7.3 per cent at end-June 2009, as against the decline of 14.7 per cent at the end of the corresponding half of 2008. The development was due to the increase in the banking system's holding of FGN Bonds and NTBs. The Federal Government, however, remained a net creditor to the banking system.

4.1.5.5 Credit to the Private Sector (Cp)

Credit to the private sector rose by 6.2 per cent, relative to the level at end-December 2008, compared with 33.6 per cent at the end of the corresponding half year. Private sector credit contributed 4.3 percentage points to the change in total monetary assets. As a ratio of DMBs' credit to the Federal Government, DMBs' credit to the private sector stood at 5.8 per cent compared with 3.9 per cent at the end of the corresponding half year, reflecting the waning of crowding out effect.

4.1.5.6 Maturity Structure of DMBs' Outstanding Loans and Advances and Deposit Liabilities

Analysis of the structure of DMBs outstanding credit at the end of the first half of 2009 indicated that short-term maturity remained dominant in the credit portfolio of the banks. Outstanding loans and advances maturing in one year and below accounted for 77.2 per cent of the total, while the medium-term (greater than one but less than three years) and long-term (3 years and above) accounted for 10.9 and 11.9 per cent, respectively. A breakdown of the deposit liabilities of the banks showed a similar structure. Short-term deposit of one year and below accounted for 95.6 per cent of the total, while deposits of above one year but below three years, and longer than three years maturities accounted for 4.0 and 0.4 per cent, respectively.

Table 3: Maturity of DMBs Assets and Liabilities (Dec 07 – June 09)

Assets (Loans and Advances) Tenor	Dec 07	June 08	Dec 08	June 09
0 – 30 Days	49.2	53.8	46.6	52.8
31 – 90 Days	11.3	10.9	13.4	10.9
91 – 181 Days	5.8	7.4	7.8	4.9
181 – 365 Days	9.5	8.4	7.5	8.7
Short Term	75.83	80.53	75.4	77.2
Medium term (above 1 year but below 3 years)	13.5	10.4	14.5	10.9
Long Term (3 years and above)	10.7	9.1	10.1	11.9
Liabilities				
0 – 30 Days	74.1	78.7	72.75	72.5
31 – 90 Days	12.27	10.8	13.11	14.4
91 – 181 Days	4.34	3.5	6.22	4.8
181 – 365 Days	2.62	2.8	2.73	4.0
Short Term	93.34	95.84	94.81	95.6
Medium term (above 1 year but below 3 years)	3.32	3.7	5.16	4.0
Long Term (3 years and above)	3.34	0.49	0.03	0.41

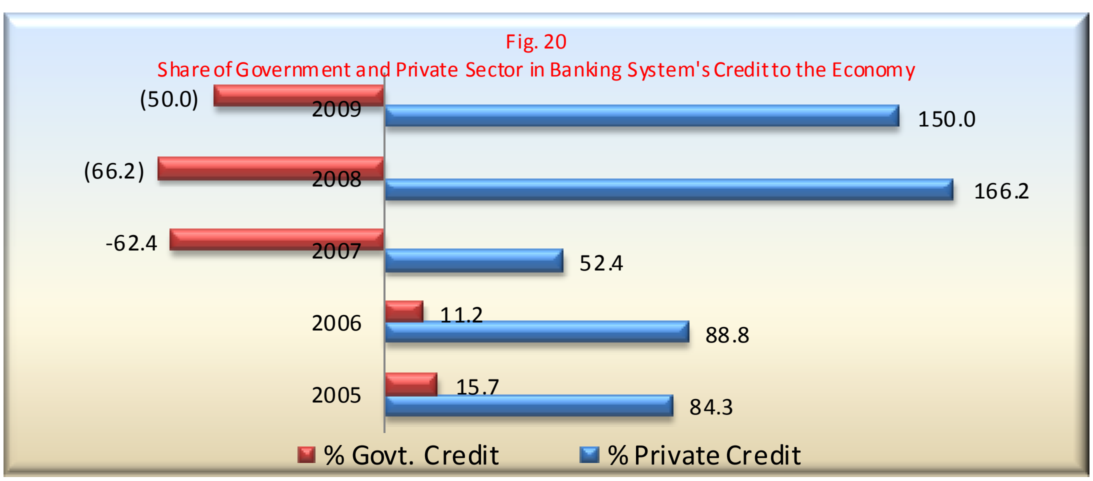


Fig. 20
Share of Government and Private Sector in Banking System's Credit to the Economy

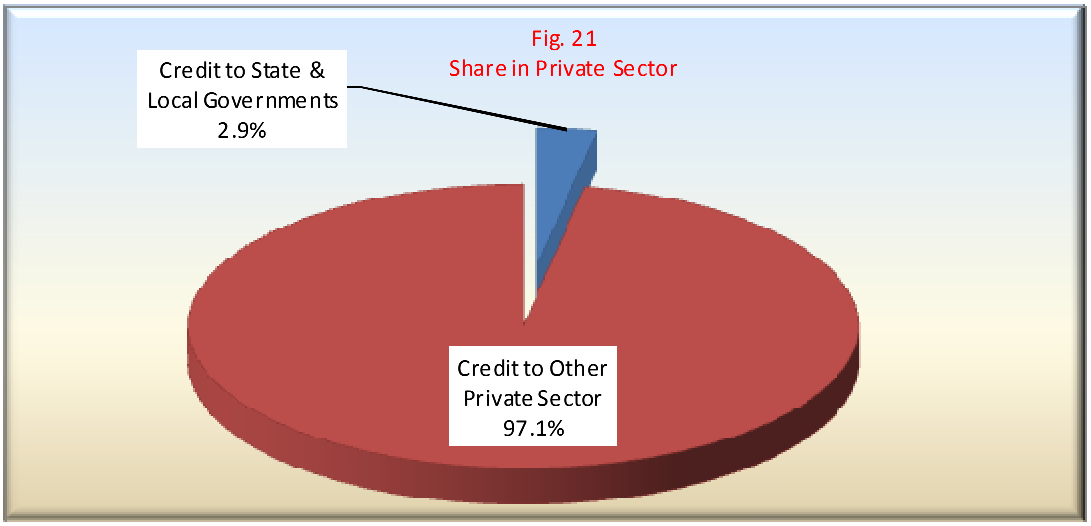


Fig. 21
Share in Private Sector

4.1.6 Money Market Developments

Activities in the money market during the first half of 2009 were influenced by the current global crisis. The global financial markets experienced liquidity drought. Consequently, interest rates rose in the money markets, especially in the emerging/developing market economies, including Nigeria. Activities in the Nigerian money market, therefore, slowed in the first half of 2009.

The lull in activities could be attributed to the tight liquidity conditions, which hit the banking system since the second half of 2008. The CBN adopted a number of measures during the review period to inject liquidity into the system. The actions included the expansion of the discount window and standing lending facility, to enable deposit money banks and discount houses to square up their positions. Other policy measures were the reduction of MPR from 9.75 to 8.00 per cent in the second quarter, liquidity ratio from 30.0 to 25.0 per cent and CRR from 2.0 to 1.0 per cent. The reduction in CRR led to the injection of ₦73.5 billion into the banking system in the first half of 2009. Direct auctions of Nigerian Treasury Bills (NTBs) were also conducted to boost tradable maturities at the secondary market. Funds for budget augmentation were also released in the review period.

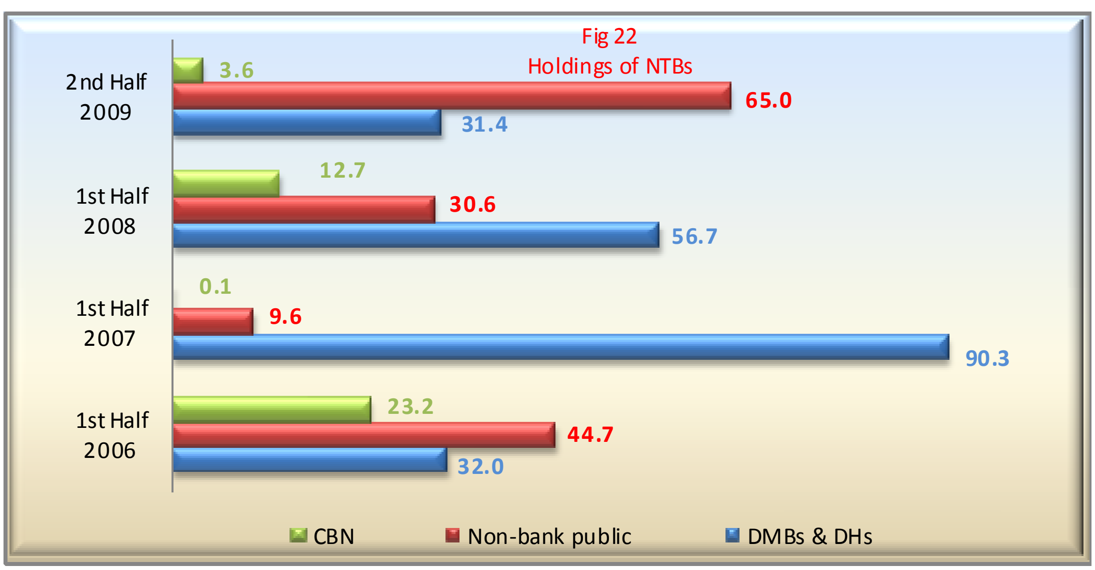
4.1.6.1 Money Market Assets Outstanding

Available data indicated that money market assets outstanding at end-June 2009 stood at ₦3,097.4 billion compared with ₦2,759.6 billion at the end of the preceding half year. The development reflected the increase of ₦417.0 billion and ₦67.0 billion in FGN Bonds and Nigeria Treasury Bills, respectively, relative to the levels at the end of the corresponding half year. Over the level at the end of the preceding half year, FGN Bonds and NTBs increased by ₦332.7 billion and ₦170.0 billion, respectively.

4.1.6.2 Primary Market

The deliberate policy of deepening the bonds market through restructuring of existing securities to longer tenors subsisted in the review half year. Consequently, monthly auctions of FGN Bonds continued with the issuance of 3-, 5- and 20-year tranches amounting to ₦330.0 billion (made up of ₦135.0 billion, 3-year; ₦115.0 billion, 5-year and ₦80.0 billion, 20-year). The tranches were offered and allotted at average marginal rates of 8.7, 11.45 and 12.71 per cent, respectively. The total public subscription in the first half of 2009 for all the auctions stood at ₦687.1 billion. The impressive patronage, especially for the 20-year tenor, reflected market players' confidence in the Nigerian economy. Furthermore, the preference for longer-tenored securities was due to the stable and attractive yield. Trading at the over the counter (OTC) secondary market for FGN Bonds also remained very active in the review period. As at end-June, 2009 the total FGN Bonds outstanding stood at ₦1,778.3 billion, compared with ₦1,361.3 billion at the end of the corresponding half of 2008. Of the total outstanding FGN Bonds, banks, pension funds, parastatals, corporate bodies, discount houses, insurance companies, trust funds and brokers held 65.2, 10.5, 9.8, 6.8, 6.5, 0.4, 0.4, and 0.2 per cent, respectively. At the primary market, NTBs of 91- 182- and 364-day tenors were offered fortnightly during the review period. NTBs holding as at end-June 2009, increased to N641.9 billion from N574.9 billion at the end of the corresponding period of 2008.

Fig 22
Holdings of NTBs



4.1.6.3 Open Market Operations (OMO)

In line with the Bank's core mandate of maintaining monetary and price stability, the CBN effectively managed banking system liquidity through the use of open market operations (direct auctions and tenored repurchase transactions), complemented by the standing lending facility and cash reserve requirements.

There was no purchase of government securities through the two-way quote platform due to the unattractive offer rates quoted at the trading sessions. However, in order to boost tradable maturities at the secondary market and deepen activities among money market dealers, direct auctions were conducted four times. The tenors were 133- and 189-days, while the issue rates were from 2.75 to 5.199 per cent. Total subscription and sales of NTBs at the open market in the first half of 2009 amounted to ₦471.6 billion and ₦247.6 billion, respectively, compared with ₦34.0 billion and ₦1, 469.8 billion in the corresponding period of 2008.

4.1.6.4 Interest Rates Developments

Rates in the money market were generally higher than in the review period relative to the corresponding half of 2008, following the tight liquidity conditions in the banking system. The average inter-bank call rate in the review period was 14.57 per cent, compared with 10.31 per cent in the corresponding period of 2008. The weighted average of the Nigeria Inter-bank Offered Rate (NIBOR) for the 7- and 30-day tenors were 15.97 and 17.15 per cent, respectively, compared with 10.79 and 12.88 per cent in the corresponding half of 2008. However, the average open buy-back (OBB) rates stood at 7.59 per cent, down from 8.77 per cent in the first half of 2008.

4.1.7 Money Market Rates

4.1.7.1 Deposit Rates

The average savings deposit rate fell to 2.92 per cent at the end of the first half of 2009, a 0.05 percentage point decline from the rate at the end of the corresponding half of 2008. Rates on tenored deposits of various maturities rose from a range of 5.46 – 11.45 per cent in the corresponding half of 2008 to a range of 6.85 – 13.36 per cent at the end of the first half of 2009. With the year-on-year inflation rate at 11.2 per cent in June 2009, all the deposit rates with the exception of savings and 7-

day deposits were positive in real terms. However, on average, term deposits were negative in real terms.

4.1.7.2 Lending Rates

Prime and maximum lending rates rose to 18.67 and 22.57 per cent in the first half of 2009 from 15.96 and 18.04 per cent, respectively, in the corresponding half of 2008. The spread between banks' average term deposit and maximum lending rates widened to 10.49 percentage points in the first half of 2009 from 7.97 and 7.58 percentage points in the corresponding period of 2008 and the preceding half year, respectively.

Fig. 23

Nominal Interest Rates Movement percent per annum

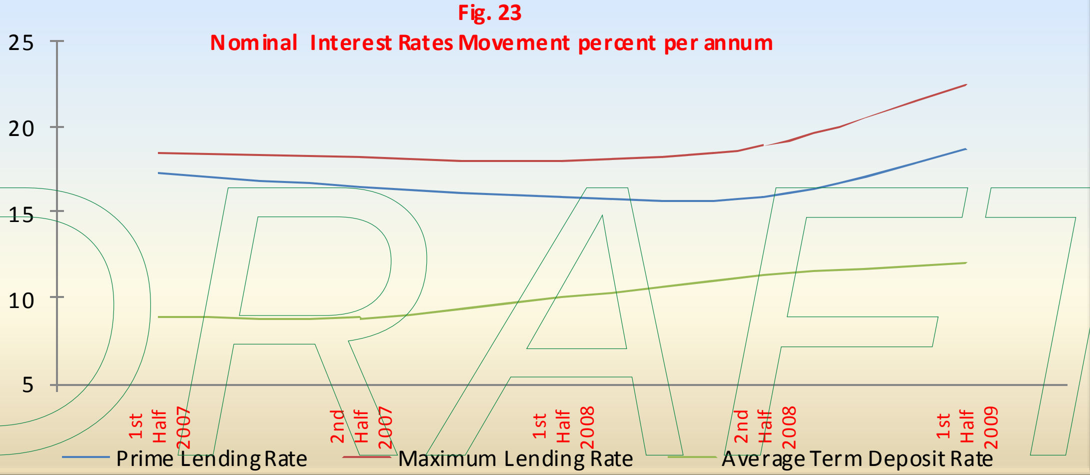
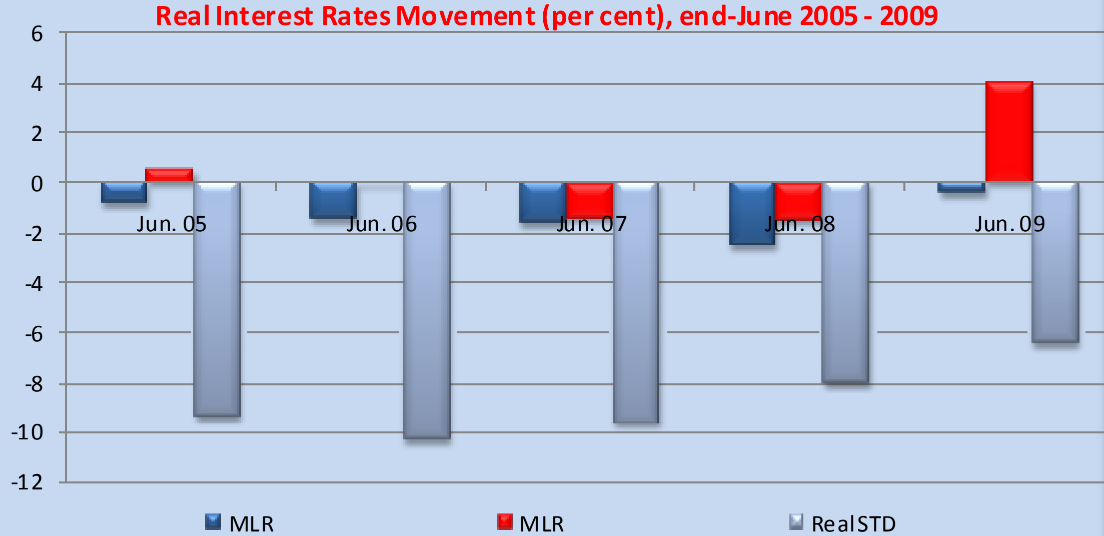


Fig 24

Real Interest Rates Movement (per cent), end-June 2005 - 2009



4.1.8 Institutional Savings

Aggregate institutional savings at end-June 2009 stood at ₦5,740.5 billion, indicating an increase of 3.5 and 51.6 per cent over the levels at end-December and end-June 2008, respectively. The DMBs remained the dominant saving institutions, accounting for 80.0 per cent of the total institutional savings at end-June 2009, compared with 77.6 and 94.4 per cent at end-December and end-June 2008, respectively. Other institutions, including primary mortgage institutions, life insurance funds, the Nigerian Social Insurance Trust Fund, and microfinance banks held the balance of 20.0 per cent. The ratio of institutional savings to GDP was 57.0 per cent, compared with 31.3 per cent in the corresponding period of 2008.

4.1.9 Other Financial Institutions

4.1.9.1 Development Finance Institutions

The total assets of the four reporting development finance institutions (DFIs), Bank of Industry (BOI), Federal Mortgage Bank of Nigeria (FMBN), Nigerian Agricultural, Co-operative and Rural Development Bank (NACRDB) and Nigerian Export Import Bank (NEXIM) increased by 1.5 per cent to ₦161.3 billion at end-June 2009. Analysis of the asset base of the four institutions indicated that FMBN accounted for 42.6 per cent of the total, while NACRDB, BOI and NEXIM took the share of 24.9, 19.5, and 13.0 per cent of the total, respectively. Cumulative loan disbursements by the four institutions increased by 26.5 per cent to ₦98.6 billion at end-June 2009 from ₦78.0 billion at end-December 2008. The analysis of total loan disbursements indicated that FMBN, NACRDB, BOI and NEXIM accounted for 39.5, 35.4, 11.9 and 13.2 per cent of the total, respectively. The combined paid-up share capital of the four DFIs was ₦43.0 billion, while their combined shareholders' funds stood at ₦15.4 billion at end-June 2009.

4.1.9.2 Micro Finance Banks

The total assets/liabilities of the Microfinance Banks (MFBs) increased by 11.6 per cent to ₦142.1 billion over the level at end-December 2008. The paid-up share capital and shareholders' funds also increased, by 23.7 and 21.2 per cent, respectively, to ₦35.1 billion and ₦44.9 billion over their levels at end-December 2008. When compared with the levels in the corresponding period of 2008, total assets, paid-up capital and shareholders' funds showed an increase of 51.4, 18.7

and 44.9 per cent, respectively. The development was attributed to the fresh injections of capital as well as higher levels of retained earnings by the institutions. Loans and advances granted by the reporting banks increased by 26.2 per cent to ₦54.0 billion, compared with ₦42.8 billion at end-December 2008. Investible funds available to the sub-sector amounted to ₦19.4 billion.

4.1.9.3 Discount Houses

Total assets/liabilities of the five (5) operating discount houses at end-June 2009 rose by 11.7 per cent to ₦466.0 billion, compared with ₦417.2 billion recorded at end-December 2008, but declined by 8.7 per cent compared with the corresponding period of 2008. The total funds sourced amounted to ₦143.3 billion, compared with ₦367.4 billion at end-June 2008. The funds were sourced mainly from "borrowings" (₦65.1 billion) and "money-at-call" (₦61.9 billion), among others. They were utilized mainly in settlement of claims (₦59.5 billion) and purchase of Federal Government securities of less than 91 days maturity (₦47.2 billion). Discount houses' investments in Federal Government securities of less than 91 days maturity amounted to ₦30.3 billion at end-June 2009, representing 7.6 per cent of their total deposit liabilities. This was 52.4 percentage points below the prescribed minimum of 60.0 per cent for fiscal 2009.

4.1.9.4 Finance Companies (FCs)

The total assets/liabilities of the finance companies (FCs) declined by 3.5 per cent to ₦129.5 billion at end-June 2009, compared with ₦134.2 billion recorded at end-December 2008. Similarly, loans and advances declined by 2.3 per cent to ₦49.3 billion, while placements with other FCs declined by 21.8 per cent to ₦17.1 billion at end-June 2009. Total borrowings declined by 6.1 per cent to ₦78.1 billion, while shareholders' funds increased by 3.2 per cent to ₦26.0 billion at end-June 2009, compared with ₦25.2 billion at end-December 2008. When compared with the levels in the corresponding period of 2008, total assets, loans and advances, placements, total borrowings and shareholders' funds indicated an increase of 9.0, 9.0, 1.0, 10.0 and 43.7 per cent, respectively. Paid-up capital in the sub-sector increased by 31.0 per cent to ₦17.4 billion, while reserves declined by 2.8 per cent to ₦8.6 billion at end-June 2009. Long-term loans increased by 11.8 per cent to ₦8.0 billion, while total borrowings and other liabilities declined by 6.1 and 7.0 per cent to ₦78.1 billion and ₦17.4 billion, respectively, at end-June 2009. Investible funds accruing to the sub-sector amounted to ₦11.3 billion.

4.1.9.5 Primary Mortgage Institutions (PMIs)

The total assets of the PMIs stood at ₦355.2 billion at end-June 2009, compared with ₦329.8 billion and ₦202.8 billion recorded at end-December and the corresponding period of 2008, respectively. The development reflected the growth in the size of the balance sheet of the PMIs, following the private placements and acquisitions by 12 different deposit money banks in the sub-sector. Investible funds available to the PMIs in the period under review stood at ₦25.4 billion.

4.1.9.6 Bureaux-de-Change (BDCs)

Three hundred and thirty (330) fresh applications for BDC licences were received, compared with 110 in the corresponding period of 2008. Of this number, forty-nine (49) operating licences were approved and one hundred and ninety-five (195) Approvals-In-Principle (AIPs) were granted, while eighty-six (86) others were at various stages of processing.

The number of approved BDCs with final licences increased to 1,256 at end-June, 2009 from 1,048 at end-December 2008. The number of BDCs with AIPs also increased from 216 at end-December 2008 to 244. Consequently, the number of BDCs in the country stood at 1,500 at end-June 2009, compared with 1,264 and 1,012 at end- December and end-June 2008, respectively.

A significant development in this segment of the foreign exchange market during the period under review was the introduction of Class "A" BDCs with a minimum capital base of N500.0 million. Sixty-eight (68) applications in this category were received, out of which sixteen (16) were from banks. Two (2) and sixty-six (66) Class 'A' BDCs were granted final licences and AIPs, respectively.

4.1.10 Capital Market Developments

4.1.10.1 The Nigerian Stock Exchange

The performance of the Nigerian Stock Exchange was unimpressive in the first half of the year as reflected in the low level of activities in both the primary and secondary segments of the market. Market capitalization of listed securities declined by 38.0 per cent to close at N8.8 trillion, compared with N14.2 trillion recorded at end-June 2008. When compared with the end-December 2008 level of N9.5 trillion, this represented a decline of 7.4 per cent.

Fig. 25
Market Capitalization and NSE Value Index

4.1.10.2 New Issues Market

Total issues amounted to 45.2 billion shares, made up of 25.2 billion fresh issues and 20.0 billion supplementary listings. This compared with 130.5 billion shares, comprised of 83.0 billion fresh shares admitted into the daily official list at end-June 2008 and 47.5 billion supplementary listings from twenty-three (23) issues.

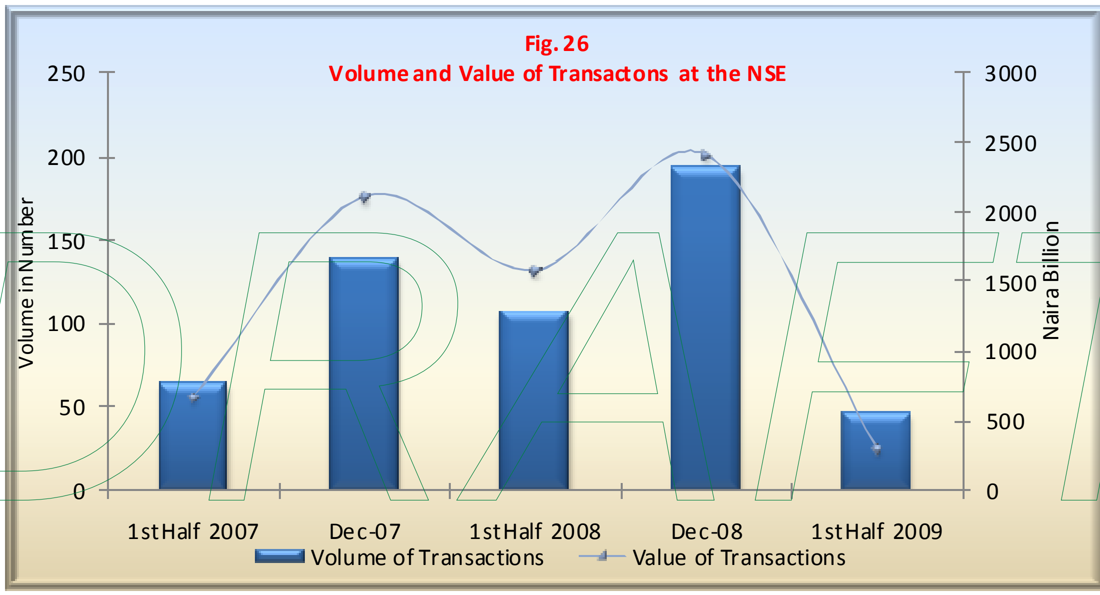
Also, a ₦50.0 billion Lagos State Fixed Bond (Series 1) was admitted into the daily official list, thus bringing the number of listed State Government Bonds to six (6).

4.1.10.3 The Secondary Market

The volume and value of traded securities in the secondary segment of the market declined by 61.8 and 82.6 per cent to 46.4 billion shares and ₦301.5 billion, respectively, compared with 121.4 billion shares and ₦1,730.0 billion in the corresponding period of 2008. The development was attributed to the significant divestments from the market by foreign portfolio investors due to the global financial meltdown. A sectoral analysis of developments in the market showed that the banking sub-sector remained the most active on the Exchange, followed by the insurance sub-sector.

Transactions on the FGN Bonds through the OTC segment of the market indicated a turnover of 8.6 billion units valued at ₦8.8 trillion in 53,466 deals, compared with 3.9 billion units worth ₦4.0 trillion in 30,062 deals in the corresponding period of 2008.

Fig. 26
Volume and Value of Transactons at the NSE



4.1.10.4 Value of All-Share Index

The All-Share Index of the Nigerian Stock Exchange declined by 52.0 per cent to 26,861.55 (1984=100) at end-June 2009, compared with 55,949.0 (1984=100) recorded at end-June 2008. The low transactions from the blue chip stocks dipped the Index. The Index also declined by 14.6 per cent when compared with the level at end-December 2008.

4.1.11 Monetary Outlook for the Rest of 2009

During the next half year, the releases of statutory revenue to the three tiers of government are expected to improve in view of the efforts of the Federal Government to resolve the Niger Delta crisis and the rising price of crude oil in the international market. These would reverse the decline in net foreign assets of the banking system. In turn, money supply growth is likely to resume and with signs of recovery seen across major economies, credit and liquidity squeeze may ease although at a slow pace. Thus, monetary aggregates are expected to remain within the indicative benchmarks at the end of the year and inflation confined to single digit even with the relatively lax monetary policy stance.

The payments landscape is expected to be dominated by e-payment as about 95.0 per cent of Federal Government payments in Nigeria would be made using the e-payment platform by the end of the year. Indeed, the success recorded by the Federal Government has aroused the interest of the sub-national governments and the prospect for electronic payments of all government transactions at all levels is quite high. Thus the effectiveness of monetary policy would be further enhanced.

In the money market, the commencement of the operations of custodianship in money market instruments after the selection of six custodians will help boost securities trading and make more securities available to banks for collaterised lending.

4.2 FISCAL OPERATIONS

4.2.1 FEDERATION ACCOUNT OPERATIONS

Provisional data indicated that total federally-collected revenue stood at ₦2,224.1 billion in the first half of 2009. At that level, it was 16.2 and 40.7 per cent lower than the proportionate budget estimate and the actual revenue, respectively, in the corresponding period of 2008. The fall in federally-collected revenue relative to the proportionate budget estimate was due to the decline in both non-oil and oil revenues, respectively, owing to low tax collections and Nigeria's inability to meet the OPEC production quota occasioned by the restiveness in the Niger Delta region. Further analysis indicated that oil-revenue accounted for 69.2 per cent and non-oil revenue accounted for the balance.

At ₦1,538.9 billion, gross oil-revenue fell below the proportionate budget estimate and the level in the corresponding period of 2008 by 1.2 and 50.9 per cent, respectively. Similarly, non-oil revenue was lower than the proportionate budget estimate by 37.4 per cent, but higher than the revenue in the corresponding period of 2008 by 10.7 per cent.

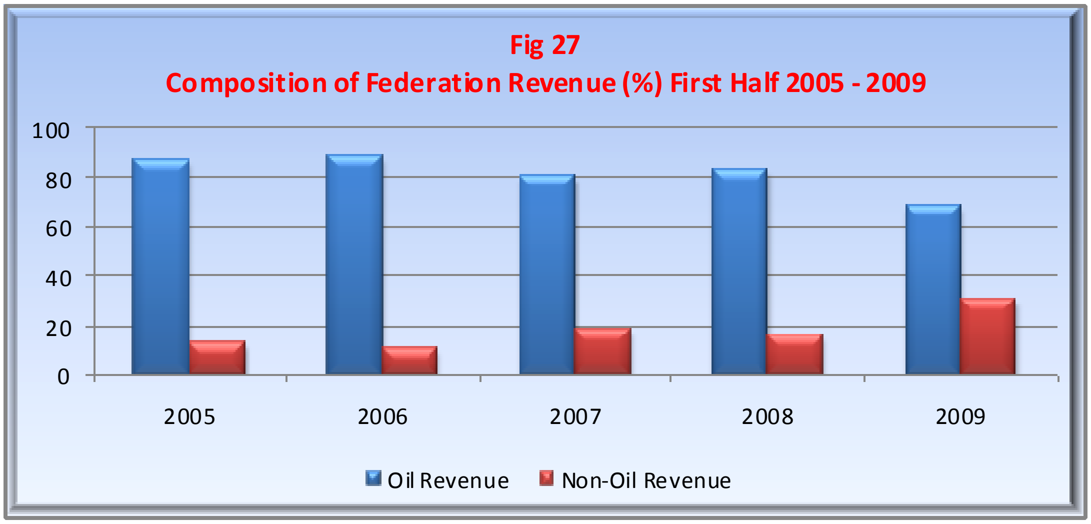


Fig 27
Composition of Federation Revenue (%) First Half 2005 - 2009

Of the federally-collected revenue, the sum of ₦1,426.5 billion or 64.1 per cent was transferred to the Federation Account, ₦54.3 billion or 2.4 per cent to the Federal Government Independent revenue; ₦213.3 billion or 9.6 per cent to VAT Pool Account and ₦78.3 billion or 3.5 per cent to other transfers (including Education Tax Fund and Customs Special Levies). The Joint Venture Cash Call, Excess Crude Oil and Excess PPT/Royalty Accounts received 16.3, 2.2 and 0.6 per cent, respectively, of the total oil revenue, while the balance of 1.2 per cent was transferred as cost of collection to the Federal Inland Revenue Service (FIRS) and the Nigerian Customs Service (NCS).

4.2.1.1 Aggregate Statutory Revenue for the Three Tiers of Government

At ₦2,587.8 billion, the aggregate statutory revenue for the three tiers of government in the first half of 2009 comprised ₦1,426.5 billion from the Federation Account; ₦419.7 billion, Budget Augmentation; ₦219.8 billion, excess crude; ₦213.3 billion, VAT; ₦54.28 billion, Federal Government's independent revenue; and ₦254.2 billion, other sources which included loan recovery from Cross River state etc. Of the total amount, ₦1,266.7 billion went to the Federal Government (Federation Account, ₦675.2 billion; Augmentation, ₦192.4 billion; Excess Crude, ₦58.6 billion; VAT, ₦32.0 billion; FGN Independent Revenue, ₦54.3 billion; and Others, ₦254.2 billion). The State Governments (including 13% Derivation) received ₦867.7 billion (Federation Account, ₦487.2 billion; Augmentation, ₦152.1 billion; Excess Crude,

₦121.7 billion; and VAT, ₦106.7 billion) and Local Governments were allocated the sum of ₦453.3 billion (Federation Account, ₦264.0 billion; Augmentation, ₦75.2 billion; Excess Crude, ₦39.4 billion; and VAT, ₦74.7 billion).

Table 4: Sources Of Funds For The Three Tiers Of Government In First Half 2009 (=N= Billion)

Source	Federal Government	State Government		Total	Local Government	Refund to Dom Excess Crude Acct. 1/	Grand Total
		States	13%				
Share from Fed. Acct.	675.2	342.5	144.7	487.2	264.1	-	1,426.5
Augmentation	192.4	97.6	54.6	152.1	75.2	-	419.7
Share from Excess Crude	58.6	80.1	28.6	108.6	39.4	13.1	219.7
Share of VAT	32.0	106.7	-	106.7	74.7	-	213.3
FG Independent Revenue	54.3	-	-	-	-	-	54.3
Privatization Proceeds	-	-	-	-	-	-	-
Others	254.2	-	-	-	-	-	254.2
TOTAL	**1,266.7**	**626.8**	**227.8**	**854.6**	**453.3**	**13.1**	**2,587.7**

1/ The sum of ₦13.1 billion was refunded to the Domestic excess crude account by Abia, Bayelsa, Delta and Edo states on account of the new indices for sharing the 13% Derivation revenue to the oil-producing states

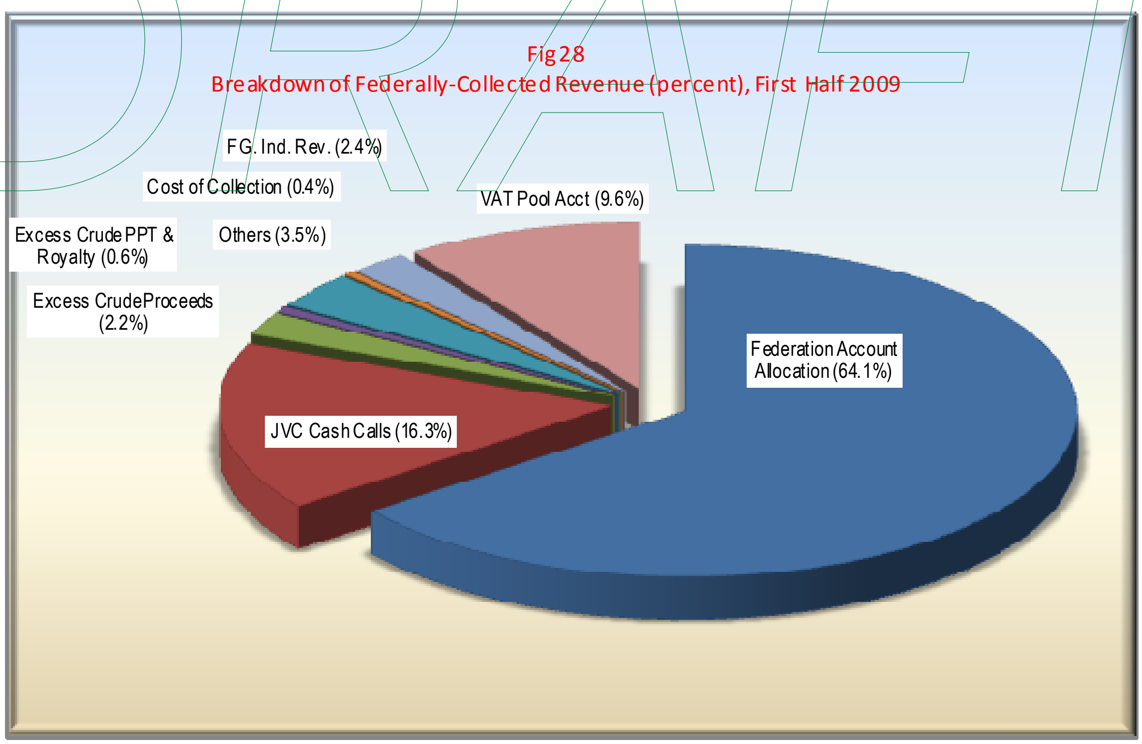


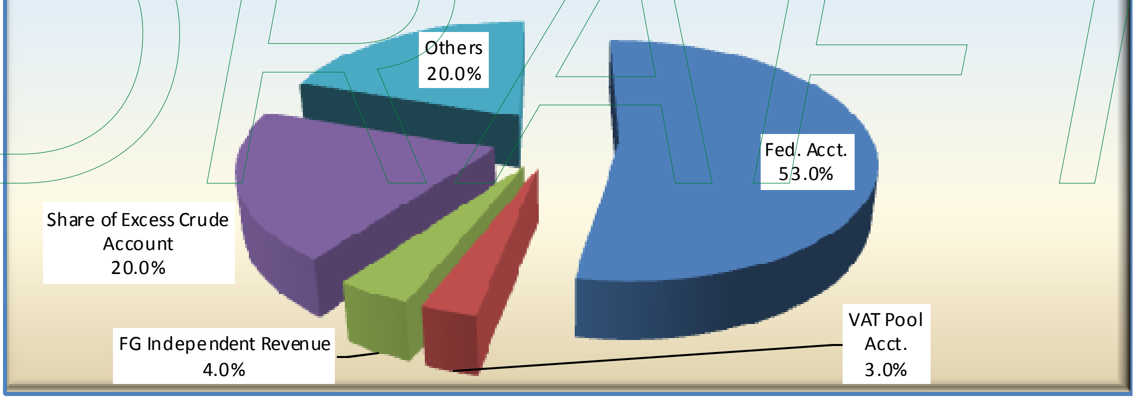
Fig 28
Breakdown of Federally-Collected Revenue (percent), First Half 2009

4.2.2 Federal Government Finances

4.2.2.1 Federal Government Retained Revenue

At ₦1,266.7 billion, the Federal Government's retained revenue was 5.5 per cent higher than the proportionate budget estimate, but lower than the level in the corresponding period of 2008 by 7.7 per cent. The increase in retained revenue relative to the proportionate budget estimate was attributed to the drawdown on the excess crude revenue account by the three tiers of government for budget augmentation and, to bridge the shortfall between the provisional and actual budget benchmarks during the period. Analysis of the retained revenue revealed that the share from Federation Account was ₦675.3 billion, VAT Pool Account ₦32.0 billion, Federal Government Independent Revenue ₦54.3 billion, share of excess crude account (including budget augmentation as well as difference between provisional and actual budget benchmarks) ₦251.0 billion, and others accounted for ₦254.2 billion.

Fig 29
Composition of Federal Government Retained Revenue (%), First Half 2009



4.2.2.2 Total Expenditure of the Federal Government

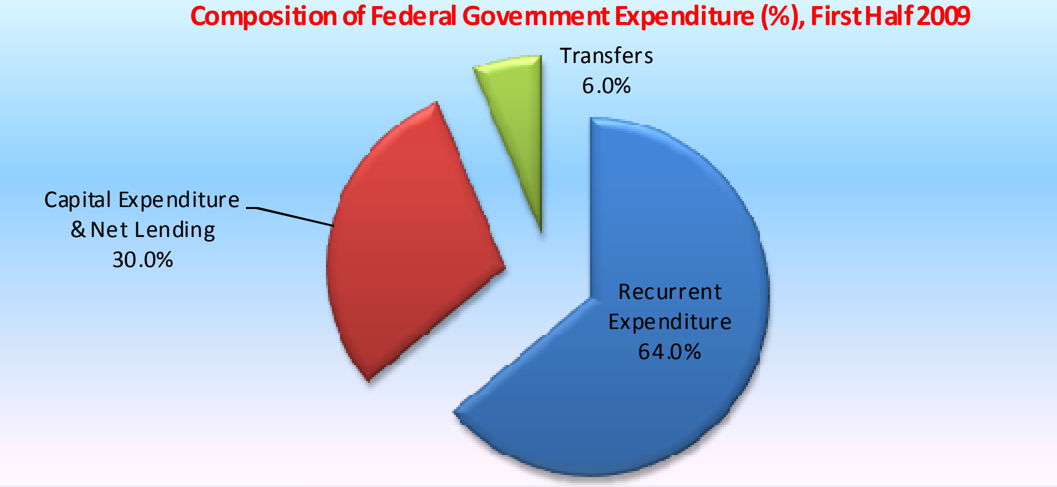
Aggregate expenditure of the Federal Government stood at ₦1,591.0 billion or 13.5 per cent of GDP in the first half of 2009. This was 7.3 and 13.3 per cent higher than the proportionate budget estimate and the aggregate expenditure in the corresponding period of 2008. The higher total expenditure relative to the proportionate budget estimate reflected the significant rise in the recurrent expenditure arising from increased personnel and overhead costs. A breakdown of total expenditure showed that recurrent and capital outlays accounted for 63.9 and

29.9 per cent of the total, respectively, while transfers accounted for the balance of 6.2 per cent.

The economic classification of the recurrent expenditure indicated that ₦822.9 billion or 7.0 per cent of GDP was dedicated to goods and services, ₦120.3 billion or 1.0 per cent of GDP as interest payments, and transfers accounted for ₦74.1 billion or 0.6 per cent of GDP. Functionally, the expenditure on social and community services rose by 24.7 per cent to ₦194.4 billion or 1.6 per cent of GDP as against the ₦155.9 billion or 1.2 per cent of GDP recorded in the corresponding period of 2008. However, the expenditure on economic services declined by 24.9 per cent from ₦124.9 billion achieved in the first-half of 2008 to ₦93.9 billion in the first half of 2009.

The functional classification of Federal Government capital expenditure revealed that aggregate capital spending on economic services increased by 40.4 per cent over its level in the first half of 2008 to ₦286.3 billion or 2.4 per cent of GDP and accounted for 60.3 per cent of the total. The social and community services accounted for 15.2 per cent of the total and grew by 5.9 per cent over its level in the corresponding period of 2008 to ₦72.1 billion (0.6 per cent of GDP). The outlay on administration accounted for 24.5 per cent of the total and rose by 23.4 per cent to ₦116.2 billion or 1.0 per cent of GDP.

Fig 30
Composition of Federal Government Expenditure (%), First Half 2009



Consequently, the fiscal operations of the federal government resulted in an overall notional deficit of ₦324.3 billion or 2.7 per cent of GDP, as against the proportionate budget deficit of ₦418.3 billion and a notional deficit of ₦31.1 billion or 0.2 per cent of GDP recorded in the corresponding period of 2008.

Fig 31
Fiscal Balance, First Half (2005-2009)

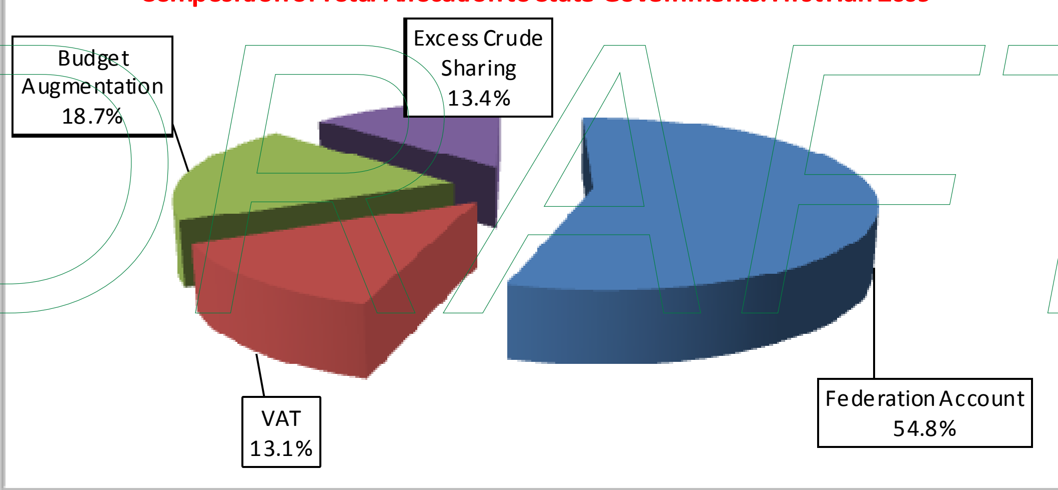
4.2.3 STATE GOVERNMENT FINANCES

The total receipts by the state governments in the first half of 2009 amounted to ₦813.0 billion or 6.9 per cent of GDP, reflecting a decline of 16.4 per cent below the ₦972.5 billion received in the first half of 2008. Analysis of the receipts indicated that gross statutory allocation from the Federation Account amounted to ₦342.5 billion or 2.9 per cent of GDP, which represented a decrease of 22.9 per cent from the level in the corresponding period of 2008. The sum of ₦41.6 billion was, however, deducted as state governments' commitments in respect of contractual obligations which included external debt service fund, National Water Rehabilitation Projects and National Agricultural Technology Support Programme, among others. This resulted in a statutory allocation (net) of ₦300.9 billion or 2.5 per cent of GDP. In addition, the sum of ₦144.7 billion was allocated to the oil-producing states as 13 per cent Derivation Fund. Thus, total statutory allocation (net) to states (including 13 per cent Derivation Fund) was ₦445.6 billion or 3.8 per cent of GDP, representing a decrease of 28.7 per cent from the level in the corresponding period of 2008.

Furthermore, the share of state governments from the Value Added Tax (VAT) Pool Account, drawdown from the excess crude account for budget augmentation (including the difference between provisional and actual budget benchmark) and excess crude revenue sharing in the first half of 2009 amounted to ₦106.7 billion (0.9 per cent of GDP), ₦152.1 billion (1.3 per cent of GDP) and ₦108.6 billion (0.9per cent of GDP), respectively. These amounts indicated increases of 13.0 and 28.9 per cent, respectively, over the levels in the corresponding period of 2008. Budget augmentation, however, dropped by 10.1 per cent.

As a percentage of total receipts, the share from the Federation Account was the highest at 54.8 per cent, while budget augmentation, excess crude revenue sharing and VAT contributed 18.7, 13.4 and 13.1 per cent, respectively.

Fig 32
Composition of Total Allocation to State Governments: First Half 2009



4.2.4 LOCAL GOVERNMENT FINANCES

Aggregate statutory allocation to the 774 Local Government Councils from the Federation Account, including budget augmentation, excess crude and VAT Pool Accounts was ₦453.3 billion or 3.8 per cent of GDP in the first half of 2009. This was lower than the level in the corresponding period of 2008 by 15.1 per cent. The development was attributed to the decreased statutory allocation as well as the fall in the share of the excess crude account to local governments. A breakdown of the receipts showed that Federation Account, budget augmentation (including the difference between provisional and actual budget benchmark), excess crude revenue and VAT Pool Accounts amounted to ₦264.1 billion, ₦75.2 billion, N39.4 billion and ₦74.7 billion, or 58.2, 16.6, 8.7 and 16.5 per cent, respectively.

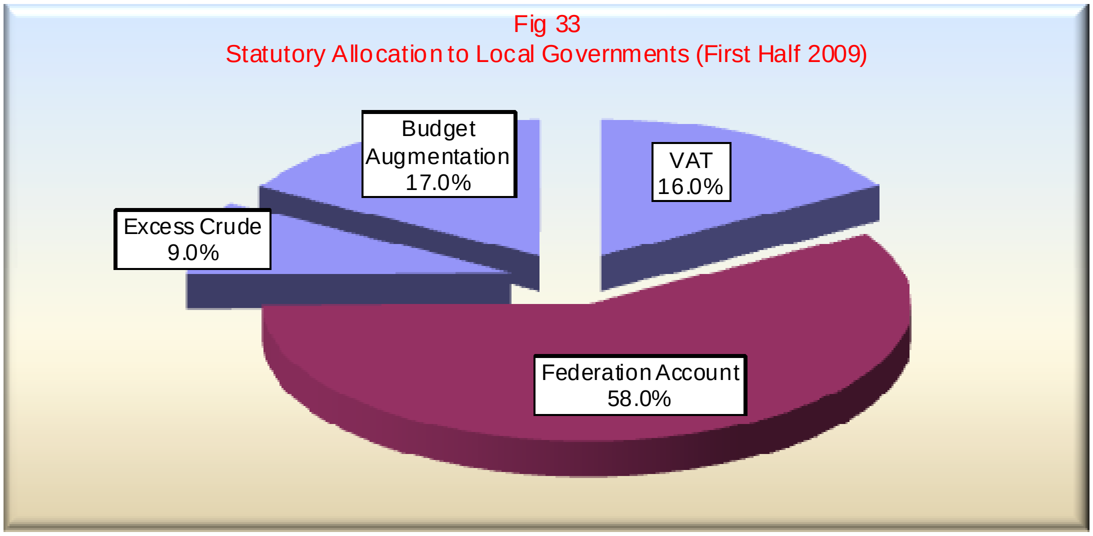


Fig 33
Statutory Allocation to Local Governments (First Half 2009)

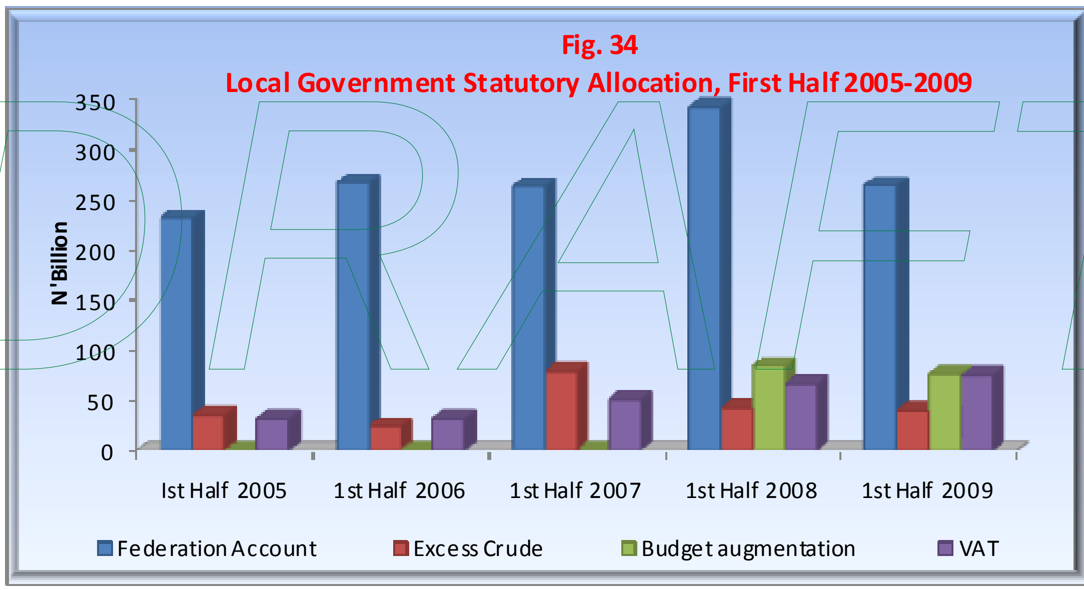


Fig. 34
Local Government Statutory Allocation, First Half 2005-2009

4.2.5 PUBLIC DEBT

4.2.5.1 Consolidated Government Debt

Available data indicated that the stock of Federal Government consolidated debt at the end of the first half of 2009 was ₦3,358.6 billion or 28.4 per cent of GDP. This represented an increase of 20.8 per cent over the level in the corresponding period of 2008. The breakdown showed that domestic debt was ₦2,812.8 billion or 83.7 per cent, and external debt amounted to US$ 3.7 billion (₦545.8 billion) or 16.3 per cent of total.

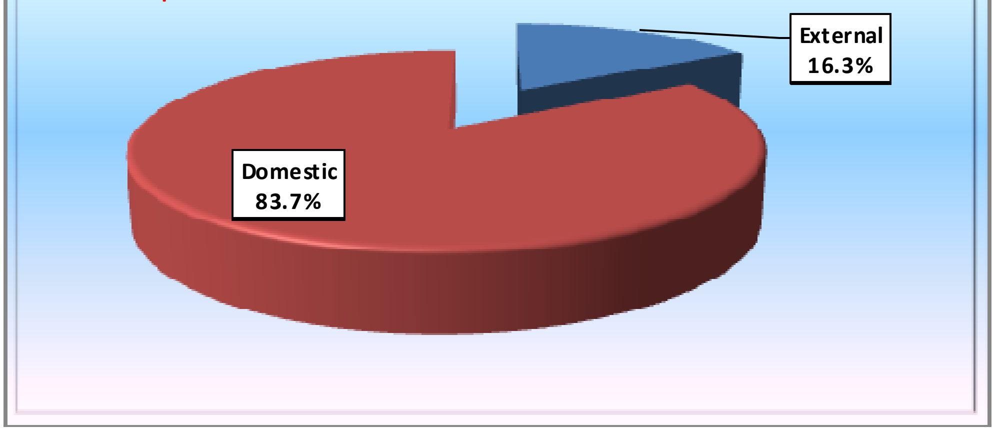


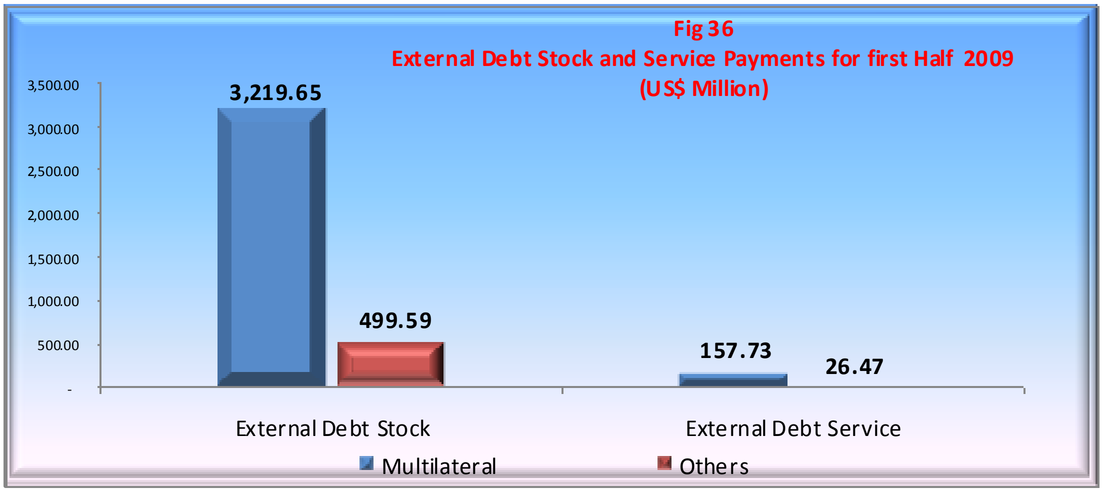
Fig 35
Composition of Federal Government Consolidated Debt for First Half 2009

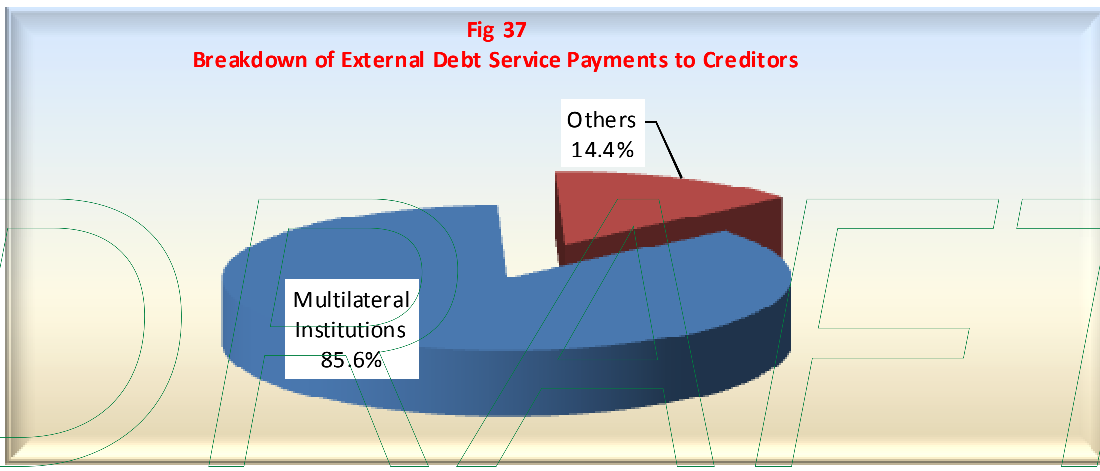
4.2.5.2 Domestic Debt

The Federal Government's outstanding domestic debt stood at ₦2,812.8 billion or 23.8 per cent of GDP as at end-June 2009, exceeding the level at end-June 2008 by 23.0 per cent. The increase was due to the issuance of additional FGN Bonds and treasury bills, which was, however, moderated by the redemption of maturing treasury bonds. The ratio of the stock of domestic debt to the Federal Government retained revenue was 222.1 per cent. The banking system remained the dominant holder of the total outstanding debt with 70.5 per cent, the non-bank public accounted for 24.9 per cent and 4.6 per cent held by the Sinking Fund.

4.2.5.3 External Debt

Available data indicated that the Federal Government's stock of external debt at end-June 2009 was US$3.7 billion or 4.6 per cent of GDP. This represented a 1.0 percentage point below the level at end-June 2008. Further analysis indicated that 86.6 per cent was owed to the multilateral creditors, while the balance of 13.4 per cent was to non-Paris Club bilateral and commercial debts. Total external debt stock as a ratio of total export earnings in the first-half of 2009 was 10.7 per cent, marginally down from 10.8 per cent in the corresponding period of 2008. The lower external debt stock/export ratio indicated that the debt position remained sustainable.





4.2.5.4 Debt Service Payments

At ₦204.0 billion, domestic debt service payments was 74.3 per cent higher than the level in the corresponding period of 2008. The increase resulted from the appreciable repayment of maturing FGN and treasury bonds during the period. External debt service payments amounted to US$0.2 billion indicating a decline of 16.2 per cent from the level at end-June 2008. A breakdown of the external debt service payments revealed that 85.6 per cent was to multilateral institutions while ‘other creditors’ received the balance of 14.4 per cent. Total debt service as a ratio of GDP in the first half of 2009 was 1.0 per cent, indicating a sustainable debt position.

4.2.6 FISCAL OUTLOOK

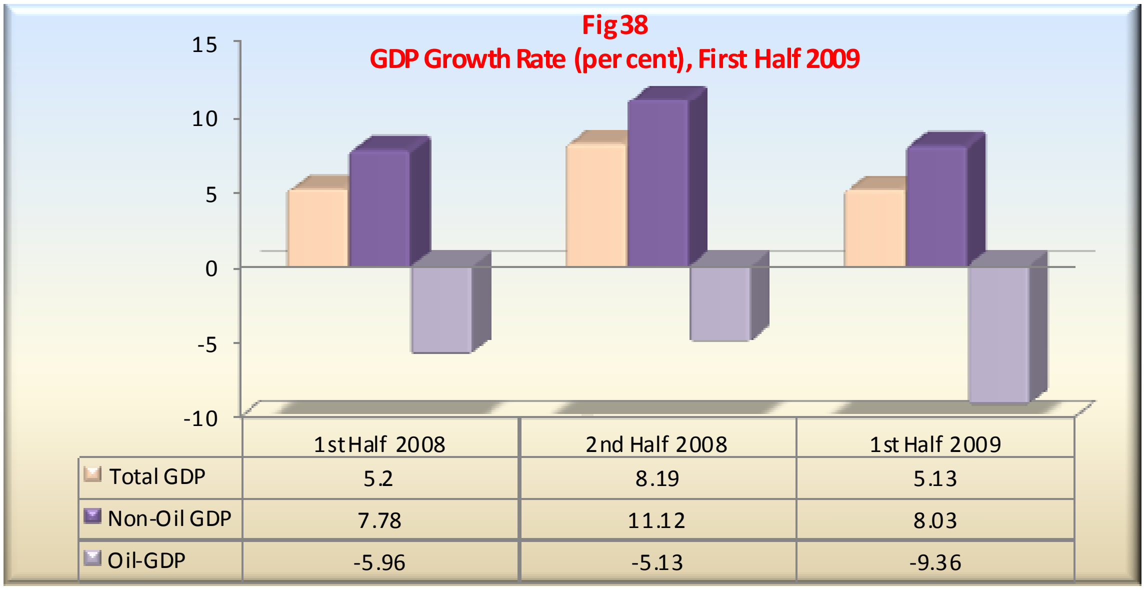
The steady improvement in global oil demand and prices experienced towards the end of the first quarter of 2009 is expected to continue for the remainder of the year. It is expected that the expeditions resolution of the Niger Delta crisis by the Federal Government (FG) would stem the challenges of crude oil/gas production and exports to take full advantage of the favourable international oil market conditions. Thus, the fiscal fortune of the three tiers of government in the second half of the year is expected to be positive with the expectation of increased federation revenue allocation.

Given the penchant for spending by the sub-national governments and the imminent bunching of Federal Government capital releases in the last two quarters of the year, the crystallization of the proposed stimulus package may likely induce inflation, but given the low level of economic activity, thus far, in 2009, it is unlikely that any serious threat to macroeconomic stability would occur. The monetary authority is expected to continue with the proactive monetary operations to balance any risk to the economy.

4.3 REAL SECTOR DEVELOPMENTS

The persisting current global economic crisis moderated growth in the first half of 2009. Provisional data from the National Bureau of Statistics (NBS) indicated that the Gross Domestic Product (GDP) at 1990 constant basic prices grew by 5.1 per cent in the first half of 2009, compared with the 5.2 per cent recorded in the corresponding period of 2008. The aggregate growth was driven by the non-oil sector which expanded by 8.0 per cent and contributed 85.6 per cent of the GDP, while the oil sector output declined by 9.4 per cent and contributed the remaining 14.4 per cent. The decline in the oil sector performance was largely a consequence of the activities of militants in the Niger Delta region. The growth in non-oil GDP was largely driven by the communications sub-sector which grew by 34.4 per cent, building and construction 12.8 per cent, wholesale and retail trade 12.1 per cent, services 10.4 per cent and agriculture 5.4 per cent. In contrast, industrial output fell by 5.8 per cent. Agriculture remained dominant in terms of sectoral contribution, with a share of 43.8 per cent of GDP. It was followed by services, industry, wholesale and retail trade, and building and construction, respectively, with shares of 19.2, 18.8, 16.2 and 2.0 per cent.

Fig38
GDP Growth Rate (per cent), First Half 2009



	1st Half 2008	2nd Half 2008	1st Half 2009
Total GDP	5.2	8.19	5.13
Non-Oil GDP	7.78	11.12	8.03
Oil-GDP	-5.96	-5.13	-9.36

4.3.1 Agriculture

4.3.1.1 Agricultural Policies and Institutional Support

Agricultural policies and institutional support measures in the first half of 2009 continued to focus on the challenges of rising cost of food, climate change, bio-fuel production and achieving the minimum sectoral growth of 10.0 per cent as enunciated in the Vision 2020 document. One of the main platforms for achieving these objectives was the Commercial Agricultural Development Programme (CADP) which was designed to increase productivity, improve value addition, and encourage private sector participation in the sector, along the central value chain of production, storage, processing and marketing. The Programme focuses on rice, wheat, sugarcane, cassava, cotton, livestock and fisheries.

Under the CADP, the persistent sub-optimality in the supply and distribution of agricultural inputs was addressed. The deregulation of fertilizer supply and expansion of irrigation infrastructure were priorities of the programme. In spite of the policy of deregulating fertilizer supply, government sustained its involvement in ensuring that farmers nationwide had access to the product.

Under the Guaranteed Minimum Price (GMP) scheme, prices (per tonne) for the 2009 planting season were announced as follows: maize ₦43,000, sorghum ₦41,000, millet ₦41,000, rice paddy N60,000, garri ₦75,000, cassava flour ₦80,000 and soyabean ₦56,000. The prices were meant to serve as incentives for farmers to expand the hecterage cultivated. To accommodate the envisaged increase in output, the government began the construction of additional 19 silos with a view to attaining the national target of 1 million tonnes storage capacity in line with the Food and Agriculture Organization (FAO) recommendation. In addition, 37 buying points and 36 markets for livestock, fisheries and fruits/vegetables were being established/ completed nationwide in order to improve market infrastructure and access to these basic commodities.

Agricultural sector financing received a major boost during the half year with the launching of the ₦200.0 billion Commercial Agricultural Credit Scheme (CACS) by the CBN in collaboration with the Federal Ministry of Agriculture and Water Resources (FMA&WR). The objectives of the scheme are: to fast track the development of the sector by providing credit facilities to commercial agricultural enterprises at a single digit interest rate, enhance national food security by increasing food supply to effect lower produce prices, and thereby, promote low food inflation. It also seeks to diversify the revenue base of the economy, increase foreign exchange earnings and provide inputs for the industrial sector on a sustainable basis.

4.3.1.2 Agricultural Production and Prices

Agricultural output recorded modest growth in the first half of 2009. At 215.3 (1990=100), the provisional index of agricultural production increased by 5.4 per cent, compared with the 4.8 per cent recorded in the first half of 2008. The growth in agricultural output during the first half of 2009 was a direct outcome of government intervention measures in the aftermath of the global food crisis. Other initiatives carried over from 2008 such as the zero tariffs on imported agro-chemicals and the tightening of controls on the illegal importation of agricultural products contributed to the improved performance. All the sub-sectors of agriculture contributed to the growth. The output of staples rose by 5.2 per cent, compared with 4.9 per cent in the first half of the preceding year. Similarly, the output of other crops rose by 5.6 per cent, compared with 5.3 per cent in 2008. The output of the livestock, fishery and forestry sub-sectors rose by 6.1, 4.3 and 1.3 per cent, respectively, compared with 5.8, 4.1 and 1.2 per cent achieved in 2008.

A survey conducted by the CBN showed that the domestic retail price of most of the selected food items trended upwards, when compared with the levels in the first half of 2008. The increase in the price of eight out of the fourteen commodities monitored ranged from 2.9 per cent for eggs to 28.6 per cent for garri (yellow). The price increase for most of the commodities reflected distribution constraints prevalent in the economy. The remaining six commodities recorded price declines ranging from 0.9 per cent for vegetable oil to 20.7 per cent for palm oil.

The prices of Nigeria's major agricultural export commodities, at the London Commodities Market, declined in the first half of 2009. At 336.2 (1990=100), the dollar-based all-commodities price index fell by 9.6 per cent below the level in the first half of 2008. Similarly, the six commodities monitored recorded respective price declines of 3.3, 14.5, 8.7, 29.4, 53.8 and 5.5 per cent for cocoa, coffee, copra, cotton, palm oil and soya bean. The decline in the price of the commodities was indicative of the continued lull in the market, occasioned by the global economic crisis. In Naira terms, the all-commodity price index, at 4,677.3 (1990=100), rose by 9.5 per cent, relative to the level in the first half of 2008, due mainly to the depreciation of the exchange rate of the naira vis-a-vis the US dollar.

4.3.2 Industry

4.3.2.1 Industrial Policy and Institutional Support

The major focus of policy during the half year were to: enhance the competitiveness of made-in-Nigeria products, encourage industrial output and linkages for both domestic and export markets, increase value-addition by creating a few niches for competitive advantage, and stimulate the development of small and medium size enterprises as a base for cheaper inputs. In order to achieve these, emphasis was placed on the improvement of infrastructure, especially power and road transportation activities. In this regard, the government resolved to scale up electricity generation to 6,000 MWH by December 2009. Consequently, several contracts were awarded to improve electricity generation, transmission and distribution across the country. Also, contracts were awarded to rehabilitate existing roads to ease the movement of goods and people.

4.3.2.2 Industrial Production

Provisional data indicated that aggregate industrial output declined in the first half of 2009. The index of industrial production, at 115.23 (1990=100), fell by 2.9 per cent when compared with the level in the corresponding period of 2008. All the sub-sectors namely: manufacturing, mining and electricity consumption contributed to the decrease in output.

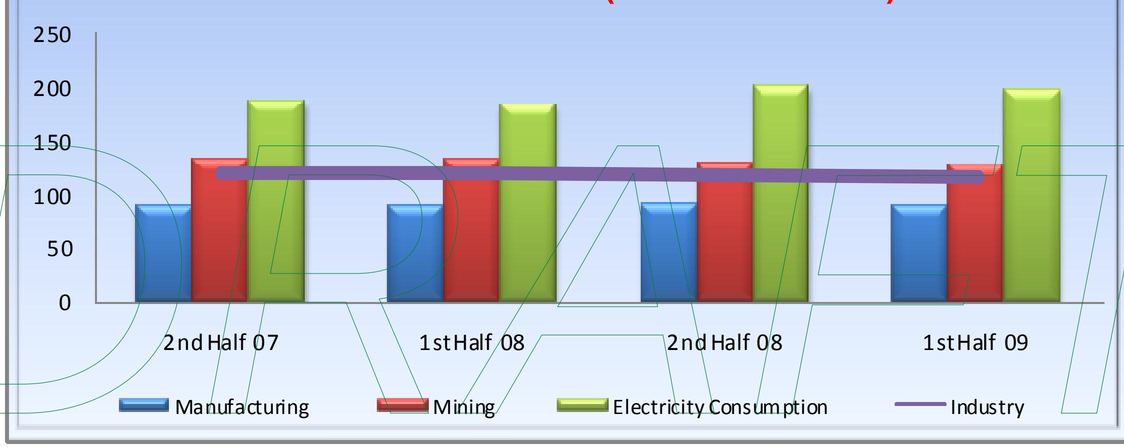


Fig 39
Industrial Production Index (Half Year 2007 - 2009)

4.3.2.3 Manufacturing

At 89.25 (1990=100), the estimated index of manufacturing production decreased by 1.8 per cent relative to the level in the corresponding period of 2008. The poor performance of the manufacturing sub-sector during the review period was attributed largely to the poor infrastructural facilities, especially electricity supply which remained epileptic, as well as dampened demand for local manufactures occasioned by the massive importation of cheap and substandard goods into the country.

Consequently, the average manufacturing capacity utilisation estimated at 53.81 per cent fell by 1.3 and 0.40 percentage points below the level in the preceding half year and the corresponding period of 2008, respectively.

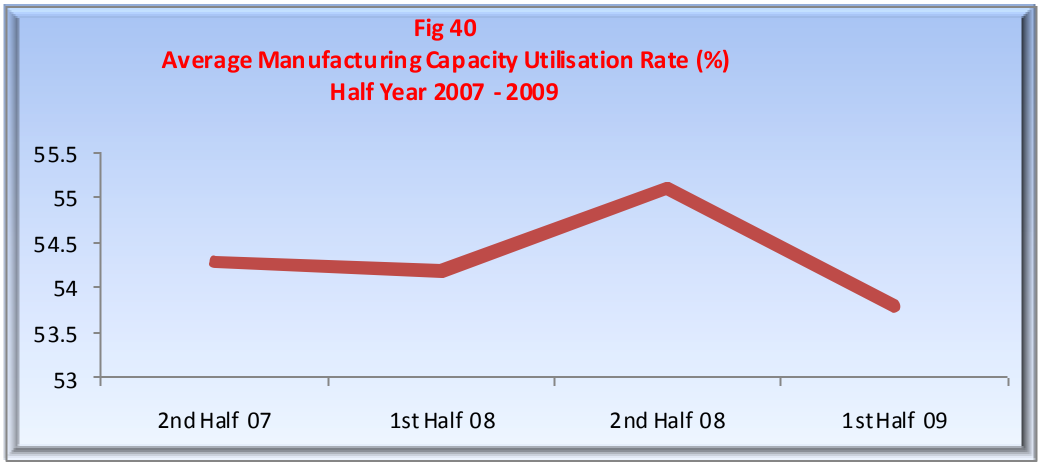


Fig 40
Average Manufacturing Capacity Utilisation Rate (%)
Half Year 2007 - 2009

4.3.3 Crude Oil

Nigeria's crude oil production continued its decline in the first half of 2009, with an estimated total average daily production of 1.76 mbd, showing a decline of 0.18 mbd from the level in the corresponding period of 2008. Aggregate crude oil production for the period under review, including condensates, was estimated at 318.56 million barrels. The decline was attributed to the continued militancy in the Niger Delta region which disrupted oil operations. Consequently, about 105,000 and 150,000 barrels per day were lost by the Chevron/NNPC Joint Venture and the Shell Petroleum Development Company, respectively. The aggregate export of crude oil during the half year was estimated at 1.31 mbd or 237.11 million barrels, compared with 1.46 mbd in the corresponding half of the previous year.

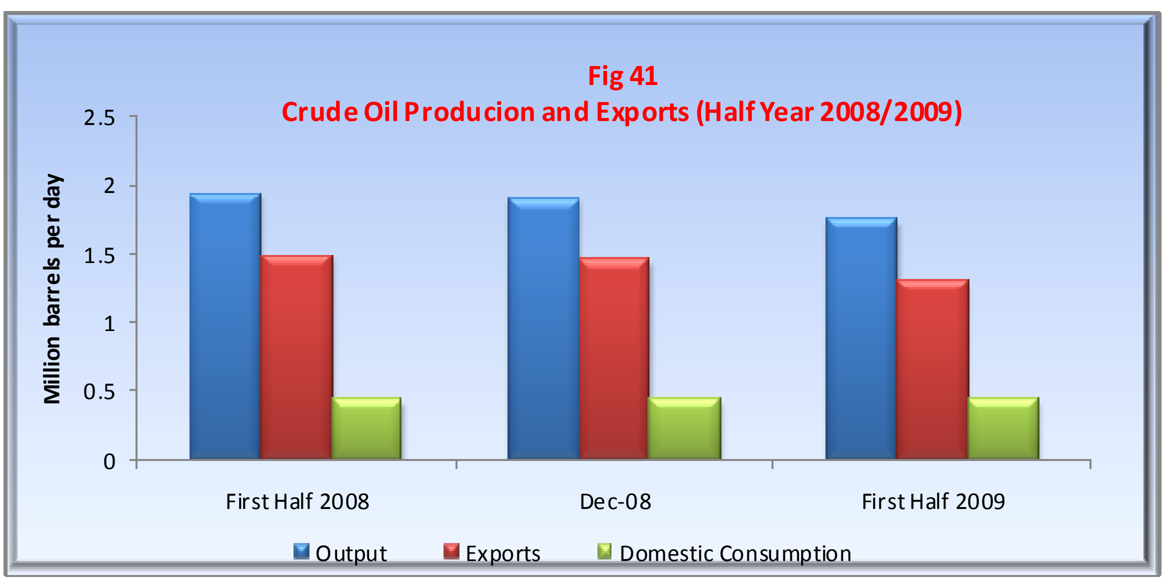


Fig 41
Crude Oil Producion and Exports (Half Year 2008/2009)

4.3.3.1 Crude Oil Prices

In the international oil market, the spot price of Nigeria's reference crude, the Bonny Light (37^{o} API) crashed by 52.53 per cent relative to its level in the first half of 2008, to US$53.65 per barrel. Similarly, the average prices of the UK Brent, West Texas Intermediate and the Forcados fell by 53.05, 55.02 and 52.8 per cent to US$51.73, US$50.15 and US$53.51 per barrel, respectively, compared with their levels in the corresponding half of 2008. The average price of the OPEC basket of twelve crude streams at US$50.36 per barrel fell by 39.3 per cent relative to the level in the first half of 2008. This was due to the global fall in demand for crude oil arising from the persisting global economic crisis.

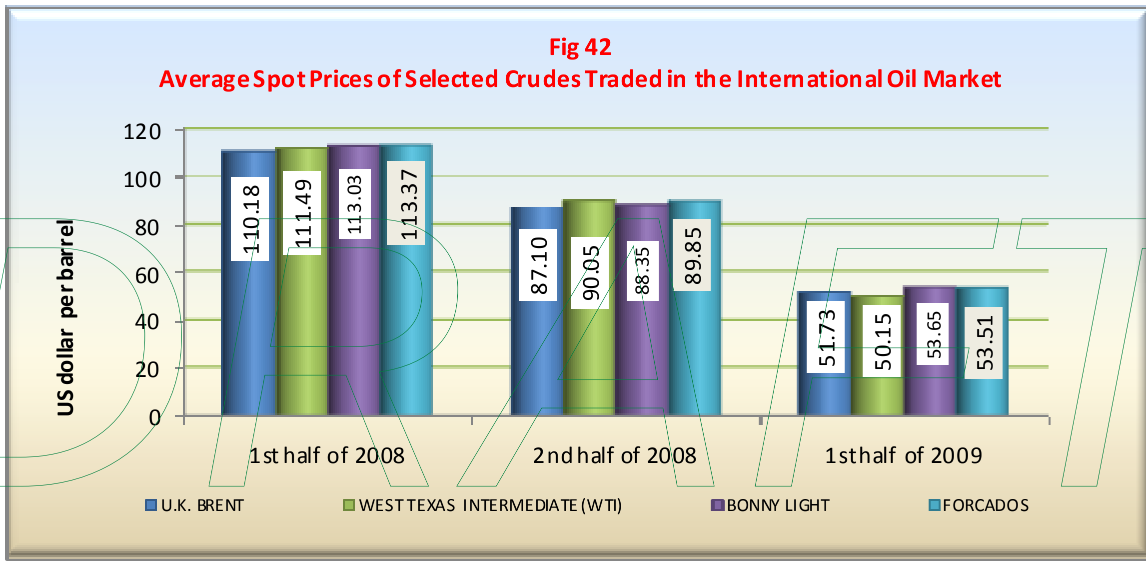


Fig 42
Average Spot Prices of Selected Crudes Traded in the International Oil Market

Source: Reuters

4.3.4 Gas

Total associated gas produced during the review period was estimated at 20.29 million cubic metres (MMm^3), declining by 9.8 million cubic metres from the level in the corresponding period of 2008. The decline in gas production was attributable to the oil production disruptions in the Niger Delta region of the country. The quantum of gas utilized during the period was estimated at 12.52 million cubic metres (MMm^3), while total gas flared was estimated at 7.7 million cubic metres, a decline of 17.8 per cent from the last half of 2008.

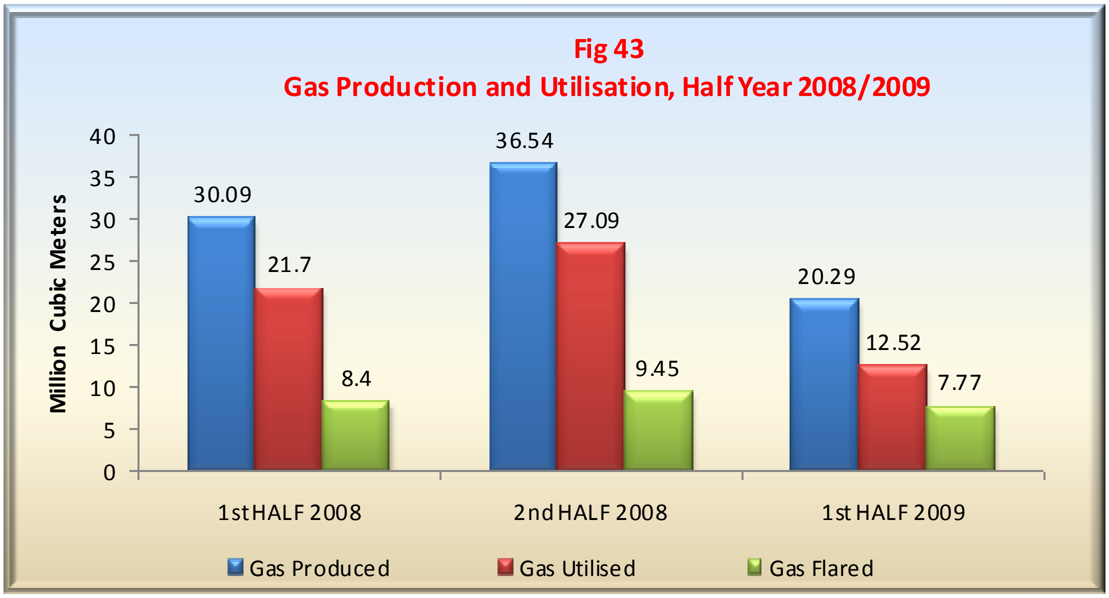


Fig 43
Gas Production and Utilisation, Half Year 2008/2009

4.3.5 Petroleum Products

In the downstream petroleum sector, a total of 2,064.00 million (mt) of crude oil was processed by local refineries, yielding 196,854.89 (mt) of premium motor spirit (PMS), 273,810.11 (mt) of dual purpose kerosene (DPK), 442,144.22 (mt) of automotive gas oil (AGO) and 640,143.44 (mt) of fuel oil. Of these, 1,647.30 million (mt) was evacuated from the refineries and comprised of 449,608.44 (mt) of PMS; 279,336.89 (mt) of DPK; 413,601.11 (mt) of AGO and 504,759.33 (mt) of fuel oil. The major and independent marketing companies distributed 5,877,890.0 million (mt) in the following proportions 4,289,096.33 million (mt) of PMS (72.9 per cent); 962,798.38 million (mt) of DPK (16.4 per cent) and 625,995.3 million (mt) of AGO (10.7 per cent) during the review period.

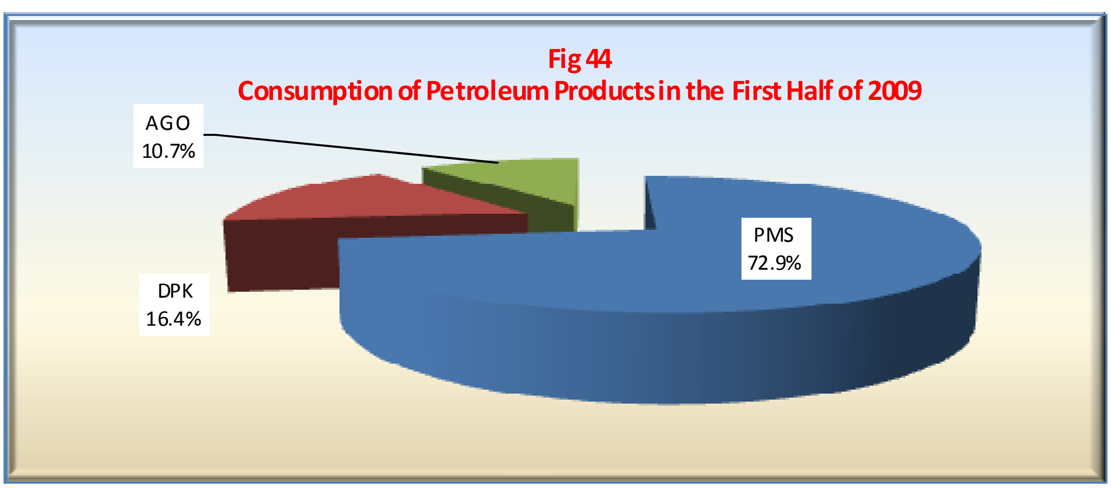


Fig 44
Consumption of Petroleum Products in the First Half of 2009

4.3.6 Solid Minerals

Provisional data from the Ministry of Mines and Steel Development showed that the total solid minerals production in the first half of 2009 increased marginally by 0.02 per cent over the level in the corresponding period of 2008 to 33.1 million tonnes. The development was accounted for by the increase in the production of limestone, sand, stone aggregates and gypsum. The increase in production of solid minerals was facilitated by the disbursement of US$10.0 million grant by the Federal Government to improve the operations of artisanal and small scale miners (ASM) in the country. The fund was part of the US$120.0 million grant approved by the World Bank, under its Sustainable Management of Mineral Resources Project. However, other minerals such as cassiterite, columbite, barite, clay, marble aggregates, lead/zinc, shale, laterite and iron ore recorded decline in production levels during the review period.

4.3.7 Electricity Generation

At 1,767.5 megawatts per hour (Mw/h), the estimated average total electricity generation fell by 21.4 per cent below the 2,247.8 Mw/h attained during the same period of 2008. The decline in electric power generation during the first half was attributed largely to the disruption of gas supplies to the thermal stations following militant attacks on gas pipelines and installations, breakdown of generating units at some of the power plants including the Egbin Thermal Station, as well as low water levels at the hydro power stations.

4.3.8 Electricity Consumption

Provisional data showed that, at 1,358.0 Mw/h, average total electricity consumption declined by 23.1 per cent below the level in the first half of 2008. All the components of electricity consumption contributed to the decrease. Residential consumption accounted for 55.2 per cent of the total, while commercial consumers accounted for 33.2 per cent, industrial and street lighting consumption accounted for the balance of 10.7 and 0.9 per cent, respectively. The decrease in electricity consumption relative to the same period last year was attributed to the low power supply from the power generating stations, and poor transmission and distribution infrastructure, a consequence of inadequate maintenance. This led to various forced/planned power outages and emergency load shedding experienced during the period.

4.3.9 Industrial Financing

The total disbursement by Nigeria Export Import Bank (NEXIM) to various beneficiaries at the end of June 2009 stood at ₦318.6 million, representing 23.3 per cent decline when compared with the corresponding period of 2008. The amount was disbursed under the Direct Lending Facilities for export of products mainly in agriculture. The sectoral breakdown of the disbursement indicated that agriculture and the agro-allied were the only sub-sectors that benefited from the Scheme.

4.3.10 Telecommunications

The growth observed in the telecommunications sub-sector in 2008 was sustained during the first half of 2009. Available data from the Nigerian Communications Commission (NCC) indicated that the total number of active telephone lines grew by 35.4 per cent from 49.6 million lines in June 2008 to 67.2 million lines as at end-April 2009. The teledensity consequently rose from 35.4 per 100 inhabitants in June 2008 to 48.0. As in the past, growth in the sector was attributed to the developments in the mobile telephony sub-sector where the number of lines increased by 36.9 per cent to 65.8 million active lines at end-April 2009, from 48.0 million active lines in June 2008. Other developments in the sector included increase in the roll out of the Code Division Multiple Access (CDMA) lines and the MTN's introduction of a new number series with the prefix 0813.

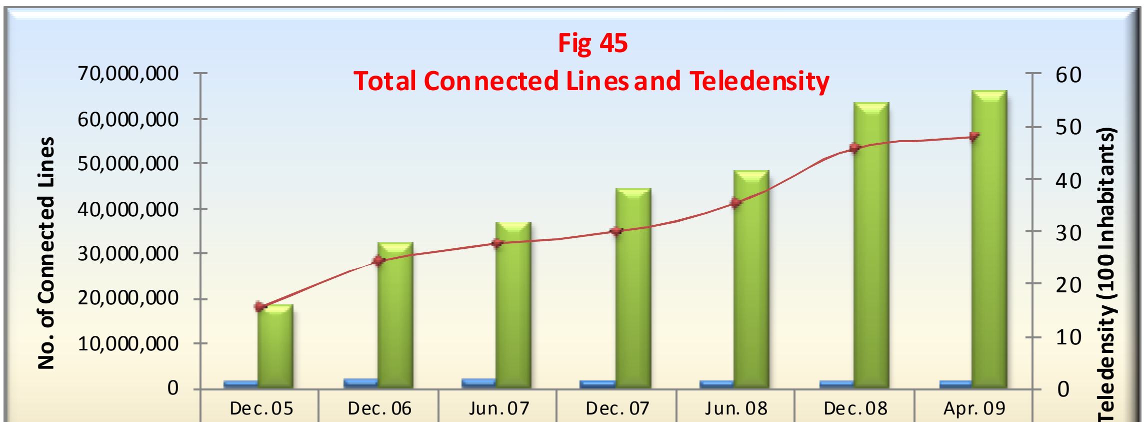


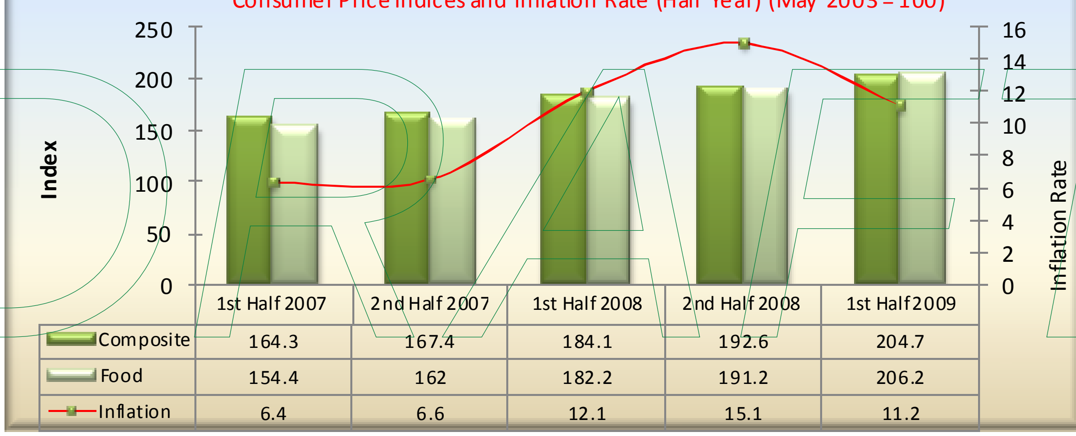
Fig 45
Total Connected Lines and Teledensity

	Dec. 05	Dec. 06	Jun. 07	Dec. 07	Jun. 08	Dec. 08	Apr. 09
Fixed	1,223,258	1,687,972	1,704,722	1,579,664	1,557,355	1,307,625	1,390,685
Mobile	18,587,000	32,322,202	37,000,000	44,353,727	48,049,304	62,988,492	65,787,780
Teledensity	15.72	24.29	27.8	29.98	35.43	45.93	47.98

4.3.11 Consumer Prices

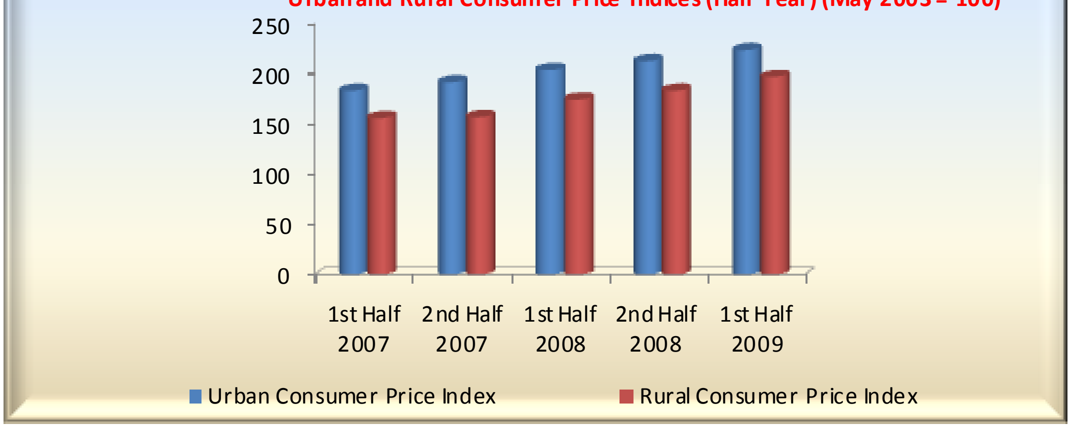
The increase in the general price level which started in the second half of 2008, continued into the first half of 2009. The all item composite consumer price index (CPI) stood at 204.7 (May 2003 = 100) in June 2009, compared with 184.1 and 192.6 in June and end-December, 2008, respectively. The year-on-year headline inflation trended downward, as it dropped to 11.2 per cent in June 2009, compared with 12.0 and 15.1 per cent in June and end-December, 2008, respectively. The moderation in inflationary pressure was largely attributed to the early harvest of maize and yam, which had a dampening effect on food prices. However, the 12-month moving average rate of inflation exhibited an upward trend increasing from 7.0 per cent in June 2008 to 13.7 per cent in June 2009.

Fig. 46
Consumer Price Indices and Inflation Rate (Half Year) (May 2003 = 100)



	1st Half 2007	2nd Half 2007	1st Half 2008	2nd Half 2008	1st Half 2009
Composite	164.3	167.4	184.1	192.6	204.7
Food	154.4	162	182.2	191.2	206.2
Inflation	6.4	6.6	12.1	15.1	11.2

Fig 47
Urban and Rural Consumer Price Indices (Half Year) (May 2003 = 100)



4.3.12 Real Sector Outlook for the Second Half of 2009

The GDP growth rate is projected to improve in the second half of 2009 relative to the first half. This projection is premised on the expected increase in agricultural output in response to the various government policies and programmes that were initiated to increase food production and ensure food security, rising volume and spread of rainfall in the country, increased procurement and distribution of fertilizer and disbursement of the ₦200.0 billion commercial agriculture fund. Thus, it is expected that inflationary pressure would be moderated by the increase in agricultural output, as the improved harvest would have a dampening effect on food inflation. Furthermore, the recovery of crude oil prices is likely to continue, as most industrialised economies are beginning to show signs of recovery in the aftermath of the global economic meltdown. It is also expected that the menu of options being adopted by the federal government, including the amnesty extended to the militants to resolve the crisis in the Niger Delta would yield positive results and, thereby, increase crude oil output. Manufacturing capacity utilization is, however, expected to remain low as a result of the slow implementation of the 2009 Appropriation Act, given that the economy is still largely driven by government activities. However, electricity generation and consumption could improve if the government resolves the Niger Delta crisis, which is expected to facilitate the achievement of the target power generation of 6,000 MWh, by December 2009.

4.4. EXTERNAL SECTOR DEVELOPMENTS

The pressure on Nigeria's external sector since the second half of 2008 persisted as the deficit in the overall balance of payments widened from ₦732.0 billion to ₦1,134.0 billion in the first half of 2009. This contrasted with a surplus of ₦913.9 billion recorded in the corresponding period of 2008. The development reflected an unfavourable macroeconomic environment induced by the global financial crisis, low domestic oil production/exports and the adverse terms of trade, occasioned by the low international crude oil prices. Thus, the current account swung from a surplus to a deficit of ₦168.0 billion. The outflows of capital during the reporting period culminated in a capital and financial account deficit of ₦651.5 billion compared with ₦1,257.5 billion and ₦33.2 billion, respectively, recorded in the corresponding period and second half of 2008. The level of external reserves declined by 18.0 per cent to US$43.5 billion from the level at end-December 2008. This could finance 15.7

months of current import commitments compared with 22.1 and 15.3 months in the first and second halves of 2008, respectively.

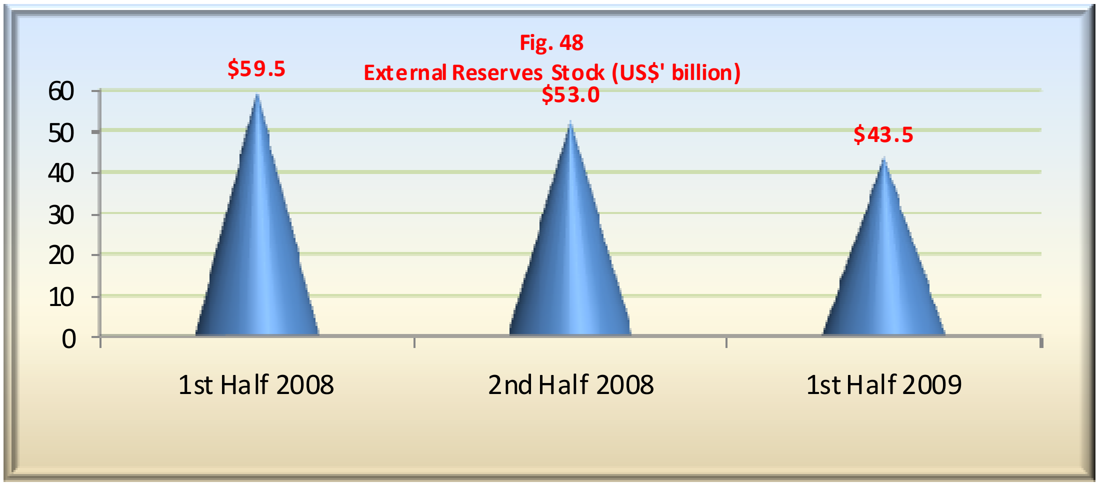


Fig. 48
External Reserves Stock (US$' billion)

4.4.1 Balance of Payments

4.4.1.1 Current Account

The current account recorded a deficit of ₦168.0 billion in the first half of 2009 from surpluses of ₦3,301.2 billion and ₦1,658.3 billion in the corresponding and second halves of 2008, respectively. The development was attributable largely to the decline in the value of oil export. The deficit in the services account widened by 60.1 per cent while that on the income account narrowed by 55.5 per cent when compared with the levels in the corresponding period of 2008. However, the current transfers (net) remained in surplus, driven largely by inward remittances.

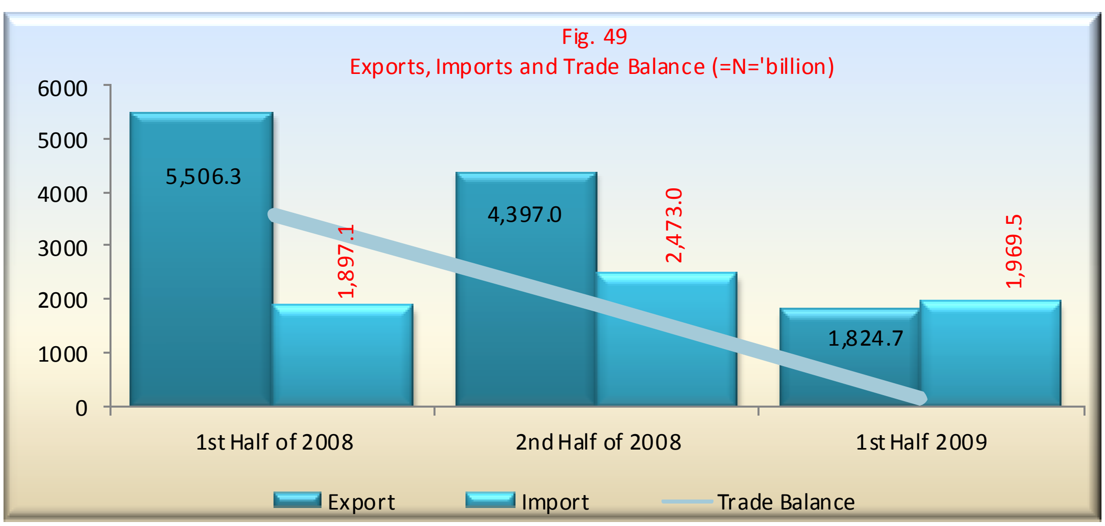


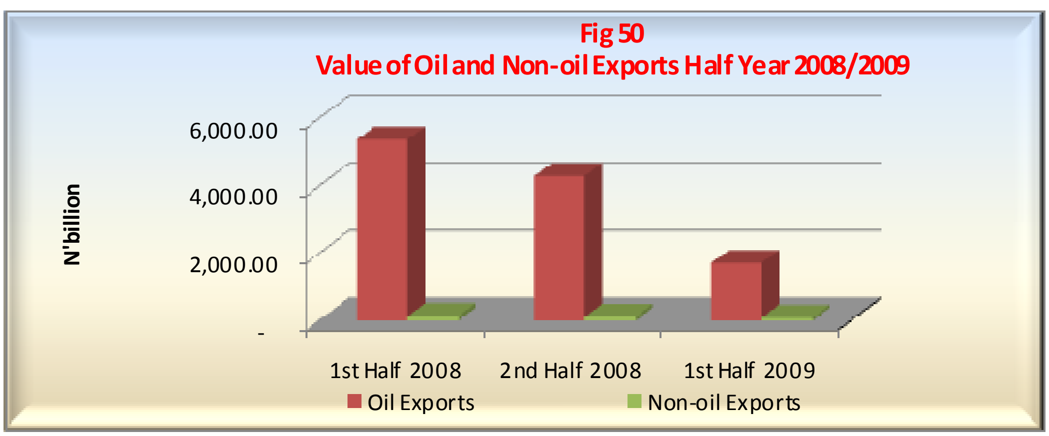
Fig. 49
Exports, Imports and Trade Balance (=N='billion)

4.4.1.1.1 Goods Account

Goods account (fob) adjusted for balance of payments (trade balance) swung to a deficit of ₦144.8 billion from the surpluses of ₦3,627.1 billion and ₦1,924.0 billion recorded in the corresponding period and second half of 2008, respectively. The outcome in the goods account reflected mainly the fall in crude oil exports due largely to a fall in the price and production of crude oil.

(a) Exports

Aggregate exports declined by 66.9 and 58.5 per cent compared with the corresponding period and the second half of 2008, respectively. The development was due largely to fall in crude oil production occasioned by the crisis in the Niger Delta region. In addition, the average price of Nigeria's reference crude, Bonny Light 37^{o}API, declined from US$113.0 in the first half of 2008 to US$53.7 per barrel in the first half of 2009. Oil sector exports accounted for 94.0 per cent and non-oil exports accounted for 6.0 per cent of the total. The non-oil (including estimates for unrecorded trade) component of total exports declined to ₦108.9 billion or 19.5 and 3.1 per cent below the levels in the corresponding period and the second half of 2008, respectively. The development reflected the weak infrastructural facilities and high cost of funds in the domestic financial market that have continued to constrain the production of non-oil export in addition to the non-competitiveness of Nigeria's manufactured products in the global market.



(b) Non-oil Exports

The value of non-oil exports stood at ₦108.9 billion in the reporting period compared with ₦135.3 billion and ₦112.4 billion in the first and second halves of 2008, respectively. Analysis of the non-oil exports by products showed that agricultural produce, other exports, manufactured goods, semi-manufactures and minerals accounted for 53.3, 24.3, 10.9, 8.5 and 3.0 per cent of the total, respectively, during the first half of 2009. Agricultural produce, semi-manufactures, minerals and manufactured goods registered decreases of 10.4, 6.8, 5.9 and 1.0 percentage points, respectively, while other exports increased by 24.1 percentage points when compared with their levels in the corresponding period of 2008.

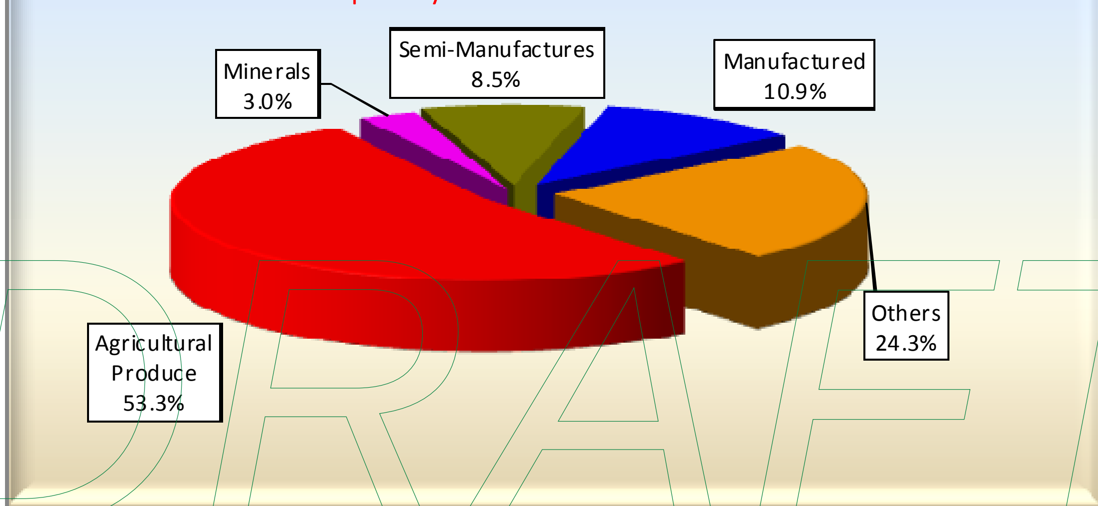


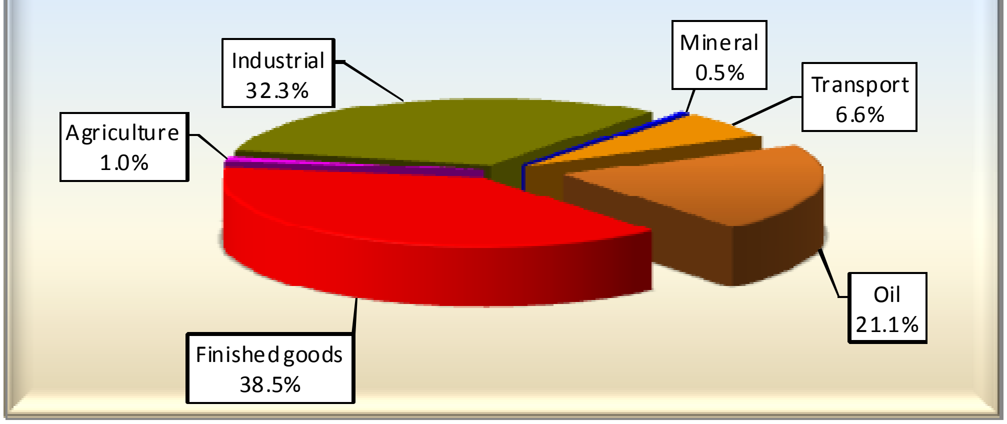
Fig 51:
Non-Oil Exports by Products in First Half of 2009

In the agricultural produce category, the shares of cashew nuts, gum arabic and fish/shrimps increased by 1.2, 0.9 and 0.2 percentage points, while that of cocoa beans and cotton declined by 7.1 and 3.0 percentage points, respectively.

(c) Imports

Import bills rose by 4.8 per cent to ₦1,969.5 billion compared with the level in the corresponding period, but declined by 20.4 per cent below the level in the second half of 2008. The shares of non-oil and oil imports were 80.1 and 19.9 per cent, respectively. The sectoral breakdown of non-oil imports revealed that, industrial sector accounted for 32.3 per cent of the total. Food and manufactured products accounted for 12.9 and 25.6 per cent, respectively. Other major import categories including oil, transport, agriculture and minerals accounted for 21.1, 6.6, 1.0 and 0.5 per cent of the total. The surge in import bills during the reporting period was traced to the high demand for foreign industrial goods needed for the rehabilitation of decaying infrastructure.

Fig 52
Imports by Sectors in the First Half of 2009



4.4.1.1.2 Services and Income Account

Transactions in the services account (net) resulted in a higher deficit of ₦1,027.0 billion, compared with ₦641.6 billion and ₦821.7 billion in the first and second halves of 2008, respectively. The deficit reflected the out-payments in respect of travels, freight charges for imports and other business services namely: operational leasing and miscellaneous, business and professional services. In the income account (net), the deficit narrowed by 55.8 and 47.2 per cent, respectively to ₦339.1 billion in the first half of 2009 compared with the first and second halves of 2008. The lower deficit reflected the shrinkage of interest payments on loans and other investment components, relative to the corresponding period of 2008.

Fig 53
Interest on Reserve, Debt and Net Income (=N='million)

4.4.1.1.3 Current Transfers

The surplus in the current transfers (net) increased by 24.7 and 12.1 per cent to ₦1,343.0 billion when compared with the first and second halves of 2008, respectively. Inward transfers at ₦1,356.9 billion, exceeded the outward transfers of ₦13.9 billion recorded in respect of expenses on foreign embassies, payments to international organizations, and the remittances of foreigners resident in the country.

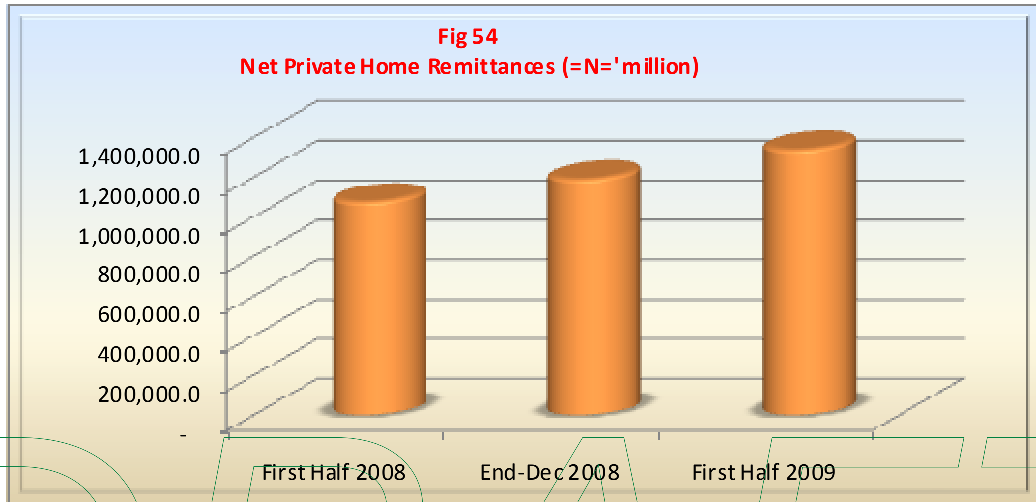


Fig 54
Net Private Home Remittances (=N='million)

4.4.1.2 Capital and Financial Account

The capital and financial account position posted a deficit of ₦651.5 billion, compared with respective deficits of ₦1,257.5 billion and ₦33.2 billion, recorded in the first and second halves of 2008. Foreign direct investment (FDI) declined by 22.6 per cent from the level in the corresponding period of 2008 while portfolio investment account recorded a net outflow. The depletion in reserve was US$9.5 billion as against an accretion of US$7.8 billion at end-June 2008. Nigeria's claim on the rest of the world as reflected in other investment (net) represented an equivalent of 5.2 per cent of GDP.

4.4.2 External Assets

Total external assets fell by 29.3 per cent from ₦8,625.2 billion (US$73.2 billion) in the first half of 2008 to ₦6,036.5 billion (US$40.7 billion) in the first half 2009. The development was due to the decline in the CBN's holdings (which accounted for 80.2 per cent of total) by 35.0 per cent below the level in first half 2008 to ₦4,841.6 billion. The holdings by the DMBs at ₦1,192.2 billion or 19.7 per cent of total, however, increased by 10.7 per cent in the review period.

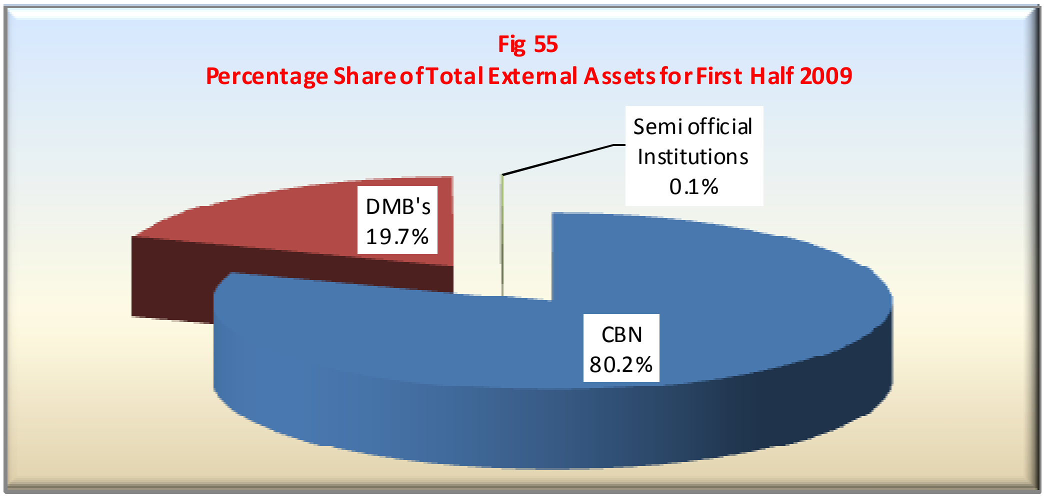


Fig 55
Percentage Share of Total External Assets for First Half 2009

4.4.3 Fitch Rating of Nigeria

Fitch Rating Agency carried out a rating of the Federal Republic of Nigeria in June 2009 and affirmed the country's Long term foreign currency issuer default rating (IDR) of 'BB-' (BB minus) and the long-term local currency IDR of 'BB'. It deemed the outlook stable on both ratings. At the same time the agency affirmed the short-term rating of 'B' and Country Ceiling of 'BB-'(BB minus).

Fitch attributed Nigeria's strong sovereign balance sheet as the main support for its ratings. It noted that although weakened by major reserve loss since September 2008, it still stood out amongst rating peers. It noted that earlier banking sector consolidation also resulted in a well-capitalised banking system, which together with Nigeria's strong overall and public net external creditor position as well as low government debt, helped cushion the economy against the collapse in oil prices, global recession, a reversal of capital flows and the banking sector's exposure to the sharp fall in equity prices.

4.4.4 External Sector Outlook for the Rest of 2009

The pressure witnessed by the external sector in the first half of 2009, negatively impacted on the current and, capital and financial accounts. On the management of the exchange rate, the challenge posed by demand pressure in the market persisted due to the speculative demand and the low supply of foreign exchange to the market. However, towards the end of the first half of 2009, developments in major economies signaled the recovery of the global economy. As demand in the international economy gradually picks up and oil prices continue the upward movement, foreign exchange inflow is expected to increase even though crude oil production capacity remains a challenge. Prospects of inflow through non-oil sources would also gradually improve the balance of payments position. The Bank would also continue to deploy appropriate monetary tools to ensure exchange rate stability.

5.0 INTERNATIONAL ECONOMIC RELATIONS

5.1 Sub-Regional Institutions

5.1.1 Economic Community of West African States (ECOWAS)

The ECOWAS Convergence Council, held an extraordinary meeting in Abuja, Nigeria on May 25, 2009, to revise the road map for the realization of a single currency for West Africa by 2020.

The following were the highlights of the decisions of the Council:

- Integration of financial markets; harmonization and regulation of supervisory framework for financial system; the completion of payments system infrastructure in Guinea, The Gambia and Sierra Leone; and the establishment of payments system infrastructure for cross-border transactions between 2009 and 2013.
- Ratification of the legal instruments for the West African Monetary Zone (WAMZ) by 2014, to be followed by the creation of the West African Central Bank, the WAMZ Secretariat and the West African Financial Supervisory Authority (WAFSA).
- Final realization of the monetary union in the WAMZ zone by 2015 and the introduction of a common currency (Eco) in January 2015.
- Subsequent merger of the two currencies to create a single regional currency by 2020 and the establishment of a regional central bank together with final withdrawal of national currencies.
- Advised Cape Verde and Liberia to join one of the two monetary zones (CFA and WAMZ) and the ECOWAS Monetary Cooperation Programme for the realization of the single currency.

The West African Ministers of transport and infrastructure meeting in June 2009, endorsed the following strategies for the two sectors to serve as catalyst for regional integration and economic development:

- Conclude the construction of seven joint border posts for which the European Union has provided 63 million Euros under Phase I of the project to minimize transport costs and harmonize the procedure on intra-community movement of goods and persons.
- Revival of the ECOWAS Brown Card project by establishing a sustainable mechanism for the financing and ensure the effective implementation of its protocols.

The special ECOWAS – Spain Summit was held in Abuja in June 2009 by Heads of State/Government of ECOWAS and the Prime Minister of Spain to strengthen cooperation in the following areas:

- Infrastructural development, renewable energy, war against malaria and illicit trafficking in persons, drugs and arms, as well as gender issues, and professional training
- Implementation of the ECOWAS Agricultural Policy (ECOWAP) to bolster regional efforts towards increased food production and anti-famine activities. The Spanish Government pledged a total of Euro 262 million to strengthen regional integration out of which Euro 240 million would be dedicated to the implementation of ECOWAP to enhance agricultural productivity.
- Commitment to support the consolidation of democracy through strengthening of the capacities of relevant organs and institutions such as electoral commissions, the media, civil society and human rights institutions.

5.1.2 West African Monetary Zone (WAMZ)

The 24th Meeting of the Convergence Council of Ministers and Governors of the WAMZ was held in Abuja, Nigeria on May 23, 2009. Highlights of the decisions at the meeting were:

- Approval of a new date of on/or before January 1, 2015 for the commencement of the WAMZ Monetary Union.
- Reiteration of rigorous implementation of the structural and institutional benchmarks under the Banjul Action Plan (BAP) to achieve convergence and

durable monetary union and directive to WAMI to continue to collaborate with the ECOWAS Commission in that regard.

- WAMI to carry out further studies on the structure of the West African Central Bank (WACB) and the cost implications of operationalizing the WAMZ institutions, taking into cognizance the ECOWAS monetary programme, the plans to establish the African Central Bank, and also to review the statute of the WACB.
- Member states to accelerate the creation of the WAMZ/ECOWAS Common Economic Space by fast tracking the implementation of the decisions on the quoting and trading of WAMZ currencies.

5.2 Regional Institutions

5.2.1 African Development Bank (AfDB) Annual Meetings

The 44th Annual Meeting of the Board of Governors of the African Development Bank (AfDB) and the 35th Annual Meeting of the African Development Fund (ADF) were held jointly from May 13–14, 2009 in Dakar, Senegal. The Boards of Governors noted that:

- The draft resolution for a sixth capital increase was amended to reflect the need to provide more financing resources to the poorest countries and directed
- The Management to undertake an in-depth analysis of AfDB's capacity and redefine the instruments best suited for the fulfilment of the targets of various countries.

5.2.2 African Union (AU) Meetings

African Ministers of Finance, Planning and Economic Development, met in Cairo, Egypt, from June 6–7, 2009 for the Second Joint Annual Meeting of the African Union Conference of Ministers of Economy and Finance, and the United Nations Economic Commission for Africa (ECA) Conference of African Ministers of Finance, Planning and Economic Development.

The highlights of the meeting were as follows:

- Ministers noted that the global financial crisis would reduce growth in the region by two to four percentage points, and called on member nations to take swift actions to cushion the impact.

- Urged regional and multilateral development finance institutions to increase financial support to African countries to foreclose humanitarian disaster.
- Ministers noted the agreement reached on the draft statute of the African Investment Bank, which is one of the three financial institutions stipulated in the African Union Constitutive Act and reiterated the need to fast-track its establishment.
- Ministers noted with concern the substantial drop in African exports as a result of the global financial crisis and urged the conclusion of the Doha Round taking cognizance of Africa's interests. They called for increased Africa's participation in international financial institutions and reform of the global financial architecture.
- Ministers noted that the region is most likely to be significantly affected by climate change and enjoined the industrialized countries to provide financial and technical assistance to enable Africa to respond to the emerging challenges.

5.2.3 Association of African Central Banks (AACB)

The Ordinary Meeting of the Bureau of the Association of African Central Banks (AACB) was held in Addis Ababa, Ethiopia on April 9, 2009 and attended by representatives of the National Bank of Rwanda, Central Bank of Congo, Bank of the Central African States, Central Bank of the Comoros, Bank of Algeria and the Central Bank of Nigeria (CBN). Highlights of the decisions are as follows:

- African Union Commission (AUC) to engage a consultant to carry out a study on Strategy for the establishment of the African Central Bank (ACB), convergence criteria and harmonization of economic policies.
- Recommend to the Assembly of Governors to encourage the Bank of Eritrea to assent to the Statutes of the AACB.
- Setting up of an Investment Committee with members from the Bureau.

AACB Continental Seminar

The Association of African Central Banks Continental Seminar on Liquidity Management was held in Abuja from May 7–9, 2009 with three sub-themes namely: What Concept of Liquidity for African Economies; Suitable Liquidity Management and Forecasting tools for Africa; and Collaboration among African Central Banks in Liquidity Management in the context of the international financial crisis.

The highlights of the recommendations were as follows:

- The need for payments system development and modernization including the money and capital markets.
- Promoting the use of market-based instruments for liquidity management by member countries.
- Coordination of monetary and fiscal policies through the creation of policy and operational committees as well as expanding banking services to the rural areas.

5.3 Multilateral Economic and Financial Institutions

5.3.1 World Economic Forum Annual Meeting

The World Economic Forum 2009 Annual Meeting was held in Davos-Klosters, Switzerland from January 28 to February 1, 2009. Highlights of the decisions included:

- The launching of a new World Economic Forum task force of business leaders, economists and other experts to provide advice to the UN climate negotiations.
- Agreement on public-private consultation on the reform of the international financial architecture involving World Economic Forum Financial Services Industry Partners, academic experts and G-20 finance ministries and central banks in 2009.
- Facilitate meeting of central bankers, finance ministers and other government leaders with the private sector to brainstorm on systemic financial issues in the run up to the G-20 April 2009 Summit.
- Pledge of more than US$17.0 billion of aid over three years to Asian countries to fight the global financial crisis and loan offer of US$100 billion to the IMF from its foreign currency reserves by Japan.
- Call for the creation of an international economic body similar to the UN Security Council to prevent future financial crisis and a new charter for the global economic order that would enshrine core economic principles.

5.3.2 The World Bank/IMF 2009 Spring Meetings

The 2009 Spring Meetings of the Board of Governors of the World Bank Group and the International Monetary Fund (IMF) took place in Washington, D. C, USA on April 25 and 26, 2009. These meetings were preceded by the International Monetary and Financial Committee, Development Committee and Intergovernmental Group of Twenty Four (G-24) meetings. The highlights of the Spring Meetings were as follows:

- Call for the early implementation of a new SDR allocation of at least US$250 billion to meet global needs.
- Double access limits on concessional lending by the IMF to Low-Income Countries (LICs), as well as adjust Poverty Reduction and Growth Facility (PRGF) access norms accordingly.
- The IMF to strengthen its surveillance function through greater even-handedness and more effective surveillance of systemically important advanced countries, international capital flows, and financial markets.
- Prompt ratification of the April 2008 IMF reform package and the realignment of IMF quotas (after addressing the existing bias against developing countries) not later than January 2011.
- The overhaul of the IMF's lending and conditionality framework, including the new Flexible Credit Line (FCL) and High Access Precautionary Arrangements (HAPAs), and
- Ensure a timely crisis response while maintaining its focus on long term development challenges, including those posed by climate change to avoid the financial and economic crisis turning into a human and development calamity.

5.3.3 Group of 20 (G-20) Meeting

The Leaders of the Group of Twenty met in London on April 2, 2009 to discuss the challenges of the global economy. Highlights of the meeting were as follows:

- Treble resources available to the IMF to US$750 billion, support a new SDR allocation of US$250 billion, US$100 billion of additional lending by the Multilateral Development Banks (MDBs) and also provide US$250 billion for trade finance as well as use the additional resources from the agreed IMF gold sales for concessional finance for the poorest countries.

- Conduct economic policies cooperatively and responsibly with regard to the impact on other countries; refrain from competitive devaluation of currencies; and promote a stable and well-functioning international monetary system.
- Agreed to establish a new Financial Stability Board (FSB) as a successor to the Financial Stability Forum (FSF), comprised of the G-20 countries, FSF members, Spain, and the European Commission. The FSB would collaborate with the IMF to provide early warning of macroeconomic and financial risks and the actions needed to address them.
- Reaffirmed Washington commitments made to refrain from raising new barriers to investment, trade in goods and services, imposing new export restrictions, or implementing World Trade Organisation (WTO) inconsistent measures to stimulate exports.
- Reaffirmed commitments to meeting the Millennium Development Goals and achieving ODA pledges, including Aid-for-Trade and debt relief, especially to sub-Saharan Africa.

5.4 Bilateral Relations

A number of bilateral meetings were held during the period under review. These included:

- The Nigeria/United Arab Emirates (UAE) meeting in Abuja on January 15, 2009, during which a US$16.0 billion bilateral investment agreement was signed to improve infrastructural facilities, agriculture, mineral resources and the development of the Federal Capital Territory (FCT), among others.
- The 5th Session of China-Nigeria Economic and Technical Cooperation Joint Commission held in Beijing, China from June 22 – 26, 2009, which centred on economic cooperation, banking and finance, energy, solid minerals, and infrastructure development.
- The 6th Session of Nigeria-United States TIFA Council meeting held in Washington D.C., from March 30-31, 2009, which focused on trade and investment concerns between the two countries.

5.5 International Commodity Organizations

5.5.1 International Cocoa Organisation (ICCO)

The 79th Regular Council Session, 139th Executive Committee Meeting and the 19th Meeting of the Consultative Board on the World Cocoa Economy of the International Cocoa Organisation (ICCO) were held in Moscow from June 1–5, 2009. The issues considered during the meeting included, Membership of the Organization; Distribution of Votes; Review of Observer Status of Non-member Countries; Special Reserve Fund; Relocation of the ICCO Headquarters to Ivory Coast (Cote d'Ivoire); and Cocoa Production and Consumption; as well as Proposals for a Future Cocoa Agreement.

Cocoa Production and Consumption

Africa supplied about 70.0 per cent of world cocoa beans and Cote d'Ivoire alone accounted for about 35.0 per cent of the supplies. World production was projected to increase at an average growth rate of 3.3 per cent to 4.09 million tonnes in 2013/14. World cocoa grindings and the end-of-season stock levels were also projected to rise to 3.93 and 2.04 million tonnes, respectively, over the same period. Cocoa prices in real terms were projected to stabilize at US$1,902 per tonne in 2013/2014.

5.5.2 Organisation of Petroleum Exporting Countries (OPEC)

The 153rd (Extraordinary) Meeting of the Organization of Petroleum Exporting Countries (OPEC) was convened at its Headquarters in Vienna, Austria on May 28, 2009. The Meeting noted the following:

- The severe and broad impact of the global economic downturn had weakened global oil demand and the current situation was likely to subsist for a while.
- World oil demand declined for the first time since the early 1980s.
- The earlier production cut effective January 1, 2009, was already redressing the supply/demand imbalance, resulting in oil price stability.
- The existence of excess supply in the market in spite of the decline in crude inventories in the preceding two months.
- The adverse implications of the persistent fall in oil prices for investment and the future of the industry.
- The sustained weak industrial production, shrinking world trade and high unemployment.

- Consequently, it decided to maintain current production levels for the time being.

TABLE 5
OPEN MARKET OPERATIONS AT OMO SESSIONS

Period	Total Bids (=N= 'million)	Amount Sold (=N= 'million)	Average Tenor (Days)	Average Yield (%)
2005				
January	83,100.0	76,600.0	27.0	12.9
February	170,800.0	134,200.0	27.0	11.5
March	146,720.0	129,270.0	38.0	10.8
April	210,800.0	161,500.0	33.0	10.1
May	155,220.0	119,870.0	42.0	6.3
June	149,080.0	111,600.0	46.9	4.5
Total	915,720.00	733,040.00		
Average	152,620.00	122,173.33	35.7	9.3
July	33,100.0	22,350.0	55.0	3.3
August	30,500.0	22,000.0	31.0	2.8
September	85,500.0	56,350.0	53.0	5.5
October	25,200.0	18,200.0	65.0	2.4
November	15,700.0	15,700.0	34.0	2.4
December	141,600.0	122,200.0	84.0	11.5
Total	2,315,660.0	1,845,053.3		
2006				
January	38,600.0	26,100.0	40.0	10.9
February	360,100.0	200,000.0	93.0	11.3
March	182,600.0	149,000.0	115.0	9.6
April	211,500.0	189,900.0	95.0	8.2
May	159,500.0	133,400.0	205.0	7.2
June	254,300.0	197,200.0	309.0	11.2
Total	1,206,600.0	895,600.0		
Average	201,100.0	149,266.7	142.8	9.7
July	416,700.0	343,100.0	146.0	11.1
August	225,370.0	168,690.0	235.0	8.8
September	56,600.0	56,600.0	146.0	6.9
October	232,930.0	217,930.0	63.0	5.7
November	30,500.0	25,000.0	82.0	5.0
December	101,500.0	101,500.0	91.0	7.3
Total	3,677,900.0	2,853,286.7		
Average	262,707.1	203,806.2	135.6	8.7
2007				
January	0.0	0.0	0.0	0.0
February	68,200.0	80,100.0	50.0	7.3
March	216,900.0	227,100.0	71.0	7.3
April	50,300.0	80,100.0	100.0	7.3
May	62,400.0	100,100.0	48.0	7.2
June	14,000.0	563,500.0	74.0	7.7
Total	411,800.0	1,050,900.0		
Average	68,633.3	175,150.0	57.2	6.1
July	170.0	82,200.0	57.0	6.7
August	37,750.0	304,500.0	86.0	7.1
September	0.0	461,000.0	99.0	6.7
October	19,500.0	528,700.0	77.0	6.8
November	24,000.0	570,000.0	106.0	7.3
December	134,200.0	585,300.0	223.0	8.1
Total	215,620.0	2,531,700.0		
Average	35,936.7	421,950.0	108.0	7.1
2008				
January	0.0	148,300.0	229.0	8.9
February	0.0	174,770.0	265.0	9.3
March	0.0	210,400.0	206.0	8.9
April	10,000.0	291,700.0	160.0	8.7
May	24,000.0	205,000.0	168.0	8.9
June	0.0	439,200.0	160.0	9.4
Total	34,000.00	1,469,370.00		
Average	5,666.67	244,895.00	198.00	9.02
July	0.0	760,080.0	169.0	9.0
August	0.0	101,460.0	191.0	9.5
September	0.0	0.0	0.0	8.6
October	0.0	0.0	0.0	8.8
November	0.0	0.0	0.0	0.0
December	0.0	0.0	0.0	0.0
Total	-	861,540.0		
Average	-	143,590.0	60.0	6.0
2009				
January	68,540.0	20,290.0	90.0	2.0
February	0.0	0.0	0.0	0.0
March	71,000.0	42,000.0	116.0	2.6
April	128,150.0	95,200.0	165.0	4.3
May	77,000.0	39,300.0	305.0	4.0
June	126,900.0	50,800.0	176.0	5.1
Total	471,590.0	247,590.0		
Average	78,598.3	41,265.0	142.0	3.0

TABLE 6
TREASURY BILLS: ISSUES AND SUBSCRIPTIONS
(Naira million)
Half Year

Period	Issues	Subscriber		
		Central Bank	Deposit Money Banks3/	Non-Bank /1 Public
1999 Monthly Average	110,173.1	59,542.1	27,649.8	21,632.8
2000 Monthly Average	135,761.1	30,391.9	70,195.0	32,439.3
2001				
Total	1,985,453.2	1,065,709.3	686,183.0	233,560.9
Average	165,454.4	88,809.1	57,181.9	19,463.4
2002				
June	207,640.8	71,346.5	77,728.1	58,568.4
December	290,640.8	67,528.5	159,022.7	64,089.6
Total	2,421,143.2	929,123.2	998,915.2	493,106.1
Average	201,761.9	77,426.9	83,242.9	41,092.2
2003				
June	290,640.8	65,335.0	133,846.8	91,459.0
December	381,932.8	195,266.6	99,820.5	86,845.7
Total	3,026,347.1	789,158.0	1,394,845.2	842,344.0
Average	252,195.6	65,763.2	116,237.1	70,195.3
2004				
June	240,054.53	13,708.19	78,757.94	147,588.40
December	351,576.95	5,171.43	166,783.31	179,622.21
Total	1,761,631.48	280,547.65	755,983.24	725,100.59
Average	293,605.25	46,757.94	125,997.21	120,850.10
2005				
June	246,700.00	16,700.00	111,300.00	118,700.00
December	209,610.00	20,210.00	109,400.00	80,000.00
Total	1,078,560.00	66,610.00	626,260.00	380,660.00
Average	179,760.00	11,101.67	104,376.67	63,443.33
2006				
June	140,000.00	18,860.00	53,870.00	67,270.00
December	105,000.00	780.00	52,340.00	51,880.00
Total	649,865.00	11,485.00	346,500.00	291,880.00
Average	108,310.83	1,914.17	57,750.00	48,646.67
2007				
June	106,400.00	600.00	42,936.86	62,819.29
December	340,000.0	0.0	322,400.0	17,600.0
Total	1,016,700.00	1,900.00	757,400.00	257,500.00
Average	169,450.00	316.67	126,233.33	42,916.67
2008				
June	182,600.0	0.0	126,700.0	55,900.0
December				
Total	974,400.00	123,600.00	552,100.00	298,000.00
Average	162,400.00	20,600.00	92,016.67	49,666.67
2009				
January	115,470.0	0.0	91,931.3	23,400.0
February	80,110.0	0.0	64,457.0	15,649.6
March	80,000.0	-	26,349.8	13,650.2
April	101,360.0	-	27,410.5	33,146.0
May	120,220.0	-	0.0	0.0
June	120,000.0	-	69,148.6	20,851.5
Total	617,160.00	-	279,297.19	106,697.23
Average	102,860.00	-	46,549.53	17,782.87

TABLE 7

MONETARY AND CREDIT DEVELOPMENTS
(Naira Million)

Item	Jun-05	Dec-05	Jun-06	Dec-06	Jun-07	Dec-07	Jun-08	Dec-08	Jun-09
(1) Domestic Credit	2,182,494.23	2,370,363.72	2,710,736.62	714,205.72	928,990.18	2,688,236.51	3,938,836.37	4,951,860.33	5,677,163.30
(a) Claims on Federal Government (Net)	341,727.83	306,031.90	360,789.37	(1,936,615.74)	(2,615,012.02)	(2,368,484.39)	(2,716,445.31)	(3,107,688.59)	(2,879,781.40)
By Central Bank (Net)	(285,935.58)	(205,746.30)	(638,498.20)	(2,796,026.93)	(3,596,910.41)	(4,074,422.85)	(4,413,045.05)	(4,532,113.63)	(4,348,811.30)
By Banks (Net)	627,663.40	511,778.20	999,287.57	859,411.19	981,898.39	1,705,938.46	1,696,599.74	1,424,425.04	1,469,029.90
(b) Claims on other Private Sector	1,816,680.50	1,950,379.82	2,257,453.79	2,556,919.73	3,463,443.74	4,968,967.30	6,655,281.68	7,909,783.78	8,305,283.50
By Central Bank	13,565.10	13,760.00	65,913.30	28,282.71	58,781.79	236,025.18	114,037.13	260,148.80	336,125.00
By Banks	1,803,115.40	1,936,619.82	2,191,540.49	2,528,637.01	3,404,661.94	4,732,942.12	6,541,244.55	7,649,634.97	7,969,158.50
(i) Claims on State and Local Governments	20,495.30	54,526.60	42,200.93	80,652.37	40,279.23	87,753.60	99,399.91	149,765.14	251,661.20
By Central Bank	-	-	-	-	-	-	-	-	
By Banks	20,495.30	54,526.60	87,753.60	99,399.91	149,765.14	87,753.60	99,399.91	149,765.14	251,661.20
(ii) Claims on Non-Financial Public Enterprises	3,590.60	2,449.40	4,045.80	13,249.36	-	13,249.36	-	-	-
By Central Bank	3,590.60	2,449.40	4,045.80	13,249.36	-	13,249.36	-	-	-
By Banks	-	-	-	-	-	-	-	-	-
(iii) Claims on Private Sector	1,840,766.40	2,007,355.82	2,303,700.52	2,650,821.45	3,503,722.97	5,056,720.90	6,754,681.59	8,059,548.92	8,556,944.70
By Central Bank	17,155.70	16,209.40	69,959.10	41,532.07	58,781.79	236,025.18	114,037.13	260,148.80	336,125.00
By Banks	1,823,610.70	1,991,146.42	2,233,741.42	2,609,289.38	3,444,941.17	4,820,695.72	6,640,644.46	7,799,400.11	8,220,819.70
(2) Foreign Assets (Net)	3,397,866.63	4,098,471.85	5,568,810.00	6,307,859.26	7,633,412.63	7,266,512.09	8,316,237.22	8,550,430.31	7,643,607.10
By Central Bank	2,964,472.23	3,658,511.50	4,925,790.60	5,603,376.85	6,802,621.47	6,570,263.73	7,446,508.90	7,270,807.42	6,642,639.00
By Banks	433,394.40	439,960.35	643,019.40	704,482.41	830,791.16	696,248.36	869,728.33	1,279,622.89	1,000,968.10
(3) Other Assets (Net)	(2,889,063.91)	(3,653,989.49)	(4,367,725.11)	(2,994,163.28)	(3,446,156.09)	(4,144,922.12)	(4,306,704.74)	(4,335,455.34)	(4,243,743.80)
Total Monetary Assets (M2)	**2,691,296.95**	**2,814,846.08**	**3,911,821.51**	**4,027,901.70**	**5,116,246.72**	**5,809,826.48**	**7,948,368.85**	**9,166,835.31**	**9,077,026.60**
Quasi - Money 1/	1,237,064.40	1,089,450.28	1,694,889.99	1,747,252.76	2,477,185.73	2,693,554.34	3,619,857.18	4,309,523.06	4,592,410.80
Money Supply (M1)	1,454,232.55	1,725,395.80	2,216,931.52	2,280,648.93	2,639,060.99	3,116,272.14	4,328,511.66	4,857,312.25	4,484,615.80
Currency Outside Banks	415,969.10	563,232.00	514,609.15	650,943.60	525,742.47	737,867.22	673,055.41	892,675.59	746,463.90
Demand Deposits 2/	1,038,263.45	1,162,163.80	1,702,322.37	1,629,705.33	2,113,318.51	2,378,404.92	3,655,456.26	3,964,636.66	3,738,151.90
Total Monetary Liabilities	**2,691,296.95**	**2,814,846.08**	**3,911,821.51**	**4,027,901.70**	**5,116,246.72**	**5,809,826.48**	**7,948,368.85**	**9,166,835.31**	**9,077,026.60**
GROWTH RATE OVER THE PRECEDING DECEMBER (in percentages)									
Credit to the Domestic Economy(net)	8.0	17.3	14.4	-73.7	30.1	276.4	46.5	84.2	14.6
Credit to the private sector	20.0	30.8	14.8	15.1	32.2	90.8	33.6	59.4	6.2
Claims on Fedral Government(net)	-29.6	-37.0	17.9	-636.8	-35.0	-22.3	-14.7	-31.2	7.3
By Central Bank	4573.0	3262.5	210.3	337.9	28.6	45.7	8.3	11.2	4.0
Claims on States and Local Governments	-16.8	121.4	-22.6	91.1	-50.1	8.8	13.3	70.7	68.0
Claims on Non-Financial Public Enterprises	86.0	26.9	65.2	227.5	-100.0	0.0			
Claims on Other Pprivate Sector	20.5	29.3	15.7	13.3	35.5	94.3	33.9	59.2	5.0
Foreign Asset(net)	28.5	55.0	35.9	13.3	21.0	15.2	14.4	17.7	-10.6
Quasi-Money	32.6	16.8	55.6	3.1	41.8	54.2	34.4	60.0	6.6
Money supply(M1)	9.3	29.7	28.5	2.9	15.7	36.6	38.9	55.9	-7.7
Broad money(M2)	18.9	24.4	39.0	3.0	27.0	44.2	36.8	57.8	-1.0
Other Assets (net)	20.3	52.2	19.5	-31.4	15.1	38.4	3.9	4.6	-2.1

Notes:

1/ Quasi-Money consists of Time,Savings and Foreign Currency Deposits at Deposit Money Banks, excluding Takings from Discount Houses.

2/ Demand Deposits consists of State, Local Government and Parastatals Deposits at the CBN; State, Local Government and Private Sector Deposits as well as Demand Deposits of Non-Financial Public Enterprises at Deposit Money Banks.

3/ Provisional.

* revised

TABLE 8

VALUE OF MONEY MARKET ASSETS

(=N=Million)

Instruments	JUNE 2003	DEC 2003	JUNE 2004	DEC 2004	JUNE 2005	DEC* 2005	JUNE * 2006	DEC* 2006	JUNE* 2007	DEC* 2007	JUNE 1/ 2008	JUNE* 2008	DEC* 2009
Treasury Bills	733,800.0	825,050.0	825,100.0	871577	871577	854828	785,400.0	701,399.8	716,900.0	574,900.0	574,929.4	471,929.4	641,930.0
Treasury Certificates	0.0	0.0	0.0	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Development Stocks	2,400.0	1,470.0	1,030.0	1,250.0	1,250.0	980.0	720.0	720.0	720.0	620.0	520.0	520.0	520.0
Certificates of Deposits	0.0	0.0	0.0	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial Papers	37,500.0	37,300.0	65,200.0	88830	182834	194591	183,140.4	193,511.6	329,589.7	363,369.5	653,101.0	822,700.9	602,465.9
Bankers' Acceptances	30,500.0	32,900.0	48,300.0	41620	43510	41124	43,014.0	45,743.5	80,537.1	81,834.0	169,800.1	66,398.7	74,215.7
FGN Bonds		725,600.0	725,600.0	725600	725600	250830	426,760.0	643,940.0	925,640.0	1,186,192.8	1,361,254.7	1,445,599.0	1,778,300.0
Total	804,200.0	896,720.0	939,630.0	1003277	1824771	1342353	1,439,034.4	1,585,314.9	2,053,386.8	2,206,916.3	2,759,605.2	2,807,148.0	3,097,431.6
Percentage Change Over Preceding December													
Treasury Bills	0.0	12.4	0.0	6	0	-2	-8.1	-17.9	2.2	-18.0	0.01	-17.9	36.0
Treasury Certificates	0.0	0.0	2.0	0	1	0	1.0	0.0	1.0	0.0	0.00	0.0	0.0
Eligible Development Stocks	47.2	(9.8)	(29.9)	-15	0	-22	-26.5	-26.5	0.0	-13.9	-16.13	-16.1	0.0
Certificates of Deposits	0.0	0.0	2.0	0	1	0	1.0	0.0	1.0	0.0	0.00	0.0	0.0
Commercial Papers	1.0	0.4	74.8	138	106	119	-5.9	-0.6	70.3	87.8	79.73	126.4	-26.8
Bankers' Acceptances	(28.4)	(22.8)	46.8	27	5	-1	4.6	11.2	76.1	78.9	107.49	-18.9	11.8
FGN Bonds			0.0	0	0	-65	70.1	156.7	43.7	84.2	14.76	21.9	23.0
Total	(1.3)	0.0	4.8	0	82	34	7.2	18.1	29.5	39.2	25.0	27.2	10.3

*revised

1/provisional

Table 9
SELECTED INTEREST RATES
(Per cent at End of Period)

	2006 Jun	2006 Dec	2007 Half Year	2007 Dec	2008 Half Year	2008 Dec	2009 Half Year
Minimum Rediscount Rate/MPR	14.00	10.00	8.00	9.50	10.25	8.50	8.00
Treasury Bills Issue Rate	14.20						
Deposit Money Banks (DMBs)							
Savings Deposit Rate	2.97	2.99	3.72	3.19	2.97	3.57	2.92
Time Deposit Rate (3 months)	9.66	10.25	10.33	10.29	11.45	12.91	13.3
Prime Lending Rate	16.51	17.15	17.39	16.46	15.96	16.08	18.67
Maximum Lending Rate	18.09	18.59	18.64	18.21	18.04	21.18	22.64
Inter-bank Rate (End-Period)	8.16	8.98	8.46	8.99	10.31	12.17	14.57
OBB	-	-	8.23	8.09	8.77	8.83	7.59
NIBOR 7-days	-	-	8.94	8.93	10.79	13.35	15.97
NIBOR 30-days			11.61	12.89	12.88	15.85	17.15

1/ Weighted Averages

2/ With the introduction of universal banking in January 2001, data for 2001 represent industry averages for each tenor.

Table 10
FEDERATION ACCOUNT OPERATIONS
(Naira Billion)

	2005 1st Half	2006 1st Half	2007 1st Half	2008 1/ 1st Half	2009 1st Half Budget	2009 3/ 1st Half
Total Revenue (Gross)	**2,390.26**	**3,038.53**	**2,395.98**	**3,752.73**	**2,652.65**	**2,224.05**
Oil Revenue (Gross)	**2,075.11**	**2,695.22**	**1,945.44**	**3,133.58**	**1,557.41**	**1,538.86**
Crude oil / Gas Exports	858.92	1,109.26	786.17	1,083.24	990.07	539.97
PPT and Royalties etc.	825.06	1,057.99	658.22	1,303.81	479.10	512.22
Domestic Crude Oil / Gas Sales	387.70	526.51	499.56	744.30	59.77	484.55
Other Oil Revenue	3.43	1.46	1.48	2.23	28.48	2.12
Less:						
Deductions	**984.68**	**1,415.84**	**743.93**	**1,545.77**	**409.09**	**425.75**
Oil Revenue (Net)	**1,090.43**	**1,279.37**	**1,201.51**	**1,587.81**	**1,148.32**	**1,113.11**
Non-oil Revenue	**315.15**	**343.31**	**450.54**	**619.14**	**1,095.24**	**685.19**
Companies Income Tax & Other Taxes	65.99	105.54	132.23	161.85	293.50	203.62
Customs & Excise Duties	111.03	86.45	112.59	134.61	250.00	126.81
Value-Added Tax (VAT)	89.90	90.30	132.48	196.56	290.00	222.21
Independent Revenue of Fed. Govt.	12.28	13.07	22.14	75.53	152.99	54.28
Education Tax	10.95	14.20	21.73	12.64	31.56	35.59
Customs Levies	25.00	33.75	29.37	37.96	75.00	37.99
Others	-	-	-	-	2.20	4.69
Less:						
Cost of Collection	**2.97**	**10.71**	**13.21**	**23.77**	**52.44**	**25.92**
Non-Oil Revenue (Net)	**312.18**	**332.60**	**437.33**	**595.38**	**1,042.80**	**659.26**
Estmiated Balances in Special Accounts for the previous year	**-**	**-**	**-**	**-**	**50.07**	**-**
Federally-collected revenue (Net)	**1,402.61**	**1,611.97**	**1,638.84**	**2,183.19**	**2,252.79**	**1,772.38**
Federation Account Allocation:	**1,402.61**	**1,611.97**	**1,638.84**	**2,183.19**	**2,252.80**	**1,772.38**
Transfer to Federal Govt. Ind. Revenue	12.28	13.07	22.14	75.53	152.99	54.28
Transfer to VAT Pool Account	89.90	90.30	132.48	188.70	278.40	213.32
Other Tranfers 3/	35.95	47.95	51.10	50.60	108.76	78.27
Amount Distributed	**1,264.49**	**1,460.66**	**1,433.12**	**1,868.36**	**1,712.66**	**1,426.51**
Federal Government	591.45	681.86	672.68	875.51	823.59	675.26
State Government	299.99	345.85	341.19	444.07	417.74	342.50
Local Government	231.28	266.63	263.05	342.36	322.06	264.05
13% Derivation	141.76	166.32	156.20	206.42	149.28	144.70
Vat Pool Account	**89.90**	**89.83**	**132.50**	**188.70**	**278.40**	**213.29**
FG	13.48	13.47	19.87	28.30	41.76	32.00
SG	44.95	44.91	66.25	94.35	139.20	106.66
LG	31.46	31.44	46.37	66.05	97.44	74.63
Special Funds (FGN)	**46.90**	**46.42**	**49.28**	**91.98**	**65.35**	**52.01**
Federal Capital Territory	11.22	11.10	11.79	22.01	15.64	12.44
Ecology	11.22	11.10	11.79	22.00	15.64	12.44
Statutory Stabilization	5.61	5.55	5.89	11.00	7.82	6.22
Natural Resources	18.85	18.66	19.81	36.97	26.27	20.91
Overall Balance	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**(0.00)**
Memorandum Items						
Deductions	**984.68**	**1,415.84**	**743.93**	**1,545.77**	**409.09**	**425.75**
JVC Cash calls	278.66	262.39	276.65	285.25	312.50	363.50
Excess Crude Proceeds	337.99	691.61	439.86	831.30	-	49.90
Excess PPT & Royalty	368.04	461.84	27.41	429.22	-	12.35
Others	-	-	-	-	96.59	-
Distribution from Excess Crude	**0.00**	**0.00**	**0.00**	**1,106.94**	**0.00**	**219.76**
Federal Government	0.00	0.00	0.00	249.27	0.00	58.65
State Government	0.00	0.00	0.00	395.71	0.00	93.16
Local Government	0.00	0.00	0.00	391.25	0.00	39.39
13% Derivation	0.00	0.00	0.00	70.71	0.00	28.57
Share of Diff.Btw. Provisional Distribution and Actual Budget	**0.00**	**0.00**	**0.00**	**67.84**	**0.00**	**119.09**
Federal Government	0.00	0.00	0.00	31.09	0.00	54.58
State Government	0.00	0.00	0.00	15.77	0.00	27.68
Local Government	0.00	0.00	0.00	12.16	0.00	21.34
13% Derivation	0.00	0.00	0.00	8.82	0.00	15.48
Federation Revenue Augmentation	**0.00**	**0.00**	**0.00**	**87.87**	**0.00**	**300.65**
Federal Government	0.00	0.00	0.00	40.27	0.00	137.79
State Government	0.00	0.00	0.00	20.43	0.00	69.89
Local Government	0.00	0.00	0.00	15.75	0.00	53.88
13% Derivation	0.00	0.00	0.00	11.42	0.00	39.08
Total Statutory Revenue and VAT Distribution 3/	**0.00**	**0.00**	**0.00**	**3,319.71**	**0.00**	**2,279.30**
Federal Government	0.00	0.00	0.00	1,224.45	0.00	958.28
State Government	0.00	0.00	0.00	970.33	0.00	639.89
Local Government	0.00	0.00	0.00	827.57	0.00	453.30
13% Derivation	0.00	0.00	0.00	297.37	0.00	227.84

1/ Revised
2/Provisional
3/ Includes Education Tax and Customs Levies
Source: Office of the Accountant-General of the Federation (OAGF)

Table 11
SUMMARY OF FEDERAL GOVERNMENT FINANCES
(Naira Billion)

	2005 1st Half	2006 1st Half	2007 1st Half	2008 1/ 1st Half	2009 1st Half Budget	2009 1/ 1st Half
Total Federal Government Retained Revenue	**706.05**	**777.41**	**1,080.28**	**1,373.10**	**1,200.74**	**1,266.73**
Share of Federation Account (Gross)	591.45	681.86	672.68	875.51	823.59	675.26
Share of VAT Pool Account	13.48	13.47	19.87	28.31	41.76	32.00
Federal Government Independent Revenue	12.28	13.07	22.14	75.53	152.99	54.28
Privatisation Proceeds	0.00	7.85	0.00	0.00	0.00	0.00
Share of Excess Crude Account 2/	88.83	57.16	183.41	320.64	182.41	251.03
Others 3/	0.00	4.00	182.18	73.12	0.00	254.18
Total Expenditure	**721.03**	**751.62**	**1,110.61**	**1,404.20**	**1,482.33**	**1,591.00**
Recurrent Expenditure	**528.11**	**594.23**	**598.55**	**948.30**	**886.90**	**1,017.30**
Goods and Services	**330.69**	**426.44**	**452.13**	**700.19**	**676.94**	**822.92**
Personnel Cost	222.94	267.49	232.89	432.07	428.45	452.12
Pension	34.31	42.73	42.78	65.59	80.80	87.16
Overhead Cost	73.44	116.22	176.47	202.54	167.70	283.63
Others	0.00	0.00	0.00	0.00	136.71	0.00
Interest Payments	**157.18**	**118.03**	**95.62**	**154.24**	**141.83**	**120.32**
Foreign	96.85	96.85	51.61	36.88	27.92	19.72
Domestic 4/	60.32	21.18	44.01	117.36	113.91	100.60
Transfers	**40.24**	**49.75**	**50.79**	**93.87**	**68.14**	**74.06**
FCT & Others (Special Funds)	40.24	49.75	50.79	93.87	68.14	74.06
Capital Expenditure & Net Lending 5/	**155.07**	**115.08**	**460.91**	**366.26**	**511.13**	**474.79**
Domestic Financed Budgets	**155.07**	**115.08**	**460.91**	**366.26**	**511.13**	**474.79**
Budgetary	155.07	115.08	460.91	366.26	511.13	474.79
Transfers	**37.85**	**42.31**	**51.15**	**89.64**	**84.31**	**98.90**
NDDC	14.40	10.33	12.00	29.64	25.66	12.83
NJC	16.50	17.50	21.50	39.00	39.00	58.50
UBE	6.95	14.48	17.65	21.00	19.65	19.65
Refund of Signature Bonuses	0.00	0.00	0.00	0.00	0.00	7.92
Balance Of Revenue And Expenditure						
Primary Surplus (+)/Deficit (-)	**142.19**	**143.82**	**65.29**	**123.14**	**177.14**	**-203.94**
Current Surplus(+)/Deficit(-)	**177.94**	**183.18**	**481.73**	**424.80**	**-276.48**	**249.43**
Overall Surplus(+)/Deficit(-)	**-14.98**	**25.79**	**-30.33**	**-31.10**	**-418.30**	**-324.26**
Financing:	**14.98**	**-25.79**	**30.33**	**8.95**	**418.30**	**324.26**
Foreign(Net)	**0.00**	**0.00**	**0.00**	**0.00**	**31.25**	**0.00**
Domestic(Net)	**13.50**	**0.00**	**0.00**	**0.00**	**262.05**	**0.00**
Banking System	0.00	0.00	0.00	0.00	0.00	0.00
CBN	0.00	0.00	0.00	0.00	0.00	0.00
DMBs	0.00	0.00	0.00	0.00	0.00	0.00
Non Bank Public	13.50	0.00	0.00	0.00	262.05	0.00
Excess Crude	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Other Funds	**1.48**	**-25.79**	**30.33**	**8.95**	**125.00**	**324.26**

1/ Provisional
2/ Includes FG's share of Federation Revenue Augmentation and Share of Difference between Provisonal and Approved Budget.
3/ Includes Refund of Loan to C/Rivers, Operating Surplus Redemption, Transfer (from closure) and FGN Bonds Issue (classified as reven
4/ Include Sinking Fund Charges
5/ Includes net deductions for loans on lent to State,local governments and Federal parastatals/companies.
Source: Office of the Accountant-General of the Federation (OAGF)

Table 12
FUNCTIONAL CLASSIFICATION OF
FEDERAL GOVERNMENT CAPITAL EXPENDITURE 1/
(Naira Million)

SOURCES	2005 Half-Year	2006 Half-Year	2007 Half-Year	2008 Half-Year	2009 Half-Year
ADMINISTRATION	**36,684.1**	**36,644.0**	**119,629.0**	**94,163.1**	**116,155.7**
General Administration	27,278.6	25,598.5	94,085.9	64,605.1	70,554.5
National Assembly	554.1	924.3	3,289.0	7,828.3	4,150.0
Defence	4,499.5	6,212.7	9,702.4	18,607.0	18,588.8
Internal Security	4,351.8	3,908.5	12,551.7	3,122.7	22,862.4
ECONOMIC SERVICES	**86,627.4**	**42,829.4**	**231,513.8**	**203,891.8**	**286,318.4**
Agriculture & Natural Resources	24,088.5	17,679.6	55,435.9	55,602.4	46,661.3
Manuf., Mining & Quarrying	2,206.2	3,661.8	5,534.5	4,008.0	11,392.5
Transport & Communications	2,556.2	4,259.1	22,932.3	75,906.1	32,050.0
Housing	2,966.8	1,120.5	3,930.0	-	-
Roads & Construction	28,321.2	9,807.1	59,878.5	-	130,825.1
National Priority Projects	-	-	-	-	-
JVC Calls/NNPC Priority Projects	-	-	-	-	-
PTF	-	-	-	-	-
Counterpart Funding	-	-	-	2,000.0	-
NDDC	-	-	-	-	-
Others	26,488.6	6,301.2	83,802.6	66,375.4	65,389.7
SOCIAL & COMMUNITY SERVICES	**20,255.8**	**35,609.4**	**103,734.9**	**68,128.3**	**72,142.8**
Education	6,427.4	14,296.3	19,088.9	26,060.3	29,094.9
Health	6,763.9	16,295.1	61,430.0	27,083.8	18,178.6
Others	7,064.6	5,017.9	23,216.0	14,984.2	24,869.4
		-			
TRANSFERS	**11,500.0**	**-**	**6,036.0**	**75.0**	**172.1**
Financial Obligations	-	-	-	-	-
Capital Repayments	-	-	-	-	-
Domestic	-	-	-	-	-
Foreign	-	-	-	-	-
External Obligations	-	-	-	-	-
Contingencies	-	-	-	-	-
Capital Supplementation	11,500.0	-	6,036.0	-	172.1
Net Lending to States/L.G.s/Parast.	-	-	-	-	-
Grants to States	-	-	-	-	-
Others	-	-	-	75.0	-
TOTAL	**155,067.3**	**115,082.8**	**460,913.7**	**366,258.2**	**474,789.1**

1/ Provisional
2/ Excludes statutory transfers to NDDC, NJC and UBE
Sources: Federal Ministry of Finance
Central Bank of Nigeria

Table 13
FUNCTIONAL CLASSIFICATION OF
FEDERAL GOVERNMENT RECURRENT EXPENDITURE 1/
(Naira Million)

	2005 Half-Year	2006 Half-Year	2007 Half-Year	2008 Half-Year**	2009 Half-Year**
ADMINISTRATION	**187,245.2**	**232,245.9**	**228,050.6**	**360,858.1**	**447,463.2**
General Administration	132,566.8	166,910.2	142,999.4	201,853.6	213,357.5
National Assembly	7,327.6	10,763.0	25,781.2	27,321.3	61,400.7
Defence	30,131.4	29,019.9	32,763.7	35,264.8	66,231.3
Internal Security	17,219.3	25,552.9	26,506.3	96,418.5	106,473.6
ECONOMIC SERVICES	**26,309.8**	**42,491.7**	**41,574.0**	**124,958.7**	**93,862.3**
Agriculture	4,814.5	9,088.1	11,019.2	22,365.2	19,158.4
Roads & Construction	5,922.5	12,705.7	12,612.4	39,254.7	10,063.3
Transport & Communications	3,395.4	4,839.4	4,969.1	6,825.6	32,697.6
Others	12,177.4	15,858.6	12,973.4	56,513.2	31,943.0
SOCIAL & COMMUNITY SERVICES	**63,272.0**	**106,678.7**	**119,730.2**	**155,923.0**	**194,427.5**
Education	32,021.4	59,813.5	74,072.4	67,879.8	102,474.2
Health	23,428.3	31,414.2	34,787.2	50,463.1	62,005.9
Others	7,822.4	15,451.0	10,870.6	37,580.1	29,947.5
TRANSFERS	**251,284.4**	**212,810.0**	**209,193.9**	**306,561.7**	**281,549.9**
Public Debt Charges (Int)	157,175.3	118,032.2	115,624.4	150,118.2	120,323.0
Domestic	60,323.9	21,180.8	64,010.0	113,239.8	100,600.3
Foreign	96,851.4	96,851.4	51,614.4	36,878.4	19,722.7
Pensions & Gratuities	47,491.7	42,732.0	42,778.3	62,572.1	87,163.8
FCT & Others	46,617.4	52,045.8	50,791.2	93,871.4	74,063.1
Contingencies (Others)	-	-	-	-	-
External Obligations	-	-	-	-	-
Extra-Budgetary Expenditure	-	-	-	-	-
Deferred Custom Duties	-	-	-	-	-
Unspecified Expenditure	-	-	-	-	-
Others 2/	-	-	-	-	-
TOTAL	**528,111.4**	**594,226.3**	**598,548.8**	**948,301.6**	**1,017,302.9**

1/ ProvisionaL
2/ Excludes statutory transfers to NDDC, NJC and UBE
** Figures are provisional, pending the availability of complete information on actual payments
Sources: Federal Ministry of Finance
Central Bank of Nigeria

Table 14

SUMMARY OF STATUTORY & VAT REVENUE ALLOCATION TO STATE GOVERNMENTS

HALF YEAR, 2005 - 2009

(Naira Million)

S/N	STATES	2005 1/ Gross Stat. Alloc.	2005 1/ 13 % Derivation	2005 1/ Net Stat. Alloc.	2005 1/ Excess Crude	2005 1/ VAT	2005 1/ Total Alloc.	2006 1/ Gross Stat. Alloc.	2006 1/ 13 % Derivation	2006 1/ Net Stat. Alloc.	2006 1/ Excess Crude	2006 1/ VAT	2006 1/ Total Alloc.
1	ABIA	7.37	1.63	7.35	1.45	1.06	**9.86**	8.50	2.18	8.35	0.96	0.96	**10.28**
2	ADAMAWA	8.22	-	7.13	1.24	0.97	**9.34**	9.48	-	8.43	0.83	0.96	**10.22**
3	AKWA IBOM	8.12	27.28	32.59	5.59	1.20	**39.38**	9.36	27.26	34.18	3.68	1.12	**38.97**
4	ANAMBRA	8.23	-	7.59	1.24	1.15	**9.98**	9.49	-	8.84	0.83	1.11	**10.78**
5	BAUCHI	9.27	-	9.04	1.40	1.12	**11.56**	10.69	-	10.27	0.93	1.09	**12.30**
6	BAYELSA	6.39	40.37	46.18	6.91	1.01	**54.09**	7.36	38.96	45.75	4.60	1.02	**51.38**
7	BENUE	8.87	-	7.99	1.34	1.10	**10.42**	10.23	-	9.09	0.89	1.09	**11.07**
8	BORNO	9.42	-	8.68	1.42	1.05	**11.16**	10.85	-	10.07	0.95	1.12	**12.14**
9	CROSS RIVER	7.70	2.65	8.56	1.48	0.95	**10.99**	8.88	3.45	10.22	1.04	0.94	**12.19**
10	DELTA	8.22	23.97	31.03	6.35	1.45	**38.83**	9.48	31.06	39.48	4.23	1.30	**45.02**
11	EBONYI	6.95	-	6.24	1.05	0.87	**8.17**	8.02	-	7.30	0.70	0.87	**8.87**
12	EDO	8.18	1.62	8.73	1.45	1.06	**11.25**	9.43	1.56	9.88	0.98	1.06	**11.92**
13	EKITI	6.92	-	6.15	1.05	0.89	**8.09**	7.97	-	7.80	0.70	0.94	**9.43**
14	ENUGU	7.65	-	6.62	1.16	1.15	**8.93**	8.82	-	7.43	0.77	1.12	**9.32**
15	GOMBE	7.04	-	6.58	1.06	0.96	**8.60**	8.12	-	7.50	0.71	0.90	**9.10**
16	IMO	8.11	2.37	9.06	1.59	1.05	**11.70**	9.35	2.41	10.38	1.06	1.03	**12.48**
17	JIGAWA	9.01	-	7.03	1.36	1.10	**9.49**	10.38	-	9.50	0.91	1.11	**11.51**
18	KADUNA	10.08	-	8.34	1.52	1.44	**11.31**	11.62	-	9.90	1.02	1.42	**12.34**
19	KANO	12.26	-	11.89	1.85	1.71	**15.45**	14.13	-	13.61	1.24	1.97	**16.82**
20	KATSINA	9.61	-	9.42	1.45	1.24	**12.11**	11.08	-	11.00	0.97	1.26	**13.23**
21	KEBBI	7.99	-	7.04	1.21	1.02	**9.27**	9.21	-	8.42	0.81	0.98	**10.21**
22	KOGI	8.02	-	7.37	1.21	1.00	**9.58**	9.24	-	8.16	0.81	1.02	**9.98**
23	KWARA	7.30	-	6.36	1.10	0.91	**8.37**	8.41	-	7.34	0.74	0.93	**9.01**
24	LAGOS	11.58	-	6.75	1.75	6.20	**14.70**	13.35	-	6.50	1.17	6.46	**14.13**
25	NASARAWA	6.91	-	6.33	1.04	0.83	**8.20**	7.96	-	7.19	0.70	0.82	**8.71**
26	NIGER	9.29	-	8.36	1.40	1.02	**10.79**	10.71	-	9.23	0.94	1.03	**11.19**
27	OGUN	7.82	-	7.34	1.18	1.24	**9.76**	9.02	-	8.39	0.79	1.08	**10.26**
28	ONDO	7.69	2.85	10.03	2.17	1.06	**13.26**	8.86	9.02	17.43	1.45	1.06	**19.94**
29	OSUN	7.52	-	7.17	1.14	1.01	**9.32**	8.67	-	8.32	0.76	1.03	**10.11**
30	OYO	9.38	-	9.14	1.42	1.37	**11.92**	10.82	-	10.33	0.95	1.25	**12.52**
31	PLATEAU	8.00	-	4.64	1.21	1.02	**6.87**	9.22	-	5.57	0.81	1.07	**7.45**
32	RIVERS	8.85	37.36	42.16	8.77	1.90	**52.83**	10.20	48.70	58.28	5.84	2.02	**66.14**
33	SOKOTO	8.47	-	8.00	1.28	1.14	**10.42**	9.76	-	9.32	0.85	1.05	**11.22**
34	TARABA	7.91	-	6.58	1.20	0.87	**8.64**	9.12	-	7.96	0.80	0.89	**9.65**
35	YOBE	7.69	-	6.87	1.16	0.85	**8.88**	8.86	-	8.32	0.77	0.85	**9.95**
36	ZAMFARA	7.97	-	7.86	1.20	0.98	**10.05**	9.19	-	8.77	0.80	0.97	**10.54**
37	Disputed Deriv.	-	0.43	0.43	0.23	-	**0.67**	-	1.53	1.53	0.16	-	**1.68**
	FAAC A/C /1	-	0.99	0.99	0.05	29.14	**30.18**	-	0.19	0.19	-	-	**0.19**
	TOTAL	**299.99**	**141.52**	**399.63**	**70.72**	**74.08**	**544.44**	**345.85**	**166.32**	**470.21**	**47.11**	**44.91**	**562.24**

S/N	STATES	2007 1/ Gross Stat. Alloc.	2007 1/ 13 % Derivation	2007 1/ Net Stat. Alloc.	2007 1/ Excess Crude	2007 1/ VAT	2007 1/ Total Alloc.	2008 1/ Gross Stat. Alloc.	2008 1/ 13 % Derivation	2008 1/ Net Stat. Alloc.	2008 1/ Augmentation	2008 1/ Excess Crude	2008 1/ VAT	2008 1/ Total Alloc.
1	ABIA	8.38	1.31	9.42	3.02	1.40	**13.84**	10.79	2.30	12.84	3.29	1.66	2.11	**19.90**
2	ADAMAWA	9.35	-	9.05	2.77	1.41	**13.23**	12.04	-	11.58	2.92	1.48	2.00	**17.98**
3	AKWA IBOM	9.23	36.12	44.60	17.18	1.66	**63.43**	12.06	47.61	59.11	16.96	8.43	2.35	**86.85**
4	ANAMBRA	9.36	-	8.97	2.56	1.62	**13.14**	12.12	-	11.75	2.95	1.48	2.27	**18.45**
5	BAUCHI	10.55	-	9.18	3.12	1.62	**13.93**	13.88	-	12.78	3.42	1.67	2.31	**20.19**
6	BAYELSA	7.26	22.70	29.74	9.86	1.37	**40.97**	9.49	31.91	41.32	11.73	5.82	1.80	**60.67**
7	BENUE	10.09	-	9.77	2.99	1.56	**14.31**	13.00	-	12.45	3.16	1.60	2.23	**19.43**
8	BORNO	10.71	-	10.24	3.17	1.59	**15.00**	14.11	-	13.68	3.48	1.70	2.18	**21.04**
9	CROSS RIVER	8.76	3.44	9.28	3.83	1.39	**14.50**	11.30	4.17	12.91	3.97	2.00	1.99	**20.87**
10	DELTA	9.35	23.90	32.24	10.52	1.87	**44.63**	12.12	28.64	40.21	11.38	5.67	2.62	**59.88**
11	EBONYI	7.91	-	7.74	2.34	1.30	**11.38**	10.07	-	9.89	2.42	1.25	1.81	**15.38**
12	EDO	9.30	0.83	9.21	2.90	1.62	**13.73**	11.64	0.49	11.57	2.90	1.54	2.05	**18.07**
13	EKITI	7.87	-	7.75	2.33	1.34	**11.42**	10.10	-	9.92	2.44	1.25	1.84	**15.45**
14	ENUGU	8.70	-	8.23	2.58	1.48	**12.28**	11.30	-	10.92	2.76	1.38	2.44	**17.50**
15	GOMBE	8.01	-	7.69	2.37	1.35	**11.41**	10.52	-	9.91	2.59	1.27	1.81	**15.58**
16	IMO	9.23	2.22	10.99	3.59	1.52	**16.11**	12.02	3.26	14.98	3.90	1.94	2.19	**23.02**
17	JIGAWA	10.24	-	9.60	3.03	1.58	**14.21**	13.27	-	12.90	3.23	1.62	2.27	**20.03**
18	KADUNA	11.46	-	10.66	3.39	1.95	**16.00**	15.00	-	14.06	3.68	1.82	2.71	**22.27**
19	KANO	13.94	-	13.35	4.13	2.62	**20.10**	18.56	-	17.83	4.62	2.21	3.76	**28.41**
20	KATSINA	10.93	-	10.82	3.24	1.82	**15.88**	14.30	-	14.13	3.51	1.73	2.54	**21.91**
21	KEBBI	9.09	-	8.06	2.69	1.57	**12.32**	11.93	-	11.01	2.94	1.44	1.99	**17.38**
22	KOGI	9.12	-	8.65	2.70	1.69	**13.04**	11.95	-	10.98	2.93	1.44	2.04	**17.39**
23	KWARA	8.30	-	8.08	2.46	1.31	**11.85**	10.87	-	10.71	2.67	1.31	1.84	**16.54**
24	LAGOS	13.17	-	8.21	3.90	9.94	**22.05**	17.10	-	12.56	4.17	2.09	15.37	**34.19**
25	NASARAWA	7.85	-	7.14	2.33	1.20	**10.67**	10.23	-	9.53	2.50	1.24	1.99	**15.26**
26	NIGER	10.56	-	9.86	3.13	1.50	**14.49**	13.87	-	12.31	3.42	1.67	2.13	**19.53**
27	OGUN	8.90	-	8.38	2.63	1.60	**12.61**	11.63	-	11.31	2.86	1.41	2.28	**17.86**
28	ONDO	8.74	9.38	17.74	6.03	1.57	**25.33**	11.28	11.96	22.99	6.26	3.14	2.11	**34.49**
29	OSUN	8.55	-	7.85	2.53	1.52	**11.90**	11.19	-	10.63	2.71	1.35	2.05	**16.74**
30	OYO	10.67	-	9.44	3.16	1.91	**14.51**	13.92	-	12.67	3.41	1.69	2.67	**20.44**
31	PLATEAU	9.10	-	8.58	2.69	1.58	**12.85**	11.78	-	10.93	2.87	1.44	2.01	**17.25**
32	RIVERS	10.07	56.76	66.47	24.32	3.10	**93.90**	13.04	76.09	88.73	25.59	12.73	4.33	**131.38**
33	SOKOTO	9.63	-	9.46	2.85	1.73	**14.04**	12.49	-	12.04	3.05	1.53	2.11	**18.72**
34	TARABA	9.00	-	8.55	2.67	1.27	**12.49**	11.76	-	11.17	2.89	1.43	2.06	**17.53**
35	YOBE	8.75	-	8.11	2.59	1.25	**11.95**	11.57	-	10.85	2.86	1.39	2.08	**17.17**
36	ZAMFARA	9.06	-	8.82	2.68	1.45	**12.96**	11.77	-	11.41	2.87	1.44	2.02	**17.74**
37	Disputed Deriv.	-	-	-	-	-	**-**	-	-	-	-	-	-	**-**
	FAAC A/C /1	-	-	-	-	-	**-**	-	-	-	-	-	-	**-**
	TOTAL	**341.19**	**156.67**	**471.91**	**158.29**	**66.25**	**696.44**	**444.07**	**206.41**	**624.58**	**169.32**	**84.26**	**94.35**	**972.51**

S/N	STATES	2009 Gross Stat. Alloc.	2009 13 % Derivation	2009 Net Stat. Alloc.	2009 Augmentation	2009 Excess Crude	2009 VAT	2009 Total Alloc.
1	ABIA	8.26	1.91	10.07	3.21	0.39	2.22	**15.89**
2	ADAMAWA	9.22	-	7.53	2.63	1.37	2.27	**13.80**
3	AKWA IBOM	9.32	36.60	45.13	18.02	18.51	2.45	**84.12**
4	ANAMBRA	9.31	-	8.96	2.65	1.39	2.59	**15.59**
5	BAUCHI	10.80	-	6.96	3.08	1.61	2.65	**14.30**
6	BAYELSA	7.39	19.86	26.32	8.38	6.27	1.94	**42.91**
7	BENUE	9.95	-	9.53	2.84	1.48	2.55	**16.40**
8	BORNO	10.98	-	10.27	3.13	1.64	2.49	**17.52**
9	CROSS RIVER	8.65	1.62	7.70	2.44	2.45	2.24	**14.84**
10	DELTA	9.32	26.91	35.57	16.11	5.77	2.66	**60.10**
11	EBONYI	7.64	-	7.43	2.18	1.14	2.12	**12.87**
12	EDO	8.70	1.35	9.60	3.48	0.68	2.36	**16.11**
13	EKITI	7.71	-	7.00	2.20	1.15	2.21	**12.55**
14	ENUGU	8.70	-	8.51	2.48	0.65	2.43	**14.07**
15	GOMBE	8.17	-	7.56	2.33	1.22	2.11	**13.22**
16	IMO	9.28	2.26	9.24	3.48	2.16	2.45	**17.33**
17	JIGAWA	10.20	-	8.64	2.90	1.52	2.60	**15.66**
18	KADUNA	11.62	-	10.56	3.31	1.73	3.02	**18.62**
19	KANO	14.56	-	13.25	4.15	2.17	4.25	**23.82**
20	KATSINA	11.08	-	10.74	3.16	1.65	2.97	**18.52**
21	KEBBI	9.26	-	6.85	2.64	1.38	2.33	**13.21**
22	KOGI	9.24	-	7.74	2.63	1.38	2.32	**14.06**
23	KWARA	8.42	-	7.89	2.40	1.26	2.16	**13.71**
24	LAGOS	13.16	-	8.85	3.75	1.96	19.25	**33.82**
25	NASARAWA	7.89	-	7.34	2.25	1.18	1.99	**12.75**
26	NIGER	10.78	-	9.05	3.07	1.61	2.45	**16.18**
27	OGUN	9.01	-	8.68	2.57	1.34	2.47	**15.06**
28	ONDO	8.64	8.27	16.53	5.52	5.31	2.45	**29.82**
29	OSUN	8.54	-	8.13	2.43	0.71	2.36	**13.64**
30	OYO	10.76	-	9.72	3.07	1.61	3.14	**17.52**
31	PLATEAU	9.04	-	6.52	2.58	1.35	2.29	**12.73**
32	RIVERS	10.10	45.93	55.87	16.61	29.08	3.88	**105.45**
33	SOKOTO	9.61	-	8.24	2.74	1.43	2.61	**15.03**
34	TARABA	9.10	-	6.96	2.59	1.36	2.07	**12.98**
35	YOBE	9.03	-	8.52	2.57	1.35	2.05	**14.49**
36	ZAMFARA	9.06	-	8.17	2.58	1.35	2.28	**14.38**
37	Disputed Deriv.	-	-	-		-		**-**
	FAAC A/C /1	-	-	-		-		**-**
	TOTAL	**342.50**	**144.70**	**445.63**	**152.14**	**108.62**	**106.66**	**813.05**

Table 15
Allocation to Local Governments from the Federation and Vat Pools Accounts (=N= Billion)
First Half, 2005-2009

S/N	State	1st Half 2005					1st Half 2006				
		Fed. Acct	Excess Crude	Budget Augmentation	VAT	Total Alloc.	Fed. Acct	Excess Crude	Budget Augmentation	VAT	Total Alloc.
1	Abia	4,990.0	754.8	-	634.6	**6,379.4**	5,753.80	503.39	-	574.9	**6,832.1**
2	Adamawa	6,215.2	940.1	-	662.3	**7,817.6**	7,167.58	626.91	-	660.6	**8,455.1**
3	Akwa-Ibom	7,870.2	1,189.6	-	1,007.8	**10,067.6**	9,086.86	793.29	-	960.0	**10,840.1**
4	Anambra	6,220.5	940.8	-	781.5	**7,942.8**	7,172.42	627.30	-	759.8	**8,559.6**
5	Bauchi	6,964.0	1,053.5	-	742.2	**8,759.7**	8,030.75	702.59	-	729.8	**9,463.1**
6	Bayelsa	2,702.8	408.9	-	406.3	**3,518.0**	3,116.50	272.72	-	415.9	**3,805.2**
7	Benue	7,293.6	1,098.2	-	790.5	**9,182.3**	8,232.36	720.10	-	787.2	**9,739.7**
8	Borno	7,905.3	1,194.9	-	842.3	**9,942.5**	9,129.83	796.71	-	885.8	**10,812.4**
9	Cross-River	5,314.0	803.8	-	586.6	**6,704.4**	6,127.85	536.05	-	581.7	**7,245.6**
10	Delta	6,928.9	1,047.9	-	1,037.1	**9,013.9**	7,989.57	698.72	-	954.1	**9,642.4**
11	Ebonyi	3,687.1	557.6	-	433.2	**4,677.9**	4,251.36	371.85	-	433.6	**5,056.8**
12	Edo	5,473.2	827.8	-	663.2	**6,964.2**	6,311.21	552.06	-	660.3	**7,523.5**
13	Ekiti	4,351.4	658.2	-	509.6	**5,519.2**	5,016.82	438.93	-	538.3	**5,994.1**
14	Enugu	5,004.7	756.9	-	691.5	**6,453.1**	5,770.90	504.68	-	673.0	**6,948.6**
15	Gombe	3,519.0	532.3	-	441.5	**4,492.8**	4,057.57	354.97	-	409.6	**4,822.1**
16	Imo	7,159.6	1,082.8	-	841.5	**9,083.9**	8,255.18	722.08	-	831.0	**9,808.3**
17	Jigawa	7,773.7	1,175.8	-	875.8	**9,825.3**	8,963.68	784.07	-	882.4	**10,630.1**
18	Kaduna	8,145.9	1,231.5	-	1,015.8	**10,393.2**	9,402.41	821.19	-	1,003.5	**11,227.1**
19	Kano	13,393.0	2,024.7	-	1,632.1	**17,049.8**	15,457.56	1,350.22	-	1,787.4	**18,595.2**
20	Katsina	9,737.9	1,471.6	-	1,113.7	**12,323.2**	11,246.28	981.30	-	1,128.1	**13,355.7**
21	Kebbi	6,097.0	920.5	-	693.7	**7,711.2**	7,057.40	613.79	-	673.3	**8,344.5**
22	Kogi	6,214.7	940.0	-	683.7	**7,838.4**	7,166.58	626.93	-	693.0	**8,486.5**
23	Kwara	4,785.3	723.4	-	519.0	**6,027.7**	5,525.45	482.39	-	530.8	**6,538.7**
24	Lagos	8,179.4	1,236.9	-	3,799.0	**13,215.3**	9,430.03	824.57	-	3,975.9	**14,230.5**
25	Nassarawa	3,825.0	577.5	-	403.8	**4,806.3**	4,427.74	385.15	-	399.6	**5,212.5**
26	Niger	7,740.0	1,170.7	-	783.6	**9,694.3**	8,926.42	780.61	-	788.0	**10,495.0**
27	Ogun	5,727.4	866.1	-	808.8	**7,402.3**	6,604.12	577.49	-	715.7	**7,897.3**
28	Ondo	5,404.7	817.5	-	657.8	**6,880.0**	6,231.86	545.12	-	660.7	**7,437.7**
29	Osun	7,389.1	1,117.5	-	873.5	**9,380.1**	8,519.93	745.12	-	887.5	**10,152.5**
30	Oyo	9,272.6	1,402.4	-	1,167.6	**11,842.6**	10,692.35	935.11	-	1,093.6	**12,721.1**
31	Plateau	5,324.3	805.3	-	615.8	**6,745.4**	6,139.74	537.02	-	643.7	**7,320.4**
32	Rivers	7,024.7	1,062.8	-	1,268.4	**9,355.9**	8,076.94	706.43	-	1,350.3	**10,133.7**
33	Sokoto	6,740.6	1,019.6	-	810.0	**8,570.2**	7,772.87	679.91	-	757.2	**9,209.9**
34	Taraba	5,338.5	807.7	-	493.4	**6,639.6**	6,157.43	370.42	-	506.0	**7,033.9**
35	Yobe	5,091.2	770.2	-	503.8	**6,365.2**	5,872.02	513.63	-	500.9	**6,886.5**
36	Zamfara	4,879.8	738.1	-	527.8	**6,145.7**	5,627.68	492.18	-	521.6	**6,641.5**
37	FCT Abuja	1,597.2	240.2	-	1,144.6	**2,982.0**	1,865.47	160.22	-	1,084.8	**3,110.5**
	TOTAL	**231,281.5**	**34,968.0**	**-**	**31,463.4**	**297,712.9**	**266,634.5**	**23,135.2**	**-**	**31,439.6**	**321,209.3**

S/N	State	1st Half 2007					1st Half 2008					1st Half 2009				
		Fed. Acct	Excess Crude	Budget Augmentation	VAT	Total Alloc.	Fed. Acct	Excess Crude	Budget Augmentation	VAT	Total Alloc.	Fed. Acct	Excess Crude	Budget Augmentation	VAT	Total Alloc.
1	Abia	5,668.91	1,681.09	-	931.9	**8,281.9**	7,264.30	899.06	1,745.79	1,255.7	**11,164.8**	5,849.16	821.32	1,568.68	1,323.3	**9,562.5**
2	Adamawa	7,056.64	2,094.15	-	1,042.8	**10,193.6**	9,178.15	1,119.97	2,246.66	1,369.5	**13,914.3**	6,743.07	1,056.95	2,018.73	1,555.6	**11,374.3**
3	Akwa-Ibom	8,955.65	2,654.91	-	1,454.6	**13,065.2**	11,957.83	1,419.87	2,962.89	2,014.3	**18,354.9**	9,345.00	1,393.91	2,662.30	2,161.1	**15,562.3**
4	Anambra	7,069.45	2,095.57	-	1,192.8	**10,357.8**	9,176.09	1,120.73	2,227.12	1,553.5	**14,077.4**	7,024.36	1,047.76	2,001.17	1,767.7	**11,841.0**
5	Bauchi	8,104.96	2,346.35	-	1,165.1	**11,616.4**	10,406.29	1,254.85	2,575.81	1,541.1	**15,778.1**	8,124.12	1,211.80	2,314.49	1,767.4	**13,417.8**
6	Bayelsa	3,068.41	910.55	-	627.4	**4,606.4**	3,930.42	486.97	947.68	664.5	**6,029.6**	2,988.99	445.84	851.53	696.6	**4,982.9**
7	Benue	8,329.87	2,405.25	-	1,206.8	**11,941.9**	10,645.28	1,286.35	2,619.07	1,612.4	**16,163.1**	8,260.58	1,232.16	2,353.36	1,842.2	**13,688.3**
8	Borno	8,986.36	2,667.46	-	1,301.8	**12,955.6**	12,005.62	1,426.58	3,010.03	1,749.5	**18,191.7**	9,493.68	1,416.09	2,704.66	1,995.4	**15,609.8**
9	Cross-River	6,034.90	1,790.37	-	949.1	**8,774.4**	7,744.34	957.51	1,870.53	1,231.9	**11,804.3**	5,899.66	880.00	1,680.76	1,389.0	**9,849.4**
10	Delta	7,872.44	2,334.31	-	1,410.4	**11,617.1**	10,190.03	1,248.41	2,472.35	1,921.1	**15,831.9**	7,797.81	1,163.13	2,221.52	2,000.4	**13,182.8**
11	Ebonyi	4,189.29	1,242.12	-	747.1	**6,178.5**	5,464.53	664.30	1,332.62	895.8	**8,357.3**	4,203.11	626.94	1,197.43	1,060.7	**7,088.1**
12	Edo	6,216.29	1,843.95	-	1,111.4	**9,171.6**	7,852.57	986.16	1,872.19	1,273.9	**11,984.8**	5,904.91	880.78	1,682.25	1,463.6	**9,931.6**
13	Ekiti	4,943.50	1,465.76	-	857.1	**7,266.4**	6,336.56	783.90	1,522.94	1,045.5	**9,688.9**	4,803.36	716.47	1,368.43	1,262.5	**8,150.8**
14	Enugu	5,687.07	1,686.08	-	983.4	**8,356.6**	7,407.54	901.73	1,804.39	1,457.5	**11,571.1**	5,691.07	848.89	1,621.33	1,463.3	**9,624.6**
15	Gombe	3,996.23	1,185.50	-	708.1	**5,889.8**	5,302.97	634.01	1,316.66	814.4	**8,068.0**	4,152.77	619.43	1,183.09	961.3	**6,916.6**
16	Imo	8,135.77	2,411.92	-	1,274.7	**11,822.4**	10,679.22	1,289.91	2,612.63	1,756.3	**16,338.0**	8,240.25	1,229.12	2,347.57	1,966.9	**13,783.9**
17	Jigawa	8,830.14	2,618.92	-	1,317.4	**12,766.5**	11,348.99	1,400.62	2,741.04	1,814.7	**17,305.4**	8,645.29	1,289.54	2,462.96	2,065.2	**14,463.0**
18	Kaduna	9,259.19	2,747.10	-	1,478.4	**13,484.7**	12,022.88	1,469.17	2,939.95	1,938.0	**18,370.0**	9,272.64	1,383.12	2,641.69	2,162.6	**15,460.1**
19	Kano	15,231.20	4,516.24	-	2,464.0	**22,211.4**	19,819.11	2,415.32	4,824.87	3,514.8	**30,574.1**	15,217.70	2,269.89	4,335.74	3,992.1	**25,815.5**
20	Katsina	11,080.49	3,285.83	-	1,678.5	**16,044.9**	14,450.74	1,757.29	3,527.50	2,300.3	**22,035.8**	11,125.77	1,659.53	3,169.63	2,661.3	**18,616.3**
21	Kebbi	6,948.72	2,061.96	-	1,135.2	**10,145.8**	8,989.70	1,102.75	2,191.19	1,369.0	**13,652.7**	6,911.04	1,030.86	1,968.89	1,596.9	**11,507.7**
22	Kogi	7,056.99	2,093.86	-	1,194.9	**10,345.7**	9,247.31	1,119.81	2,271.10	1,394.7	**14,032.9**	7,163.06	1,068.45	2,040.69	1,585.6	**11,857.8**
23	Kwara	5,438.77	1,614.37	-	838.1	**7,891.2**	7,097.96	863.38	1,744.14	1,047.7	**10,753.2**	5,501.05	820.54	1,567.20	1,231.5	**9,120.3**
24	Lagos	9,298.31	2,755.17	-	6,935.3	**18,988.8**	12,062.98	1,473.49	2,930.77	9,210.0	**25,677.3**	9,243.69	1,378.80	2,633.44	12,031.5	**25,287.5**
25	Nassarawa	4,358.32	1,293.65	-	681.4	**6,333.4**	5,683.99	691.86	1,395.69	993.1	**8,764.6**	4,402.02	656.61	1,254.09	971.9	**7,284.6**
26	Niger	8,782.74	2,608.03	-	1,206.5	**12,597.3**	11,468.30	1,394.80	2,828.31	1,631.8	**17,323.2**	8,920.51	1,330.59	2,541.37	1,875.0	**14,667.5**
27	Ogun	6,507.52	1,929.53	-	1,132.2	**9,569.2**	8,532.82	1,031.93	2,092.89	1,502.7	**13,160.3**	6,601.00	984.61	1,880.56	1,639.6	**11,105.8**
28	Ondo	6,139.73	1,820.76	-	1,093.8	**9,054.3**	7,954.35	973.76	1,931.85	1,311.7	**12,171.6**	6,093.07	908.85	1,735.86	1,523.7	**10,261.5**
29	Osun	8,396.00	2,489.27	-	1,333.0	**12,218.3**	10,875.49	1,331.28	2,632.76	1,790.2	**16,629.8**	8,303.76	1,238.60	2,365.66	2,046.9	**13,954.9**
30	Oyo	10,534.46	3,123.98	-	1,694.4	**15,352.8**	13,764.37	1,670.73	3,366.61	2,325.7	**21,127.4**	10,618.32	1,583.84	3,025.06	2,710.0	**17,937.2**
31	Plateau	6,045.92	1,793.85	-	1,045.3	**8,885.1**	7,873.78	959.37	1,927.09	1,205.1	**11,965.3**	6,078.07	906.61	1,731.48	1,375.7	**10,091.9**
32	Rivers	7,959.67	2,359.84	-	2,312.1	**12,631.6**	10,361.30	1,262.06	2,523.44	2,844.5	**16,991.3**	7,958.94	1,187.16	2,267.43	2,679.2	**14,092.7**
33	Sokoto	7,654.53	2,271.00	-	1,287.6	**11,213.1**	9,923.16	1,214.55	2,418.97	1,532.6	**15,089.3**	7,629.45	1,138.02	2,173.56	1,872.5	**12,813.5**
34	Taraba	6,054.62	1,799.02	-	810.6	**8,664.2**	7,839.27	962.13	1,925.54	1,168.6	**11,895.5**	6,073.18	905.88	1,730.23	1,175.4	**9,884.7**
35	Yobe	5,776.81	1,715.63	-	820.1	**8,312.5**	7,563.66	917.53	1,867.30	1,222.5	**11,571.0**	5,889.50	878.48	1,677.86	1,212.9	**9,658.8**
36	Zamfara	5,539.28	1,644.24	-	893.8	**8,077.3**	7,171.90	879.35	1,753.07	1,087.0	**10,891.3**	5,529.19	824.74	1,574.91	1,222.6	**9,151.5**
37	FCT Abuja	1,836.63	545.03	-	1,370.1	**3,751.7**	2,765.29	291.49	746.03	2,684.0	**6,486.8**	2,353.00	350.98	670.35	2,351.6	**5,725.9**
	TOTAL	**263,045.7**	**77,902.6**	**-**	**49,687.3**	**390,635.6**	**342,359.1**	**41,663.0**	**83,719.5**	**66,045.5**	**533,787.1**	**264,052.1**	**39,386.3**	**75,226.0**	**74,660.9**	**453,325.3**

NOTE:
VAT: Value Added Tax

Source: Federation Account Allocation, Federal Ministry of Finance.

Table 16

DOMESTIC DEBT OF THE FEDERAL GOVERNMENT (Half Year)
(Naira Billion)

	End-June 2007	End-June 2008	End-June 2009
1. COMPOSITION OF DEBT.			
i Treasury Bills	716.93	574.93	641.93
ii Treasury Bonds	413.60	402.26	392.07
iii Development Stocks	0.72	0.52	0.52
iv FGN Bonds	925.64	1,361.25	1,778.27
Total	**2,056.88**	**2,338.96**	**2,812.79**
2. HOLDERS*			
i Banking System	1,528.87	1,785.27	1,984.14
a. Central Bank.	302.47	286.80	286.95
b. Deposit Money Banks	1,226.40	1,498.47	1,697.19
ii Non-Bank Public.	528.01	553.69	699.69
iii Sinking Fund	-	-	128.96
3.Total Debt Outstanding	**2,056.88**	**2,338.96**	**2,812.79**

1/ Provisional
Source: Debt Management Office

Table 17

DOMESTICE DEBT SERVICE PAYMENT OF THE FEDERAL GOVERNMENT (Half Year)

By Instruments (=N= Billion)

INSTRUMENT	1st Half - 2007	1st Half - 2008 1/	1st Half - 2009 2/
i Treasury Bills	25.22	23.50	16.05
ii Treasury Bonds	24.31	22.13	29.45
iv Development Stocks	0.04	0.04	0.03
v FGN Bonds	32.07	71.34	158.48
Total	**81.63**	**117.02**	**204.01**

1/ Provisional
2/ Staff Estimate
Source: Debt Management Office

Table 18
EXTERNAL DEBT OUTSTANDING (Half Year)
(US$ Million)

Holders	End-June 2007	End-June 2008 2/	End-June 2009
1. Multilateral	2,819.50	3,191.5	3,219.65
2. Paris Club	0.0	0.0	0.0
3. London Club	0.0	0.0	0.0
4. Promissory Notes	0.0	0.0	0.0
5. Others 3/	528.70	563.6	499.59
Total Debt Outstanding	**3,348.20**	**3,755.10**	**3,719.24**

1/ Provional

2/ Staff Estimate: Positions as at March 2008 retained for June 2008 due to unavailability of actual data

3/ Includes Non-Paris Bilateral and Commercial debts

Source: Debt Management Office (DMO)

Table 19
EXTERNAL DEBT SERVICE PAYMENTS (Half Year)
(US$ million)

Holders	2007 1st Half	2008 1st Half	2009 1/ 1st Half
London Club	102.59	0.00	0.00
Paris Club	0.00	0.00	0.00
Multilateral	**193.37**	**211.26**	**157.73**
(i) I. B. R.D.	156.78	56.64	55.26
(ii) E. I. B.	1.27	0.00	0.00
(iii) A.D.B. & Others	35.32	154.62	102.47
Promissory Notes	476.60	0.00	0.00
Others 4/	8.56	8.66	26.47
Total	**781.12**	**219.92**	**184.20**

1/ Provisional

2/ Staff Estimate

3/ Includes Non-Paris Bilateral and Commercial Debts

Source: Debt Management Office

Table 20
SELECTED ECONOMIC INDICATORS
(In Per cent)

	End-Jun 2007	End-Dec. 2007	End-Jun 2008	End-Jun 2009
External Debt/GDP	4.4	3.9	1.5	2.4
Domestic Debt/GDP	21.4	19.6	7.8	12.4
Total Debt/GDP	25.9	23.5	9.3	14.8
External Debt/Export	12.0	9.8	10.8	10.7
Total Debt/FG. Retained Revenue	229.9	207.2	202.6	265.1
Domestic Debt Service/Revenue	7.6	9.0	8.5	16.1
Total Debt Service/GDP	1.9	1.3	0.5	1.0
Total Debt Service/FG-Retained Rev.	16.8	11.3	10.4	18.2

Table 21
SELECTED REAL SECTOR INDICATORS
(Per cent, except otherwise indicated)

Item	2005 1st Half	2006 1st Half	2007 1st Half	2008/1 1st Half	2009/1 1st Half
Agricultural Production Index (1990=100)					
Aggregate	170.9	181.5	194.8	204.2	215.3
Crops	192.7	208.7	228.9	239.7	252.8
Staples	204.5	224.5	248.4	260.5	274.7
Other Crops	147.5	159.5	169.4	178.4	188.1
Livestock	124.9	130.3	135.4	143.3	151.1
Fishery	76.1	83.9	91.7	95.5	100.7
Forestry	129.3	152.4	154.2	156.1	164.6
Indices of Average World Prices of Nigeria's Major Agricultural Export Commodities (1990=100) (Dollar Based)					
All Commodities	88.8	190.4	264.5	314.1	331.2
Cocoa	85.6	200.7	275.8	305.0	321.6
Coffee	44.0	74.0	102.8	177.5	187.2
Cotton	115.0	69.5	69.7	85.6	90.3
Palm Oil	105.5	134.6	209.2	378.3	398.9
Copra	124.0	138.9	144.0	173.8	183.3
Soya Bean	171.4	118.5	195.8	1,036.0	275.3
GROWTH RATE OVER THE PRECEEDING PERIOD (%)					
Agricultural Production Index (1990=100)					
Aggregate	7.3	6.2	7.4	4.8	5.1
Crops	7.5	6.8	9.7	4.7	5
Staples	7.3	6.7	10.7	4.9	5.2
Other Crops	8.3	7.8	6.2	5.3	5.6
Livestock	7.4	5.0	4.0	5.8	6.1
Fishery	5.3	5.8	9.3	4.1	4.3
Forestry	5.9	5.5	1.1	1.2	1.3
Indices of Average World Prices of Nigeria's Major Agricultural Export Commodities (1990=100) (Dollar Based)					
All Commodities	-1.2	125.3	36.1	18.8	19.8
Cocoa	3.7	149.7	34.8	10.6	11.2
Coffee	33.2	44.7	37.8	72.6	76.6
Cotton	-22.1	17.0	4.6	22.9	24.1
Palm Oil	-19.3	-35.5	0.7	80.9	85.3
Copra	-2.1	37.5	51.2	20.7	21.8
Soya Bean	-19.7	-28.3	48.6	429.1	48.4
Industrial Production Index (1990=100)	155.1	158.9	123.3	118.7	115.2
Manufacturing Index	92.1	92.3	94.6	90.9	89.3
Mining Index	141.6	146.3	132.3	130.2	126.8
Electricity	228.7	200.8	190.6	196.6	194.3
Capacity Utilization Rate (%)	48.4	45.1	43.9	54.2	53.8
Inflation Rate % (12-Month Moving Average)	16.2	13.6	5.9	7.0	13.7
Inflation Rate % (Year-on-Year)	18.6	8.5	6.4	12.0	11.2

Footnote:
1985 Base Year was used for Indices of Average World Prices from 2004 - 2005
1/Provisional
2/ Estimates

Table 22
SELECTED REAL SECTOR INDICATORS
(Per cent, except otherwise indicated)

Item	1st half 2008	2nd half 2008	1st half 2009	ABSOLUTE CHANGE BETWEEN		% CHANGE BETWEEN	
	1	2	3	1&3	2&3	1&3	2&3
World Crude Oil Production							
Million Barrels per Day (MBD)							
OPEC	37.06	35.75	33.36	(3.70)	(2.39)	(9.98)	(6.69)
Crudes	32.13	31.00	28.68	(3.45)	(2.32)	(10.74)	(7.48)
NGLs and condensates	4.93	4.75	4.68	(0.25)	(0.07)	(5.07)	(1.47)
TOTAL NON -OPEC	50.00	50.30	50.36	0.36	0.06	0.72	0.12
Total World Supply	87.06	86.05	83.72	(3.34)	(2.33)	(3.84)	(2.71)
DEMAND							
OECD	49.54	46.95	45.23	(4.31)	(1.72)	(8.70)	(3.66)
NON - OECD	37.94	40.53	37.63	(0.31)	(2.90)	(0.82)	(7.16)
Total World Demand	87.48	87.48	82.86	(4.62)	(4.62)	(5.28)	(5.28)
NIGERIA							
Output	1.94	1.91	1.76	(0.18)	(0.15)	(9.28)	(7.85)
Exports	1.49	1.46	1.31	(0.18)	(0.15)	(12.08)	(10.27)
Domestic Consumption	0.45	0.45	0.45	-	-	-	-
Average Prices of Selected Crude Oil							
At the International Oil Market (US $)							
U.K. BRENT	110.18	87.10	51.73	(58.45)	(35.37)	(53.05)	(40.61)
ARAB LIGHT	106.21			(106.21)	-	(100.00)	#DIV/0!
WEST TEXAS INTERMEDIATE (WTI)	111.49	90.05	50.15	(61.34)	(39.90)	(55.02)	(44.31)
BONNY LIGHT	113.03	88.35	53.65	(59.38)	(34.70)	(52.53)	(39.28)
FORCADOS	113.37	89.85	53.51	(59.86)	(36.34)	(52.80)	(40.45)
OPEC BASKET	127.83	83.00	50.36	(77.47)	(32.64)	(60.60)	(39.33)
Gas Activities							
(MMm3)							
Gas Produced	30.09	36.54	20.29	(9.80)	(16.25)	(32.57)	(44.47)
Gas Sold To Industries							
Gas Sold For LNG							
Gas Used as Fuel							
Gas Reinjected							
Gas Lift							
Gas Converted to NGLs							
Total Gas Utilised	21.71	27.09	12.52	(9.19)	(14.57)	(42.33)	(53.78)
Gas Utilised as % of Gas Produced	67.70	74.14	61.80	(5.90)	(12.34)	(8.71)	(16.64)
Gas Flared	8.38	9.45	7.77	(0.61)	(1.68)	(7.28)	(17.78)
Gas Flared as %Gas Produced	32.30	25.90	38.30	6.00	12.40	18.58	47.88

* ESTIMATE
SOURCE: REUTERS

Table 23
Balance of Payments - Analytic Presentation
US$ 'Million

	1st Half 2008 /2	2nd Half 2008 /1	1st Half 2009 /1
CURRENT ACCOUNT	**28,260.27**	**13,946.40**	**(1,412.98)**
Goods	**31,050.77**	**16,181.88**	**(1,217.98)**
Exports fob	***47,137.54***	***36,980.37***	***15,346.36***
oil	45,979.00	36,034.71	14,430.21
non-oil	1,158.54	945.67	916.15
Imports fob	***(16,086.77)***	***(20,798.49)***	***(16,564.34)***
oil	(3,929.57)	(4,255.39)	(2,295.24)
non-oil	(12,157.21)	(16,543.10)	(13,269.10)
unrecorded(TPAdj)	-	-	(1,000.00)
Services(net)	**(5,492.49)**	**(6,911.47)**	**(8,637.66)**
Credit	*668.37*	*1,152.70*	*674.03*
Transportation	435.74	795.28	415.25
Travel	126.02	111.18	78.92
Insurance Services	0.67	1.81	3.05
Communication Services	15.00	15.00	18.00
Construction Services	-	-	-
Financial Services	8.00	7.00	6.00
Computer & Information Services	-	-	-
Royalties and License Fees	-	-	-
Government Services	77.54	216.43	145.91
Personal, cultural & recreational services	-	-	-
Other Business Services	5.40	6.00	6.90
Debit	*(6,160.86)*	*(8,064.17)*	*(9,311.69)*
Transportation	(1,740.77)	(2,174.60)	(2,008.66)
Travel	(1,906.97)	(1,980.80)	(761.50)
Insurance Services	(136.61)	(170.73)	(164.11)
Communication Services	(99.30)	(136.67)	(240.36)
Construction Services	(65.85)	(1.68)	(5.16)
Financial Services	(6.42)	(3.40)	(3,671.79)
Computer & Information Services	(80.98)	(142.60)	(159.62)
Royalties and License Fees	(95.78)	(95.78)	(72.18)
Government Services	(336.37)	(654.21)	(516.66)
Personal, cultural & recreational services	(0.38)	(0.05)	(0.25)
Other Business Services	(1,691.43)	(2,703.65)	(1,711.40)
Income(net)	**(6,516.35)**	**(5,400.80)**	**(2,852.13)**
Credit	*1,159.43*	*1,340.56*	*543.43*
Investment Income	1,073.39	1,155.52	473.55
Compensation of employees	86.04	185.04	69.88
Debit	*(7,675.78)*	*(6,741.36)*	*(3,395.56)*
Investment Income	(7,662.75)	(6,719.14)	(3,371.57)
Compensation of employees	(13.03)	(22.22)	(23.99)
Current transfers(net)	**9,218.34**	**10,076.79**	**11,294.79**
Credit	*9,351.97*	*10,135.32*	*11,411.58*
General Government	105.00	75.00	95.00
Other Sectors	46.97	60.32	62.26
Workers Remittance	9,200.00	10,000.00	11,254.32
Debit	*(133.63)*	*(58.53)*	*(116.79)*
General Government	(75.49)	(43.77)	(73.39)
Other Sectors	(41.64)	(7.98)	(25.25)
Workers Remittance	(16.50)	(6.78)	(18.15)
CAPITAL AND FINANCIAL ACCOUNT	**(10,764.85)**	**(279.17)**	**5,479.65**
Capital account(net)	**-**	**-**	**-**
Credit	-	-	-
Capital Transfers(Debt Forgiveness)	-	-	-
Debit	-	-	-
Capital Transfers	-	-	-
Financial account(net)	**(10,764.85)**	**(279.17)**	**5,479.65**
Assets	**(13,688.89)**	**1,615.56**	**3,677.41**
Direct investment (Abroad)	(186.88)	(197.23)	(216.78)
Portfolio investment	(1,602.93)	(1,113.49)	(1,299.38)
Other investment	(4,075.08)	(3,230.51)	(4,344.04)
Change in Reserve /3	(7,824.00)	6,156.79	9,537.61
Liabilities	**2,924.04**	**(1,894.73)**	**1,802.24**
Direct Invesment in reporting economy	2,339.47	1,617.93	1,779.85
Portfolio Investment	(1,380.58)	(2,569.48)	(742.45)
Other investment liabilities	1,965.15	(943.18)	764.84
NET ERRORS AND OMISSIONS	**(17,495.42)**	**(13,667.62)**	**(4,066.67)**
Memorandum Items:			
Current Account Balance as % of G.D.P	**24.28**	**11.98**	**(2.07)**
Capital and Financial Account Balance as % of G.D.P	**(9.25)**	**(0.24)**	**8.02**
Overall Balance as % of G.D.P	**6.72**	**(5.29)**	**(13.96)**
External Reserves - Stock (US $ million)	**59,157.15**	**53,000.00**	**43,462.74**
Number of Months of Imports Equivalent	**22.10**	**15.30**	**15.74**
External Debt Stock (US$ million)	**3,755.10**	**3,704.08**	**3,627.50**
Debt Service Due as % of Exports of Goods	**-**	**-**	**-**
and Non Factor Services	**-**	**-**	**-**
Effective Central Exchange Rate (N/$)	**116.81**	**118.00**	**114.75**
Average Exchange Rate (N/$)	**117.90**	**118.86**	**147.32**
End-Period Exchange Rate (N/$)	**117.84**	**132.56**	**148.21**

1/ Revised
2/ Provisional
3/ Minus (-) sign indicates increase in reserves
Plus (+) sign indicates decrease in reserves

Table 23 Cont'd
Balance of Payments - Analytic Presentation
Naira 'Million

	1st Half 2008 /2	2nd Half 2008 /1	1st Half 2009 /1
CURRENT ACCOUNT	**3,301,152.52**	**1,658,288.64**	**(168,006.55)**
Goods	**3,627,119.23**	**1,924,045.90**	**(144,820.13)**
Exports fob	***5,506,256.32***	***4,397,011.73***	***1,824,700.54***
oil	**5,370,923.79**	4,284,570.65	1,715,769.48
non-oil	135,332.54	112,441.08	108,931.06
Imports fob	***(1,879,137.09)***	***(2,472,965.83)***	***(1,969,520.67)***
oil	(459,022.55)	(505,971.57)	(272,906.73)
non-oil	(1,420,114.54)	(1,966,994.26)	(1,577,712.71)
unrecorded(TPAdj)	-	-	(118,901.23)
Services(net)	**(641,592.95)**	**(821,737.93)**	**(1,027,027.86)**
Credit	*78,073.80*	*137,057.94*	*80,143.07*
Transportation	50,899.63	94,559.99	49,373.95
Travel	14,720.72	13,219.44	9,383.68
Insurance Services	78.50	215.21	362.65
Communication Services	1,752.19	1,783.52	2,140.22
Construction Services	-	-	-
Financial Services	934.50	832.31	713.41
Computer & Information Services	-	-	-
Royalties and License Fees	-	-	-
Government Services	9,057.47	25,734.06	17,348.74
Personal, cultural & recreational services	-	-	-
Other Business Services	630.79	713.41	820.42
Debit	*(719,666.75)*	*(958,795.87)*	*(1,107,170.93)*
Transportation	(203,343.59)	(258,562.34)	(238,832.04)
Travel	(222,757.82)	(235,519.83)	(90,543.55)
Insurance Services	(15,958.14)	(20,257.57)	(19,513.00)
Communication Services	(11,599.49)	(16,250.23)	(28,578.70)
Construction Services	(7,692.57)	(199.16)	(613.83)
Financial Services	(749.94)	(404.50)	(436,579.81)
Computer & Information Services	(9,459.48)	(16,954.96)	(18,979.45)
Royalties and License Fees	(11,187.72)	(11,387.76)	(8,582.29)
Government Services	(39,292.69)	(77,786.48)	(61,431.15)
Personal, cultural & recreational services	(44.86)	(6.18)	(29.59)
Other Business Services	(197,580.45)	(321,466.86)	(203,487.52)
Income(net)	**(761,191.57)**	**(642,162.00)**	**(339,122.33)**
Credit	*135,436.29*	*159,394.55*	*64,614.34*
Investment Income	125,385.42	137,392.74	56,305.68
Compensation of employees	10,050.87	22,001.81	8,308.66
Debit	*(896,627.86)*	*(801,556.55)*	*(403,736.67)*
Investment Income	(895,105.44)	(798,914.21)	(400,884.23)
Compensation of employees	(1,522.42)	(2,642.34)	(2,852.44)
Current transfers(net)	**1,076,817.81**	**1,198,142.67**	**1,342,963.77**
Credit	*1,092,427.47*	*1,205,101.96*	*1,356,850.25*
General Government	12,265.32	8,917.59	11,295.62
Other Sectors	5,486.69	7,172.12	7,402.79
Workers Remittance	1,074,675.46	1,189,012.25	1,338,151.84
Debit	*(15,609.66)*	*(6,959.29)*	*(13,886.48)*
General Government	(8,818.18)	(5,204.31)	(8,726.16)
Other Sectors	(4,864.07)	(948.83)	(3,002.26)
Workers Remittance	(1,927.41)	(806.15)	(2,158.06)
CAPITAL AND FINANCIAL ACCOUNT	**(1,257,468.45)**	**(33,192.10)**	**651,538.33**
Capital account(net)	**-**	**-**	**-**
Credit	-	-	-
Capital Transfers(Debt Forgiveness)	-	-	-
Debit	-	-	-
Capital Transfers	-	-	-
Financial account(net)	**(1,257,468.45)**	**(33,192.10)**	**651,538.33**
Assets	**(1,599,033.94)**	**192,092.93**	**437,248.58**
Direct investment (Abroad)	(21,829.93)	(23,451.01)	(25,775.50)
Portfolio investment	(187,242.22)	(132,394.85)	(154,497.52)
Other investment	(476,020.40)	(384,111.08)	(516,511.91)
Change in Reserve /3	(913,941.39)	732,049.87	1,134,033.51
Liabilities	**341,565.49**	**(225,285.03)**	**214,289.75**
Direct Invesment in reporting economy	273,279.85	192,373.46	211,626.53
Portfolio Investment	(161,268.49)	(305,513.73)	(88,277.63)
Other investment liabilities	229,554.13	(112,144.76)	90,940.85
NET ERRORS AND OMISSIONS	**(2,043,684.05)**	**(1,625,096.55)**	**(483,531.78)**
Memorandum Items:			
Current Account Balance as % of G.D.P	**24.28**	**11.98**	**(2.07)**
Capital and Financial Account Balance as % of G.D.P	**(9.25)**	**(0.24)**	**8.02**
Overall Balance as % of G.D.P	**6.72**	**(5.29)**	**(13.96)**
External Reserves - Stock (US $ million)	**59,157.15**	**53,000.00**	**43,462.74**
Number of Months of Imports Equivalent	**22.10**	**15.30**	**15.74**
External Debt Stock (US$ million)	**3,755.10**	**3,704.08**	**3,627.50**
Debt Service Due as % of Exports of Goods	**-**	**-**	**-**
and Non Factor Services	**-**	**-**	**-**
Effective Central Exchange Rate (N/$)	**116.81**	**118.00**	**114.75**
Average Exchange Rate (N/$)	**117.90**	**118.86**	**147.32**
End-Period Exchange Rate (N/$)	**117.84**	**132.56**	**148.21**

1/ Revised
2/ Provisional
3/ Minus (-) sign indicates increase in reserves
Plus (+) sign indicates decrease in reserves

Table 24
FOREIGN EXCHANGE FLOWS THROUGH THE ECONOMY
(US$ Million)

CATEGORY	1ST HALF 2008	1ST HALF 2009
INFLOW	**54,503.01**	**30,925.18**
A. Through the Central Bank	**23,970.18**	**11,194.96**
1. Oil	20,998.24	7,482.62
2.Non-oil	**2,971.94**	**3,712.34**
(i) Drawings on Loans/Grants	**-**	**-**
(ii) WDAS Purchases	750.00	2,381.03
(iii) Swaps	945.00	-
(vi) Interest on Reserves & Investments	875.99	303.75
(iii) Other official Receipts	400.95	1,027.56
B. Through Autonomous Sources	**30,532.83**	**19,730.22**
1. Non-oil exports	816.40	652.34
2. Capital Inflow	98.27	15.31
3. Invisibles	29,618.16	19,062.57
OUTFLOW	**16,797.19**	**20,823.89**
A. Through the Central Bank	**16,214.64**	**20,414.35**
1. WDAS Utilisation	14,060.52	**17,722.01**
(i) WDAS Sales	1,315.29	12,861.03
(ii) BDC Sales	4,826.46	2,250.34
(iii) Inter-bank Sales	7,918.77	2,610.64
(iv) Swaps	-	**-**
(iv) Invisibles IFEM	-	**-**
2. Drawings on L/C	**259.14**	**568.96**
3. External Debt Service	**228.84**	**206.88**
(i) Principal	173.13	137.58
(ii) Interest	22.63	13.97
(iii) Others 1/	33.03	55.33
4. National Priority Projects	**-**	**-**
5. Other Official Payments	**1,666.14**	**1,916.50**
(i) Int'l Organisations & Embassies /4	205.82	313.29
(ii) Parastatals & Estacode	272.07	345.27
(iii) NNPC/JV Cash Calls	1,165.40	1,233.94
(iv) Miscellaneous	22.85	24.00
B. Through Autonomous Sources	**582.55**	**409.54**
1. Imports	576.92	403.35
2. Invisibles	5.63	15.49
NETFLOW THROUGH THE CBN	**7,755.54**	**9,219.39**
NETFLOW	**37,705.82**	**10,101.29**

1/ Includes penalty charges and service charges
2/ Revised
3/ Provisional
4/ Includes IMF (SDR Charges)

Source: CBN.

Table 25

NIGERIA'S GROSS EXTERNAL RESERVES

(US$ Million)

Month	2008 Reserves	2009 Reserves
January	54,215.72	50,108.65
February	56,908.42	48,113.06
March	59,756.51	47,081.90
April	60, 815.85	45,914.42
May	59,180.14	44,836.40
June	59,157.15	43,462.74
July	60,342.13	
August	60,201.74	
September	62,081.86	
October	58,534.15	
November	57,480.50	
December	53,000.00	

Source: Foreign Operations Department, CBN

Table 26

NIGERIA FOREIGN EXCHANGE RATES

Naira Per Unit of Foreign Currency (Monthly Average)

2008	POUNDS	EURO	CFAFr	US$ (BDC)	US$ (DAS/WDAS)
Jan	230.17	171.85	0.26	120.80	117.98
Feb	229.26	172.30	0.26	119.57	118.21
Mar	240.26	181.11	0.27	119.00	117.92
Apr	231.24	183.74	0.28	118.93	117.87
May	229.20	181.52	0.28	118.80	117.83
Jun	229.18	181.45	0.27	118.70	117.81
1st Half Average	231.55	178.66	0.27	119.30	117.94
Jul	231.94	183.95	0.28	119.00	117.77
Aug	220.26	174.61	0.27	119.00	117.74
Sep	209.47	167.49	0.24	119.00	117.73
Oct	196.90	154.82	0.24	119.00	117.72
Nov	179.07	148.53	0.23	119.00	117.74
Dec	192.00	174.72	0.28	199.10	130.29
2nd Half Average	204.94	167.35	0.26	132.35	119.83

2009	POUNDS	EURO	CFAFr	US$ (DAS/WDAS)	US$ (BDC)
Jan	209.97	186.29	0.28	149.88	145.78
Feb	209.37	185.90	0.28	156.93	147.08
Mar	213.99	194.08	0.29	174.32	147.72
Apr	214.17	192.15	0.29	180.27	147.23
May	224.55	198.98	0.30	180.63	147.84
Jun	239.94	205.51	0.31	166.14	148.20
1st Half Average	218.67	193.82	0.29	168.03	147.31

Table 27

MONTHLY AVERAGE EXCHANGE RATE MOVEMENTS

Naira Vis-a-Vis US Dollar

	WDAS	Interbank	BDC
Jan-08	117.98	117.72	120.80
Feb-08	118.21	117.50	119.57
Mar-08	117.92	116.79	119.00
Apr-08	117.87	117.47	118.93
May-08	117.83	117.79	118.80
Jun-08	117.81	117.74	118.70
1ST HALF	**117.94**	**117.50**	**119.30**
End-period	**117.80**	**117.75**	**119.00**
Jul-08	117.77	117.71	118.69
Aug-08	117.74	117.69	119.00
Sep-08	117.73	117.62	119.00
Oct-08	117.72	117,72	119.00
Nov-08	117.74	117.88	119.10
Dec-08	130.29	134.55	137.65
2ND HALF	**119.83**	**121.09**	**122.07**
End-period	**130.29**	134.55	137.65
Jan-09	145.78	146.12	149.87
Feb-09	147.08	149.02	156.92
Mar-09	147.72		174.32
Apr-09	147.23		180.27
May-09	147.84		180.63
Jun-09	148.20	148.54	166.14
1ST HALF	**147.31**	**147.89**	**168.03**
End-period	**148.20**	148.54	166.14

NB: There was no trading at the Inter-bank from mid-February to May, 2009.

Table 28
Demand and Supply of Foreign Exchange
(US$ Million)

Year/Month	2008						2009					
	WDAS Demand	BDC Demand	Total Demand	WDAS Sales	BDC Sales	Total Supply	WDAS Demand	BDC Demand	Total Demand	WDAS Sales	BDC Sales	Total Supply
January	829.96	906.88	**1,736.84**	240.50	906.88	**1,147.38**	6,427.09	595.25	**7,022.34**	684.64	559.25	**1,243.89**
February	94.55	495.51	**590.06**	0.00	495.51	**495.51**	4,199.19	619.39	**4,818.58**	2,572.01	619.39	**3,191.40**
March	139.00	591.71	**730.71**	0.00	591.71	**591.71**	4,809.96	138.00	**4,947.96**	3,003.31	138.00	**3,141.31**
April	-	403.66	**403.66**	0.00	403.66	**403.66**	3,454.05	195.00	**3,649.05**	2,427.52	195.00	**2,622.52**
May	1,110.15	822.19	**1,932.34**	500.40	822.19	**1,322.59**	3,792.53	303.50	**4,096.03**	2,808.58	303.50	**3,112.08**
June	1,430.34	441.05	**1,871.39**	579.39	441.05	**1,020.44**	1,812.39	435.20	**2,247.59**	1,668.47	435.20	**2,103.67**
FIRST HALF	**3,604.00**	**3,661.00**	**7,265.00**	**1,320.29**	**3,661.00**	**4,981.29**	**24,495.21**	**2,286.34**	**26,781.55**	**13,164.53**	**2,250.34**	**15,414.87**
July	1,455.11	1,174.67	**2,629.78**	1,037.11	1,174.67	**2,211.78**						
August	1,518.68	1,032.17	**2,550.85**	1,014.06	1,032.17	**2,046.23**						
September	496.37	1,242.80	**1,739.17**	137.50	1,242.80	**1,380.30**						
October	4,192.80	1,342.70	**5,535.50**	3,055.45	1,342.70	**4,398.15**						
November	4,796.39	1,306.80	**6,103.19**	3,051.08	1,306.80	**4,357.88**						
December	4,256.50	487.53	**4,744.03**	470.00	487.53	**957.53**						
SECOND HALF	**16,715.85**	**6,586.67**	**23,302.52**	**8,765.20**	**6,586.67**	**15,351.87**						

1/ Total demand and supply figures include BDC since April 2006

Total supply figures exclude interbank sale and swaps

Source: Central Bank of Nigeria.

Table 29
SECTORAL UTILISATION OF FOREIGN EXCHANGE
(US$ million)

		1st Half 2008	2nd Half 2008	1st Half 2009	ABSOLUTE CHANGE		% CHANGE	
		(1)	(2)	(3)	(1) & (3)	(2) & (3)	(1) & (3)	(2) & (3)
A	**IMPORTS (VISIBLE)**	**12,777,517.78**	**30,148,793.16**	**13,590,908.21**	**813,390.43**	**(16,557,884.95)**	**6.37**	**(54.92)**
	Industrial	5,562,380.83	10,552,505.90	4,384,695.48	(1,177,685.35)	(6,167,810.42)	(21.17)	(58.45)
	Food	1,366,144.45	3,974,499.84	1,747,283.47	381,139.02	(2,227,216.37)	27.90	(56.04)
	Manufactured	3,045,284.37	6,810,416.78	3,483,502.54	438,218.17	(3,326,914.24)	14.39	(48.85)
	Transport	731,714.36	1,672,055.44	902,013.60	170,299.24	(770,041.84)	23.27	(46.05)
	Agriculture	121,031.29	364,035.08	139,964.40	18,933.11	(224,070.68)	15.64	(61.55)
	Minerals	105,618.59	302,144.45	72,953.47	(32,665.12)	(229,190.98)	(30.93)	(75.85)
	Oil	1,845,343.89	6,473,135.67	2,860,495.25	1,015,151.36	(3,612,640.42)	55.01	(55.81)
				5,055,953.67	5,055,953.67	5,055,953.67		
B	**INVISIBLES**	**8,044,784.68**	**18,176,659.26**	**5,055,953.66**	**(2,988,831.02)**	**(13,120,705.60)**	**(37.15)**	**(72.18)**
	Business	585,537.55	1,556,891.87	730,887.11	145,349.56	(826,004.76)		
	Communication	702,633.50	839,316.39	240,356.67	(462,276.83)	(598,959.72)		
	Construct.&Engineering	35,742.33	37,413.17	5,162.51	(30,579.82)	(32,250.66)		
	Distribution Serv.	53,964.39	66,544.02	21,551.05	(32,413.34)	(44,992.97)		
	Educational Serv.	574,498.60	714,202.74	68,966.22	(505,532.38)	(645,236.52)	(88.00)	(90.34)
	Environmental Sev.	-	-	-	-	-		
	Financial	5,805,756.44	14,287,015.99	3,695,141.73	(2,110,614.71)	(10,591,874.26)		
	Health &Social Serv	1,806.16	7,008.39	2,736.89	930.73	(4,271.50)		
	Tourism	2,200.00	29,663.84	6,479.41	4,279.41	(23,184.43)		
	Recreation,Cultural &Sport	382.65	435.30	248.90	(133.75)	(186.40)		
	Transport Services(Air,Maritime Rail)	221,217.57	534,181.41	253,747.79	32,530.22	(280,433.62)	14.71	(52.50)
	Personal Travel Allowance (PTA)	1,534.34	30,112.30	7,741.61	6,207.27	(22,370.69)	404.56	(74.29)
	Business Travel Allowance (BTA)	8,848.55	15,842.68	15,109.73	6,261.18	(732.95)		
	Estacodes	20,550.30	31,507.41	7,275.56	(13,274.74)	(24,231.85)	(64.60)	(76.91)
	Others	30,112.30	26,523.75	548.48	(29,563.82)	(25,975.27)		
	TOTAL (A+B)	**20,822,302.46**	**48,325,452.42**	**18,646,861.87**	**(2,175,440.59)**	**(29,678,590.55)**	**(10.45)**	**(61.41)**

SOURCE : Trade and Exchange, CBN ABUJA

Table 30
Total External Assets of Nigeria
(Naira Million)

	1ST HALF 2008	1ST HALF 2009
1. OFFICIAL	7,452,840.1	4,844,308.30
a. Federal Government	16.8	16.80
b. Central Bank	7,450,237.47	4,841,705.74
i) Gold	19.0	19.01
ii) Foreign Exchange	7,449,962.7	4,841,624.07
iii) IMF Reserve Tranche	22.6	22.60
iv) Special Drawing Rights (SDR)	233.2	40.06
c. State Government	2.5	2.50
d. Others	2,583.3	2,583.30
2. SEMI OFFICIAL INSTITUTIONS	4.1	4.10
i) NIDB	0.1	0.10
ii) Others	4.0	4.00
3. BANKS (NET)	1,172,320.9	1,192,194.30
TOTAL	8,625,165.1	6,036,506.70
	US$73221.02	US$40727.36
Exchange Rate (End-period)	117.7963	148.22

1/ Revised

2/ Provisional