CENTRAL BANK OF NIGERIA

Economic Report For the First Half of 2017

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Vision

"Be THE MODEL CENTRAL BANK
delivering PRICE and FINANCIAL SYSTEM STABILITY
and promoting SUSTAINABLE ECONOMIC DEVELOPMENT".

Mission

To be proactive in providing a stable framework for the economic development of Nigeria, through 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 COMMITTEE OF GOVERNORS OF THE BANK AS AT JUNE 30, 2017

1. **Godwin I. Emefiele, CON** - *Governor (Chairman)*
2. **Suleiman A. Barau, OON** - *Deputy Governor (Corporate Services)*
3. **Okwu J. Nnanna** - *Deputy Governor (Financial System Stability/ Economic Policy)*
4. **Adebayo A. Adelabu** - *Deputy Governor (Operations)*

Yunusa M. Sanusi - *Secretary*

MEMBERS OF THE MONETARY POLICY COMMITTEE (MPC) AS AT JUNE 30, 2017

1. **Godwin I. Emefiele, CON** - *Governor (Chairman)*
2. **Suleiman A. Barau, OON** - *Deputy Governor (Corporate Services)*
3. **Okwu J. Nnanna** - *Deputy Governor (Financial System Stability/ Economic Policy)*
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POLICY FRAMEWORK

The Central Bank of Nigeria (CBN) sustained a non-expansionary monetary policy stance in the first half of 2017 to ensure exchange rate and price stability, as high inflation and foreign exchange demand pressure remained the main challenges. The monetary policy rate (MPR), was retained at 14.0 per cent throughout the review period, with asymmetric corridor of +200/-500 basis points. Similarly, the cash reserve and liquidity ratios were retained at 22.5 and 30.0 per cent, respectively. Open market operations (OMO) remained the primary instrument for liquidity management, complemented by cash reserve requirements, repo transactions and interventions in the foreign exchange market. The Bank also carried out its supervisory and regulatory activities through regular appraisal of banks' returns, periodic on-site examination and special investigations, among others, to foster a sound and stable financial system.

Growth in major monetary aggregates was generally below the indicative benchmarks in the first half of 2017. Reserve money, at N5,489.6 billion, fell by 6.2 per cent, as against the 11.4 per cent growth benchmark and 7.6 per cent decline at end-June 2016. Similarly, broad money supply (M2) and narrow money supply (M1) fell by 7.3 and 10.7 per cent, compared with the respective benchmark growth of 10.3 and 11.0 per cent. The development in broad money supply reflected the decrease in net foreign assets and other asset (net) of the banking system, which more than offset the increase in domestic credit (net). Currency-in-circulation and currency outside banks, at N1,873.5 billion and N1,477.1 billion, respectively, also fell by 14.0 and 18.9 per cent in the review period.

CBN OPERATIONS: Developmental Initiatives

The CBN continued to support the real economy through the implementation of existing development finance initiatives, notably the Anchor Borrowers' Programme (ABP); Commercial Agriculture Credit Scheme (CACS); Micro, Small and Medium Enterprises Development Fund (MSMEDF); Power and Airline Intervention Fund (PAIF); and Nigeria Electricity Market Stabilisation Facility (NEMSF). The Bank also supported activities of the Youth Entrepreneurship Development Programme (YEDP), the Entrepreneurship Development Centres (EDC) and the National Collateral Registry (NCR).

Liquidity Management

In the first half of 2017, liquidity was influenced by fiscal operations of the three tiers of government, effect of CRR operations, settlement of foreign exchange transactions and maturity of CBN bills. To maintain optimal level of liquidity, the Bank retained open market operations (OMO) as the main tool for liquidity management, supported by reserve requirements, repurchase agreements and the discount windows. The Bank also introduced special windows in the foreign exchange market to address demand-supply bottlenecks and improve overall liquidity.

Payments & Clearing System

The Bank continued to accord priority to the safety, reliability and efficiency of the payments system, and sustained the implementation of various initiatives to consolidate on the gains achieved thus far. Under the BVN scheme, the Bank issued a draft Regulatory Framework for BVN Operations and Watch-list for the Nigerian Financial System and extended the deadline for enrollment by customers of other financial institutions to end-December 2017. At end-June 2017, 29.6 million customers had been registered for BVN linked to 40.7 million accounts out of the 62.6 million active customer accounts.

The Bank participated in the activities of the Committee on Identity Management and Harmonisation of Data, set-up by the Federal Government to integrate identity data captured by different organisations. Other achievements and initiatives included: development of "Smart Cities Policy framework and Leadership Paper", "Framework for the Adoption of Electronic Payments in the Education System and Transportation Services in Nigeria", "Revised Rules and Regulations on RTGS", "Revised Framework for Collateral Management" for the operations of deferred net settlement systems; and exposure of the revised Nigeria Cheque Standards and guidelines on the Payments System Vision 2020 to stakeholders.

Financial Sector Surveillance

The CBN intensified its supervisory and regulatory activities on the banking system to promote the safety and soundness of institutions, and stability of the financial system. In this regard, the CBN/NDIC Joint Risk-based assessment of banks was conducted to ascertain the quality of risk assets and adequacy of loan loss provisions. Routine examination was also carried out on the three private credit bureaux, the Asset Management Corporation of Nigeria (AMCON) and two Nigerian banks' foreign subsidiaries. In addition, the Bank carried out the first of the bi-annual examination of foreign exchange activities of twenty-five (25) banks in April 2017. Furthermore, several ad-hoc investigations were conducted and the outcomes served as

input to the policy development process.
To further entrench good corporate governance codes and practices in the banking industry, the Bank developed a Corporate Governance Scorecard to monitor implementation of the Code by (Deposit Money Banks (DMBs). A pilot run on ten (10) banks, for all the categories of licences, revealed lack of approved strategy document in three (3) banks and general absence of a unit/department for the implementation of banks' corporate governance strategy.

The industry average capital adequacy ratio (CAR) was 11.5 per cent, compared with the industry threshold of 15.0 per cent for banks with international authorisation and 10.0 per cent for those with national and regional authorisation. The industry liquidity ratio increased to 45.8 per cent at end-June 2017, compared with 42.6 per cent at end-June 2016 and regulatory minimum of 30.0, 20.0 and 10.0 per cent for commercial, merchant and non-interest banks, respectively. The industry ratio of non-performing loans (NPLs) to total loans, however, deteriorated further to 15.0 per cent at end-June 2017, due to adverse economic conditions – and the poor performance of three outlier banks.

Financial Sector Surveillance

In the other Financial Institutions (OFIs) sub-sector, routine risk-based examination of the five (5) reporting development finance institutions (DFIs) revealed that the Composite Risk Rating (CRR) of four institutions was High and one "Moderate". Earnings of one institution was rated "acceptable", one "needs improvement" and three "weak", due, mainly, to significant deterioration in asset quality and high loan loss provisions. In addition, risk-based examinations of 226 microfinance banks (MFBs) and 51 finance companies (FCs) were conducted in the first half of 2017.

A total of 1,141 and 1,270 complaints against banks and other financial institutions were received and resolved, respectively, in the first half of 2017, compared with 1,473 and 1,157 received and resolved in the corresponding period of 2016. Compliance examination on 19 banks indicated different compliance levels with the regulations on consumer protection and selected provisions of the Revised Guide to Bank Charges (RGBC), following which erring banks were directed to implement specific remedial actions, including refunds to customers where applicable.

FOREIGN EXCHANGE MANAGEMENT

The CBN deepened the reforms in the foreign exchange market, including regular interventions to improve liquidity in the market. The introduction of special windows for investors and exporters, Form "Q" for small and medium enterprises (SMEs) and weekly sales to retail end-users eased the foreign exchange market bottlenecks and moderated the demand pressure. Following sustained interventions, the end-period exchange rate of the naira to the US dollar, at the BDC segment, appreciated to N366.00/US$ at end-June 2017, compared with N490.00/US$ at end-December 2016. This implied narrower arbitrage premium between naira exchange rate at the inter-bank and BDC segments.

THE FINANCIAL SECTOR

Aggregate credit to the domestic economy grew marginally, mainly, as a result of the growth in net claims on the Federal Government. Net domestic credit (NDC) grew by 1.0 per cent to N26,921.0 billion at the end of the first half of 2017, compared with 13.9 per cent at the end of the corresponding period of 2016. Net claims on government rose by 5.9 per cent, reflecting, increased holding of government securities, especially treasury bills by commercial banks. As in the preceding period, the Federal Government remained a net lender to the banking system in the review period. Credit to the private sector, however, fell marginally by 0.02 per cent to N21,978.60 billion at end-June 2017, in contrast to the 14.6 per cent growth in the corresponding period of 2016.

Banks' deposit and lending rates generally trended upward in the first half of 2017. The average term deposit rate rose by 3.29 percentage points to 8.69 per cent above the level in the corresponding period of 2016. Similarly, the weighted average prime and maximum lending rates increased to 17.21 and 29.99 per cent, respectively. The spread between the average term deposits and maximum lending rates narrowed to 21.29 percentage points. Movements in money market rates reflected the tight liquidity conditions in the banking system in the review period. The rates were generally higher than the levels in the corresponding period of 2016. The monthly weighted average inter-bank and average Open-Buy-Back rates stood at 22.94 and 26.66 per cent, respectively, compared with 8.50 and 7.63 per cent in the corresponding period of 2016. The weighted average Nigeria Inter-bank Offered Rate (NIBOR) for the 30-day tenor was 29.26 per cent, compared with the 18.64 per cent in the corresponding half of 2016. With the year-on-year inflation rate at 16.1 per cent in June 2016, all deposit rates were negative in real terms.

The Nigerian Stock Exchange recorded improved performance

THE FINANCIAL SECTOR

in the first half of 2017, due to positive investors' confidence. There were twelve (12) new equity listings worth N79.35 billion in the primary segment. Aggregate volume of traded securities fell by 19.0 per cent, while the value of traded securities rose significantly by 50.1 per cent relative to the levels in the corresponding period of 2016. The aggregate market capitalisation and All-Share Index (ASI) rose by 10.1 and 11.9 per cent, respectively, to N19.03 trillion and 33,117.48 at end-June 2017.

THE FISCAL SECTOR

Gross federally-collected revenue, at N3,020.00 billion or 5.8 per cent of GDP in the first half of 2017, was below the proportionate budget estimate by 43.7 per cent, but 26.1 per cent above the level in the corresponding period of 2016. The shortfall relative to the proportionate budget estimate reflected the decline in both oil and non-oil revenue.

The Federal Government retained revenue, at N1,226.37 billion or 2.4 per cent of GDP, was 54.5 and 6.1 per cent below the proportionate budget estimate and the level in the corresponding period of 2016, respectively. The aggregate expenditure of the Federal Government in the first half of 2017 amounted to N1,842.11 billion or 3.5 per cent of GDP and, was 52.5 per cent below the proportionate budget estimate. The decrease, relative to the proportionate budget estimate was attributed, largely, to low capital releases in the review period owing to revenue short-fall and the late passage of the 2017 appropriation bill.

Recurrent and capital expenditure constituted 88.2 and 2.9 per cent, respectively, while statutory transfers accounted for the balance of 8.9 per cent of the total. The fiscal operations of the Federal Government in the first half of 2017 resulted in an estimated overall deficit of N615.74 billion or 1.2 per cent of GDP, compared with the proportionate budget estimate and the corresponding period of 2016, at N1,110.97 billion and N676.47 billion, respectively. The deficit was financed, mainly, from domestic sources.

The Federal Government consolidated debt stock at end-March 2017 was N16,201.29 billion or 15.6 per cent of GDP, representing an increase of 11.4 per cent over the level at end-December 2016. Domestic debt accounted for N11,971.34 billion or 73.9 per cent, while the external debt amounted to N4,229.95 billion (US$13.81 billion) or 26.1 per cent of the total. The external debt of US$13.81 billion or 4.1 per cent of GDP remained within sustainable threshold of 40.0 per cent of GDP.

THE REAL SECTOR

The real sector continued to grapple with the challenges arising from binding infrastructure deficit, especially power supply. Data from the National Bureau of Statistics (NBS) showed that the gross domestic product (GDP), at 2010 constant basic prices, recorded a growth of 0.55 per cent in the second quarter of 2017, but contracted by 2.1 per cent in the corresponding period of 2016. The development reflected the effect of gradual increase in aggregate demand, improved production in the agricultural and manufacturing sectors, and the impact of government's effort to address infrastructure challenges. The agricultural sector recorded positive growth on account of favourable weather conditions, sustained effort at strengthening domestic production through the implementation of the Agriculture Promotion Policy Framework, especially, the CBN sponsored Anchor Borrower Programme and strong commitment to economic diversification. Notable activities to promote growth in the industrial sector included: constitution of the Presidential Industrial Policy and Competitiveness Advisory Council, to drive the nation's industrialisation agenda; commencement of the construction of US$100.00 million gas turbine assembly plant in Cross River State, to support development of gas reserve and improve gas supply to thermal power plants; and continuation of the power sector privitisation process.

There was improvement in the Nigerian oil and gas industry, mainly, on account of ongoing peace deal in the Niger Delta. Consequently, average daily crude oil production was 1.62 million barrels per day (mbd) or 293.2 million barrels (mb), an increase of 0.07 mbd or 4.5 per cent above the 1.55 mbd or 285.2 mb in the preceding half of 2016. The average spot price of Nigeria's reference crude, the Bonny Light, increased by 7.4 and 28.8 per cent to US$52.19 per barrel, above the levels in the preceding and the first halves of 2016, respectively. The price increase was attributed to the continued cooperation between OPEC and non-OPEC producers on production cut.

The general price level decelerated in the first half of 2017 due, mainly, to moderation in non-food prices arising from stability of the naira exchange rate. The all-items composite Consumer Price Index (CPI) stood at 234.2 (November 2009=100), compared with 213.6 and 201.7 at end-December and end-June 2016, respectively. The year-on-year headline inflation declined consistently throughout the review period from 18.7 per cent in January to 16.1 per cent at end-June 2017, compared with 18.6 and 16.5 per cent at end-December and end-June 2016, respectively.

EXTERNAL SECTOR

The moderation of pressure in the external sector continued in the first half of 2017, as reflected in significant improvement in the overall balance of payments position and further accretion to the external reserve on account of increased price and domestic production of crude oil amidst gradual recovery in the emerging markets. The development reflected the effect of trade surplus in the goods account due to improved crude oil price and export, and higher net-surplus in current transfer occasioned by increased inflow of workers' remittances which more than offset the deficits in both the services and income accounts.

The capital and financial account recorded a net acquisition of financial assets equivalent to 0.2 per cent of GDP compared with 7.4 per cent in the corresponding period in 2016. The stock of external reserves rose to US$30.64 billion at end-June 2017, enough to finance 12.3 months of current level of import of goods and 8.5 months of goods and services. The increased resort to heterodox demand management policies by the Bank in the first half of 2017 had significant positive impact on the Nigerian Foreign Exchange Market. Enhanced supply of foreign exchange to meet the needs of different categories of end-user, direct disbursement and mandatory time frame for banks to meet foreign exchange demand at the retail segment resulted in significant appreciation of the naira exchange rate, especially at the BDC segment and narrowed the arbitrage premium.

OUTLOOK FOR THE REST OF 2017

Global GDP was projected to grow at 3.5 per cent in 2017 as the gradual pick-up in global economic activities and recovery is expected to continue. Growth in the advanced economies was also marked-up to 2.0 per cent from 1.7 per cent in 2016 due, largely, to expected stronger consumer demand, investment and trade. In the euro area, growth was projected at 1.9 per cent in 2017, compared with 1.8 per cent in 2016. Growth projections in Britain, Japan, Spain, Italy were revised downwards on account of weaker-than-expected activities in the first quarter of 2017.

Growth in emerging and developing economies was projected to rise to 4.6 per cent in 2017, driven, mainly, by the bottoming-out of economic recession in some countries and firming up of commodity prices. Growth in India was projected to rise to 7.2 per cent in 2017, above 7.1 per cent in 2016, owing to higher government spending. In Brazil, growth was projected to rebound to 0.3 per cent in 2017, from a contraction of 3.6 per cent in 2016, due to expected moderate recovery in commodity prices and upswing in economic activity.

Growth in the Middle East and North Africa (MENA) region was projected to decelerate to 2.6 per cent in 2017, from 5.0 per cent in 2016, reflecting slowdown in oil exports and political crisis in a number of countries in the region. Also, continued weakness in oil prices if sustained, could weigh further on the outlook for the region.

In sub-Sahara Africa, growth, was projected to rise to 2.7 per cent in 2017, predicated on gradual rise in commodity prices and sustained implementation of reforms to address macroeconomic imbalances. The growth was expected to be driven by recovery in South Africa and Nigeria. Growth in South Africa was projected at 1.0 per cent in 2017, from 0.3 per cent in 2016.

OUTLOOK FOR THE REST OF 2017

The outlook for Nigeria's economy for the rest of the year signals moderate improvement premised, largely, on expected fiscal expansion, slowdown in inflationary pressure and increase in non-oil receipts. The cautious optimism was against the backdrop of persistent structural imbalances and sluggish recovery of the global economy. The downward trend in inflationary pressure was projected to continue into the rest of 2017 as the Bank deepens implementation of measures to curb exchange rate pass through and moderate pressure on domestic prices.

The outlook for the real sector in the remaining half of 2017 is largely optimistic. Government's commitment to the implementation of the Economic Recovery and Growth Plan (ERGP) and improvement of the stock, and quality of infrastructure is expected to increase domestic production as well as moderate unemployment rate. In addition, CBN interventions in critical sectors, further progress in government's effort to enhance the ease of doing business and sustain effort to stem insurgency in the North East as well as maintain the peace deal in the Niger Delta would improve the macroeconomic environment and facilitate increased real sector productivity.

On the fiscal side, the passage of the 2017 appropriation bill, realisation of revenue target and targeted expenditure, particularly capital releases to address infrastructure deficits would stimulate economic activities. Also, the Paris Club Refund would assist state governments to settle accumulated salaries and pension arrears. Overall, these developments would provide the necessary fiscal stimulus for the economy and boost aggregate demand and output.

OUTLOOK FOR THE REST OF 2017

The impressive performance of the external sector is expected to continue into the rest of the year, premised on increased crude oil price, production and export in 2017. Sustained peace deal in the Niger Delta region, would provide favourable condition in the near-term for stability in production. In addition CBN's commitment to provide the required liquidity in the foreign exchange market would support domestic production.

The non-expansionary monetary policy stance of the Bank would sustain the downward trend in inflationary pressure and enhance the prospect of achieving exchange rate and price stability.

Selected Macroeconomic and Social Indicators 1/

Indicator	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16	Jun-17 2/
Domestic Output and Prices							
GDP* at Current Mkt Prices (N' billion)	29,915.91	34,643.40	38,671.86	42,339.35	44,323.45	46,172.76	53,451.00
GDP* at Current Mkt Prices (US$' billion)	195.26	219.75	245.84	269.17	234.06	227.68	174.73
GDP* per Capita (N)	364,399.54	410,384.72	445,488.95	474,345.55	483,040.83	489,480.84	551,195.02
GDP* per Capita (US$)	2,378.42	2,603.16	2,832.02	3,015.65	2,550.81	2,413.69	1,801.88
Real GDP Growth (Growth Rate %)**	**6.62**	**3.79**	**4.94**	**6.38**	**3.14**	**-1.08**	**-0.18**
Oil Sector	17.31	-9.19	-13.77	-1.23	-7.49	-8.15	-7.47
Non-oil Sector	4.68	6.43	8.18	7.44	4.50	-0.29	0.58
Sectoral Classification of GDP (Growth Rate %)**							
Agriculture	2.58	6.36	2.52	4.55	4.07	3.84	3.19
Industry	16.14	-0.96	-0.85	5.90	-4.88	-6.93	-3.16
Construction	3.82	24.17	13.96	13.99	8.67	-5.83	0.14
Trade	6.78	1.61	5.91	5.71	5.77	0.99	-2.36
Services	3.27	4.90	8.82	7.21	5.56	-1.04	0.41
Oil Production (mbd)	2.14	2.09	1.99	1.91	1.89	1.68	1.62
Manufacturing Capacity Utilisation (%)	55.73	57.03	57.60	59.30	***	***	***
Inflation Rate (%) (Year-over-Year)	10.23	12.89	8.35	8.17	9.17	16.48	16.10
Inflation Rate (%) (12-month moving average)	12.32	11.32	10.38	8.00	8.42	11.37	17.58
Core Inflation Rate (%) (Year-over-Year) 3/	11.52	15.20	5.47	8.12	8.40	16.22	12.46
Core Inflation Rate (%) (12-month moving average) 5/	12.10	12.73	10.70	7.37	7.01	10.86	16.22
Federal Government Finance (% of GDP*)							
Retained Revenue	4.37	5.49	5.07	4.44	3.57	2.83	4.69
Total Expenditure	6.55	6.39	6.14	5.03	5.10	5.45	5.40
Recurrent Expenditure	5.17	4.48	4.43	3.80	4.23	4.08	5.01
Of which: Interest Payments	0.75	0.89	1.01	1.13	1.34	1.32	1.74
Foreign	0.07	0.06	0.08	0.09	0.08	0.07	0.10
Domestic	0.68	0.83	0.93	1.04	1.26	1.25	1.63
Capital Expenditure and Net Lending	1.01	0.84	1.29	0.83	0.62	0.75	0.00
Transfers	0.36	1.06	0.42	0.39	0.25	0.62	0.39
Current Balance (Deficit(-)/Surplus(+))	-0.80	1.01	0.64	0.64	-0.65	-1.26	-0.32
Primary Balance (Deficit(-)/Surplus(+))	-1.42	-0.01	-0.06	0.54	-0.19	-1.30	1.03
Overall Fiscal Balance (Deficit(-)/Surplus(+))	-2.17	-0.90	-1.07	-0.58	-1.53	-2.62	-0.71
Financing	**2.42**	**0.90**	**1.07**	**0.58**	**1.53**	**2.62**	**0.71**
Foreign	0.25	0.00	0.00	0.00	0.00	0.00	0.00
Domestic	2.17	0.90	1.07	0.58	1.53	2.62	0.71
Banking System	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Non-bank Public	1.59	0.59	1.35	1.19	0.74	1.14	0.00
Others	0.58	0.31	-0.27	-0.61	0.78	1.49	0.71
Consolidated Government Debt Stock	**9.48**	**10.14**	**10.25**	**10.49**	**11.76**	**14.94**	**15.56**
External	1.30	1.26	1.39	1.72	2.29	3.45	4.31
Domestic	8.18	8.88	8.86	8.76	9.47	11.49	11.26

Selected Macroeconomic and Social Indicators 1/ (Cont...)

Indicator	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15	Jun-16	Jun-17 2/
Money and Credit (Growth Rate %)							
Reserve Money	11.88	-9.77	-12.64	-5.97	0.25	-7.58	-6.29
Narrow Money (M1)	1.18	-2.54	-6.49	-2.88	-5.25	11.05	-9.59
Broad Money (M2)	5.61	1.35	0.71	3.08	-0.54	10.23	-6.83
Net Foreign Assets	-0.81	5.37	1.34	-9.49	-14.42	25.69	-7.45
Net Domestic Assets	13.94	-3.31	-0.18	18.55	7.54	4.14	-6.44
Net Domestic Credit	2.32	-1.01	3.55	3.26	11.08	13.93	1.41
Net Credit to Government	5.22	-63.15	-3.63	-19.16	118.79	9.66	7.69
Credit to Private Sector	1.30	3.65	3.57	4.88	4.26	14.59	0.02
Money Multiplier for M2	5.89	5.37	4.82	3.38	3.16	4.11	4.01
Income Velocity of M2	4.92	5.14	4.96	5.24	4.71	4.18	4.86
Interest Rates (% per annum)							
Monetary Policy Rate (MPR) 4/	8.00	12.00	12.00	12.00	13.00	12.00	14.00
Repurchase Rate							
Reverse Repurchase Rate							
Treasury Bill Rate							
91-day	8.20	14.08	11.60	9.98	9.95	8.32	13.50
Inter-bank Call Rate	11.15	14.92	11.59	10.50	10.85	35.26	13.46
Deposit Rates							
Savings Rate	1.40	1.76	2.04	3.42	3.60	3.61	4.08
3-months Fixed	5.14	7.80	7.49	9.30	10.27	6.92	9.01
6-months Fixed	5.26	8.08	7.07	9.52	10.81	6.59	10.68
12-months Fixed	4.68	7.51	5.32	9.19	10.83	5.17	11.15
Prime Lending Rate	15.76	16.93	16.56	16.50	17.24	16.78	17.59
Maximum Lending Rate	22.02	23.44	24.58	26.07	26.84	26.93	30.94
External Sector							
Current Account Balance (% of GDP*)	6.28	2.63	4.50	1.12	-3.25	-0.29	2.37
Goods Account	11.11	7.88	9.48	5.02	-1.19	-1.19	2.50
Services and Income Account	-10.32	-10.05	-9.30	-7.94	-6.08	-3.46	-5.96
Current Transfers	5.50	4.80	4.32	4.04	4.01	4.36	5.82
Capital and Financial Account Balance (% of GDP*)	-1.24	0.67	0.47	0.87	1.63	0.12	3.25
Overall Balance (% of GDP*)	-0.29	1.27	0.48	-2.04	-2.50	-0.68	1.87
External Reserves (US $ million)	31,890.91	35,412.50	44,957.00	37,330.03	28,335.21	26,505.50	30,340.96
Number of Months of Import Equivalent	6.46	6.36	9.86	7.19	6.11	8.14	11.11
Debt Service Due (% of Exports of Goods and Services)							
Average Crude Oil Price (US$/barrel)	113.86	115.05	110.29	111.29	58.54	40.51	52.19
Average AFEM/DAS Rate (N/$1.00)+	153.21	157.65	157.30	157.29	189.37	202.79	305.90
End of Period AFEM/DAS Rate (N/$1.00)	153.31	157.50	157.31	157.29	196.95	283.00	305.72
Average Bureau de Change Exchange Rate (N/$)	156.95	161.22	159.66	169.50	213.55	325.00	366.00
End of Period Bureau de Change Exchange Rate (N/$)	159.00	164.00	162.00	168.00	225.50	348.00	366.25
Capital Market							
All Share Value Index (1984=100)	24,980.20	21,599.57	36,164.31	42,482.48	33,456.83	29,597.79	33,117.48
Value of Stocks Traded (Billion Naira)	373.50	468.17	1,110.38	579.98	557.13	313.25	376.77
Market Capitalization (Trillion Naira)	11.20	12.40	17.43	14.03	11.42	9.79	11.45
Social Indicators							
Population (million)	164.19	168.83	173.62	178.52	183.52	188.66	193.95
Population Growth Rate (%)	2.80	2.81	2.80	2.80	2.80	2.80	2.80
Life Expectancy at Birth (Years)	***	***	***	***	***	***	***
Adult Literacy Rate (%)	***	***	***	***	***	***	***
Incidence of Poverty 5/	***	***	***	***	***	***	***

1/ Revised
2/ Provisional
3/ Core Inflation is measured as the rate of change of all-item Consumer Price Index (CPI) less farm produce.
4/ MPR replaced MRR with effect from December 11, 2006.
5/ 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.
The Interbank exchange rate became the reference official rate since February 19, 2015.
**Figures and computations are based on nominal GDP at market prices.*
***Figures and computations are based on nominal GDP by production, comprising 44 activity sectors.*
**** indicates not available*

CENTRAL BANK OF NIGERIA
REPORT FOR THE FIRST HALF OF 2015

1.0 INTRODUCTION

In the first half of 2017, the Nigerian economy witnessed a confluence of global and domestic headwinds, including constrained fiscal space owing to lower crude oil receipts and heightened monetary policy divergence in the advanced economies, such as policy normalisation by the US Fed and excess liquidity in the banking system. These developments intensified the demand pressure in the foreign exchange market, thereby impacting domestic prices and economic activity. Accordingly, the Bank retained its non-expansionary monetary policy stance to rein in inflationary pressure and encourage capital inflow. The Bank also introduced key reforms in the foreign exchange market, notably the special Investors' and Exporters' (I&E) Window, to improve foreign exchange supply from autonomous sources. Monetary targeting remained the framework for monetary management, with the monetary policy rate (MPR) as the anchor for short-term money market rates.

Open Market Operations (OMO) remained the Bank's key liquidity management instrument, complemented by reserve requirements, repurchase agreements, standing facilities and discount window operations.

Table 1
Monetary Policy Benchmarks and Outcomes
(Growth in % except otherwise stated)

Key Variables	Dec 2015		Jun 2016		Dec, 2016		Jun 2017	
	Benchmark	Outcome	Benchmark	Outcome	Benchmark	Outcome	Benchmark	Outcome
Broad Money (M_2)	15.24	5.9	11.0	10.2	11.0	16.8	10.3	-7.3
Narrow Money (M1)	9.9	24.4	11.3	11.1	11.3	29.1	11.0	-10.7
Base Money (Reserve)	16.8	-2.0	13.2	-7.6	13.2	0.6	11.4	-6.1
Aggregate credit to the domestic economy (Net)	29.3	12.1	17.9	13.9	17.9	23.3	17.9	1.0
Credit to Government (Net)	36.0	152.0	47.4	9.7	47.43	61.4	33.1	5.9
Credit to the private sector	26.1	3.3	13.4	14.6	13.4	17.4	14.9	-0.02
Inflation rate	8.00	9.6	11.9	16.5	11.9	18.6	10.7	16.1
Real GDP	7.24		3.6	-2.1	3.6	-1.3	4.1	0.55

Source: CBN

2.0 OPERATIONS OF THE CENTRAL BANK OF NIGERIA

2.1 Liquidity Management

In the first half of 2017, the monetary policy environment was shaped by a number of global and domestic headwinds. These included: lower crude oil receipts which strained fiscal space, monetary policy divergence in the advanced economies, demand pressure in the foreign exchange market, excess liquidity in the banking system as well as recession. The Bank's response included the adoption of non-standard monetary policies and measures. Consequently, the Bank retained its monetary tightening stance to achieve the objectives of monetary and price stability. It also deployed a combination of policy tools to ensure effective liquidity management and stimulate economic recovery. Open Market Operations (OMO) remained the Bank's key liquidity management instrument, complemented by reserve requirements, repurchase agreements, standing facilities and discount window operations.

The MPR was retained at 14.0 per cent with an asymmetric corridor of +200/-500 basis points at the January, March and May 2017 MPC meetings. The Cash Reserve Ratio (CRR) and Liquidity Ratio (LR) were also retained at 22.5 and 30.0 per cent, respectively. Reserve money stood at N5,489.64 billion at end-June 2017, indicating declines of 6.1 and 7.6 per cent below its level in the preceding and corresponding periods of 2016. The Bank also introduced key innovations in the foreign exchange market, notably a special Investors' and Exporters' Window, to improve foreign exchange supply from autonomous sources.

2.2 Monetary Policy Committee (MPC) Decisions

The Monetary Policy Committee held three (3) meetings in the review period. A summary of the key decisions were as follows:

Table 2
Monetary Policy Committee Decisions During the First Half of 2017

Date of Meeting	Type of Meeting	Decisions
January 23 and 24, 2017	Regular	• Retained the MPR at 14.0 per cent; • Retained the CRR at 22.5 per cent; • Retained the LR at 30.0 per cent; and • Retained the asymmetric corridor at +200/ -500 basis points around the MPR.
March 20 and 21, 2017	Regular	▪ Retained the MPR at 14.0 per cent; ▪ Retained the CRR at 22.5 per cent; ▪ Retained the LR at 30.0 per cent; and ▪ Retained the asymmetric corridor at +200/ -500 basis points around the MPR.
May 22 and 23, 2017	Regular	▪ Retained the MPR at 14.0 per cent; ▪ Retained the CRR at 22.5 per cent; ▪ Retained the LR at 30.0 per cent; and ▪ Retained the asymmetric corridor at +200/ -500 basis points around the MPR.

Source: Central Bank of Nigeria MPC Communiqués

2.3 Developments in the Payments System

The Bank continued to accord priority to the safety and efficiency of the payments system in Nigeria. To this end, it sustained the implementation of the following initiatives:

2.3.1 Payments System Initiatives

2.3.1.1 The Bank Verification Number (BVN) Scheme

To consolidate on the gains achieved on the BVN scheme, the Bank/Federal Government initiated the following:

- Draft Regulatory Framework for BVN Operations and Watch-list for the Nigerian Financial System;
- Extension of BVN scheme to Other Financial Institutions (OFIs), to avoid broken identity link in the banking system. It is required that by end-July 2017, all customers of OFIs should have BVN. Any customer of OFIs without a BVN would not be allowed to initiate a debit transaction on his/her account; and
- Set up a Committee on Identity Management and Harmonisation of data, to integrate identity data including the BVN captured by different organisations. The Committee agreed on minimum data standards, minimum data fields and resolved issues on the NIN-BVN harmonisation process.

At end-June 2017, the BVN Project had 29,565,684 registered customers with BVNs and 40,676,362 accounts linked with the BVN platform out of 62,615,344 active customer accounts.

2.3.1.2 Nigeria Electronic Fraud Forum (NeFF)

The NeFF organised a 2-day workshop on Cybercrime from May 30 - 31, 2017 in Abuja, with the theme, "Tackling Enforcement Challenges under the Cybercrime Act". The workshop provided an opportunity for the Central Bank of Nigeria, financial institutions, the Ministry of Justice, law enforcement agencies, the Military and other stakeholders, to brainstorm and engage the law enforcement community on the best ways to implement the Cybercrime Act.

2.3.1.3 Migration from Merchant Service Charge (MSC) to Interchange Fee Regime

The plan to migrate the Nigerian payment card industry from the use of merchant service charge (MSC) to Interchange Fee Regime with effect from May, 2017 was suspended to enable stakeholders to resolve all the issues relating to the migration.

2.3.1.4 Cheque Standards and Cheque Printers Accreditation Scheme

The draft of the revised Nigeria Cheque Standards, meant to enhance the efficiency and safety of cheque clearing system, was exposed to key stakeholders in the industry. Notable changes in the revised version included: introduction of quick response (QR) code for faster verification of cheque details; expiry date of printed cheque booklet; and clear zone at the back of the cheque.

2.3.1.5 Licensing of Payments System Participants

During the review period, one (1) card scheme, one (1) mobile money operator and two (2) Payment Solution Service Providers (PSSP), were licensed, bringing the total card schemes, mobile money operators and PSSPs to four (4), 23 and eight (8), respectively. There were 18 PTSPs, six (6) transaction switching companies and three (3) third party processors in Nigeria at end-June 2017.

Table 3: Licensed Payments System Participants

License -Type	Number	
	Dec 2016	June 2017
Card Schemes	3	4
Mobile Money Operators	22	23
Payment Solution Service Providers	6	8
Payment Terminal Service Providers	18	18
Transaction Switching Companies	6	6
Third Party Processors	3	3
Total	**58**	**62**

2.3.1.6 Payments System Vision 2020 (PSV 2020)

In pursuit of the attainment of the PSV 2020, significant achievements were recorded in the first half of 2017. These included the exposure of the following to stakeholders:

- Revised draft Guidelines for Nigeria Clearing System Rules, 2017;
- Revised draft Guidelines for Direct Debit Schemes in Nigeria, 2017;
- Guidelines on Bills Payment in Nigeria, 2017; and
- Guidelines on Instant (Inter-bank) Electronic Funds Transfer Services in Nigeria, 2017.

Also, to deepen the use of electronic payments, the following activities were undertaken:

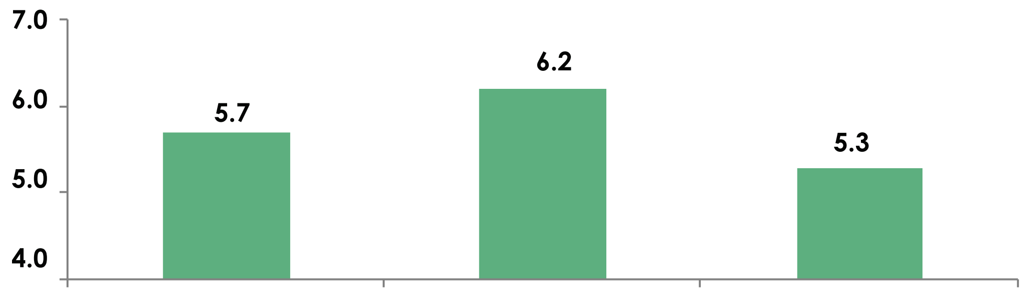
- Developed the "Smart Cities Policy Framework and Leadership Paper";
- Developed the draft "Framework for The Adoption of Electronic Payments in The Education Ecosystem";
- Developed the draft "Strategies for the Adoption of Electronic Payments for Transport Services in Nigeria";
- Reviewed the RTGS Rules and Regulations;
- Defined the point at which settlement is final and irrevocable for four major payments schemes in Nigeria - RTGS, Card, Mobile and ACH/Cheque/Instant Payment Schemes. This is in compliance with Principle 8 of the BIS Principles for Financial Market Infrastructures (PFMI) on Settlement Finality; and
- Reviewed the current collateral management framework for the operations of deferred net settlement systems and recommended phased approach for migration from fixed collateral requirement to a risk-based collateral requirement, among others.

2.3.2 Retail Payments System

2.3.2.1 Cheque

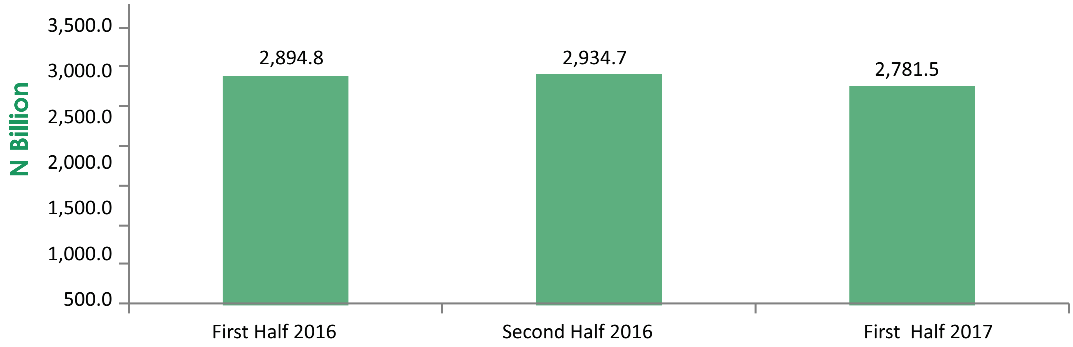
The volume and value of cheques cleared decreased by 14.5 and 5.2 per cent to 5.3 million and ₦2,781.5 billion in the first half of 2017 from 6.2 million and ₦2,934.7 billion in the second half of 2016. The decrease was attributed to consumers growing preference for the use of elecronic payments.

Figure 1
Volume of Cheques Cleared
(Million)



Source: CBN

Figure 2
Value of Cheques Cleared
(N' Billion)



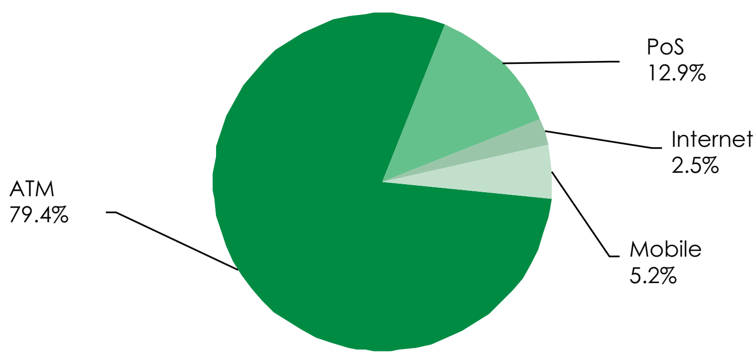
Source: CBN

2.3.2.2 Electronic Payments

The volume and value of electronic payments (comprising ATM, PoS, Mobile payments and internet) increased by 5.8 and 14.1 per cent to 461.8 million and ₦4,295.9 billion respectively, in the first half of 2017 above 436.5 million and N3,764.9 billion in the second half of 2016.

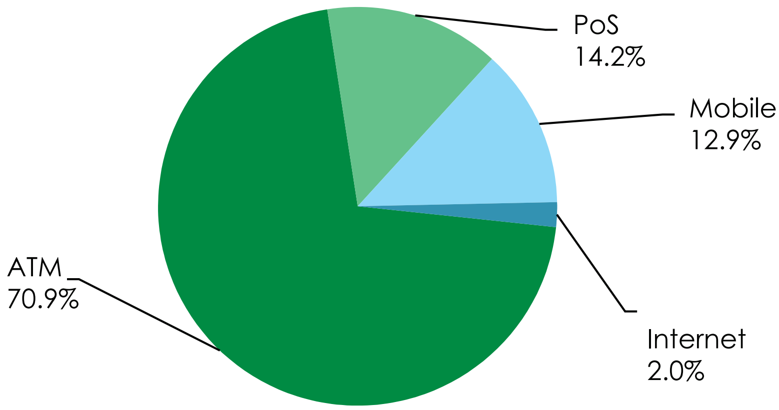
A breakdown of e-payment channels for the review period indicated that the ATM remained the most patronised, accounting for 79.4 per cent, followed by PoS terminal and mobile payments, with 12.9 and 5.2 per cent, respectively. The web (internet) was the least patronised, accounting for 2.5 per cent of the total. In terms of value, the ATM accounted for 70.9 per cent; PoS, 14.2 per cent; mobile payments, 12.9 per cent and the web (internet), 2.0 per cent.

Figure 3
Usage of E-payment Channels by Volume
(First Half 2017, Per cent)



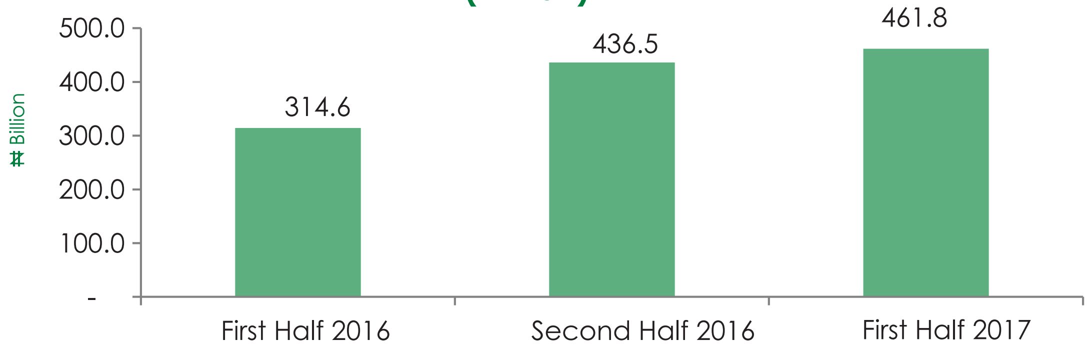
Source: CBN

Figure 4
Usage of E-payment Channels by Value
(First Half 2017, Per cent)



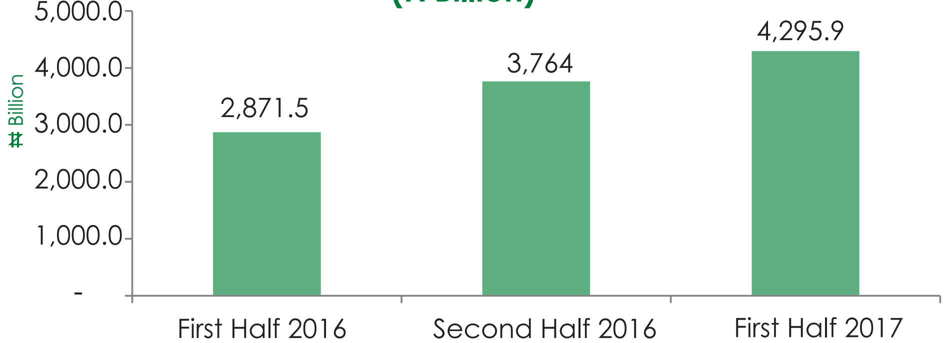
Source: CBN

Figure 5
Volume of Electronic Payments
(Million)



Source: CBN

Figure 6
Value of Electronic Payments
(N'Billion)

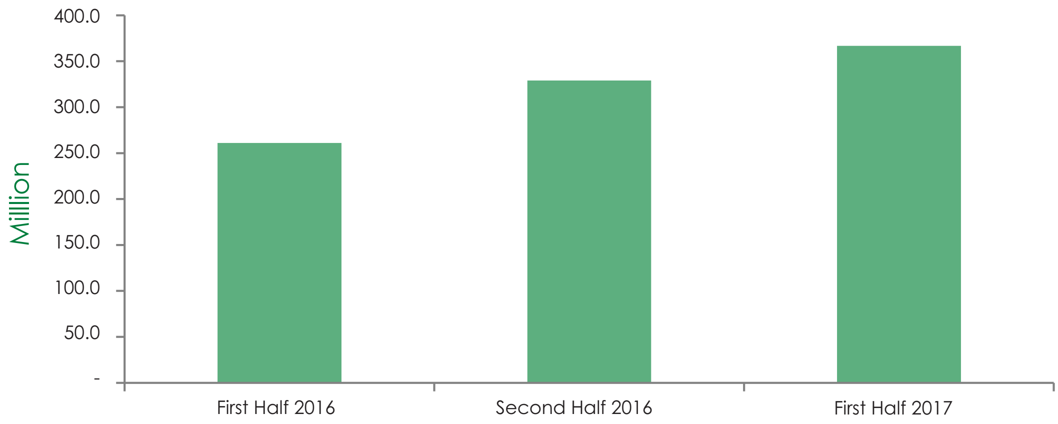


Source: CBN

2.3.2.2.1 ATM Transactions

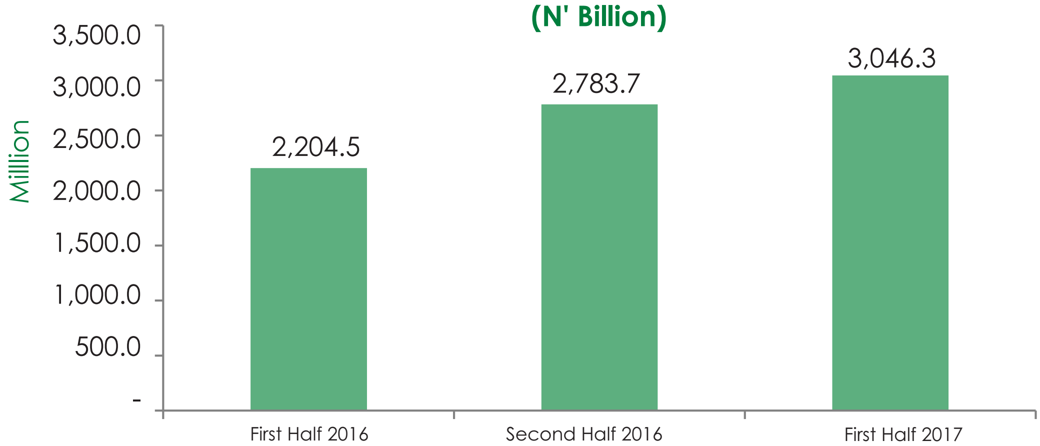
The number of ATMs stood at 17,712 at end-June 2017 from 17,083 in the corresponding period of 2016, representing a slight increase of 3.7 per cent. ATM transactions increased in both volume and value by 40.4 and 38.2 per cent to 366.8 million and ₦3,046.3 billion respectively, in the first half of 2017, above 261.2 million and ₦2,204.5 billion in the corresponding period of 2016, respectively.

Figure 7
Volume of ATM Transactions
(Million)



Source: CBN

Figure 8
Value of ATM Transactions
(N' Billion)

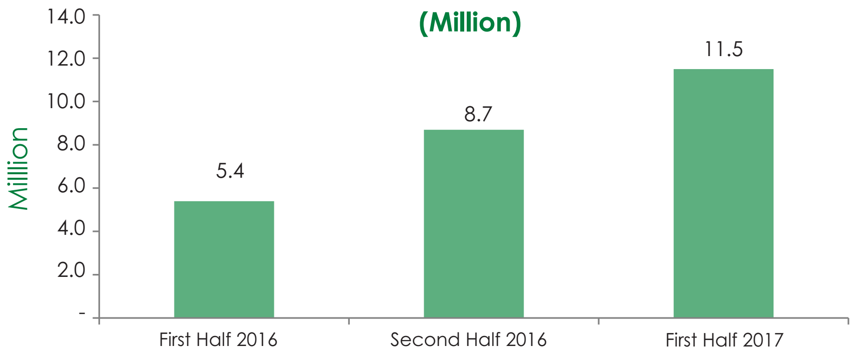


Source: CBN

2.3.2.2.2 Web Transactions

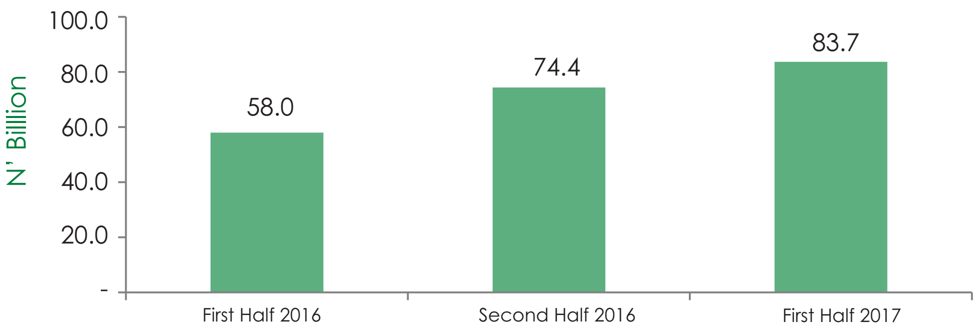
The volume and value of internet transactions increased by 113.0 and 44.3 per cent, to 11.5 million and ₦83.7 billion, respectively, in the first half of 2017 above 5.4 million and N58.0 billion in the corresponding period of 2016. The rise was due largely to increased awareness and acceptance of internet payment.

Figure 9
Volume of Web Transactions
(Million)



Source: CBN

Figure 10
Value of Web Transactions
(N'Billion)

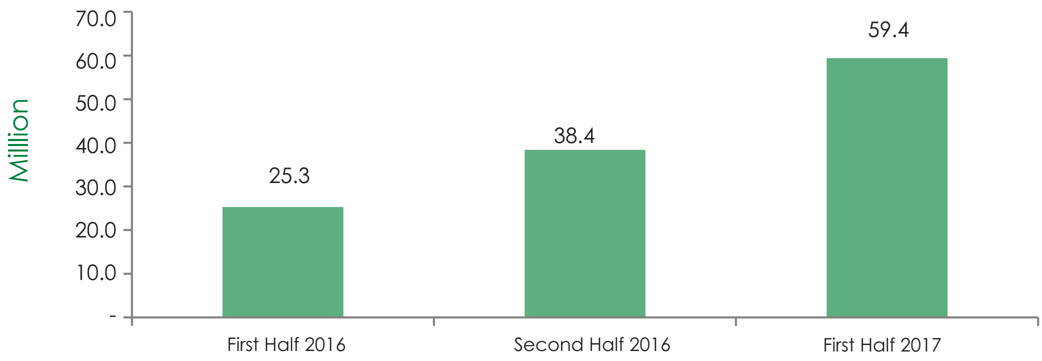


Source: CBN

2.3.2.2.3 Point of Sale (PoS) Transactions

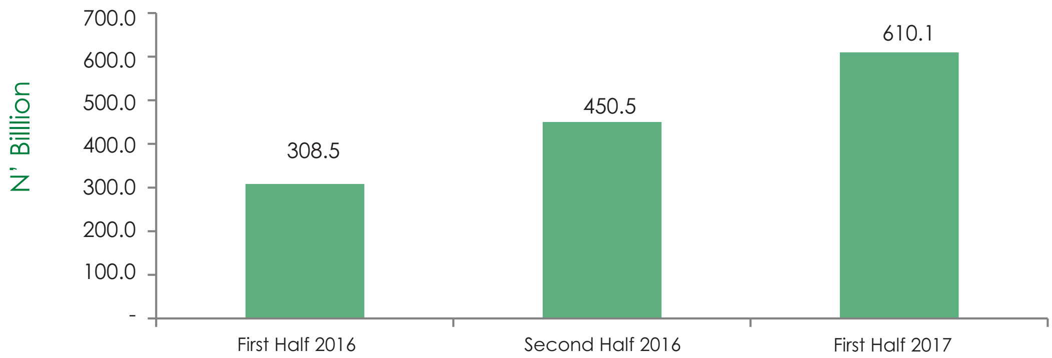
The number of PoS terminals in operation increased by 3.4 per cent to 125,608 at end-June 2017 above 121,488 in the corresponding period of 2016. The PoS transactions increased significantly both in volume and value by 134.8 and 97.8 per cent to 59.4 million and ₦610.1 billion respectively, above 25.3 million and ₦308.5 billion in the corresponding period of 2016. The rise in PoS transactions in both volume and value was due to increased public confidence and acceptance of the terminal.

Figure 11
Volume of PoS Transactions
(Million)



Source: CBN

Figure 12
Value of PoS Transactions
(N'Billion)

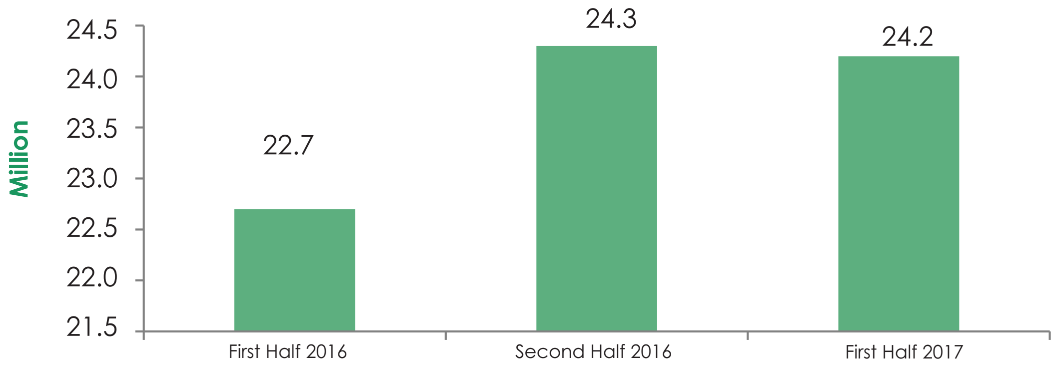


Source: CBN

2.3.2.2.4 Mobile Payments

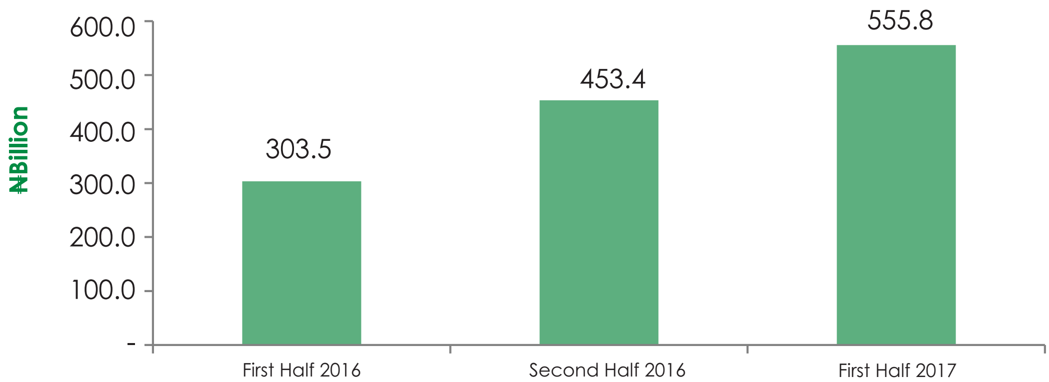
The volume and value of mobile payments increased by 6.6 and 83.1 per cent to 24.2 million and ₦555.8 billion, respectively, in the first half of 2017 above 22.7 million and N303.5 billion, in the corresponding period of 2016. The rise was due to continued acceptance of mobile payments as an alternative and conveniant mode of payment.

Figure 13
Volume of Mobile Transactions
(Million)



Source: CBN

Figure 14
Value of Mobile Transactions
(N' Billion)



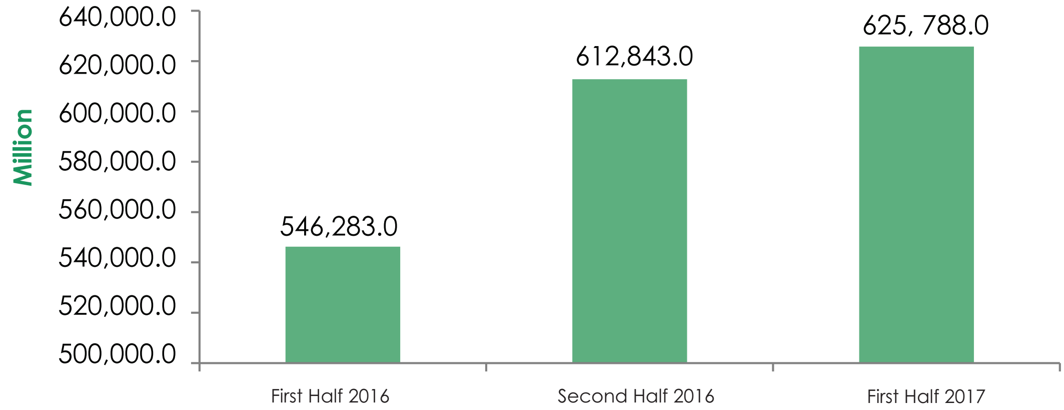
Source: CBN

2.3.3 Wholesale Payments System

2.3.3.1 Real Time Gross Settlement (RTGS) System

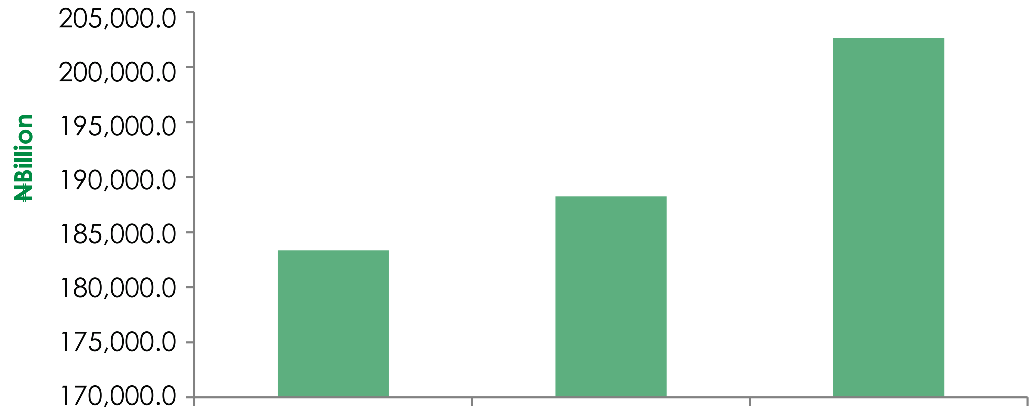
The volume and value of inter-bank transfers through the RTGS System (CBN Inter-bank Funds Transfer System - CIFTS) increased by 14.6 per cent and 10.5 per cent to 625,788 and ₦202,664.0 billion respectively, in the first half of 2017. This was above the 546,283 and ₦183,365.0 billion recorded in 2016. The increase was attributed to the bulk upload of government payments through the System.

Figure 15
Volume of RTGS Transactions
(Million)



Source: CBN

Figure 16
Value of RTGS Transactions
(N' Billion)

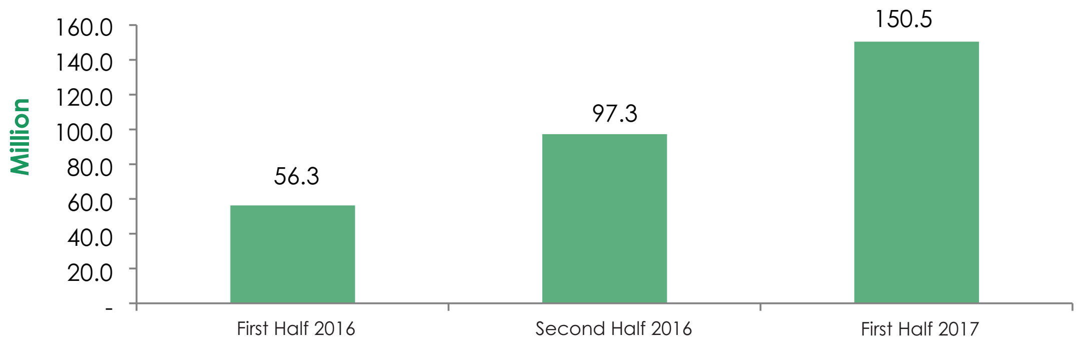


Source: CBN

2.3.3.2 Nigeria Inter-bank Settlement System Instant Payment (NIP)

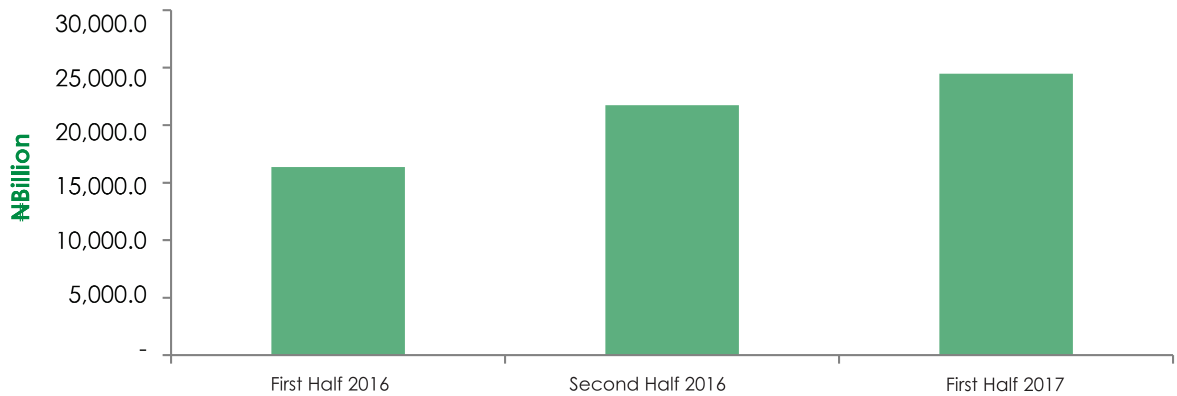
The volume and value of the NIBSS Instant Payment transactions increased significantly by 167.3 and 49.7 per cent to 150.5 million and ₦24,491.2 billion respectively, in the first half of 2017 above the 56.3 million and ₦16,365.0 billion in the corresponding period of 2016. The increase was attributed to users' preference for its quick transfer capacity.

Figure 17
Volume of NIP Transactions
(Million)



Source: CBN

Figure 18
Value of NIP Transactions
(N'Billion)

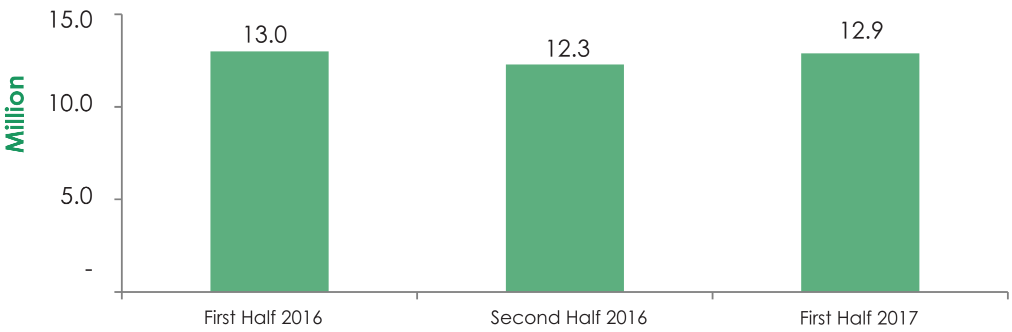


Source: CBN

2.3.3.3 Nigeria Interbank Settlement System Electronic Fund Transfer (NEFT)

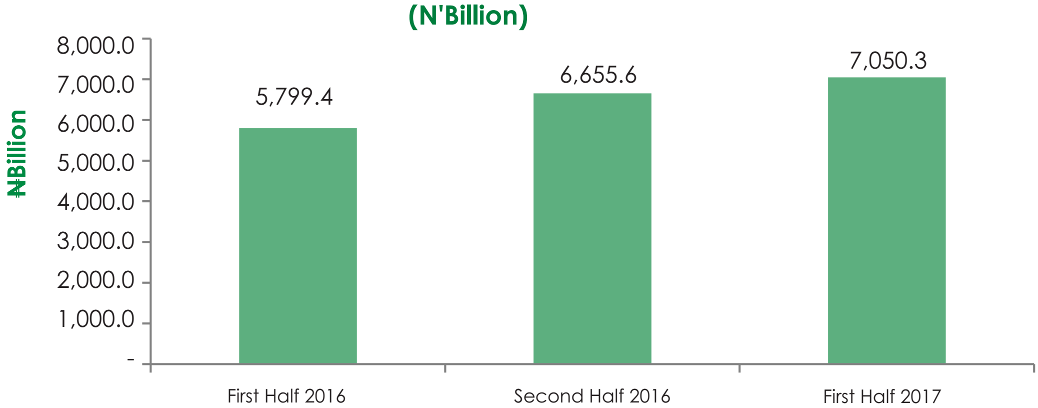
During the review period the volume of NEFT transactions decreased slightly by 0.7 per cent to 12.9 million from 13.0 million in the first half of 2016. The value, however, increased by 21.6 per cent to ₦7,050.3 billion from ₦5,799.4 billion.

Figure 19
Volume of NEFT Transactions
(Million)



Source: CBN

Figure 20
Value of NEFT Transactions
(N'Billion)



Source: CBN

2.3.4 CURRENCY OPERATIONS

2.3.4.1 Issuance of the Legal Tender

The Bank approved an indent of 2,674.49 million, an increase of 28.6 per cent or 595.46 million above the 2,079.03 million pieces of banknotes ordered in the preceding year to meet the currency needs of the economy in 2017. The Nigerian Security Printing and Minting (NSPM) Plc was awarded the entire indent order. The NSPM Plc delivered 987.17 million pieces or 36.9 per cent of the total, compared with 715.54 million pieces or 34.4 per cent in the corresponding period of 2016. Also, 34.40 million pieces of the ₦100 centenary commemorative banknotes were delivered in the period, out of the total of one billion awarded to Crane Currency, Sweden in 2014. This brought total delivery of the centenary commemorative banknotes to 934.09 million pieces or 93.4 per cent, leaving a balance of 65.91 million pieces or 6.6 per cent.

In line with the clean notes policy, the Bank continued the processing of banknotes into fit for re-circulation and unfit/soiled notes for disposal. Consequently, the Bank produced a draft manual on Banknote Fitness Standards to assist the public and currency stakeholders identify banknotes fit for re-circulation and those to be withdrawn from circulation. A total of 1,548.27 million pieces valued at ₦798.86 billion were processed and re-injected into circulation, while 1,382.85 million pieces of unfit banknotes were withdrawn through banknotes accelerated processing activities. The thrust of the accelerated processing was to reduce banks' deposit processing cycle time to six months from the hitherto two to five years cycle. Similarly, the Bank withdrew a total of 32,176 pieces of counterfeit banknotes from circulation during the review period. To maintain a sustainable disposal of banknote waste, the Bank solicited proposals from eligible companies to facilitate a recycling arrangement that would convert polymer banknote waste into plastic products for industrial and household use. In the review period, the Bank intensified effort at improving cash management in Nigeria, by organising a stakeholders' retreat from April 27-28, 2017 in Lagos. The retreat ratified the draft clean note policy, banknote fitness standard and adopted a tiered pricing model for depositing unprocessed lower denomination banknotes. The model would prevent the re-circulation of dirty banknotes and incentivise the banks to deposit the lower denomination banknotes in their vaults. In addition, the Bank sustained public awareness campaigns on the proper handling of banknotes, identification of basic security features to deter counterfeiting, inherent dangers of the illegal sale of new banknotes and usage of coins in the economy.

To strengthen the implementation of the Nigeria Cash Holding Scheme (NCHS), the Bank, in collaboration with NIBSS, and other stakeholders, deployed the cash activity reporting portal (CARP). The CARP is expected to facilitate regular cash management data update within the banking industry and would go live on July 5, 2017. It would serve as an interim arrangement, utilising NIBBS capacity, pending the deployment of an Integrated Cash Management Platform (ICMP) that would provide online data services.

2.3.4.2 Currency-in-Circulation (CIC)

Currency-in-circulation at end-June 2017 stood at ₦1,873.54 billion, representing an increase of 11.2 per cent over the corresponding period of 2016. There were 6,176.26

million pieces of banknotes and 1,304.34 million pieces of coins valued at ₦1,872.24 billion and ₦1.12 billion, respectively, in circulation at end-June 2017. Thus, total currency in circulation declined in value by 6.1 per cent, while the volume increased by 11.2 per cent over the level in the corresponding period of 2016.

In terms of composition, the combined number of ₦5, ₦10, ₦20 and ₦50 banknotes as share of total currency in circulation in the first half of 2017 increased to 37.1 per cent, compared with 34.3 per cent in the first half of 2016. The value, however, decreased to 2.7 per cent from 3.2 per cent in the corresponding period of 2016. At end-June 2017, the ₦1,000, ₦500, ₦200, ₦100, ₦50 and ₦5 banknotes in circulation rose by 13.7, 4.0, 34.6, 31.5, 11.0 and 15.8 per cent, respectively. The ₦20 and ₦10 denominations, however, fell by 4.4 and 3.0 per cent, respectively, below the levels in the first half of 2016. The ₦1,000 and ₦500 banknotes were dominant with shares of 59.8 and 28.3 per cent, respectively, in value terms in the first half of 2017.

Table 4
Structure of CIC

Table 2 :Currency Structure, 2013 - June 2016

	2013		2014		2015		2016		Jun-17	
Coins	**Volume (million)**	**Value (₦ billion)**	**Volume (million)**	**Value (₦ billion)**	**Volume (million)**	**Value (₦ billion)**	**Volume (million)**	**Value (₦ billion)**	**Volume (million)**	**Value (₦ billion)**
₦2	107.68	0.22	107.49	0.21	107.54	0.22	203.41	0.22	107.65	0.22
₦ 1	616.25	0.62	616.37	0.62	638.87	0.64	734.88	0.62	616.56	0.62
*50k	579.50	0.29	579.77	0.29	579.93	0.29	680.47	0.29	580.13	0.29
*25k	347.80	0.09	348.23	0.09	348.23	0.09	348.25	0.09	348.23	0.09
*10k	315.31	0.03	315.55	0.03	296.04	0.03	315.65	0.03	315.56	0.03
*1k	16.70	0.0002	31.24	0.00	31.24	0.00	31.37	0.0003	31.24	0.0003
Sub Total	**1,983.24**	**1.25**	**1,998.65**	**1.24**	**2,001.85**	**1.26**	**2,314.03**	**1.25**	**1,304.34**	**1.12**
Notes										
₦1000	954.72	954.72	1,055.14	1,055.14	951.51	951.51	985.13	985.13	1,119.84	1,119.84
₦500	599.75	599.88	617.86	308.93	894.52	447.26	1,018.04	511.03	1,058.29	529.15
₦200	449.90	89.98	229.86	45.97	367.46	73.49	372.32	76.47	501.11	100.22
₦100	286.20	28.62	300.12	30.01	388.25	38.83	546.88	56.70	718.89	71.89
₦50	433.07	21.65	516.55	25.83	304.66	15.23	358.30	19.92	397.88	19.89
₦20	1,125.14	22.50	1,065.56	21.31	1,169.85	23.40	1,109.93	24.21	1,061.20	21.22
₦10	463.81	4.64	612.53	6.13	703.59	7.04	744.93	7.45	722.92	7.23
₦5	455.03	2.28	516.72	2.58	906.92	4.53	514.65	2.57	596.13	2.98
Sub-Total	**4,767.62**	**1,724.27**	**4,914.34**	**1,495.90**	**5,686.76**	**1,561.29**	**5,650.18**	**1,683.48**	**6,176.26**	**1,872.42**
Total	**6,750.86**	**1,725.52**	**6,912.99**	**1,497.14**	**7,688.61**	**1,562.55**	**7,964.21**	**1,684.73**	**7,480.60**	**1,873.54**

***** Note: 1k, 10k, 25k and 50k that were minted in 1991 have been de-monetized by the Management of the Bank

Source: Planning & Logistics Office

2.4 Financial Sector Surveillance

2.4.1 Banking Supervision

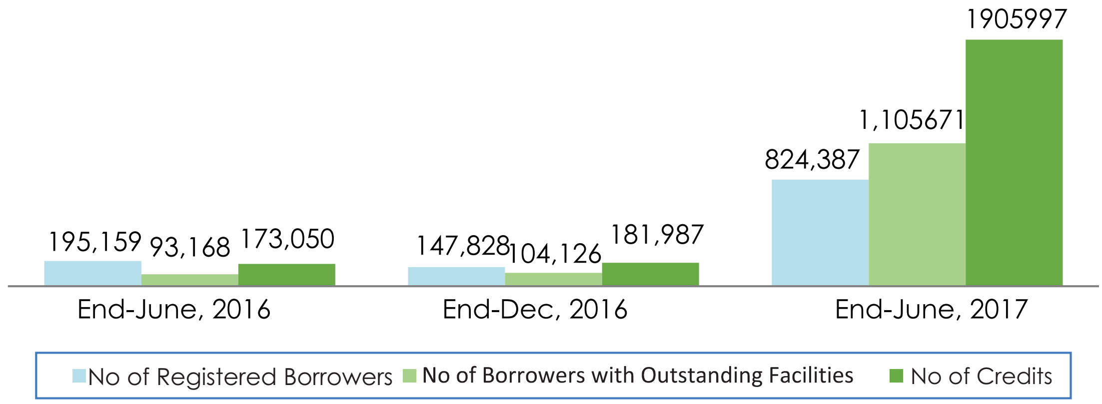
The Bank continued its supervision and surveillance of the banking system in the first half of 2017 to sustain the safety and soundness of financial institutions and ensure a stable financial system. The activities included regular off-site review of banks' returns and periodic on-site examination (routine monitoring and special investigations) of the level of compliance with the provisions of extant laws, regulations and guidelines.

The Bank also deployed the redesigned Credit Risk Management System (CRMS) for commercial, merchant and non-interest banks and issued revised regulatory guidelines for the system in the review period. The redesigned system eliminates most of the manual processes, expands the capacity to capture details of all loans (regardless of amount) and improves overall efficiency of the process towards ensuring financial system stability. The CRMS remained a valuable platform for the management of credit information in the banking industry.

At end-June 2017, the number of registered borrowers in the CRMS database was 824,387, compared with 195,159 in the corresponding period of 2016. The significant rise was due to increased enforcement and the capture of all loans, regardless of amount, as against only loans of ₦1.0 million and above. There were 755,076 individuals and 69,311 corporate borrowers at end-June 2017.

Similarly, the number of borrowers with outstanding facilities rose significantly to 1,105,671 at end-June 2017, compared with 104,126 and 93,168 at end-December 2016 and end-June 2016, respectively. Following the issuance of stricter guidelines, improved compliance by banks and the capture of historical data on hitherto unreported credit, the total number of credit facilities on the database rose to 1,905,997, compared with 181,987 at end-December 2016 and 173,050 at end-June 2016, respectively. The number comprised 1,513,452 individual and 392,545 corporate borrowers.

Figure 21
Credit Risk Management System (CRMS) Statistics
(End-June 2017)



Source: CBN

The three (3) existing private credit bureaux (PCB) continued to complement the CRMS in credit administration and risk management process in the industry. Following stricter enforcement, increased surveillance, awareness campaign on credit bureaux and collateral registry as well as adoption of the unique identifier, there was sustained improvement in the operations of the bureaux during the first half of 2017.

2.4.2 Routine/Target Examination

The CBN/NDIC Joint Risk based assessment of banks was conducted in February, 2017 to ascertain the quality of risk assets and adequacy of loan loss provisioning required for the approval of publication of their 2016 annual financial statements. Report of the exercise was being finalised. Similarly, pre-examination preparations for the first stage of the annual CBN/NDIC Joint Risk-Based Examination of fourteen (14) banks and the three (3) financial holding companies, as at 30 June, 2017, was concluded in the first half of 2017. The risk-based examinations of the banks were scheduled to commence at the beginning of the second half of 2017, while that of the remaining nine (9) banks, was scheduled to commence in October 2017, for the period ended September 30, 2017.
The Bank conducted routine examination of the three (3) private credit bureaux in the first half of 2017. Similarly, the target examination of the Asset Management Corporation of Nigeria (AMCON) was conducted in the review period. Also, the Bank, in collaboration with the host supervisors, conducted the routine examination of two (2) Nigerian banks' foreign subsidiaries. The reports of these examinations were being finalised.

[1] *Figures include borrower(s) with multiple loans and/or credit lines.*

Following the successful completion of the special training code-named "iSight Project", for on-site Examiners, the Bank intensified preparation towards the deployment of the Electronic Line cards software. The software would provide the platform for accurate evaluation of banks' credit, digital repository of banks' credit performance records and fast-tracking the process of on-site appraisal of banks' risk assets. The software would be test-run during the RBS examination at the beginning of the second half of 2017.

2.4.3 Special/Foreign Exchange Examinations

The first of the bi-annual review of the foreign exchange activities of 25 banks (21 commercial banks and 4 merchant banks) was conducted in April 2017 to ascertain the level of compliance with extant foreign exchange laws and regulations. The review covered foreign exchange operations for the period, October 1, 2016 to March 31, 2017. Major infractions observed were: non-compliance with regulations such as the concessionary rates specifically provided for utilisation of funds sourced from the CBN Secondary Market Intervention Sales (SMIS) foreign exchange window; and non-issuance of certificate of capital importation (CCI) to beneficiaries within the allowable time of 24 hours post receipt of funds. Others included non-repatriation of export proceeds within the regulated time frame; incorrect rendition of returns to the CBN; non-compliance with approved Net Foreign Currency Trading Limit Positions; and lapses in foreign trade documentation. The reports of the examinations were being finalised for appropriate actions in line with the extant laws and regulations. The Bank also conducted several ad-hoc investigations in the review period. The reports of the exercises were provided as input to the policy development process.

2.4.4 Banking Sector Soundness

At end-June 2017, the industry average capital adequacy ratio (CAR) was 11.5 per cent, compared with 14.8 per cent and 14.7 per cent at end-December 2016 and end-June 2016, respectively. The decline in the ratio was due, mainly, to the reduction in banks' total qualifying capital arising from the absorption of impairment on non-performing loans and the increase in risk weighted assets following the depreciation of the naira. The industry threshold, however, remained at 15.0 per cent for banks with international authorisation and 10.0 per cent for banks with either national or regional authorisation.

Asset quality of the banking industry, measured by the ratio of non-performing loans to total loans - NPL ratio - deteriorated further to 15.0 per cent at end-June 2017, compared with 12.8 per cent and 10.7 per cent at end-December 2016 and end-June 2016, respectively. It remained significantly above the regulatory threshold of 5.0 per cent. The increase in the NPL ratio reflected further deterioration in asset quality on account of the adverse macroeconomic conditions – and the poor performance of three outlier banks.

To address this, banks were required to intensify efforts at debt recovery, realisation of collateral for lost facilities and strengthening of risk management processes. Loan loss provision was 80.4 per cent at end-June 2017, as against 66.0 per cent in the corresponding period of 2016.

The industry liquidity ratio increased from 42.6 per cent at end-June 2016 to 45.8 per cent at the end of the first half of 2017. The rise reflected the increase in the stock of liquid assets held by banks. With the exception of three (3) commercial banks, all other banks met the minimum regulatory liquidity ratios of: 30.0 per cent for commercial banks; 20.0 per cent for merchant banks; and 10.0 per cent for non-interest banks at end-June 2017.

2.4.5 Compliance with the Code of Corporate Governance for Banks

As part of the initiatives to further entrench good corporate governance practices in the banking industry, the CBN developed a Corporate Governance Scorecard, to monitor implementation of the Code by banks. The scorecard assesses the extent of banks' compliance with the extant Code in respect of board and management activities, disclosure and transparency, treatment of shareholders and stakeholders, risk management, ethics and professionalism. The different aspects of the scorecard were assigned weights based on perceived importance.

The scorecard seeks to achieve the following objectives:

- Provide uniform basis for assessment of the status of implementation of the code of corporate governance principles at individual bank and industry level;
- Facilitate determination of improvement needs and encourage banks to achieve higher standards;
- Encourage banks to develop internal corporate governance compliance assessment systems to engender a process of continual improvement towards the enhancement of their corporate governance reporting to stakeholders;
- Enhance the efficiency and sustainability of good governance practices in the banking industry;
- Facilitate comparisons among the banks in the industry; and
- Aid banks identify shortcomings in the implementation process and serve as a catalyst to initiate remedial plans.

Following the launch of the scorecard in March 2017, a pilot run was conducted on 10 banks for all the categories of licences. The key findings were:

- General absence of a unit or department for the implementation of banks' approved strategy document. In addition, three (3) banks did not have an approved strategy document, while some of the available ones were not robust and comprehensive; and

- All the banks complied with the requirements of the code on “size of the board”, “separation of duties” and “disclosure and transparency”, while 13 banks complied with the requirements on “ethics and professionalism” and “rights of other stakeholders”.

Overall, two banks failed to comply with the requirements of the Code on: composition of the board; board meetings; holding company and subsidiary cross directorship; succession planning; remuneration policy; limits of authority; and risk management.

The CBN also conducted examination of sixteen (16) banks using the Scorecard to ascertain the level of compliance with good governance practices, while the remaining banks would be examined in the second half of the year. The exercise was expected to enhance the supervisory mechanisms and form the basis for further policy formulation in the banking industry.

2.4.6 Financial Crimes Surveillance/Anti- Money Laundering/Combating the Financing of Terrorism (AML/CFT)

The Bank conducted an AML/CFT compliance examination of twenty-five (25) reporting banks. The examination, which covered the period May 1, 2016 to March 31, 2017, was conducted at the Head offices of the banks. In addition, spot checks were carried out on two selected Lagos branches of the banks. The examination was guided by the statutory provisions of the Money Laundering Prohibition Act, 2011 (as amended), the CBN's AML/CFT Regulations 2013 and recommendations of the Financial Action Task Force (FATF). The exercise revealed a number of shortcomings in the following areas:

- Customer Due Diligence (CDD): copies of identification documents such as International passports and national identification cards were not in some customer's files, while enhanced due diligence (EDD) was either not conducted or inadequately conducted on high risk customers;
- AML/CFT Reporting software: Collation and reporting of foreign currency transactions, currency transactions reports and suspicious transaction reports were not fully automated in some banks. Similarly, the AML/CFT software in some banks had not been subjected to independent testing to determine their efficacy, thereby exacerbating the risk of under reporting;
- Verification of Customers' Identities: Apart from the inability to validate the identities through the National Identity Management Commission and Nigeria Customs Service portals, the banks complained of the mandatory levy imposed by the agencies. It was, however, expected that the platform being developed by the CBN and NIBBS in collaboration with other agencies would address the complaints;

- AML/CFT Manuals/Programmes: The AML/CFT Manuals/programmes in some banks did not highlight policies to address specific issues such as Shell banks and evaluation of new technologies for AML/CFT risks, among others;
- Audit of the AML/CFT Function: There were instances of inadequate internal control oversight over the compliance function as recommended by FATF and required by the CBN AML/CFT Regulations; and
- Training: AML/CFT knowledge gap existed in many banks. In addition, some banks were unable to provide satisfactory evidence of undertaking the required training.

Overall, there was general improvement in the AML/CFT regime of many banks as reflected in the general reduction in the level of infractions.

In the review period, the Bank reached an advanced stage in the development and deployment of the AML/CFT Data Rendition, Analysis and Processing Software-(ADRAPS). The software will facilitate accurate collation, analysis and storage of data through the automation of banks' AML/CFT returns collation and analysis. It will also provide a platform for effective off-site surveillance and easy access to data for decision making purposes.

Following the release of the circular on “Need to Implement Measures to Dissuade the Issuance of Dud Cheques in the Nigerian Banking System”, banks commenced the rendition of returns on dud cheques on the CRMS platform in the first half of 2017. The process was expected to facilitate the collation and analysis of data on serial issuers of dud cheques and enable the banks take steps to curb the practice.

2.4.7 Financial Literacy and Consumer Protection

Subsequent to the deployment of the Consumer Complaints Management System (CCMS), the Bank continued to facilitate and promote increased user adoption among internal customers and banks. It also intensified effort to address the initial challenges of implementation.

The Bank received 1,141 complaints from consumers of financial services in the first half of 2017, compared with 1,473 complaints received in the corresponding period of 2016. The complaints were in respect of excess/unauthorised charges, frauds, account management, funds transfers, ATM dispense errors and dishonored guarantees. A total of 1,270 complaints including those outstanding from 2016, were resolved or closed in the period, compared with 1,157 complaints resolved in the corresponding period of 2016.

Total claims in the review period n local and foreign currencies amounted to ₦14.72 billion, US$2.42 million and €6,940.00, compared with ₦6.75 billion, US$81,023.00 and €19,414.62 in the corresponding period of 2016. The sum of ₦7.21 billion, US$2.40 million and €6,940.00 were refunded by financial institutions to their customers as against the sum of ₦4.63 billion, US$80,415.46 and €19,263.62, refunded in the corresponding period of 2016. In addition, the Bank held twelve (12) mediation meetings in the review period to facilitate the resolution of customer complaints, while seven (7) banks were penalised for various infractions.

Compliance Examination was conducted on 19 banks in April 2017 to ascertain their level of compliance with selected provisions of the Revised Guide to Bank Charges (RGBC) and the consumer protection regulations. The exercise revealed the following levels of compliance in the areas examined: maximum fees applied on facilities (50.0%); insurance charges applied on facilities (66.67%); management of dormant accounts (55.6%); and compliance with directives issued after the last examination & other directives (52.63%). Areas with dismal compliance levels included, alignment of internal policies with the consumer protection framework which recorded 0.0 per cent and outstanding complaints with 26.2 per cent compliance level. Accordingly, the Bank directed non-compliant banks to implement specific remedial actions, including refunds to customers where applicable.

As part of the steps to facilitate the implementation of the consumer protection framework, the Bank exposed the draft guidelines on two principles of the Framework to stakeholders for comments. The guidelines were in respect of the principles of "Fair Treatment of Consumers" and "Disclosure & Transparency".

In continuation of financial literacy activities, the Bank conducted a train-the-trainer programme, under the NYSC Peer Educator Training Initiatives, at the CBN International Training Institute (ITI), Maitama, Abuja from February 13 - 17, 2017. The objective of the programme was to acquaint participants with the knowledge of various financial literacy concepts and equip them with the skills to transfer the knowledge to the general public. Participants at the training included representatives from the Federal Ministry of Youth & Sports Development, Nigeria Deposit Insurance Corporation (NDIC), Association of non-Bank Micro Finance Institutions of Nigeria (ANMFIN) and the National Pension Commission (PENCOM).

The pilot phase of the National Youth Service Corps (NYSC) Peer Educator Programme was held in conjunction with the Federal Ministry of Youth and Sports Development and other stakeholders. The Programme was held at the NYSC orientation camps in twelve (12) states, namely: Sokoto, Kano, Taraba, Gombe, Plateau, Kwara, Lagos, Oyo, Abia, Anambra, Edo and Rivers States from May 29 to June 2, 2017. Thirty-five (35) volunteer corps members and five (5) NYSC staff were trained. The corp members were expected to share the knowledge acquired with their peers and other members of the general public in their places of primary assignments, while the NYSC staff would serve as coordinators.

Similarly, the CBN conducted the second pilot run of the targeted financial literacy programme for Micro, Small and Medium Enterprises at the CBN Awka branch. Participants were drawn from the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN), development finance office of CBN Awka branch, non-governmental organisations (NGOs), women organisations, farmer groups and other stakeholders.

In collaboration with other stakeholders, the Bank celebrated the 2017 Global Money Week from March 27 to April 2, 2017. Activities to commemorate the event included Global Money Walk, Financial Literacy Fair/Exhibition and School Mentoring and Reach-out Programme. A total of 1,696 students across 11 schools were reached through the various activities to commemorate the 2017 Global Money Week. The CBN also collaborated with the Bankers' Committee to implement the school mentoring programme in 36 states. Various school mentoring initiatives were organised for 85,233 students in 626 schools nationwide. In addition, the CBN, in conjunction with the Nigeria Educational Research and Development Council (NERDC), developed a draft Teachers' Guide for teaching financial education in basic and senior secondary schools.

2.4.8 Fraud and Forgeries

There were 16,762 reported cases of fraud and forgeries (attempted and successful), involving ₦5.52 billion and US$ 0.124 million, compared with 9,164 cases involving ₦4.36 billion in the corresponding period of 2016. This indicated respective increase of 82.9 and 19.3 per cent above the number and value of cases (attempted and successful) in the first half of 2016. The actual loss by banks, however, decreased by 43.5 per cent to ₦0.78 billion and US$0.03 million, below the ₦1.38 billion incurred in the first half of 2016. The marked decline in the actual losses to the banking industry indicated the effect of stronger internal control measures adopted by the banks, improved use of technology and more thorough approach in hiring employees for sensitive areas of operation.

Similar to the preceding half-year, fraud and forgeries reported in the review period were perpetrated, mainly, by outsiders (non-bank staff), although there were instances involving banks' employees. The fraud cases included pilfering of cash, suppression and conversion of customer's deposits, stealing, illegal funds transfer, defalcation and fraudulent ATM withdrawals.

2.4.9 Cross-Border Activities

Following the approval for UBA Plc., to open a subsidiary in Mali, the number of approved foreign subsidiaries of Nigerian banks increased to sixty-one (61) in the first half of 2017, from sixty (60) in the corresponding half year of 2016. There were, however, eight (8) representative offices of Nigerian banks, as against ten (10) at end-June 2016, due to closure of two (2) offices.

In collaboration with the Association of African Central Banks (AACB), the Community of African Bank Supervisors (CABS) and the technical and financial support of Making Finance Work for Africa (MFW4A), and the CBN, organised a seminar on Crisis Management and Bank Resolution from January 16 - 20, 2017, at the International Training Institute (ITI), Maitama, Abuja. The Seminar, which was attended by participants from 22 African countries, focused on issues in the management of crisis arising from systemically important financial institutions and identified different approaches to resolution without disrupting the broader financial system.

In addition, the CBN participated at the 12th BCBS-FSI High Level Meeting for Africa, held in Cape Town, South Africa from January 26 - 27, 2017. The meeting focused on "Strengthening Financial Sector Supervision and Current Regulatory Priorities." Similarly, the 24th Meeting of the College of Supervisors for the West African Monetary Zone (CSWAMZ) was held in February 2017 in Liberia, while the 25th Meeting was held in May 2017 in Ghana. The College deliberated on issues requiring supervisory cooperation in the Zone.

Furthermore, in the review period, the CBN was appointed the Chairman of the Committee of African Bank Supervisors (CABS) Working Group on Crisis Management and Banking Resolution. The CABS is the arm of the Association of African Central Banks (AACB) for strengthening bank regulation and supervisory framework in Africa. The objective of the Working Group is to produce a framework for Crisis Management and Banking Resolution for adoption by member countries of the AACB.

2.4.10 Update on the Implementation of the Systemic Support Partnership and Oliver Wyman (SPP&OW) Report

The Bank, in collaboration with the nine project workstreams and Quality Assurance Team (QAT) for the Programme, had completed the development of a Financial System Stability Framework. The work streams developed a draft overarching framework and stand-alone frameworks on the three component policy areas of microprudential supervision policy, macroprudential policy and analytical capabilities, and crisis management and resolution. The supporting frameworks were also developed on data gathering and storage capabilities, IT infrastructure, stakeholder engagement and human capital development. The Framework covers major areas of microprudential supervision policy, macroprudential policy and analytical capabilities, and crisis management and resolution. To provide legal backing and facilitate operationalisation of the programme, a draft bill and overarching memorandum of understanding (MoU), legal/legislative advocacy plan and implementation roadmap for the establishment of the proposed Nigeria Financial System Stability Council were also developed. The frameworks had been scheduled for review and approval by the Programme Steering Committee (PSC), made up of the CEOs of member agencies of the Financial Services Regulation Coordinating Committee.

2.4.11 Examination of Other Financial Institutions

The Bank conducted on-site examinations of 282 Other Financial Institutions (OFIs) in the first half of 2017. The exercise involved routine risk-based examination and review of the institutions' compliance with extant AML/CFT guidelines. Routine risk-based examination of the five (5) reporting development finance institutions (DFIs) was conducted in the review period. The examination reports revealed that the Composite Risk Rating of four (4) institutions was High and one (1) "Moderate". Earnings of one (1) institution was rated "acceptable", one (1) "needs improvement" and three (3) "weak", arising, mainly, from significant deterioration in asset quality and high provisions for loan losses. The Development Bank of Nigeria (DBN) was not examined because it was yet to commence operations.

Similarly, risk-based examination of 226 microfinance banks (MFBs) was conducted in the first half of 2017. The prudential analyses of the reports were being finalised for appropriate regulatory interventions. In addition, risk-based examination of 51 finance companies (FCs) was conducted in the review period. The exercise excluded 21 FCs awaiting CBN Board's final approval for revocation of licence. The reports of the examinations were being finalised for Management approval.

2.5 Foreign Exchange Market and Management

In the first half of 2017, the CBN sustained its intervention in the foreign exchange market to dampen demand pressure and stabilise the naira exchange rate. The Bank, on February 20, 2017, introduced a weekly sale of foreign exchange for personal travel allowance (PTA), business travel allowance (BTA), school fees and medicals to end-users at ₦375.00/1US$ through banks. On April 21, 2017, the Bank established a special window to cater for the foreign exchange needs of investors and exporters. Other measures adopted included the admittance of more BDCs for foreign exchange sales and increase in the amount of weekly sales to the bureaux. These initiative boosted liquidity in the foreign exchange market, eased demand pressure, and narrowed the premium between the interbank and BDC rates from 61.6 per cent at end-January 2017 to 19.8 per cent at end-June 2017.

Also, on April 18, 2017, the CBN introduced Form 'Q' through which SMEs could purchase US$20,000 per quarter with the objective of improving access to foreign exchange to import eligible finished and semi-finished goods for production. In a bid to reassure the market of continued availability of foreign exchange, the sale of short tenored forwards of 7-45 day was upheld. The foreign exchange market was further liberalised on June 5, 2017 by allowing authorised dealers to sell their excess foreign currency trading limit positions without seeking prior approval from the CBN.

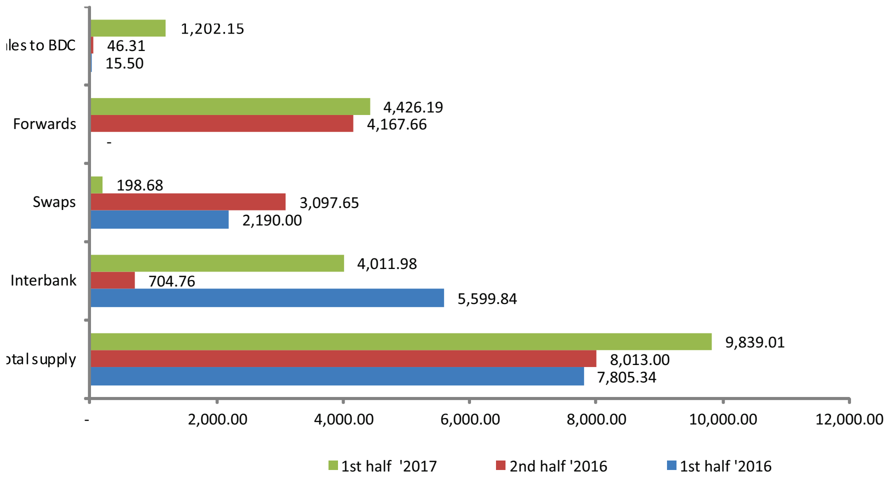
2.5.1 Spot Segment of the Foreign Exchange Market

The cumulative sales of foreign exchange by the Bank in the first half of 2017 was US$9.84 billion, increases of 22.8 and 26.1 per cent against the levels in the second and first halves of 2016. The aggregate foreign exchange supply to the inter-bank and BDC segments in the review were US$4.01 billion and US$1.20 billion as against US$5.60 billion and US$0.02 billion, respectively, in the first half of 2016. This indicated a decline of 28.4 per cent in total sales to the inter-bank but, a substantial increase to the BDC segment, compared with the levels in the corresponding period of 2016. The observed decline in the inter-bank sales was attributed to the Bank's policy to prioritise foreign exchange access to the preferred sectors.

2.5.2 Forwards and Swaps

Swaps undertaken in the review period were valued at US$0.20 billion, compared with US$3.10 billion and US$2.19 billion in the second and first halves of 2016, respectively. The significant reduction in the value of swaps reflected the increased confidence in the market. This accounted for 2.0 per cent of the total supply of foreign exchange. The value of cash-backed forward contracts disbursed at maturity was US$4.43 billion, and accounted for 45.0 per cent of the total, compared with US$4.17 billion in the preceding period.

Figure 22
Demand, Supply and Net Demand of Foreign Exchange (US$' Billion)



Source: CBN

2.5.3 Exchange Rate Movements

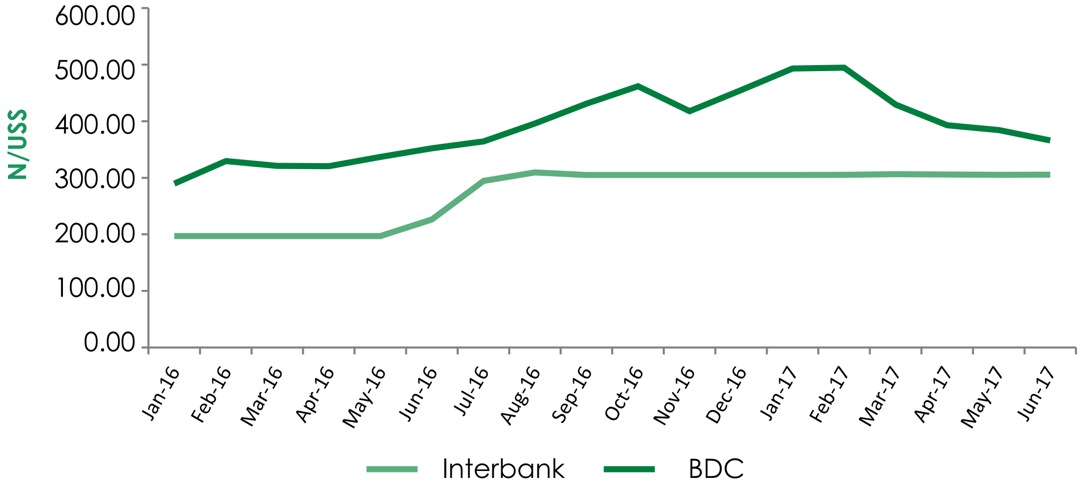
The exchange rate of the naira to the US dollar during the review period was stable both at the inter-bank and BDC segments of the foreign exchange market. The development was attributed to increased supply into the Market and the creation of the Investors' and Exporters' Foreign Exchange (I&E FX) window that reduced the market demand pressure by facilitating market-driven transactions and catered for the foreign exchange needs of investors and exporters.

2.5.3.1 Spot Exchange Rates

The average exchange rate of the naira to the US dollar at the inter-bank segment was ₦305.70/US$, representing a depreciation of 0.5 and 33.9 per cent relative to the levels in the second and first halves of 2016, respectively. At the BDC segment, the naira depreciated by 1.3 and 23.8 per cent, compared with the values in the preceding and the corresponding halves of 2016, respectively, to ₦426.85/US$. Consequently, the premium between the average interbank/BDC rates widened to 39.6 per cent in the first half of 2017 from 38.4 per cent in the second half of 2016.

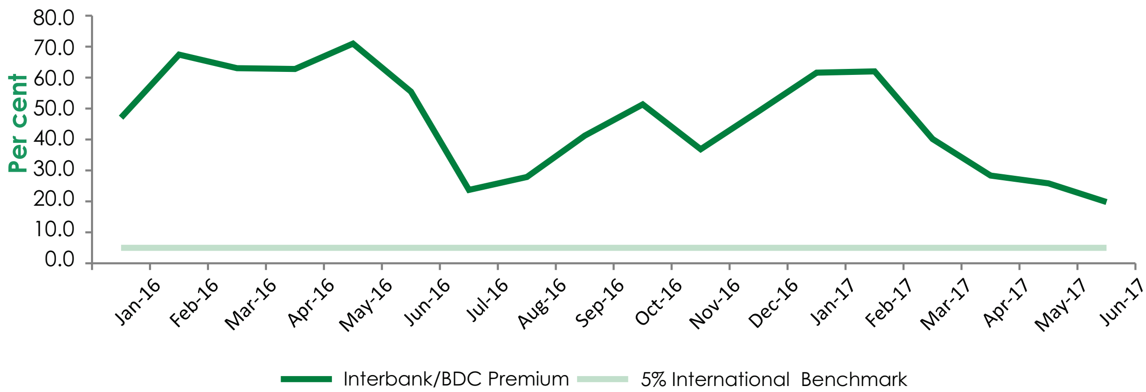
The end-period exchange rate of the naira to the US dollar at the inter-bank segment was N305.90/US$, against N305.00/US$ at end-December 2016 and ₦283.00/US$ at end-June 2016. At the BDC segment, the naira exchange rate was N366.00/US$, compared with N490.00/US$ at end-December 2016 and N348.00/US$ at end-June 2016, while the I&E exchange rate closed at N366.44/US$ at end-June 2017.

Figure 23
Exchange Rate Movements
(First Half 2015 – First Half 2017)
(N/US$)



Source: CBN

Figure 24
Interbank/Bureau-de-Change Foreign Exchange (N/US$) Premium
(Per cent)



Source: CBN

2.5.4 Foreign Exchange Flows

Aggregate foreign exchange inflow into the economy in the first half of 2017 was US$34.82 billion, indicating an increase of 3.7 and 20.0 per cent above the levels in the second and first halves of 2016, respectively. Of the total, inflow through autonomous sources at US$18.95 billion accounted for 54.4 per cent, while inflow through the CBN was US$15.87 billion and accounted for 45.6 per cent. Aggregate foreign exchange outflow from the economy rose by 1.5 and 16.7 per cent to US$13.88 billion above the levels in the second and first halves of 2016, respectively. Consequently, the net foreign exchange flow to the economy was US$20.94 billion, as against US$19.90 billion and US$17.12 billion, in the second and first halves of 2016, respectively.

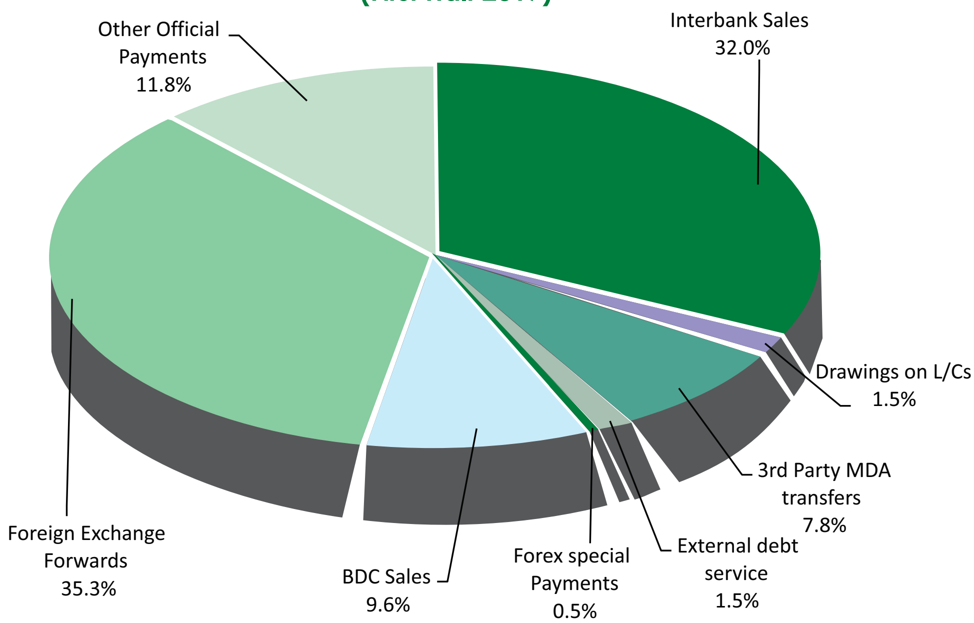
Foreign exchange inflow through autonomous sources at US$18.95 billion in the first half of 2017, showed a decline of 10.8 and 7.7 per cent, compared with US$21.24 billion and US$20.51 billion in the second and first halves of 2016, respectively. The decline was mainly due to the 87.6 per cent reduction in external account purchases from the level in the preceding period. A disaggregation of the inflow through autonomous sources showed that, invisible purchases accounted for US$17.00 billion; non-oil export receipts, US$1.91 billion; and external account purchases, US$0.03 billion. Of the invisible purchases, ordinary domiciliary accounts amounted to US$10.00 billion, and total over-the-counter (OTC) purchase was US$7.01 billion. A further breakdown of the OTC purchases revealed that "Others" amounted to US$2.90 billion, capital importation, US$2.82 billion; purchases by banks from oil companies, US$0.90 billion and home remittances, US$0.39 billion. Aggregate outflow through autonomous sources amounted to US$1.10 billion, driven largely by invisible import, which amounted to US$0.67billion, while visible import was US$0.32 billion. These accounted for 71.1 and 28.9 per cent, respectively, of total outflow through autonomous sources.

At US$15.87 billion, foreign exchange inflow through the CBN rose by 28.6 and 86.9 per cent, above their respective levels in the second and first halves of 2016. A disaggregation of foreign exchange inflow through the Bank, showed that crude oil receipts was US$4.30 billion, a decline of 22.8 and 1.9 per cent below the levels in the second and first halves of 2016, respectively. Non-oil receipts through the Bank rose by 70.9 and 181.4 per cent to US$11.57 billion above the levels in the preceding and the corresponding period of 2016, respectively. The development was attributed mainly to the significant increase of US$1.55 billion realised from other official receipts and US$1.06 billion from foreign exchange purchases. A further breakdown of non-oil inflow through the CBN indicated that interbank swaps was US$1.57 billion; TSA and third party receipts, US$1.50 billion; returned payments (Wired/Cash), US$0.75 billion; unutilised funds, US$0.64 billion; "Others" (unutilised IMTO receipts), US$0.31 billion; and interest on reserves and investments, US$0.14 billion.

Foreign exchange outflow through the CBN amounted to US$12.78 billion, indicating an increase of 2.8 and 18.8 per cent, above the levels in the second and first halves of 2016, respectively. This was due to the increased interventions in the interbank and BDC segments of the foreign exchange market. Of the total outflow through the Bank, interbank utilisation amounted to US$9.84 billion or 77.0 per cent. This comprised foreign exchange forwards, US$ 4.43 billion (45.0%); inter-bank sales at US$4.01 billion (40.8%); BDC sales, US$1.20 billion (12.2%); and swaps, US$0.20 billion (2.0%).

Outflow in respect of 'Other' official payments at US$1.47 billion declined by 44.9 and 13.5 per cent below the levels in the preceding and corresponding period of 2016. Of this, Joint Venture Cash (JVC) calls was US$0.86 billion; parastatals, US$0.58 billion; and estacode, US$0.007 billion. Outflow through 3rd party MDA transfers; external debt service, drawings on letters of credit (L/Cs), Bank and SDR charges; and national priority projects were US$0.98 billion, US$0.19 billion, US$0.18 billion, US$0.004 billion and US$0.001 billion, respectively.

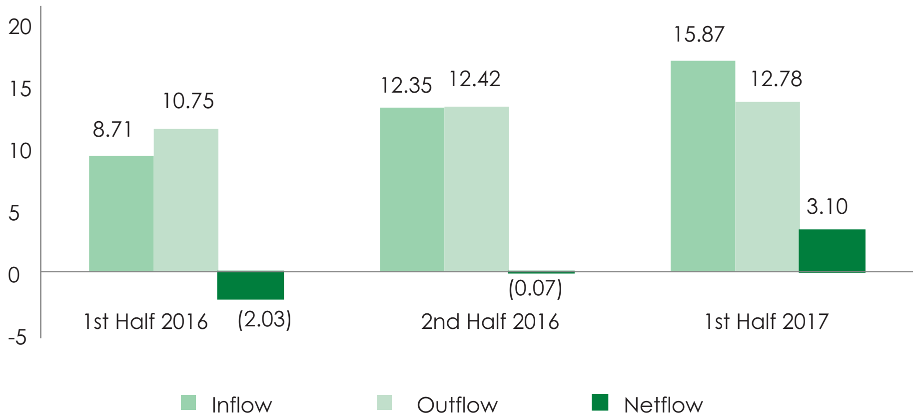
Figure 25
Foreign Exchange Disbursements through the CBN (First Half 2017)



Source: CBN

Overall, foreign exchange transactions through the Bank resulted in a net inflow of US$3.10 billion in the first half of 2017, compared with a net outflow of US$2.26 billion and US$0.09 billion, respectively in the first and second halves of 2016.

Figure 26
Foreign Exchange Transactions through the CBN
(First Half 2017, US$' Billion)



Source: CBN

2.5.5. Sectoral Utilisation of Foreign Exchange

Aggregate sectoral utilisation of foreign exchange in the first half of 2017 improved by 1.1 per cent to US$12.06 billion when compared with the level in the preceding period but declined by 8.0 per cent below the level in the corresponding period of 2016. A disaggregation of sectoral utilisation showed that, visible import contracted by 11.3 and 16.8 per cent to US$7.36 billion, relative to the levels in the preceding and corresponding halves of 2016, respectively. Foreign exchange utilised for invisible import increased by 29.3 and 10.3 per cent in the second and first halves of 2016.

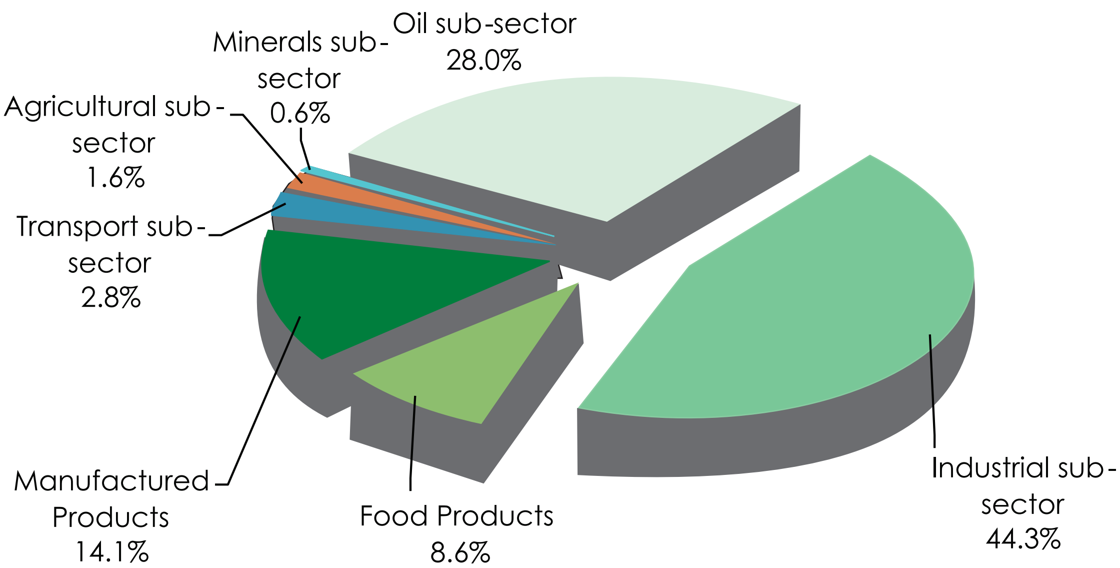
An analysis of foreign exchange utilisation for visible import showed that utilization by the industrial sector increased by 11.5 per cent and accounted for US$3.27 billion in the period under review. Food products, manufactured products, and transport sub-sectors accounted for US$0.64 billion, US$1.04 billion and US$0.20 billion, indicating a decline of 19.1, 17.2 and 25.7 per cent, respectively, compared with the levels in the second half of 2016. Similarly, foreign exchange utilised by the agricultural sector, minerals and oil sectors declined by 21.7, 14.1 and 27.8 per cent to US$0.12 billion, US$0.04 billion and US$2.06 billion, respectively, compared with the levels in the second half of 2016.

A breakdown of foreign exchange utilised for invisibles showed that business services, communications, educational, tourism and travel and financial services rose by 57.9, 217.1, 103.3, 494.6 and 15.5 per cent to US$0.56 billion, US$0.14 billion, US$0.24 billion, US$0.04 billion and US$3.12 billion, respectively, compared with the levels in the second half of 2016. Furthermore, foreign exchange expended on distribution services, health-related and social services as well as "other services" increased by 236.6, 93.2 and 900.9

per cent to US$0.005 billion, US$0.002 billion and US$0.32 billion, respectively, relative to the levels in the second half of 2016. Foreign exchange utilised for transport services, however, declined by 27.0 per cent to US$0.27 billion from US$0.38 billion in the corresponding period of 2016.

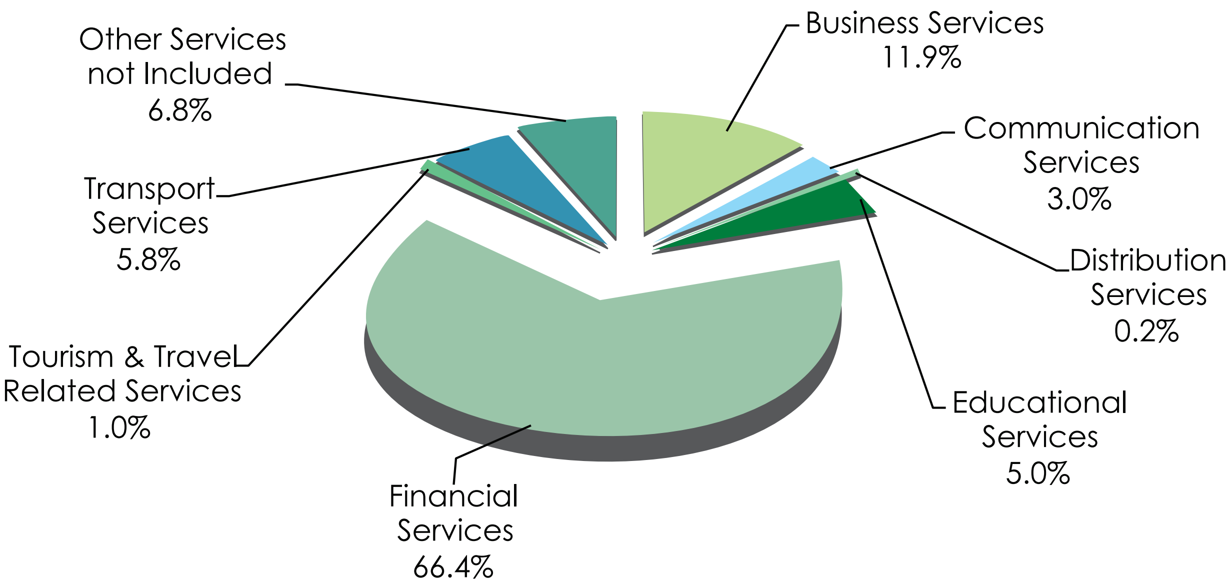
A breakdown of foreign exchange utilised for invisibles showed that business services, communications, educational, tourism and travel and financial services rose by 12.9, 196.7, 94.9, 490.5 and 4.0 per cent to US$0.40 billion, US$0.13 billion, US$0.23 billion, US$0.04 billion and US$2.91 billion, respectively, compared with the levels in the second half of 2016. Furthermore, foreign exchange expended on distribution services, health-related and social services as well as "other services" increased by 236.8, 79.9 and 858.5 per cent to US$0.005 billion, US$0.002 billion and US$0.31 billion, respectively, relative to the levels in the second half of 2016. Foreign exchange utilised for transport services, however, declined by 35.4 per cent to US$0.26 billion from US$0.40 billion in the corresponding period of 2016.

Figure 27
Sectoral Utilisation of Foreign Exchange (Visibles)
(First Half 2017)



Source: CBN

Figure 28
Sectoral Utilisation of Foreign Exchange (Invisibles)
(First Half 2017)

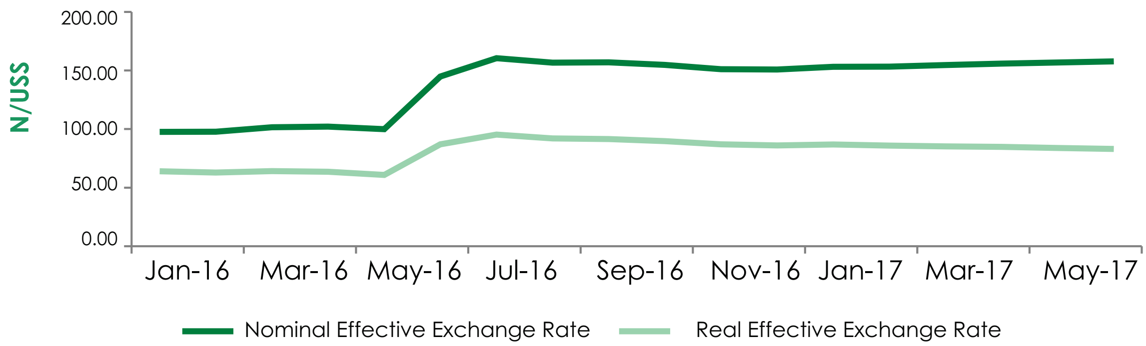


Source: CBN

2.5.6 Nominal Effective Exchange Rate (NEER) and Real Effective Exchange Rate (REER) Indices

The average 13-currency Nominal Effective Exchange Rate (NEER) index increased by 44.7 per cent to 157.98 above the level in the first half of 2016, but declined by 0.09 per cent, relative to the level in the second half of 2016. Similarly, the index of average Real Effective Exchange Rate (REER) was 85.01 per cent in the review period, a decline of 5.9 per cent relative to the level in the second half of 2016, but an increase of 26.7 per cent above the level in the corresponding half of 2016. The development was attributed to higher inflation in the domestic economy relative to major trading partners.

Figure 29
Nominal Effective Exchange Rate (NEER) and Real Effective Exchange Rate (REER) January 2016 – June 2017



Source: CBN

Table 5
Nominal and the Real Effective Exchange Rate indices (November 2009=100)

2016	Nominal Effective Exchange Rate (NEER)	Real Effective Exchange Rate (REER)
Jan	97.70	63.98
Feb	97.79	62.98
Mar	101.65	64.11
Apr	102.19	63.66
May	100.00	60.89
Jun	144.94	87.00
Jul	160.52	95.33
Aug	156.75	92.08
Sep	157.06	91.57
Oct	154.88	89.78
Nov	151.21	87.02
Dec	150.87	86.16
2017		
Jan	153.29	86.93
Feb	153.33	85.91
Mar	154.70	85.34
Apr	155.92	84.90
May	156.87	83.88
Jun	157.98	83.08

Source: CBN

2.6 Development Finance Operations

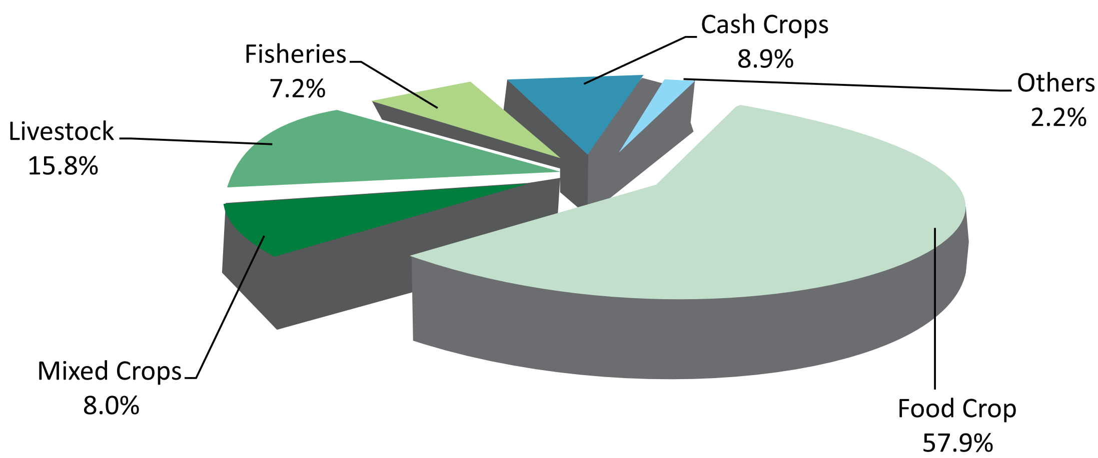
2.6.1 Agricultural Credit Guarantee Scheme (ACGS)

In the first half of 2017, the volume and value of loans guaranteed under the ACGS were 21,073 and ₦3.07 billion, respectively, compared with 23,774 and ₦3.63 billion in the corresponding period of 2016. An analysis of the loans guaranteed by purpose showed that: food crops accounted for 14,264 (57.9 %); livestock, 1,867 (15.8%); mixed crops, 2,097 (8.0%); cash crops, 1,587 (8.9%); fisheries, 797 (7.2%); and 'others', 461 (2.2%). An analysis by category of borrower showed that: individuals accounted for ₦2.98 billion, (98.7%); informal groups, ₦6.00 million (0.2 %); cooperatives, ₦23.00 million (0.7 %); and companies, ₦11.00 million (0.4 %) compared with ₦3.33 billion (91.7%) for individuals; informal groups, N0.13 billion (0.4 %); cooperatives, ₦0.28 billion (7.8 %); and companies, N0.03 billion (0.1 %) in the corresponding period of 2016. The cumulative number of loans guaranteed from inception of the Scheme in 1978 to end-June 2017, was 1,080,920, valued at ₦107.04 billion.

The sum of ₦1.84 billion for 11,354 projects was repaid in the first half of 2017, compared with ₦4.03 billion for 29,519 projects in the corresponding period of 2016. The cumulative repayments from inception to end-June 2017 was ₦76.94 billion in respect of 826,873 loans.

No claim was settled in the review period, compared with 34 claims valued at ₦10.09 million settled in the first half of 2016. The cumulative number of settled claims as at end-June 2017 was 17,027, valued at ₦651.36 million.

Figure 30
Distribution of ACGSF Loans (By Purpose)
(First Half 2017)



Source:CBN

2.6.2 Interest Drawback Programme (IDP)

A total of 10,552 IDP rebates valued at N0.10 billion was settled in the first half of 2017, compared with 6,600 valued at ₦0.30 billion settled in the corresponding period of 2016. The total number of IDP rebates settled from inception to end-June 2017 was 319,903, valued at ₦4.16 billion. The Scheme was introduced in 2003 to reduce the cost of borrowing for farmers. Those who repaid as and when due, were entitled to a rebate of 40.0 per cent of the market interest rate at which they borrowed.

2.6.3 Commercial Agriculture Credit Scheme (CACS)

In the review period, the sum of ₦79.56 billion was released to 35 projects, compared with ₦35.99 billion released to 39 private projects and 4 state governments in the first half of 2016. An analysis of the number of projects financed by value chain revealed that the entire sum (100%) released for the period was for production. There were no releases for other aspects of the value chain in the period.

The cumulative amount released under CACS from inception in 2009 to end-June 2017 was ₦472.98 billion to finance 513 projects.

The sum of ₦19.78 billion was repaid by thirteen (13) participating banks in respect of 185 projects in the period under review, compared with ₦22.77 billion for 247 projects in the first half of 2016. This brought the cumulative repayment from inception to ₦244.79 billion at end-June 2017.

2.6.4 Micro, Small and Medium Enterprises Development Fund (MSMEDF)

The implementation of the MSMEDF continued with the disbursement of ₦1.59 billion in the review period, compared with ₦16.53 billion in the corresponding period of 2016. The financial institutions that participated in the programme were six (6) banks, three (3) MFBs, six (6) non-governmental organisations microfinance institutions (NGO-MFIs) and twelve (12) cooperative societies. In addition, one (1) state government accessed funds under the programme in the review period.

The total sum disbursed from inception in 2012 to date was ₦87.28 billion, with ₦63.19 billion (72.4%) to state governments, while the micro, small and medium enterprises (MSMEs) collectively accessed ₦24.1 billion (27.6%). The total sum of ₦15.39 billion was repaid in the review period. The sum of ₦23.51 billion had been repaid from inception to end-June 2017.

Table 6
Summary of MSMEDF Activities as at June 30, 2017

Activity	From Inception to Dec 31, 2016 (₦'billion)	Jan – Jun 2017 (₦'billion)	Cumulative (₦'billion)
Disbursement to MSMEs	23.20	0.89	24.09
Disbursements to State Governments	62.49	0.7	63.19
Total Disbursements	**85.69**	**1.59**	**87.28**
Undisbursed Funds	0.00	0.00	0.00
Repayments Received	**7.07**	**15.52**	**22.59**

Source: CBN

2.6.5 Anchor Borrowers' Programme (ABP)

The implementation of the Anchor Borrowers' Programme continued in the review period with the disbursement of ₦12.57 billion to 27 projects, compared with ₦14.46 billion, mainly to the Kebbi state government for on-lending to small-holder rice farmers in the first half of 2016. This brought the cumulative disbursements to N31.52 billion for 80 projects since inception. Thus far, 183,026 small-holder farmers with a total hectares of 217,750 had been financed under the Scheme. The programme was being implemented in 27 states with the participation of ten (10) state-led, forty-seven (47) private-led anchors and thirteen (13) participating financial institutions (PFIs) (10 banks, 1 DFI, 1 MFB and 1 non-bank financial institution).

The commodities being financed under the Scheme included: rice, maize, wheat, soya beans, cotton, cassava, fish and poultry. To improve its outreach and delivery, the CBN recently approved the:

- Nigeria Incentive-Based Risk-Sharing System for Agricultural Lending (NIRSAL) as a PFI. Under this window, the CBN would release fund directly to NIRSAL for on-lending to validated farmers under the ABP;
- NIRSAL Guarantee Model: the CBN would guarantee fifty per cent of the loan in default, while the remaining fifty per cent would be guaranteed by NIRSAL and banks in the ratio 75:25 respectively, to encourage the participation of more banks by reducing their risk exposure under the ABP;
- Prime Anchor Model: Under the model, CBN would release fund directly to the Anchor as the obligor through the banks for on-lending to its out growers. CBN would cover 50% of the loan in default while the PFI is expected to take a maximum additional cover of 70% from the Anchor(s); and
- State Anchor backed with Irrevocable Standing Payment Order (ISPO) Model: For

state governments to participate under the ABP, they would submit ISPO as obtained under CACS and also, provide a copy of signed agreement between the state government and a processor.

2.6.6 Presidential Fertilizer Initiative

The Initiative commenced in the review period to facilitate the local production of 1.0 million tonnes of blended Nitrogen, Phosphorous and Potassium (NPK) fertilizer for the 2017 wet season farming and 0.5 tonne for the dry-season.

The Initiative was aimed at:

- Enhancing all-year round availability of quality fertilizer at affordable prices;
- Reducing food inflation and stimulating economic activities along the agriculture value chain;
- Creating jobs by revamping the 28 local blending plants (12 already producing);
- Savings of a projected US$200m in foreign exchange; and
- Savings of about ₦60.00 billion in budgetary provisions for fertilizer subsidy.

2.6.7 National Food Security Programme (NFSP)

The NFSP was meant to scale-up domestic production of agricultural commodities, enhance local milling capacity and engage a large number of small-holder farmers under the out-growers scheme. A total of 8 projects valued at ₦24.91 billion had been financed under the Programme.

2.6.8 National Collateral Registry (NCR)

The NCR was given a legal backing with the enactment of the Secured Transactions in Movable Assets Act in May 2017.

The Registry trained sixty five (65) credit managers of the First Bank of Nigeria Limited, Rand Merchant Bank and Heritage Bank on how to utilise its services. In addition, a demonstration on the use of the NCR portal to register statements of farmers under the Anchor Borrowers' Programme (ABP) was carried out for staff of the Nigerian Incentive-Based Risk-sharing for Agricultural Lending (NIRSAL) in the review period.

To date, one hundred and seventeen (117) financial institutions had registered on the Registry comprising, twenty six (26) banks, three (3) development finance institutions and eighty five (85) microfinance banks.

A total of 15,392 financing statements valued at ₦315.15 billion and US$20.00 million had been recorded on the NCR portal by the financial institutions from inception to date. A breakdown of the number and value of financing statements by category is shown in Table 7:

Table 7
Number and Value of Financing Statement on the National Collateral Registry at end-June 2017

Debtor Type	Currency	Number of Financing Statement	Value of Financing Statement
Individual	NGN	11,239	23,245,817,012.80
Large Business	NGN		123,351,979,907.12
	USD	373	20,000,000.00
Medium	NGN	1,605	150,328,636,929.68
Business			
Micro Business	NGN	888	4,641,436,077.23
Small Business	NGN	1,287	13,583,614,996.18
Total	NGN		
		15,392	315,151,484,923.01
	USD		20,000,000.00

Source: CBN

2.6.9 SME Credit Guarantee Scheme (SMECGS)

In the first half of 2017, no application was received under the SMECGS. Thus, the number and value of projects guaranteed from inception to date remained at 88 and N4.25 billion, respectively.

2.6.10 Textile Sector Intervention Fund (TSIF)

The TSIF was set-up by the Bank as a one-off special intervention with a seed fund of N50.00 billion to resuscitate the country's ailing textile industry. The Facility was for restructuring existing loans of textile and garment companies. It was expected to provide additional credit to promoters of these companies as part of the Bank's contribution to the development of the nation's textile and garment sub-sector. The Bank of Industry (BOI) manages the Fund. In the first half of 2017, the sum of N10.29 billion was released for seventeen (17) projects, compared with N15.19 billion for fourteen (14) projects in the first half of 2016. Cumulatively, the sum of N26.39 billion had been disbursed for thirty-one (31) projects.

2.6.11 Power and Airline Intervention Fund (PAIF)

The sum of N4.76 billion was disbursed to one previously approved power project in the first half of the year, compared with N11.59 billion to two power and one airline projects in the first half of 2016. The cumulative disbursement since inception of the Fund was N277.40 billion for 59 projects, comprising 43 power projects, valued at N156.64 billion and 16 airline projects, valued at N120.76 billion.

The sum of ₦13.01 billion was repaid in the first half of 2017, compared with ₦11.35 billion in the same period in 2016. The total repayment received under the PAIF since inception to end-June 2017 was ₦106.13 billion in respect of 59 projects.

Table 8
Summary of projects financed under PAIF up to June 30, 2017

S/No	Type	No. of Projects	Amount (₦'billion)	%	Repayments (₦'billion)
1	**Airline**	16	120.76	43.5	55.84
2	**Power**	41	156.64	56.5	50.29
	Total	**57**	**277.40**	**100.0**	**106.13**

Source: CBN

2.6.12 Nigeria Electricity Market Stabilisation Facility (NEMSF)

The Nigeria Electricity Market Stabilisation Facility (NEMSF) was aimed at putting the Nigerian Electricity Supply Industry on a path to economic viability and sustainability. The NEMSF was meant to facilitate the settlement of legacy gas debts and payment of outstanding obligations due to market participants (Gascos, Gencos, TCN, Discos, service providers and others along the value chain) that accrued during the Interim Rules Period (IRP Debts).

During the first half of 2017, there was no disbursement but there were series of stakeholders meetings geared towards accelerating the disbursement of the remaining portion of the Facility. Cumulatively, ₦114.75 billion had been disbursed to twenty nine (29) eligible electricity market participants. The sum of ₦4.48 billion principal repayment was received in the period under review. The total repayment under NEMSF since inception stood at ₦11.77 billion.

2.6.13 Financial Inclusion Activities

2.6.13.1 Visit of Delegates from 8 (eight) Alliance for Financial Inclusion (AFI) Member Countries

The CBN hosted the Alliance for Financial Inclusion (AFI) – a global network of policy makers/regulators instrumental to developing and promoting financial inclusion strategies in member-countries. Delegates from Mozambique, Senegal, Lesotho, Seychelles, Sierra Leone, and Bhutan attended the 5-day programme to understudy the Nigerian financial inclusion strzategy development & implementation processes.

2.6.13.2 Geospatial Mapping Update

The Financial Inclusion Secretariat was coordinating the development of "Nigeria Financial Services (NFS) Maps", a dynamic online geospatial database of financial services. The database would provide specific benefits to a wide range of stakeholders, including relevant CBN departments, Nigeria Interbank Settlement System (NIBSS), government agencies, financial services providers, and the public.

In the review period, the Bank was awarded a US$100,000 innovation grant by a financial sector deepening organisation, insight2impact (i2i), to support the Project. Consequently, a project plan was being designed for the development of the envisioned database.

2.6.14 Entrepreneurship Development Centres (EDCs)

The Bank's engagement with EDCs continued on possible areas of collaboration on entrepreneurship development in Nigeria. As a fall out, it was agreed that the EDCs should open discussions with banks especially Sterling Bank Plc. and LAPO Microfinance Bank that had accessed the CBN's MSMED funds to link the graduates from their centres to access finance. It was also agreed that the EDCs should send a proposal to the Director, Corporate Communications Department for collaborations on their enterprise radio programme.

The number of participants trained by the EDCs during the review period was 6,806, surpassing the target of 6,600. A total of 3,691 (52.2%) of the participants were females and 3,115 (45.8%) were males. A total of ₦2.50 billion had been accessed through banks and other financial institutions by graduates of EDCs since inception, while a total of 43,350 participants had been trained.

2.6.15 Youth Entrepreneurship Development Programme (YEDP)

In the review period, no additional fund was released to the Youth Entrepreneurship Development Programme (YEDP). The sum of ₦618.54 million had been disbursed thus far, through the Heritage Bank. Engagements with other participating financial institutions (PFIs) were on-going to make their portals available for the Programme.

ECONOMIC REPORT

3.0 GLOBAL ECONOMIC DEVELOPMENTS

3.1 Global Output

Global output picked-up in the first half of 2017. The International Monetary Fund (IMF) projected global growth to rise from 3.2 per cent in 2016 to 3.5 per cent in 2017. The growth projection was due, mainly, to the anticipated cyclical recovery in global manufacturing and trade. Other factors were robust growth in aggregate consumption, the expectation of a lax fiscal policy stance, appropriate policy mix which buoyed financial markets and strengthened business confidence, as well as accommodative financial conditions.

In advanced economies, output growth rebounded, especially in the United States and Japan. The United States led growth in the second quarter of 2017, despite its disappointing result in the first quarter, while the euro area and Japan were also expanding at relatively decent rates. Overall, high-frequency indicators for the second quarter of 2017 provided signs of a general strengthening of activity in most advanced economies.

GDP growth in the US picked-up to 2.6 per cent in the second quarter of 2017, from 1.2 per cent in the first quarter. The improvement was driven largely by buoyant market expectation of fiscal stimulus. The IMF has, however, marked-down growth rates from 2.3 per cent in 2016 to 2.1 per cent in 2017. The markdown reflected, in part the weak growth outturn in the first quarter of the year, and the expectation that fiscal policy would be less expansionary than previously anticipated.

The United Kingdom economy grew by 0.3 per cent and 0.2 per cent in the first and second quarters of 2017, respectively. The IMF revised UK growth downwards by 0.3 percentage point for 2017, from 2.0 per cent to 1.7 per cent, reflecting a weaker-than-expected activity in the first quarter as a slump in the pound and a spike in inflation weighed on growth.

The Japanese economy grew by 1.0 per cent in the second quarter of 2017, from 1.5 per cent in the first quarter. The country's growth was, however, revised up by the IMF from 1.0 per cent in 2016 to 1.3 per cent in 2017, reflecting the impact of increased private consumption, investment, and export in boosting activity.

In the euro area, economic activity gained momentum, primarily supported by improved domestic demand and inventories. Real GDP increased by 0.6 per cent, quarter-on-quarter, in the second quarter of 2017, following a growth of 0.5 per cent in the preceding quarter.

In emerging market and developing economies, growth outcome was heterogeneous, and projected to increase to 4.5 per cent in 2017, above 4.3 per cent in 2016. In China, growth is rebounding, reflecting a better-than-expected performance in the second quarter of 2017 and the general expectation that the country's slowdown would be less severe. The expectation reflected existing policy easing, especially expansionary credit and public investment, as well as supply-side reforms. China's economy grew at 6.9 per cent apiece in the first and second quarters of 2017, compared with 6.8 per cent in the fourth quarter of 2016. Growth in China was projected to remain at 6.7 per cent in 2017 same as in 2016.

The Russian economy showed signs of recovery, and was expected to exit recession in 2017, as activity appears to be bottoming-out, reflecting the effect of higher oil prices. In Brazil, there was a pick-up in activity owing to the firming oil prices and a recovery in domestic demand, on account of easing financial conditions and buoyed confidence. However, a lackluster investment activity and idle capacity remained major hindrances to growth.

The Indian economy grew by 7.3 per cent in the second quarter of 2017, compared with 7.1 per cent in the first quarter and 7.6 per cent year-on-year. Growth was supported largely by government and private consumption activity as well as a reduced drag from net exports.

The sub-Saharan African (SSA) economies continued to witness tepid growth, reflecting softening commodity prices and weak activity in Nigeria and South Africa, the region's major players. In sub-Saharan Africa, a modest recovery in 2017 was foreseen. Growth was projected to rise to 2.7 percent in 2017 and 3.5 percent in 2018, driven largely by idiosyncratic factors in the largest economies, which faced challenging macroeconomic conditions in 2016. In Nigeria, GDP recorded a positive growth of 0.55 per cent in the second quarter of 2017, in contrast to a negative 0.91 per cent in the preceding quarter. Nigeria's growth has been hampered by lower oil prices, and was expected to fully stabilise by the fourth quarter of 2017.

South Africa's economy contracted by 0.7 per cent in the first quarter of 2017, compared with 0.3 per cent in the fourth quarter of 2016. Growth in South Africa was, however, projected to rise to 1.0 per cent in 2017, as drought conditions ease, commodity prices rebound and electricity capacity expands.

3.2 Global Commodity Prices

Global commodity prices also strengthened alongside the pick-up in economic activity. The rise in oil prices was, in part due to the decision of the Organisation of the Petroleum Exporting Countries (OPEC) and non-OPEC members to cut production. In Asia and the United States, prices initially rose because of expectations of a stronger winter demand. However, a fairly mild winter subdued demand, thereby containing gas prices. The increased real estate activities in China and the anticipated fiscal policy easing in the United States supported metal prices. In addition, prices rose for most food items as excess supply eased.

The Food and Agriculture Organisation (FAO) Food Price Index (FFPI) rose by 5 points or 2.89 per cent to 175.2 points at end-June 2017 above 170.3 points at end-December 2016. The index rose by 11.29 points or 6.89 per cent from 163.9 points to 175.2 points, compared with the levels in the corresponding period of 2016. The sub-indices of meat, dairy and cereals rose by 11.56, 8.50 and 8.48 per cent to 175.2, 209.0 and 154.3 points respectively, at end-June 2017 above 157.1, 192.6 and 142.2 points at end-December 2016. The sub-indices of meat, dairy and vegetable oil rose by 9.57, 51.50 and 0.15 per cent, while cereals and sugar sub-indices fell by 1.65 and 28.54 per cent, respectively, compared with the levels in the corresponding period of 2016. Vegetable oil and sugar sub-indices fell by 11.38 and 24.87 per cent to 162.1 and 197.3 points at end-June 2017 below 183.0 and 262.6 points, respectively at end-December 2016.

3.3 Global Inflation

Global consumer price inflation generally softened reflecting the waning impact of the recent commodity price rebound. Global inflation was projected to rise to 4.7 per cent in 2017, down 0.1 percentage point from its previous forecast. This downgrade to the global inflation outlook for 2017 mostly reflected lower estimates for the euro area, China, India and the United States.

In advanced economies, inflation was estimated at 2.0 per cent in 2017, up from 0.8 per cent in 2016. Thus, headline inflation picked up due to higher commodity prices, but was generally below central banks' targets. It increased in the first quarter of 2017 due to rising energy and food prices. In general, prices, however, moderated in the second quarter of

2017, though inflationary pressures intensified in the United Kingdom on the back of a weaker sterling.

In the OECD area, annual inflation slowed to 1.9 per cent in June 2017, compared with 2.1 per cent in May 2017, reflecting mainly a softening in energy prices. It had increased to 2.5 per cent in February 2017, compared with 2.3 per cent in January 2017.

In the United States, inflation softened from 2.5 per cent in January 2017 to 2.4 per cent in March 2017, and declined further to 1.9 per cent and 1.6 per cent in May and June, respectively. Core inflation remained relatively subdued and was projected to rise more gradually. Euro area inflation declined from a peak of 2.0 per cent in February to 1.4 per cent in May and 1.3 per cent in June, 2017. Given the negative output gap in the area, headline inflation was expected to remain below the European Central Bank's target for some time to come.

In emerging market economies, inflation moderated in both the first and second quarters of 2017 due to weak demand, more stable economic conditions and foreign exchange markets. Inflation in emerging market and developing economies (excluding Argentina and Venezuela) was projected to rise to 4.7 per cent in 2017 from 4.4 per cent in 2016, mostly reflecting higher commodity prices. China's inflation moderated from 2.5 per cent in January 2017 to 1.5 per cent apiece in April and May, before edging downwards to 1.4 per cent in June, 2017. In Brazil, inflation declined throughout the first half of 2017, from 5.4 per cent in January to 4.6 per cent and 3.0 per cent in March and June, 2017 respectively. Also, Indian inflation declined during the first half, from 3.2 per cent in January, to 2.2 and 1.5 per cent in May and June 2017, respectively. The decline was attributed to the general fall in the prices of vegetables and fruits.

In sub-Saharan Africa, inflation was expected to remain in double-digit levels in a few large economies, namely Nigeria, Angola and Ghana, reflecting the passthrough of significant currency depreciations. The IMF projected inflation to decelerate in the region to 10.7 per cent in 2017, from 11.4 per cent in 2016. In Nigeria, inflation has steered a downward course, declining from 18.7 per cent in January 2017 to 17.2 per cent and 16.1 per cent in April and June 2017, respectively, reflecting primarily the appreciation of the naira, owing to the effectiveness of recent measures by the Central Bank of Nigeria to rein-in demand pressures in the foreign exchange market. In South Africa, inflation generally declined in the first half of 2017, to 6.0, 5.3 and 5.4 per cent in March, April and May 2017, respectively.

3.4 International Financial Markets

The global financial market performance was mixed in the first half of 2017. The development was due mainly to the impact of a strong dollar, owing to intensified monetary policy normalisation in the U.S., which widened the monetary policy divergence in the advanced economies. Other factors were strong expectation of fiscal stimulus, global growth pick-up led by the U.S. economy, the easing slowdown in the Chinese economy due to fiscal boost, intensification of inward-looking policies and protectionism, as well as uncertainty surrounding the UK Government's triggering of Article 50. These developments impacted investors' confidence and liquidity conditions in the global financial market. Accordingly, the advanced economies' policy rates remained largely unchanged in the review period. Despite growth concerns, some emerging market and developing economies raised rates ostensibly to moderate domestic prices and stem foreign capital outflow.

Consequently, the global stock market was predominantly bullish. In North America, the Mexican Bolsa and United States S&P 500 indices increased by 9.2 and 8.2 per cent, respectively, while the Canadian S&P/TSX Composite index decreased by 0.7 per cent. In South America, the Argentine Merval, Colombian COLCAP and Brazilian Bovespa indices increased by 29.5, 8.2 and 4.4 per cent, respectively.

In Europe, the DAX, CAC 40 and FTSE 100 indices increased by 7.4, 5.3 and 2.4 per cent respectively, while the MICEX index decreased by 15.8 per cent.

In Asia, India's BSE Sensex, Japan's Nikkei 225 and the China's Shanghai Stock Exchange-A indices increased by 16.1, 4.8 and 2.9 per cent, respectively.

In sub-Saharan Africa, the Nigerian NSE All-Share, Ghanaian GSE ASI, Kenyan Nairobi NSE 20, Egyptian EGX CASE 30 and the South African JSE All-Share indices increased by 23.2, 16.3, 13.2 and 1.9 per cent, respectively.

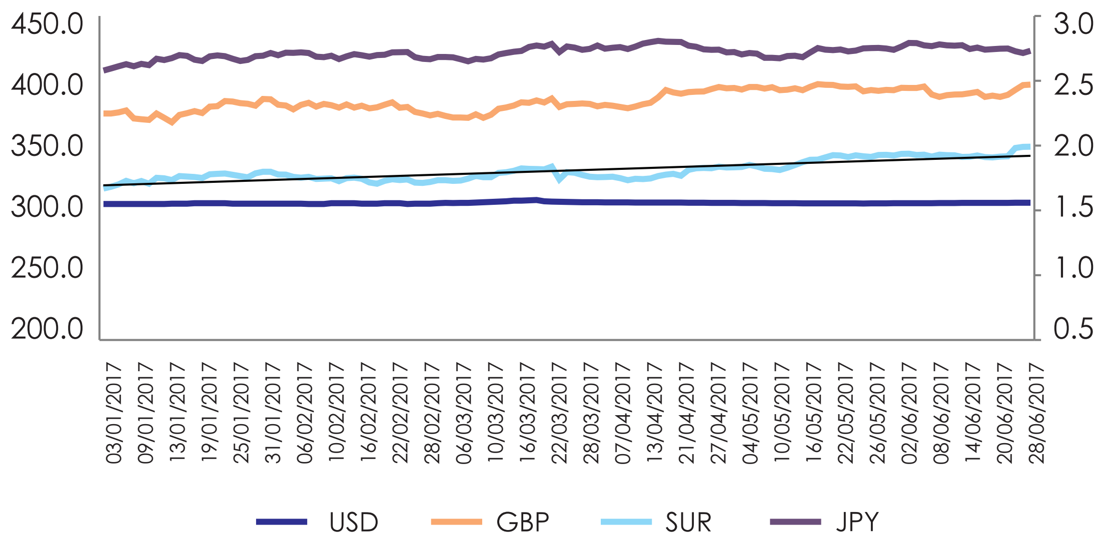
The performance of global currencies was mixed during the first half of 2017. While some major currencies appreciated against the U.S. dollar, others depreciated, especially in an era of a strong dollar. This development was attributed to the growth slowdown in the United States during the first quarter of 2017, as well as muted recovery in commodity prices, which moderated activity in Latin America and African markets. In addition, the divergence of the monetary policy stance in China and Japan continued to cause fragilities in their financial markets.

In advanced economies, most currencies appreciated against the U.S. dollar. The major European currencies, namely the euro and Russian ruble appreciated against the U.S. dollar by 4.6 and 23.6 per cent, respectively. The British pound, however, depreciated by 11.7 per cent against the U.S. dollar, reflecting the continued weakening of the sterling in the aftermath of the Brexit Vote. In North America, the Canadian dollar appreciated by 6.2 per cent. In Asia, the Japanese yen also appreciated against the U.S. dollar by 7.0 per cent.

In the emerging market economies, the Brazilian real, Colombian peso and Indian rupee appreciated against the U.S. dollar by 19.6, 4.3 and 2.4 per cent, respectively. The Mexican peso, Argentine peso and Chinese yuan, however, depreciated by 4.9, 22.3 and 4.3 per cent, respectively, against the U.S. dollar while the South African rand appreciated against the U.S. dollar by 18.4 per cent.

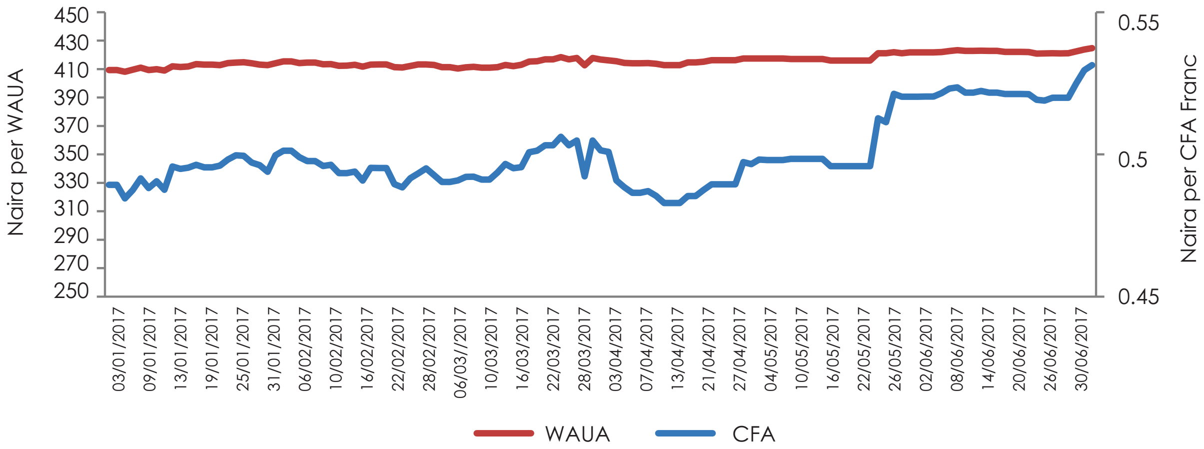
In sub-Saharan Africa, the Ghanaian cedi, Nigerian naira, Egyptian pound and Kenyan shilling depreciated against the U.S. dollar by 13.6, 35.6, 56.8 and 1.4 per cent, respectively.

Figure 31
Performance of the Naira against Major Currencies



Source: CBN

Figure 32
Performance of the Naira against Regional Currencies



Source: CBN

Table 9
Indices of Selected International Stock Markets (As at June 30, 2017)

Country	Index	End-June, 2016	End-Dec, 2016	End-June, 2017	% Change Jun 2016 - Jun 2017	% Change Dec 2016 - Jun 2017
AFRICA						
Nigeria	ASI	29,597.79	26,874.62	33,117.48	11.9	23.2
South Africa	JSE African AS	52,217.72	50,653.54	51,611.01	-1.2	1.9
Kenya	Nairobi NSE 20	3,640.61	3,186.21	3,607.18	-0.9	13.2
Egypt	EGX CSE 30	6,942.52	12,290.61	13,487.36	94.3	9.7
Ghana	GSE All Share	1,787.50	1,689.18	1,964.55	9.9	16.3
NORTH AMERICA						
US	S&P 500	2,098.86	2,238.83	2,423.41	15.5	8.2
Canada	S&P/TSX Composite	14,064.54	15,287.59	15,182.19	7.9	-0.7
Mexico	Mexico Bolsa (IPC)	45,966.49	45,642.90	49,857.49	8.5	9.2
SOUTH AMERICA						
Brazil	Bovespa Stock	51,526.93	60,227.29	62,899.97	22.1	4.4
Argentina	Merval	14,683.49	16,917.86	21,912.63	49.2	29.5
Colombia	COLCAP	1,313.18	1,351.68	1,462.90	11.4	8.2
EUROPE						
UK	FTSE 100	6,504.33	7,142.83	7,312.72	12.4	2.4
France	CAC 40	4,237.48	4,862.31	5,120.68	20.8	5.3
Germany	DAX	9,680.09	11,481.06	12,325.12	27.3	7.4
Russia	MICEX	1,891.09	2,232.72	1,879.50	-0.6	-15.8
ASIA						
Japan	NIKKEI 225	15,575.92	19,114.37	20,033.43	28.6	4.8
China	Shanghai SE A	3,066.50	3,249.59	3,343.39	9.0	2.9
India	BSE Sensex	26,999.72	26,626.46	30,921.61	14.5	16.1
Source: Bloomberg						

Table 10
Exchange Rates of Selected Countries
(Value in Currency Units to US$)

	Currency	31-Dec-15	31-Dec-16	30-Jun-17	MTM % Change Dec 31, 2015 - June 30, 2016 %App/Dep	YTD % Change App/Dep
AFRICA						
Nigeria	Naira	197.00	305.00	305.90	-0.29	-35.60
South Africa	Rand	15.48	13.74	13.07	5.13	18.44
Kenya	Shilling	102.30	102.51	103.75	-1.20	-1.40
Egypt	Pound	7.83	18.14	18.13	0.06	-56.81
Ghana	Cedi	3.81	4.24	4.41	-3.85	-13.61
NORTH AMERICA						
Canada	Dollar	1.38	1.34	1.30	3.08	6.15
Mexico	Peso	17.23	20.73	18.12	14.40	-4.91
SOUTH AMERICA						
Brazil	Real	3.96	3.26	3.31	-1.51	19.64
Argentina	Peso	12.93	15.88	16.63	-4.51	-22.25
Colombia	Peso	3,174.50	3,002.00	3,043.11	-1.35	4.32
EUROPE						
UK	Pound	0.68	0.81	0.77	5.19	-11.69
Euro Area	Euro	0.92	0.95	0.88	7.95	4.55
Russia	Ruble	72.85	61.54	58.94	4.41	23.60
ASIA						
Japan	Yen	120.20	116.96	112.39	4.07	6.95
China	Yuan	6.49	6.95	6.78	2.51	-4.28
India	Rupee	66.15	67.92	64.58	5.17	2.43
Source: bloomberg						

MTM = Month to Month
YTD = Year to Date

3.5 Global Economic Outlook for the Rest of 2017

Global output growth was revised by the IMF in its July WEO update, to improve for 2017 at 3.5 per cent, compared with 3.2 per cent in 2016. In the advanced economies, growth is projected at 2.0 per cent in 2017, up from 1.7 per cent in 2016, due largely to expected strong consumer demand, investment and trade. Moreover, inflation remains subdued and generally below targets in most advanced economies. Growth in the euro area was projected at 1.9 per cent in 2017, compared with 1.8 per cent in 2016. The lower projection was influenced by uncertainty surrounding the Brexit and the risks of rising protectionism. Projections for other advanced economies such as Britain, Japan, Spain, Italy in 2017 have been revised downwards largely on account of weaker-than-expected activities in the first quarter of 2017.

Growth in the emerging market and developing economies (EMDEs) was projected to rise to 4.6 per cent in 2017, from 4.3 per cent in 2016, driven largely by Brazil and Russia on the back of firming oil prices and recovery in commodity export. The projection was supported by the bottoming-out of economic recession in some countries, the firming up of international crude oil and other commodity prices, and the waning of China's economic reforms. China was projected to grow by 6.7 per cent in 2017. Growth in India was projected to rebound to 7.2 per cent in 2017, above 7.1 per cent in 2016, owing to higher government spending and data revision that showed stronger momentum in the first quarter of 2017. In Brazil, growth was projected to rise to 0.3 in 2017, from a contraction of 3.6 per cent in 2016, due to expected moderate recovery in commodity prices and upswing in economic activity.

In sub-Saharan Africa, growth was projected to rise to 2.7 per cent in 2017, from 1.3 per cent in 2016, driven by expected recovery in South Africa and Nigeria. Growth in South Africa was projected at 1.0 per cent in 2017, from 0.3 per cent in 2016. Nigeria's growth was projected to expand by 0.8 per cent in 2017, from a contraction of 1.6 per cent in 2016.

Growth in the Middle East and North Africa (MENA) region was projected to decelerate to 2.6 per cent in 2017, down from 5.0 per cent in 2016, reflecting slowdown in activity in oil exports and political crisis in a number of countries in the region. Besides, continued weakness in oil prices, if sustained, could weigh further on the outlook for the region.

4.0 DEVELOPMENTS IN THE DOMESTIC ECONOMY

4.1 Monetary and Credit Developments

Global and domestic developments influenced monetary policy environment in the first half of 2017. At the domestic front, contraction in domestic output eased as real GDP grew by 0.55 per cent in the second quarter, in contrast to the contraction of 1.49 per cent in the second quarter of 2016. Nevertheless, high inflation and foreign exchange demand pressure remained major challenges to monetary policy. Consequently, the Bank maintained a non-expansionary monetary policy stance with the policy rate retained at 14.0 per cent; cash reserve ratio at 22.5 per cent; liquidity ratio at 30.0 per cent, and the asymmetric corridor of +200/-500 basis points around the MPR for the standing lending and deposit facilities, respectively. The main instrument for liquidity management was open market operations (OMO), complemented by cash reserve requirements, repurchase transactions and interventions in the interbank foreign exchange market.

Growth in monetary aggregates fell below their targets. Broad money (M2) and narrow money (M1) supply declined, compared with their levels at the end of the corresponding half year of 2016. Similarly, both reserve money and currency outside banks fell below their targets. Aggregate credit (net) to the domestic economy grew marginally during the review period, and was driven by the growth in net claims on the Federal Government and credit to the private sector. Growth in consumer credit rose in tandem with the growth in credit to the private sector.

4.1.1 Reserve Money

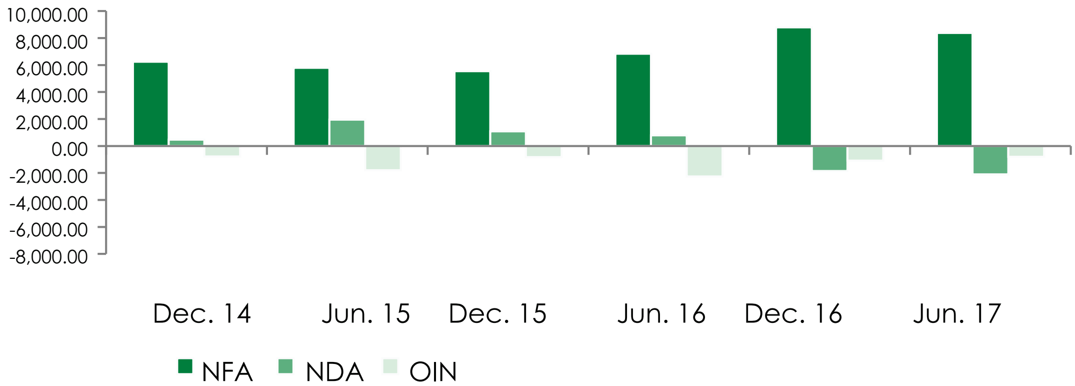
At ₦5,480.21 billion, reserve money fell by 6.3 per cent below its level at end-December 2016 and the benchmark of 11.4 per cent for the fiscal 2017, compared with the decline of 7.6 per cent at the end of the corresponding period of 2016. The development was due to the decline of 4.7 and 13.5 per cent in net foreign assets and domestic assets of the CBN, respectively. The corresponding decrease in the uses of reserve money resulted from the decrease of 14.1and 1.7 per cent in currency-in-circulation and banks'

Table 11
Sources and Uses of Reserve Money

	Dec 14	Jun 15	Dec 15	Jun 16	Dec 16	Jun 17
Foreing assets (net)	**6,244.72**	**5,795.96**	**5,545.32**	**6,840.43**	**8,790.65**	**8,378.90**
Foreign Assets	6,244.72	7,646.65	5,624.69	8,022.11	9,248.62	9,449.92
Foreign Liabilities	-	1,850.69	79.37	1,181.68	457.97	1,071.02
Net credit to Government	(2,141.68)	(769.52)	(1,653.07)	(1,157.96)	409.54	728.72
Credit to Federal Government	922.38	1,527.41	2,513.98	3,557.12	5,517.01	6,041.10
Fed. Government Deposits	3,064.06	2,296.93	4,167.05	4,715.08	5,107.47	5,312.38
Net claims on Private Sector	1,833.44	1,315.95	1,518.85	657.20	(3,895.65)	(4,517.06)
Claims on private sector	4,859.89	5,093.07	5,061.61	5,375.14	4,997.88	5,196.37
Private sector deposits	3,026.44	3,777.12	3,542.76	4,717.94	8,893.53	9,713.43
Claims on Banks	774.25	1,400.08	1,225.18	1,295.31	1,632.08	1,685.32
OTHER ITEMS (NET)	(779.78)	(1,796.70)	(823.54)	(2,263.11)	(1,083.69)	(795.67)
Other Assets	1,782.12	1,641.28	2,066.80	1,711.72	3,343.03	3,075.09
Other liabilities	2,561.90	3,437.99	2,890.34	3,974.83	4,431.73	3,870.76
RESERVE MONEY	5,930.95	5,945.76	5,812.74	5,371.86	5,847.92	5,480.21
Currency in Circulation	1,797.98	1,562.35	1,857.94	1,684.58	2,179.17	1,873.54
Banks Reserves	4,132.97	4,383.42	3,954.80	3,687.28	3,668.74	3,606.67
Reserve Money	5,930.95	5,945.76	5,812.74	5,371.86	5,847.91	5,480.21

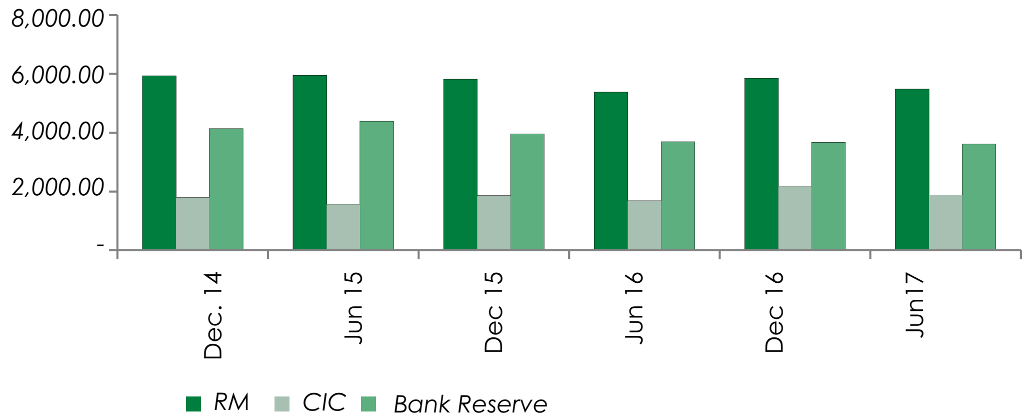
Source: CBN

Figure 33 (a)
Reserve Money and its Components: Sources (N' Billion)



Source: CBN

Figure 33 (b)
Reserve Money and its Components: Uses
(N' Billion)



Source: *CBN*

4.1.2 Broad Money (M2)

The broad measure of money supply, M2, fell by 6.8 per cent to ₦21,980.58 billion at end-June 2017, translating to an annualized growth of negative 14.7 per cent, in contrast to the growth of 10.2 per cent at the end of June 2016. The development resulted from the decline of 7.5 and 10.5 percent in net foreign assets and other assets (net) of the banking system, respectively, which offset the 1.0 per cent growth in net domestic credit.

4.1.3 Narrow Money (M1)

Narrow money supply (M1) fell by 9.6 per cent to ₦10, 190.19 billion at end-June 2017, in contrast to the growth of 11.1 per cent at the end of the preceding period of 2016. The development was due to respective decline of 18.9 and 7.8 per cent in currency outside banks and demand deposits.

4.1.4 Quasi Money (QM)

Quasi money fell by 4.3 per cent to ₦11,790.4 billion at end-June 2017, in contrast to the growth of 9.6 per cent at the end of the corresponding period of 2016. This was due to the decline in savings and time deposits, particularly foreign currency deposits, which fell by 9.2 per cent.

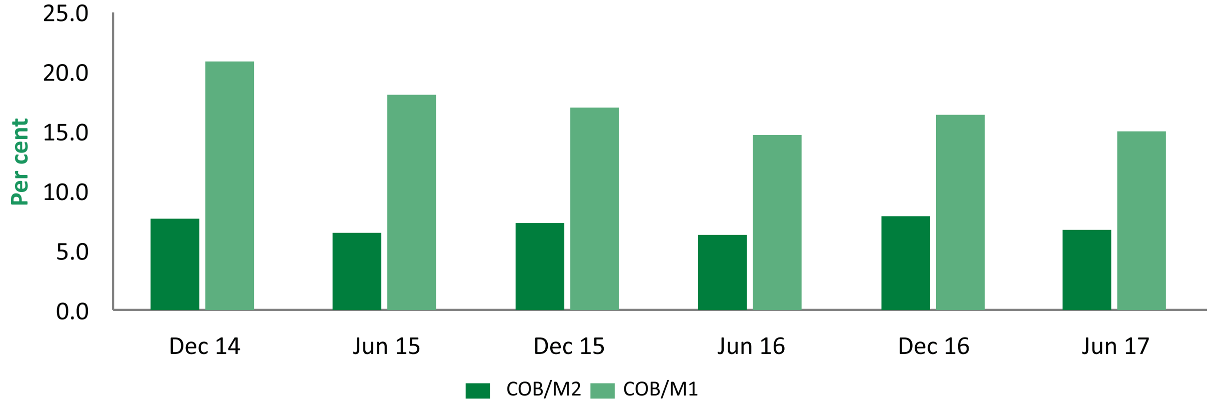
4.1.5 Currency-in–Circulation (CIC) and Deposits at the CBN

Currency-in-circulation and banks' deposits with the CBN fell by 14.0 and 1.7 per cent to ₦1,873.5 billion and N3,606.67 billion, respectively, compared with the decline of 9.3 and 6.8 per cent at the end of the corresponding period of 2016. As a proportion of reserve money, CIC and bank reserves constituted 34.1 and 65.8 per cent, respectively.

4.1.6 Currency Outside Banks (COB)

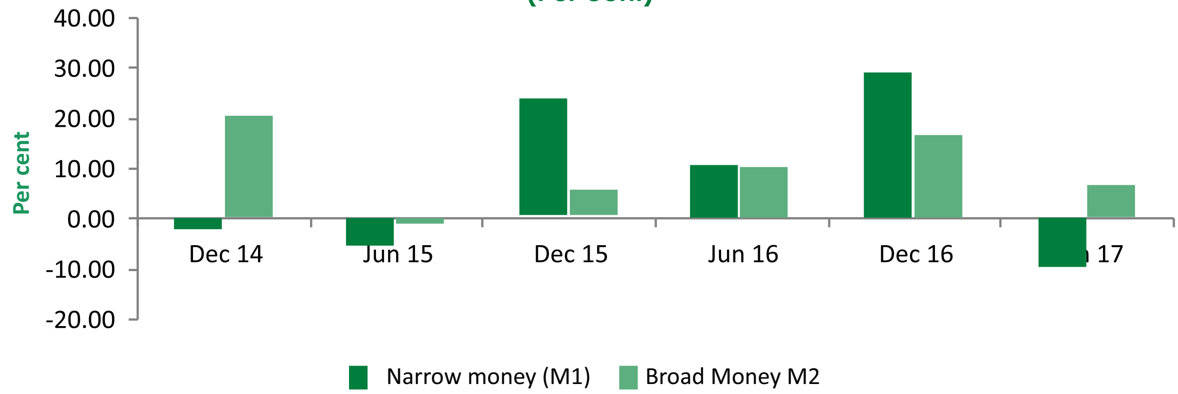
Currency outside banks fell by 18.9 per cent to ₦1,477.1 billion at end-June 2017, compared with the decline of 5.3 per cent at end-June 2016. This reflected increased use of electronic payments channels during the review period. As a percentage of broad money, COB constituted 6.7 per cent, a slight increase from 6.2 per cent at the end of the corresponding period of 2016.

Figure 34
Ratio of Currency Outside Bank to Broad Money Supply



Source: CBN

Figure 35
Growth in Money Supply
(Per cent)



Source: CBN

4.1.7 Drivers of Growth in Money Supply

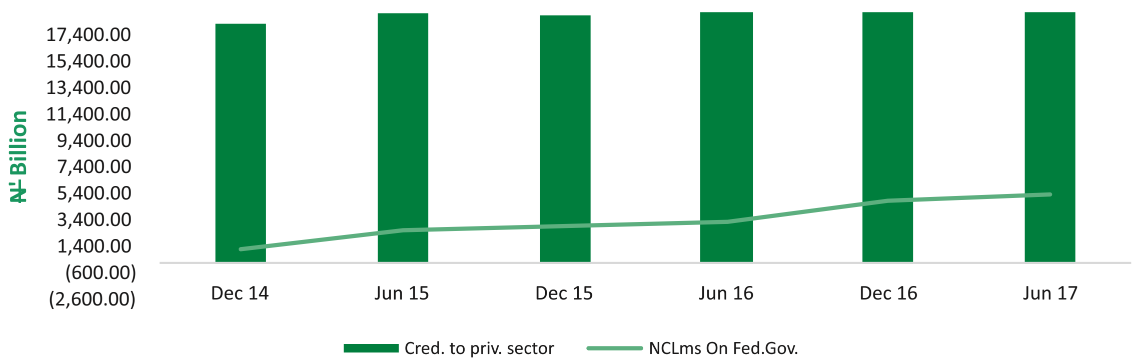
4.1.7.1 Net Foreign Assets (NFA)

Net foreign assets of the banking system fell by 7.5 per cent to ₦8, 468.1 billion at the end of the review period, in contrast to the growth of 25.7 per cent at end-June 2016. As a percentage of M2, NFA constituted 38.5 per cent, compared with the 32.2 per cent at the end of the corresponding period of 2016. Also, the contribution of NFA to the growth of M2 was negative 2.9 percentage points, in contrast to the positive contribution of 7.3 percentage points in the corresponding period of 2016.

4.1.7.2 Net Domestic Credit (NDC)

Net domestic credit (NDC) grew by 1.4 per cent to ₦26, 236.43 billion at end-June 2017, compared with the growth of 13.9 per cent at the end of the corresponding period of 2016. The development reflected the increase of 7.7 per cent in net claims on the Federal Government and the 0.02 per cent growth in private sector credit. NDC contributed 1.6 percentage points to the growth in broad money supply, compared with 15.0 percentage points at end-June 2016.

Figure 36
Distribution of Aggregate Credit to the Economy
(N' Billion)



Source: CBN

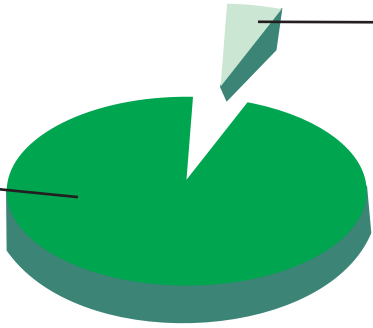
4.1.7.2.1 Net Credit to the Government (NCG)

Credit to the Federal Government rose by 7.7 per cent to ₦5250.48 billion at the end of the first half of 2017, compared with the growth of 9.7 per cent at the end of the corresponding half of 2016. The development was due to the growth in holding of government securities, especially treasury bills by commercial banks, which rose by 9.9 per cent. Net claims on the Federal Government contributed 1.2 percentage points to the growth of total monetary assets, compared with 0.6 percentage point at end-June 2016.

4.1.7.2.2 Credit to the Private Sector (CP)

Credit to the private sector grew by 0.02 per cent to ₦21, 985.94 billion at end-June 2017, compared with the 14.6 per cent growth at the end of the corresponding period of 2016. The development owed wholly, to the 19.3 per cent growth in claims on States and Local Governments as claims on the core private sector declined by 0.9 per cent. The contribution of claims on the private sector to the growth of total monetary assets was 0.02 percentage point, compared with 13.6 percentage points at the end of the corresponding half of 2016.

Figure 37
Distribution of Private Sector Credit (End-June 2017)



Source: CBN

4.1.7.3 Other Assets (net) (OAN)

Other assets (net) of the banking system fell by 10.5 per cent at end-June 2017, compared with the decline of 33.4 per cent at the end of the corresponding period of 2016. The development resulted wholly, from the decline in other assets (net) of the CBN. The contribution of other assets (net) of the banking system to the growth of broad money was 5.6 percentage points at the end of the review period.

Table 12
Growth in Monetary Aggregates Over Preceding December (Per cent)

	Dec '14	Jun '15	Dec '15	Jun '16	Dec '16	Jun '17
Domestic Credit (Net)	32.6	11.1	12.1	13.9	23.3	1.4
Claims on Federal Government (Net)	169.3	118.8	152.0	9.7	61.4	7.7
Claims on Private Sector	11.95	4.26	3.28	14.59	17.42	0.02
Foreign Assets (Net)	(19.66)	(14.44)	(18.73)	25.70	61.81	(7.45)
Other Assets (Net)	2.53	(16.88)	1.08	(33.38)	(71.51)	(10.54)
Total Monetary Assets (M_2)	20.55	(0.55)	5.89	10.23	16.76	(6.8)
Quasi-Money	38.73	2.17	(4.58)	9.61	7.52	(4.30)
Money Supply (M_1)	(1.82)	(5.25)	24.14	11.05	29.12	(9.59)
Total Monetary Assets (M_2)	20.55	(0.54)	5.90	10.23	16.77	(6.8)

Source: CBN

4.1.8 Sectoral Distribution of Credit

Of the total banks' claims on core private sector, credit to the priority sectors- agriculture, industry and construction-constituted 3.2, 39.6 and 4.0 per cent of the total in June 2017, respectively, compared with 3.1, 37.9 and 3.9 per cent, in June 2016. As in the corresponding half year, oil & gas accounted for the largest share of the industry sector with 56.7 per cent at end-June 2017, while mining and quarrying accounted for the least share of 0.18 per cent. In the industrial sector, manufacturing and power & energy sub-sectors accounted for 13.2 and 2.9 per cent, of the total credit at end-June 2017, respectively.

Table 13
Share of Credit to the Core Private Sector 2016 – 2017 (per cent)

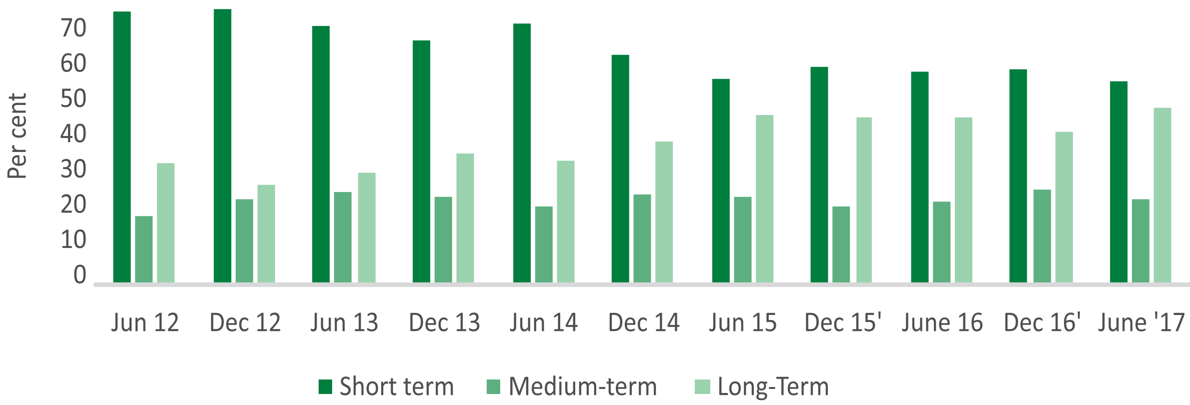
ITEM	16-Jun	17-Jun	Percentage Share in Total		% Change Between (1)&(2)
	N'billion	N'billion	16-Jun	17-Jun	
	1	2	3	4	
[a] Agriculture	480.64	501.09	3.1	3.2	4.3
[b] Industy	5,887.75	6,222.42	37.9	39.6	5.7
Mining & Quarrying	16.33	11.42	0.1	0.1	(30.1)
Manufacturing	2,058.04	2,216.75	13.2	14.1	7.7
Oil & Gas	3,366.15	3,528.16	21.7	22.5	4.8
of which DownStream, Natural Gas and Crude Oil Refining	3,366.15	3,528.16	21.7	22.5	4.8
Power and Energy	447.23	466.09	2.9	3.0	4.2
of which IPP and Power Generation	447.23	466.09	2.9	3.0	4.2
[c] Construction	607.39	630.68	3.9	4.0	3.8
[d] Trade/General Commerce	1,020.01	690.01	6.6	6.1	(5.9)
[e] Government	1,384.96	1,367.34	8.9	8.7	(1.3
[f] Services	6,156.70	6,028.90	39.6	38.4	(2.1)
Real Estate	716.72	794.60	4.6	5.1	10.9
Finance, Insurance and Capital Market	856.28	909.86	5.5	5.8	6.3
Education	87.76	75.07	0.6	0.5	(14.5)
Oil & Gas	1,137.00	1,090.55	7.3	6.9	(4.1)
of which Upstream and Oil & Gas Services	1,137.00	1,090.55	7.3	6.9	(4.1)
Power and Energy	238.00	302.18	1.5	1.9	27.0
of which Power Transmission and Distribution	238.00	302.18	1.5	1.9	27.0
Others	3,120.94	2,856.72	20.1	18.2	(8.5)
of which: i. General	1,326.07	1,282.42	8.5	8.2	(3.3)
ii. Information & Communication	944.57	786.22	6.1	5.0	(16.8)
iii. Transportation & Storage	456.89	403.15	2.9	2.6	(11.8)
TOTAL PRIVATE SECTOR CREDIT	**15,537.45**	**15,710.57**	**100.0**	**100.0**	

Source: CBN

4.1.9 Maturity Structure of DMBs' Outstanding Loans and Advances, and Deposit Liabilities

The structure of bank's credit in the first half of 2017 indicated that credit of short-term maturities remained dominant. Credit maturing within one year accounted for 43.7 per cent, indicating a decline, compared with 46.0 per cent at end-June 2016. The medium-term (≥ 1yr and < 3yrs) and long-term (3yrs and above) maturities stood at 18.4 and 37.9 per cent, respectively, compared with 18.1 and 35.9 per cent at the end of the corresponding period of 2016.

Figure 38
Distribution of Bank Loans and Advances by Maturity

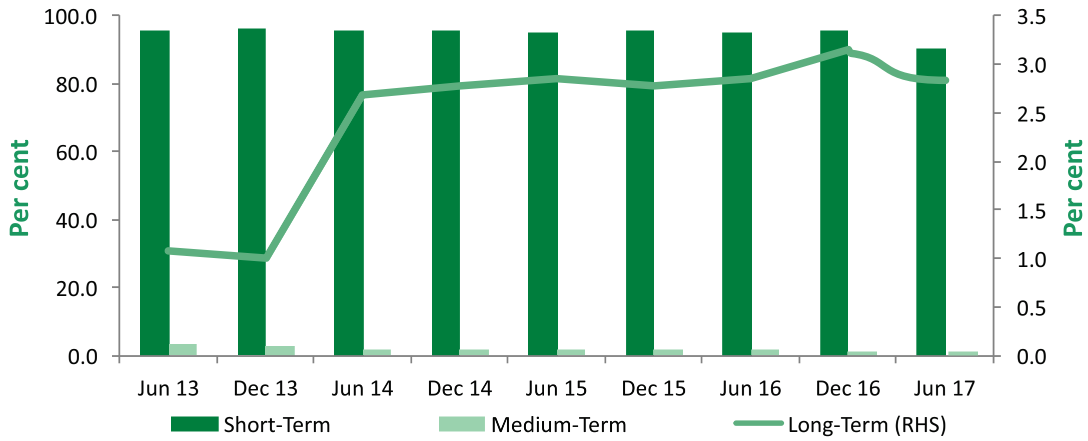


Source: CBN

Similarly, deposits of less than one-year maturity constituted 96.1 per cent (of which 74.9 per cent had maturity of less than 30 days), compared with 95.3 per cent at the end of the first half of 2016. Further analysis showed that the medium and long-term deposits constituted 1.0 and 3.0 per cent, respectively, compared with 1.8 and 2.9 per cent at end-June 2016. Consequently, loan to deposit ratio fell to 79.0 per cent at end June 2017 from 80.5 per cent at end-June 2016, and reflected significant holdings of government securities by banks as claims on the core private sector also fell.

Although marginal improvements were observed with the long-term deposit and credit structure during the review period, the continued mis-match of deposits and loans structure remained a threat to stability of banks and their ability to create long-tenored assets.

Figure 39
Maturity Structure of Banks Deposits (per cent)



Source: CBN

Table 14
Maturity Structure of Banks Assets and Liabilities

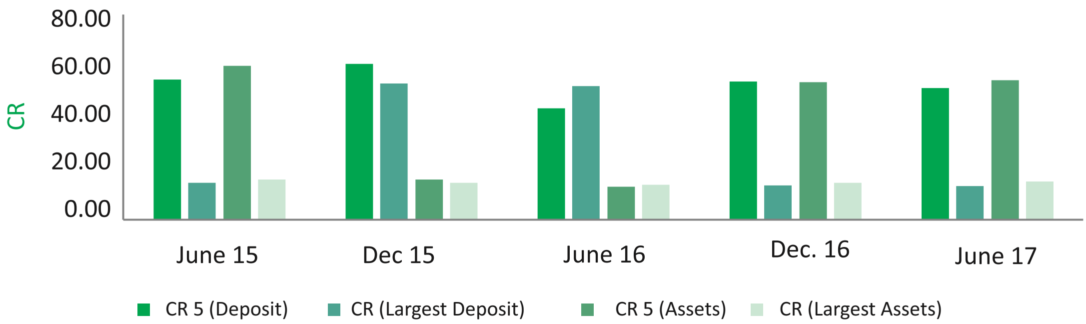
Assets (Loans and Advances)	**Jun 15**	**Dec 15**	**Jun 16**	**Dec 16**	**Jun 17**
Tenor					
0-30 days	24.3	24.4	26.6	27.3	27.9
31-90 days	7.8	8.6	7.1	6.8	6.6
91-181 days	7.7	6.9	7.5	7.2	4.7
181-365 days	4.6	7.2	4.7	5.1	4.4
Short-Term	44.5	47.1	46.0	46.4	43.7
Medium-Term (Above 1yr and below 3yrs)	18.8	16.9	18.1	20.7	18.4
Long-Term (3 Years and Above)	36.7	36.0	35.9	32.9	37.9
	100	**100**	**100**	**100**	**100**
Liabilities					
0-30 days	73.01	71.70	75.45	75.91	74.87
31-90 days	13.61	15.04	12.69	11.83	12.88
91-181 days	4.42	3.87	4.02	4.38	4.71
181-365 days	4.45	4.78	3.16	3.51	3.61
Short-Term	95.49	95.40	95.32	95.62	96.07
Medium-Term (Above 1yr and below 3yrs)	1.83	1.83	1.82	1.23	0.98
Long-Term (3 Years and Above)	2.68	2.77	2.85	3.15	2.95
Total	**100**	**100**	**100**	**100**	**100**

4.1.10 Market Structure of the Banking Industry

The banking sector exhibited weaker competition among players in the first half of 2017. The market share of the largest bank, with respect to assets and deposits, stood at 14.8 and 12.9 per cent, respectively, compared with 13.5 per cent and 12.8 per cent at the end of the first half of 2016. Nineteen smaller banks have market shares ranging from 0.08 to 11.7 per cent of assets and 0.02 to 12.9 per cent of deposits. The Herfindahl-Hirschman Index (HHI)[2] of the industry rose to 783.65 and 737.66 for assets and deposits from 751.17 and 733.37 in assets and deposit, respectively in the first half of 2016.

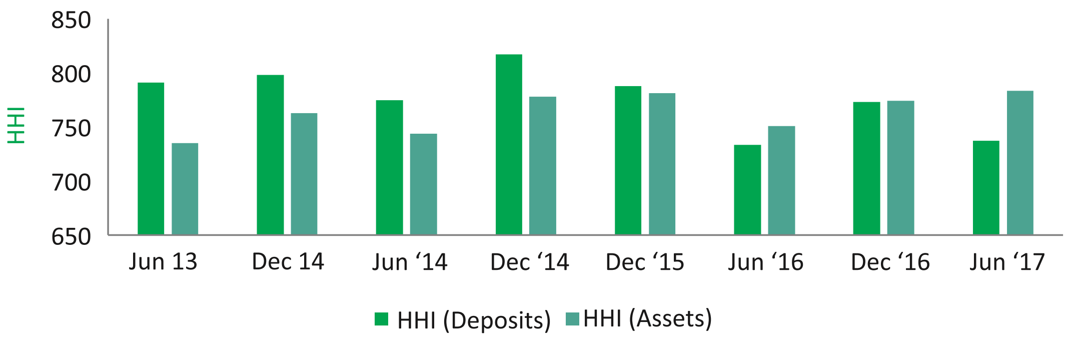
The concentration ratios of the six largest banks (CR6) were 60.11 (HHI=3,612.97) and 57.1 per cent (HHI=3,254.75) in assets and deposits respectively, compared with 44.89 (HHI=2,011.83) and 51.89 per cent (HHI=2,692.07) at the end of the first half of 2016. This suggests that oligopoly is possible in the market.

Figure 40a
Market Concentration Ratios of Banks (Assets and Deposits)



Source: CBN

Figure 40b
Measures of Competition in Banks: Herfindahl- Hirschman Index



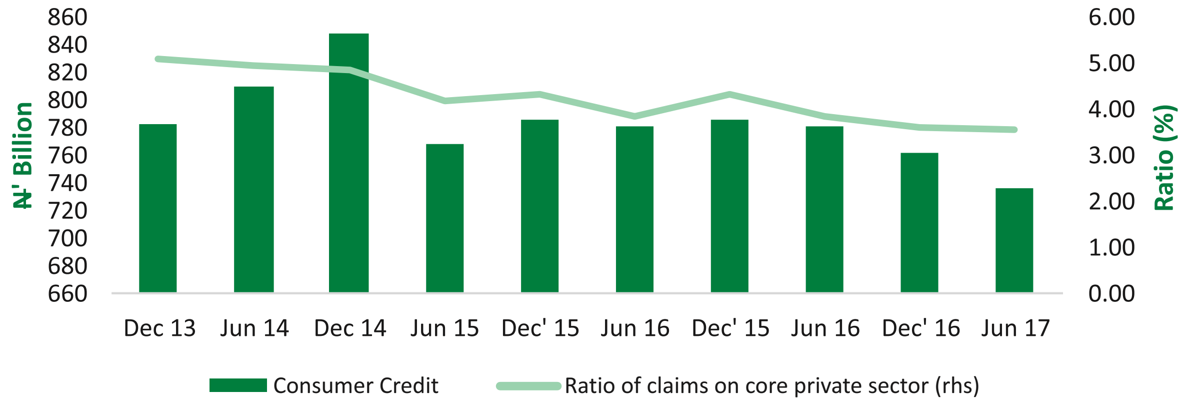
Source: CBN

[2] HHI ranges from 0 to 10,000. HHI close to 10,000 suggests a high concentrated market, and HHI close to 0 suggests a more competitive market structure.

4.1.11 Consumer Credit

At N736.19 billion, consumer credit rose by 1.8 per cent at the end of the review period, compared with the growth of 11.04 per cent at the end of the corresponding period of 2016. At that level, consumer loans constituted 3.5 per cent of total credit to the core private sector in the first half of 2017, compared with 3.8 per cent at the end of the corresponding half of 2016. Thus, consumer credit constituted low risk to commercial banks' exposure to the core private sector.

Figure 41
Consumer Credit and Ratio of Claims on Core Private Sector (N' Billion)



Source: CBN

4.1.12 Money Market Developments

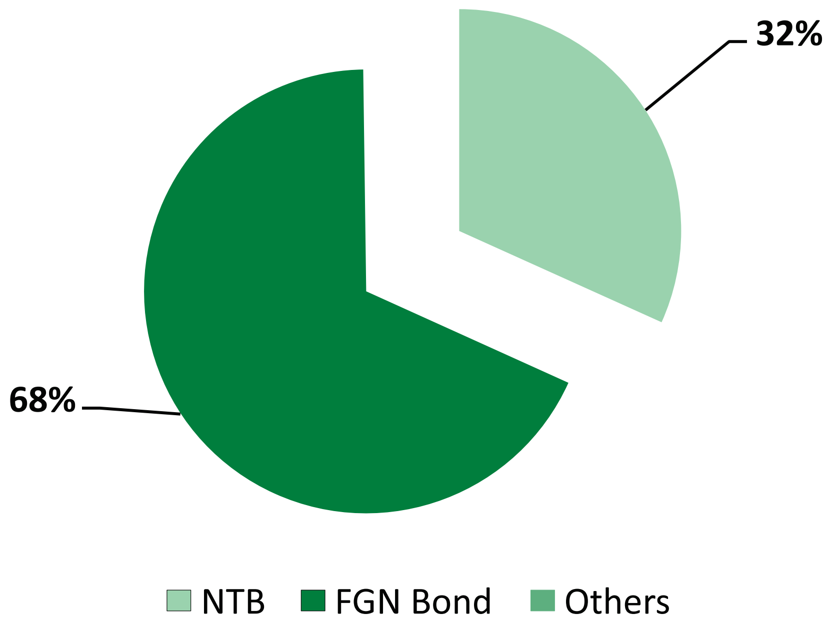
Activities in the money market in the first half of 2017 reflected liquidity conditions in the banking system. Liquidity was influenced by the fiscal operations of the Federal Government, operational modalities of CRR, settlements of foreign exchange interventions, monthly statutory allocation to the three-tiers of government, maturity of CBN bills and frequent conduct of open market operations. Nonetheless, demand and supply of funds in the interbank market showed a preference for collateralised transactions. Average short-term interest rates generally rose relative to their levels in the corresponding period of 2016.

In addition, in an effort to achieve convergence of the various exchange rates of the naira to the US dollar at the foreign exchange market, special windows were opened for foreign exchange transactions to accommodate investors and exporters, end-users for invisible transactions (excluding international airlines ticket sales remittances) and Bills for Collection as well as any other trade related payment obligations under the SME window.

4.1.12.1 Money Market Assets Outstanding

Provisional data indicated that money market assets outstanding at the end of the first half of 2017 was ₦11,661.90 billion, showing increase of 7.3 and 11.5 per cent, above the levels at end-December 2016 and the corresponding half of 2016, respectively. The development relative to the corresponding half year reflected, mainly, the increase of 6.2 per cent and 27.6 per cent in FGN Bonds and treasury bills outstanding, respectively.
A breakdown of the money market assets outstanding at the end of the first half of 2017 showed that 68.0 per cent was held in FGN Bonds, 32.0 per cent were in NTBs, while Commercial Papers and Bankers Acceptances accounted for the balance.

Figure 42
Money Market Assets Outstanding
(End-June 2017)



Source: CBN

4.1.12.2 Primary Market

At the Nigerian Treasury bill auction, ₦521.24 billion and ₦471.81 billion worth of 91-day bills were subscribed to and allotted, respectively, with bid rates ranging from 9.00 to 25.00 per cent, compared with the range of 3.00 to 13.00 per cent in the corresponding half of 2016. At the 182-day auction, ₦576.06 billion and ₦499.13 billion worth of bills were subscribed to and allotted at the bid rates of 13.50 to 21.00 per cent, compared with the range of 4.00 to 16.99 per cent in the corresponding half of 2016. At the 364-day auction, total subscription and allotment were ₦2,826.12 billion and ₦1,443.53 billion with bid rates ranging from 17.00 – 22.00 per cent, while the stop rates ranged from 18.45 to 18.98 per cent. Total subscription for all the auctions stood at ₦3,926.31 billion, compared with ₦4,930.03 billion in the corresponding half of 2016. The decline in the level of subscription was attributed largely to the liquidity squeeze occasioned by the Bank's mop-up activities around the issues period.

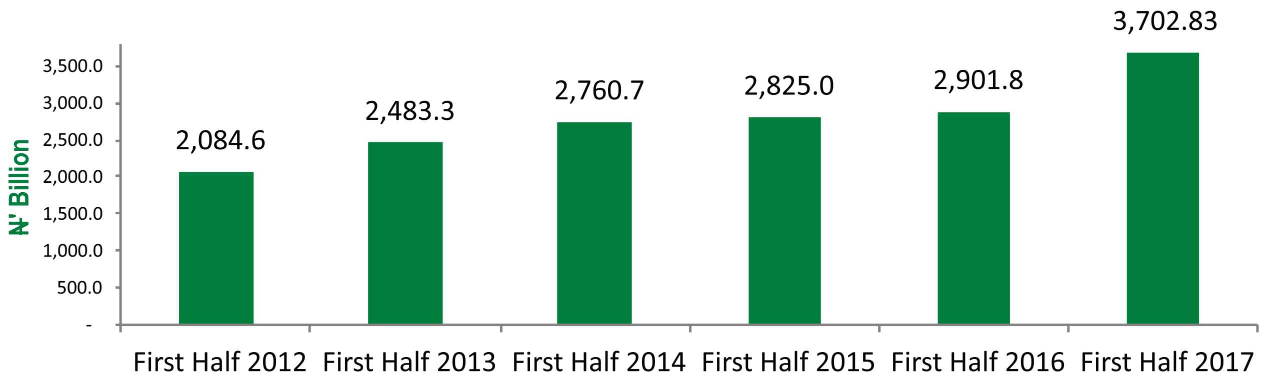
Table 15
Bid-Cover Ratios of Selected Securities

TENOR (DAY)	91-day	182-day	364-day	TOTAL (₦bn)
TOTAL SUBSCRIPTION (₦bn)	521.24	576.06	2,826.12	3,926.31
ALLOTMENT (₦bn)	471.81	499.13	1,443.53	2,414.47
BID COVER RATIO	1.10	1.15	1.96	
BID RANGE	9.00 to 25.00	13.50 to 21.00	17.00-22.00	

Source: CBN

The bid-to-cover ratios for the various tenors were 1.1, 1.2 and 2.0 for the 91-, 182- and 364-day tenors, respectively. Thus, total NTBs outstanding at end-June 2016 stood at ₦3,702.83 billion, showing an increase of 27.6 per cent above the ₦2,901.81 billion at the end of the first half of 2016.

Figure 43
Nigerian Treasury Bills Outstanding
(N' Billion)

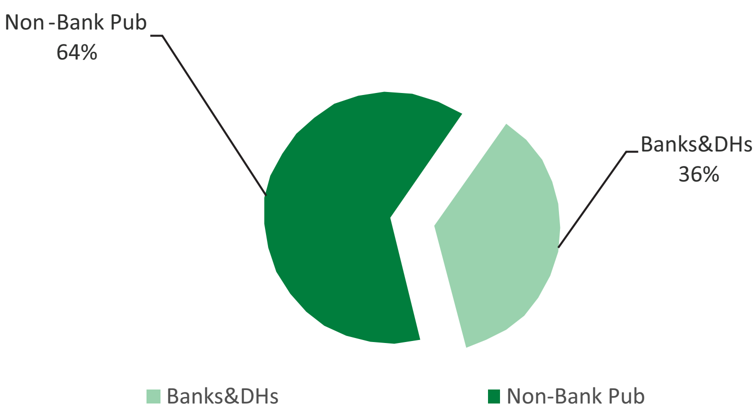


Source: CBN

4.1.12.3 Federal Government of Nigeria Bonds

In the review period, the CBN in collaboration with the Debt Management Office, issued a new tranche of the 10-year FGN Bond, while 5-, 10- and 20-year tranches were re-opened. The term-to-maturity of the bonds ranged from 4 years, 1 month to 19 years, 10 months. Total FGN Bonds offered was ₦785.00 billion, while public subscription and sale stood at ₦1,237.94 billion and ₦849.53 billion, respectively. The high demand for the securities was attributed to the liquidity surfeit in the banking system and renewed investors' confidence. There was no maturity in the period. Thus, the total value of FGN bonds outstanding at end-June 2017 was ₦8,614.75 billion, compared with ₦8,153.96 billion at end-June 2016, representing an increase of 5.7 per cent.

Figure 44
Distribution of FGN Bonds
(End-June 2017, per cent)



Source: CBN

4.1.12.4 Open Market Operations (OMO)

Open Market Operations remained the main instrument for liquidity management during the review period, using CBN bills.

4.1.12.5 OMO Auctions

Total amount of CBN bills worth ₦3,702.96 billion was issued, while public subscription and sale amounted to ₦4,593.93 billion and ₦3,871.27 billion, respectively, compared with ₦1,922.45 billion, ₦3,867.94 billion and ₦2,329.75 billion offered, subscribed to and sold, respectively in the second half of 2016. The tenors to maturity of the instruments ranged from 140 to 364 days in the review period, and the bid rates ranged from 16.00 - 18.86 per cent. The high level of activity was attributed, largely, to the monthly disbursements to the three tiers of government, CBN bills maturities, yields on CBN bills and increased number of auctions during the period. The cost of liquidity management in the review period rose to ₦577.46 billion, compared with ₦122.99 billion in the corresponding period of 2016.

4.1.12.6 The Two-Way Quote Trading in NTBs

Trading at the two-way quote trading platform remained passive in the review period. There was no trading at the two-way quote platform in the review period same as in the corresponding half of 2016.

4.1.12.7 Tenored Repurchase Transactions

The market accessed the sum of ₦352.66 billion at the tenored repurchase window between January and June 2017. The tenors ranged from 4 to 90 days while total interest that accrued was ₦10.31 billion at rates ranging from 18.50 to 19.50 per cent. There was no Repo transaction in the corresponding period of 2016.

4.1.12.8 Discount Window Operations

CBN Bills worth ₦5.29 billion with days to maturity ranging from 6 to 129 were rediscounted at 18.00 to 19.10 per cent in the corresponding period of 2016. Securities valued at ₦35.36 billion with tenors of 27 – 188 days were rediscounted at rates ranging from 16.25 to 17.15 per cent.

4.1.12.9 Central Bank of Nigeria (CBN) Standing Facilities

To aid short term liquidity needs of the financial market, intraday liquidity facility was made accessible as a temporary credit window to banks to meet their funding needs during the operating hours of the CBN Interbank Funds Transfer System (CIFTS). The Standing Lending Facility (SLF) and the Standing Deposit Facility (SDF) were also available for players to square up their positions at the close of business. Request for the Standing Lending Facility (SLF) was more predominant in the review period than the standing Deposit facility (SDF). Applicable rates at the SLF and SDF windows were 16.00 per cent, and 9.00 per cent respectively.

4.1.12.9.1 Standing Lending Facility (SLF)

The average request for SLF, inclusive of intra-day liquidity facility (ILF) in the first half of 2017, amounted to ₦227.52 billion, in 122 transactions, while the actual daily requests ranged from N83.61 billion to ₦478.54 billion. Total interest earned was ₦21.13 billion. In comparison with the first half of 2016, SLF amounted to ₦42.55 billion in the 85 transaction days with a total of ₦2.92 billion earned as interests.

4.1.12.9.2 Standing Deposit Facility (SDF)

The total SDF granted in the review period stood at ₦45.12 billion, with interest cost at ₦1.99 billion, compared with the SDF of ₦102.46 billion and the interest cost of ₦2.84 billion in the corresponding period of 2016.

4.1.12.10 Inter-Bank Funds Market

The total value of funds traded in the market stood at ₦16,681.97 billion in the first half of 2017, compared with ₦513.11 billion in the corresponding period of 2016. The value of unsecured call transactions amounted to ₦1,063.36 billion or 6.37 per cent, while open buy back (OBB) transactions stood at ₦16,681.97 billion or 93.63 per cent. The lower level of transactions at the unsecured segment was attributed, largely, to the dealers' preference for the secured transactions.

4.1.13 Interest Rate Developments

4.1.13.1 Money Market Rates

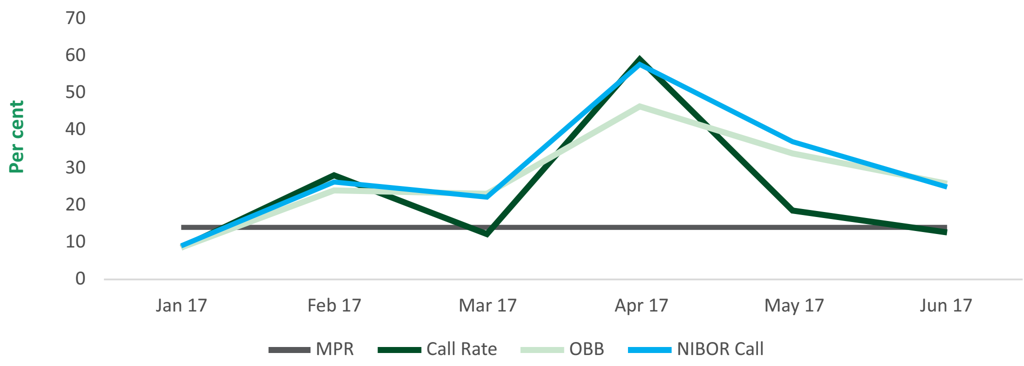
Average money market rates for interbank call and Open-Buy- Back (OBB) moved in tandem with the level of liquidity in the banking system for most part of the first half of 2017. Short-term rates in all the segments of the money market were volatile and higher than their levels in the corresponding period of 2016, due to fluctuation in liquidity in the system. Average inter-bank and OBB rates ranged from 3.00 to 200.00 per cent and 2.51 to 162.4 per cent, respectively. The weighted average monthly inter-bank rate and the OBB rate for the first half of 2017 were 22.94 per cent and 26.66 per cent, compared with 8.50 per cent and 7.63 per cent in the corresponding half of 2016, respectively. The weighted average of the Nigeria Inter-Bank Offered Rate (NIBOR) was 29.26 per cent, compared with 18.64 per cent in the corresponding half of 2016.

Table 16
Money Market Rates
(Per cent)

WEIGHTED AVERAGE				
Month	MPR	Call Rate	OBB	NIBOR 30-days
Jan-16	14.00	8.29	8.26	8.89
Feb-16	14.00	27.68	23.81	26.18
Mar-16	14.00	12.16	22.85	21.79
Apr-16	14.00	58.73	46.07	57.40
May-16	14.00	18.4	33.46	36.58
Jun-16	14.00	12.37	25.53	24.71
Average 2017 First Half	14.00	22.94	26.66	29.26
Average 2016 First Half	14.00	8.50	7.63	18.64

Source: CBN

Figure 45
Money Market Rates
(Per cent)



Source: CBN

4.1.13.1.1 Deposit Rates

Deposit rates moved in tandem with the level of banking system liquidity and generally rose in the first half of 2017. The average term deposit rate increased by 3.29 percentage points to 8.69 per cent above its level in the corresponding half of 2016. Average rates on deposits of various maturities rose from a range of 2.79 to 6.86 per cent in the first half of 2016 to a range of 8.51 to 9.10 per cent at the end of the first half of 2017. With the year-on-year inflation rate at 16.1 per cent in June 2017, all deposit rates were negative in real terms.

4.1.13.1.2 Lending Rates

The weighted average prime and the maximum lending rates rose to 17.35 and 30.05 per cent, from 16.63 and 26.83 per cent in the first half of 2016. Consequently, the spread between the average term deposits and maximum lending rates narrowed by 0.05 percentage points to 21.38 percentage points.

Table 17
DMBs Deposits and Lending Rates
(Per cent)

Month	Savings	Average Term Deposit Rates	Prime Lending	Maximum Lending	Spread (AVTD-MXLR)
Jan-17	4.22	8.51	16.91	28.88	20.37
Feb-17	4.22	8.51	17.13	29.26	20.75
Mar-17	4.23	8.54	17.43	30.18	21.64
Apr-17	4.24	9.1	17.44	30.31	21.21
May-17	4.08	8.65	17.58	30.75	22.10
Jun-17	4.08	8.72	17.59	30.94	22.22
Average 2016 First Half	3.43	5.4	16.63	26.83	21.43
Average 2017 First Half	4.18	8.67	17.35	30.05	21.38

Source: CBN

4.1.14 Institutional Savings

Aggregate financial savings declined by 4.4 per cent to ₦12,380.00 billion in the first half of 2017, compared with ₦12,953.7 billion at the end of the corresponding period of 2016. DMBs remained the dominant depository institutions in the financial system, accounting for 95.2 per cent of the total financial savings, the same as in the preceding half year. Other saving institutions, namely PMBs, life insurance companies, pension fund custodians, the Nigerian Social Insurance Trust Fund (NSITF), and MFBs accounted for the balance.

4.1.15 Other Financial Institutions

4.1.15.1 Development Finance Institutions

Total assets of the five (5) reporting development finance institutions (DFIs) namely: Bank of Industry (BOI), Federal Mortgage Bank of Nigeria (FMBN), Nigerian Export-Import Bank (NEXIM), Bank of Agriculture (BOA) and The Infrastructure Bank (TIB) increased marginally by 2.1 per cent to ₦984.32 billion at end-June 2017, compared with ₦964.24 billion at end-December 2016. The Development Bank of Nigeria (DBN) was excluded as it was yet to commence operations. Similarly, net loans and advances and paid-up share capital of the sub-sector rose by 18.3 per cent and 0.7 per cent to ₦676.64 billion and ₦232.42 billion, respectively. The shareholders' funds, however, declined by 3.3 per cent to ₦198.61 billion at the end of the first half of 2017 due, mainly, to increase in loan provisioning arising from high loan defaults. A disaggregation of the total assets by institution indicated that BOI, FMBN, NEXIM, BOA and TIB accounted for 67.7, 21.3, 6.9, 3.4 and 0.7 per cent, respectively, of the total. Similarly, the respective institutions accounted for 74.5, 19.2, 6.1, 0.1 and 0.1 per cent of the net loans and advances.

4.1.15.2 Microfinance Banks (MFBs)

Total assets of the 999 licensed microfinance banks (MFBs), based on provisional data at end-June 2017, stood at ₦375.17 billion and represented 6.0 per cent increase over the level at end-December 2016. Similarly, paid-up capital and shareholders' funds of MFBs increased by 1.0 per cent and 14.4 per cent to ₦63.50 billion and ₦91.24 billion at end-June 2017, respectively. The increase in paid-up capital and shareholders' fund was attributed to additional capital injection and increased operating surplus. Total deposit liabilities and net loans/advances increased by 7.3 and 1.5 per cent to ₦185.11 billion and ₦193.20 billion at end-June 2017, compared with ₦172.45 billion and ₦190.31 billion at end-December 2016, respectively. Aggregate reserves in the first half of 2017 amounted to ₦27.72 billion, indicating a 64.1 per cent increase over ₦16.89 billion at end-December 2016.

Investible funds available to the sub-sector in the review period amounted to ₦31.36 billion. The funds were sourced, mainly, from ₦12.66 billion increase in deposits, additional ₦10.83 billion accretion to reserves, N2.39 billion in takings from banks and realisation of other assets worth ₦4.87 billion. The funds were used, mainly, to increase bank balances by ₦9.52 billion, placement with banks (₦7.91 billion), short term investment (₦3.28 billion), loans and advances (₦2.89 billion) and acquisition of fixed assets (₦1.33 billion). The funds were also used to reduce other liabilities and long-term loans by ₦3.76 billion and N1.64 billion, respectively.

4.1.15.3 Finance Companies (FCs)

The number of finance companies (FCs) at end-June 2017 stood at 77, inclusive of two (2) newly licensed institutions that were yet to commence operations and five (5) that had returned their licences to the CBN, pending liquidation. The total assets and liabilities of finance companies (FCs) decreased marginally by 0.63 per cent to ₦121.02 billion at end-June 2017, compared with ₦121.79 billion at end-December 2016. The decrease in total assets was attributed to operational losses arising from the effect of the economic downturn. Loans/advances increased by 1.01 per cent to ₦40.98 billion at the end of the first half of 2017, compared with ₦40.57 billion at end-December 2016. Similarly, shareholders' funds increased marginally to ₦21.87 billion at end-June 2017, above ₦21.60 billion at end-December 2016, reflecting the effect of the regulatory induced recapitalisation exercise. Investments, balances with banks and fixed assets, however, decreased by 7.2, 18.8 and 3.2 per cent to ₦14.29 billion, ₦2.12 billion and ₦13.47 billion at end-June 2017 below the ₦15.40 billion, ₦2.61 billion and ₦13.91 billion at end-December 2016, respectively.

Investible funds available to the sub-sector in the review period amounted to ₦2.42 billion. The funds were sourced from reduction in investments worth N1.09 billion, N0.49 billion in balances with banks, realisation of fixed assets worth ₦0.43 billion and increase in long-term borrowing of ₦0.075 billion. The funds were utilised, mainly, to reduce other liabilities (₦1.05 billion), acquire other assets (₦0.63 billion) and increase loans and advances (₦0.40 billion).

Table 18
Key Finance Companies Financial Highlights, June 30, 2017

	June 2017 (₦' billion)	December 2016 (₦' billion)	% Change
Total Assets	121.02	121.79	(0.63)
Cash in Vault	1.69	1.69	0
Balances with Banks	2.12	2.61	(18.8)
Loans and Advances	40.98	40.57	1.0
Borrowings	71.47	71.53	0.09
Investments	14.29	15.40	(7.2)
Fixed Assets	13.47	13.91	(3.2)
Reserves	2.75	2.43	13.2
Paid-up Capital	19.11	19.18	(0.3)

Source: CBN

4.1.15.4 Primary Mortgage Banks (PMBs)

The number of PMBs in operation was thirty-four (34) at end-June 2017, same as at end-December 2016. Following the upgrade of Safetrust Mortgage Bank Limited from state to a national PMB, there were 11 national PMBs and 23 state PMBs at end-June 2017, compared with ten (10) national and 24 state PMBs in the first half of 2016. Total loans and advances, short-term investments, non-current assets held for sale, and placement with banks increased by 10.0, 7.0, 3.0 and 4.0 per cent, respectively, to ₦169.83 billion, ₦9.48 billion, ₦68.03 billion and ₦37.20 billion at end-June 2017. Total assets of PMBs, however, fell marginally by 0.8 per cent to ₦380.51 billion at end-June 2017, compared with ₦383.67 billion at end-December 2016, reflecting, mainly, the decline in deposits. Shareholders' funds amounted to ₦127.30 billion at end-June 2017, compared with ₦132.18 billion at end-December 2016, indicating 3.7 per cent decrease due, mainly, to operating losses. Investible funds available to the sub-sector at end-June 2017 amounted to ₦39.10 billion.

The funds were sourced, mainly, from decrease in placement with banks (₦20.49 billion), increase in other liabilities (₦10.53 billion), increase in long-term loans (₦4.06 billion) and decline in cash balances (₦3.58 billion). The funds were utilised to increase loans and advances by ₦15.37 billion, fund decline in placement from banks worth ₦14.08 billion, finance increase in non-current asset investments held for sale valued at ₦1.67 billion and increased placements with banks by ₦1.26 billion.

Table 19
Key PMB Financial Highlights as at June 30, 2017

	June 2017 (₦' billion)	December 2016 (₦' billion)	% Change
Total Assets	380.51	383.67	(0.8)
Loans and Advances	169.83	154.46	10.0
Placement with Banks	37.20	35.94	4.0
Deposit Liabilities	114.98	115.77	(0.7)
Other Liabilities	80.58	68.06	18.0
Shareholders' funds	127.30	132.18	(3.7)

Source: CBN

4.1.15.5 Bureaux-De-Change (BDCs)

There were 3,292 BDCs in operation in the first half of 2017, compared with 3,147 at end-December 2017. The increase was due to the licensing of 89 new BDCs and the reinstatement of 56 previously licensed BDCs following their successful recapitalisation. In the review period, the Bank established an inter-departmental committee for effective coordination and information sharing on BDCs to guide policy decision.

4.1.15.6 Asset Management Corporation of Nigeria (AMCON)

Total recoveries by AMCON was N39.70 billion as at May 31, 2017, made up of cash recovery (₦28.52 billion) and asset forfeiture (₦11.18 billion). Contributions to the Banking Sector Resolution Cost Fund for 2017 amounted to ₦184.98 billion at end-June 2017, while arrears for 2016 worth ₦5.91 billion were collected in the review period.

4.1.16 Capital Market Developments

4.1.16.1 Institutional Developments

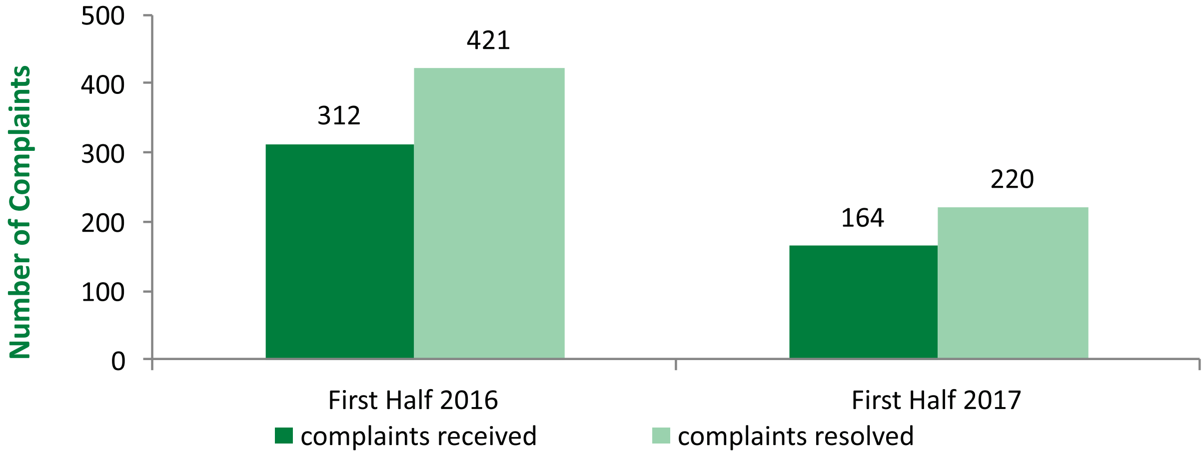
The Securities and Exchange Commission (SEC) sustained the implementation of market deepening polices and on-going engagements with stakeholders to further consolidate the rally in the capital market during the review period. In this regard, the Commission conducted target inspection of three (3) capital market operators and selected registrars to verify the value of unclaimed dividends paid by registrars from November 2015 to October 2016. In addition, the SEC approved the 2017 joint Anti-Money Laundering/Combating the Financial Terrorism (AML/CFT) and Prudential Inspection Plan on capital market operators with head offices in Abuja. Furthermore, the final report on National Risk Assessment was considered to highlight capital market-related findings for consideration by the Commission.

In furtherance of the investor education initiative, the Commission considered the proposal by the Nigeria Educational Research and Development Council (NERDC) for the introduction of capital market studies in the basic and senior secondary school curricula. Other major activities of the Commission in the first half of 2017 were:

- Training of bank officials and other stakeholders on e-dividend mandate management process and resolution of impediments in the process;
- Development of framework on collaboration with financial market dealers quotation (FMDQ) to enhance synergy and efficiency on product innovations; and
- Participation at the 3rd AML/CFT Stakeholders' Consultative Workshop and Recognition Award at the CBN International Training Institute on March 22-23, 2017.

With respect to investor protection, the Commission received 164 complaints against capital market operators in the first half of 2017, compared with 312 complaints received in the corresponding half of 2016. A total of 220 cases were resolved in the review period, including complaints carried over from the previous year.

Figure 46
Complaints received and resolved, end-June 2017



Source: CBN

4.1.16.2 The Nigerian Stock Exchange (NSE)

Developments in the Nigerian stock market during the first half of 2017 were mixed. In the primary market segment, there were twelve (12) new issues, comprising eight (8) rights issues, three (3) bonus issues and one (1) equity conversion. No new listing was recorded in the debt securities segment in the review period. In the secondary segment of the market, aggregate volume of traded securities fell by 29.0 per cent to 44.2 billion shares, while the value of traded securities rose by 50.1 per cent to ₦468.80 billion, compared with 62.0 billion shares valued at ₦312.2 billion in the corresponding period of 2016. Relative to the levels at end-June 2016, aggregate market capitalisation and All-Share Index (ASI) rose by 10.0 and 11.9 per cent to ₦19.0 trillion and 33,117.48 at end-June 2017, respectively.

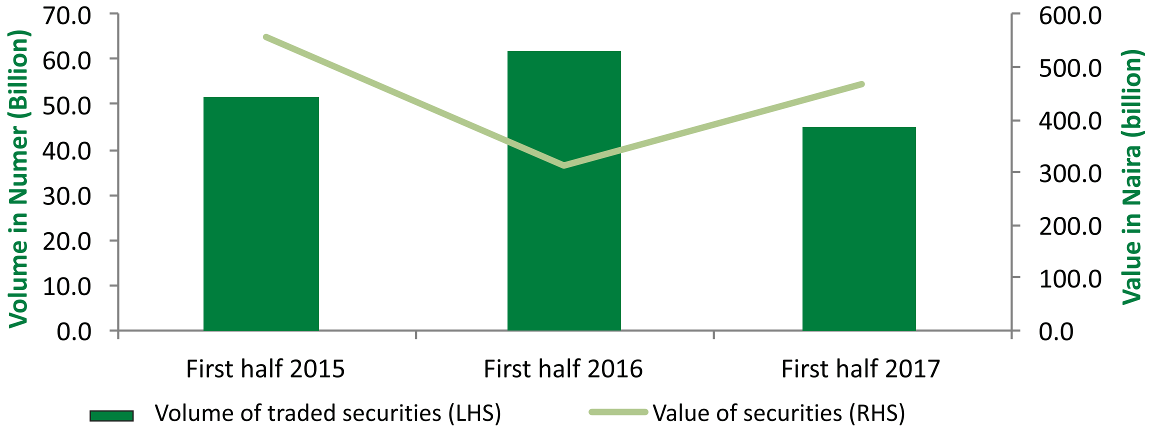
4.1.16.3 The New Issues Market

The Exchange recorded twelve (12) new equity listings in the first half of 2017. The new equity issues comprised eight (8) rights issues worth ₦68.38 billion, three (3) bonus issues worth ₦8.99 billion and one (1) equity conversion valued at ₦1.98 billion. Overall, a total of ₦79.35 billion was raised from new listings in the review period.

4.1.16.4 The Secondary Market

Developments in the secondary segment of the Nigerian Stock market were mixed in the first half of 2017. The aggregate volume of traded securities fell by 29.0 per cent to 44.2 billion shares, while the value of traded securities rose by 50.1 per cent to ₦468.8 billion, compared with 62.0 billion shares valued at ₦312.2 billion in the corresponding period of 2016. The equities sub-sector maintained its dominance in the market, accounting for 99.9 per cent and 99.8 per cent of the aggregate volume and value of transactions, respectively, while the debt market accounted for the balance. Sectoral analysis of the developments in the market indicated that the financial services sector (measured by volume of transactions), remained the most active, accounting for 36.6 billion shares in traded securities (82.8% of the total), valued at ₦214.7 billion (45.8% of the total), in 263,465 deals, compared with 48.9 billion shares, valued at ₦175.9 billion in 252,377 deals in the first half of 2016. This was followed by the conglomerates with 2.2 billion shares valued at ₦5.4 billion in 20,862 deals. The banking sub-sector was the most active on the Exchange (measured by volume) with traded volume of 23.7 billion shares, valued at ₦203.3 billion in 215,587 deals.

Figure 47
Volume and Value of Transactions at the NSE

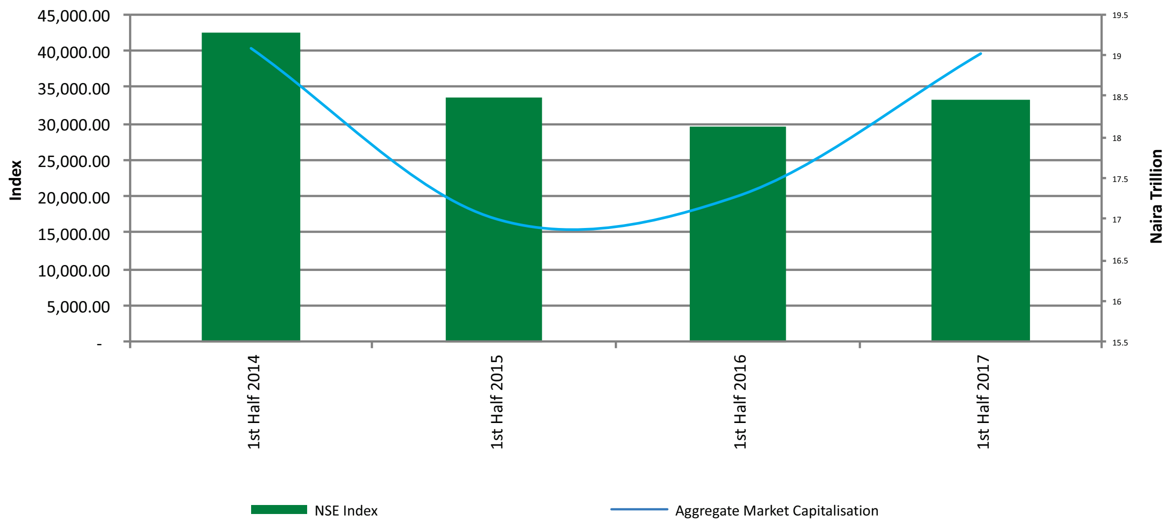


Source: *Securities and Exchange Commission (SEC)/Nigerian Stock Exchange (NSE)*

4.1.16.5 All-Share Index and Aggregate Market Capitalisation

The NSE All Share Index rose by 23.2 per cent and 11.9 per cent to 33,117.48 at end-June 2017, compared with 26,874.6 and 29,597.79 at end-December 2016 and end-June 2016, respectively. Aggregate market capitalisation of listed securities closed at ₦19.03 trillion, indicating an increase of 17.5 and 10.1 per cent over the levels at end-December 2016 and the corresponding period of 2016, respectively. Listed equities accounted for 60.2 per cent of the aggregate market capitalisation, while the debt component accounted for the balance of 39.8 per cent. The top twenty (20) most capitalised companies on the Exchange accounted for 86.8 per cent (₦9.94 trillion) of the total equity capitalisation and 52.2 per cent of the aggregate (equity plus debt) market capitalisation. Eight (8) banks made the list of the top twenty (20) most capitalised companies and accounted for ₦2.6 trillion (16.8%) of the total equity market capitalisation, compared with 18.6 per cent in the corresponding period of 2016. As a percentage of nominal GDP, aggregate market capitalisation stood at 35.9 per cent at end-June 2017, compared with 37.8 per cent in the corresponding period of 2016. The development indicated lower growth of the total market capitalisation as a result of the slowness in the emergence of the capital market from the era of depressed investor appetite.

Figure 48
Aggregate Market Capitalisation and NSE Value Index



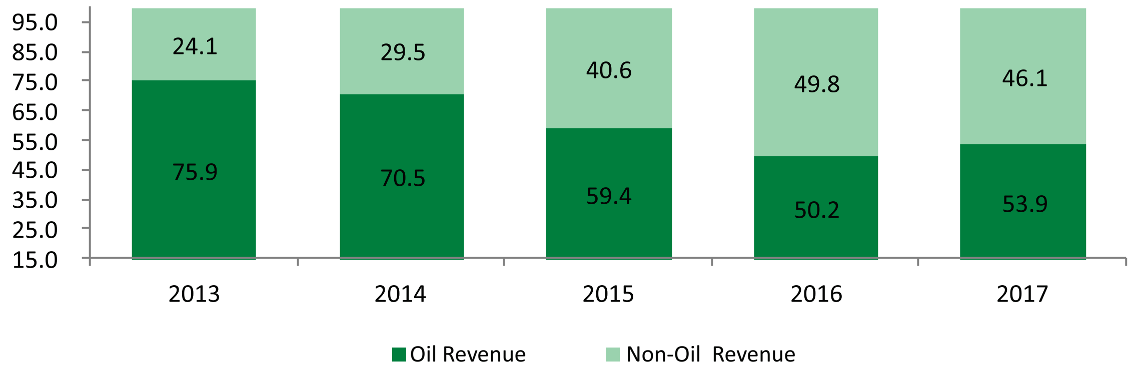
Source: SEC/NSE

4.2 FISCAL OPERATIONS

4.2.1 Federation Account Operations

Provisional federally-collected revenue (gross) in the first half of 2017 stood at ₦2,992.83 billion or 5.6 per cent of GDP. The amount was lower than the proportionate budget estimate by 44.3 per cent, but was above the level in the corresponding period of 2016 by 24.9 per cent. The drop in federally-collected revenue relative to the budget estimate was attributed to the decline in both oil and non-oil revenue. Of the total revenue, oil constituted 53.9 per cent, while non-oil accounted for the balance of 46.1 per cent.

Figure 49
Structure of Federation Revenue Gross (Per cent), First Half 2013 - 2017

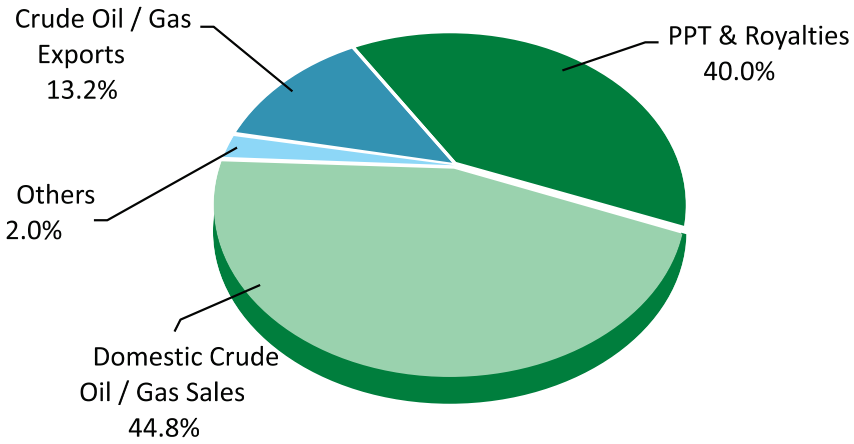


Sources: *Computation based on data from:*
The Office of Accountant General of the Federation (OAGF)
and the Federal Ministry of Finance (FMF

At ₦1,613.02 billion or 3.0 per cent of GDP, provisional oil revenue (gross) fell below the proportionate budget estimate by 40.2 per cent, but rose above the level in the first half of 2016 by 34.0 per cent. The drop in oil revenue relative to the proportionate budget estimate was attributed to the decline in the volume of production and exports during the period. Relative to the budgeted benchmark of 2.2 million barrels per day (mbd), crude oil production averaged 1.62 mbd. The oil revenue gross comprised: Domestic Crude Oil/Gas Sales, ₦723.25 billion (44.8%); PPT/Royalties, ₦645.86 billion (40.0%); Crude Oil and Gas Exports, ₦213.17 billion (13.2%); and "Others", ₦30.74 billion (2.0%), respectively.

Earnings lodged in Federation Account by virtue of Section 161 of the Federal Republic of Nigeria Constitution 1999 as amended

Figure 50
Composition of Oil Revenue, (Per cent)
First Half 2017



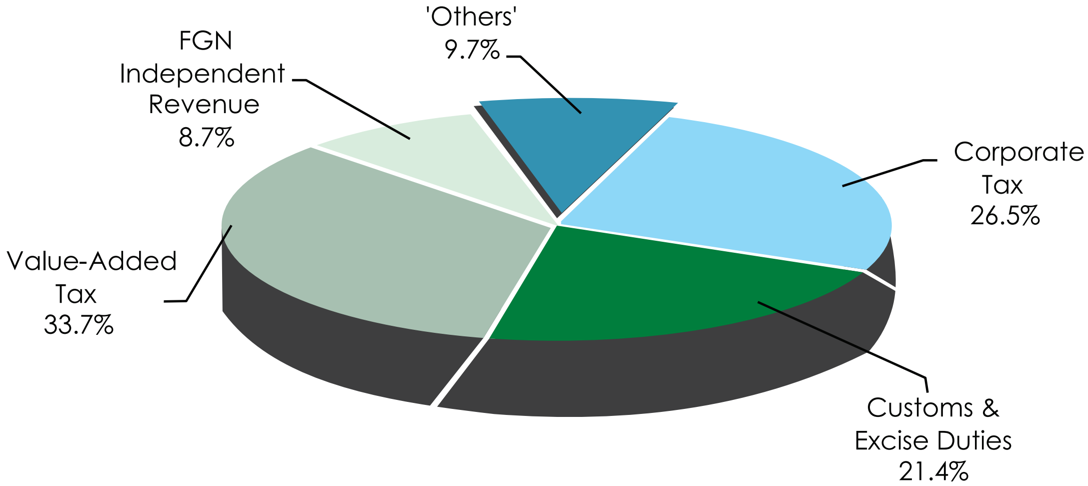
Sources: The OAGF and the FMF

The sum of ₦460.65 billion and N13.89 billion from the oil revenue (gross) were utilised by the Joint Venture Cash (JVC) calls and cost of collection by the Department of Petroleum Resources (DPR), respectively, while ₦157.06 billion was transferred to "Others". The balance of ₦981.43 billion was, however, retained in the Federation Account for distribution among the three tiers of government and the 13% Derivation Fund.

At ₦1,379.80 billion or 2.6 per cent of GDP, the provisional non-oil Revenue (gross) was below the proportionate budget estimate by 48.3 per cent, but was above the level in the corresponding period of 2016 by 15.7 per cent. The decline in non-oil revenue relative to the budget estimate was attributed to the lull in economic activities and was reflected in all its components. The non-oil revenue gross comprised: Value Added Tax (VAT), ₦465.31 billion (33.7%); Corporate Tax, ₦365.33 billion (26.5%); Customs and Excise Duties, ₦294.84 billion (21.4%); FGN Independent Revenue, ₦119.38 billion (8.7%) and "Others", ₦134.94 billion (9.7%).

[4] Include Excess Crude Revenue, Excess PPT/Royalty & NNPC Refunds
[5] Include Education Tax Fund; Customs Special Levies (Federation and Non-Federation); and National Information Technology Development Fund (NITDF).

Figure 51
Composition of Non-Oil Revenue, (Per cent)
First Half 2017

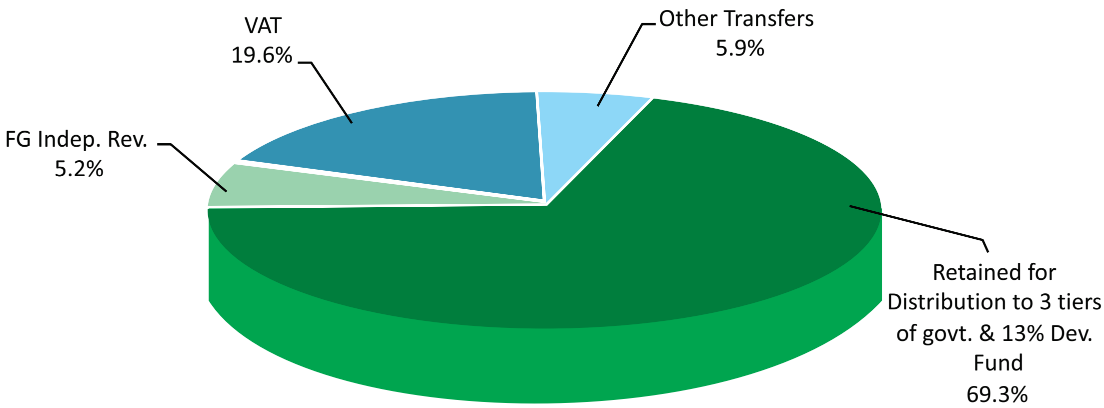


Sources: The OAGF and the FMF

The sum of ₦54.64 billion, ₦25.42 billion, and ₦0.08 billion were deducted from the non-oil revenue as combined cost of collection for the Federal Inland Revenue Service (FIRS) and Nigeria Customs Service (NCS), FIRS Tax refunds and NCS refunds, respectively, leaving a net distributable balance of ₦1,299.67 billion.

Overall, of the ₦2,281.09 billion federally-collected revenue (net), ₦446.70 billion (19.6%), ₦134.94 billion (5.9%) and ₦119.38 billion (5.2%), were transferred to the VAT Pool Account, Other Transfers and FG Independent Revenue, respectively. The balance of ₦1,580.07 billion (69.3%) was retained in the Federation Account for distribution to the three tiers of government and the 13% Derivation Fund.

Figure 52
Composition of Federally Collected Revenue (Net), (Per cent)
First Half 2017



Sources: The OAGF and the FMF

4.2.1.1 Federally Collected Revenue Distribution

Distribution from the Federation Account to the three-tiers of government in the first half of 2017 was as follows: Federal Government, ₦765.17 billion; states, ₦388.10 billion; and local governments, ₦299.21 billion. The balance of ₦127.59 billion was shared among the oil producing states as 13% Derivation Fund.

The sum of ₦311.75 billion was drawn-down on the Exchange Rate Differential Account to augment the shortfall in budgeted revenue and shared as exchange gain as follows: the Federal Government, N145.98 billion; states, ₦74.04 billion; local governments, ₦57.08 billion and the 13% Derivation Fund, ₦34.65 billion. Furthermore, the sum of ₦166.58 billion was shared from the Excess Crude/PPT Account with the Federal Government receiving ₦76.35 billion. The state and local governments received ₦38.72 billion, and ₦29.85 billion, respectively, while the 13% Derivation Fund got ₦21.66 billion. In addition, the Federal Government received ₦25.32 billion as the final instalment of the NNPC refund of indebtedness.

4.2.1.2 VAT Pool Account

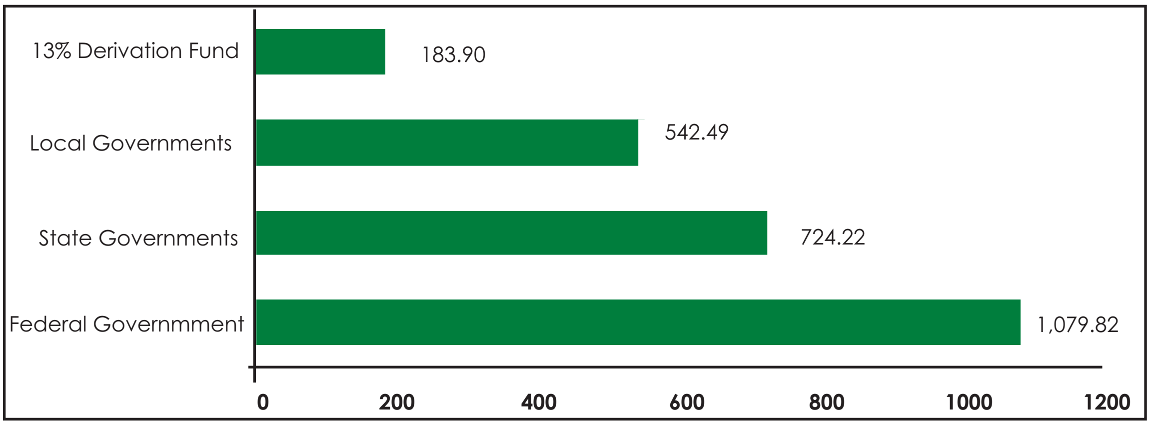
A total of ₦446.70 billion accrued to the VAT Pool Account in the first half of 2017, representing a decrease of 48.3 per cent below the proportionate budget estimate for the fiscal year. The amount was distributed among the three tiers of government as follows: Federal Government, ₦67.01 billion; state governments, ₦223.35 billion; and local governments, ₦156.35 billion.

[6]Shared as follows: Federal, including Special Funds (52.68%); States (26.72%); and local governments (20.0%)
[7]Fund set aside for the oil producing state.

4.2.1.3 Cumulative Distribution

The total statutory revenue distributed to the three-tiers of government and the 13% Derivation Fund amounted to ₦2,530.42 billion in the first half of 2017. This was below the 2017 proportionate budget estimate of ₦4,701.45 billion by 46.2 per cent, but was above the ₦1,984.65 billion distributed in the first half of 2016 by 27.5 per cent. The amount comprised the Federation Account, ₦1,580.07 billion (62.4%); other statutory revenue (including Exchange Gain, Excess Crude/PPT and NNPC Refunds), ₦503.66 billion (19.9%); and VAT Pool Account, ₦446.70 billion (17.7%).

Figure 53
Cummulative Distributions to the Tiers of Government and 13% Derivation Fund (N' Billion)
First Half 2017



Sources: The OAGF and the FMF

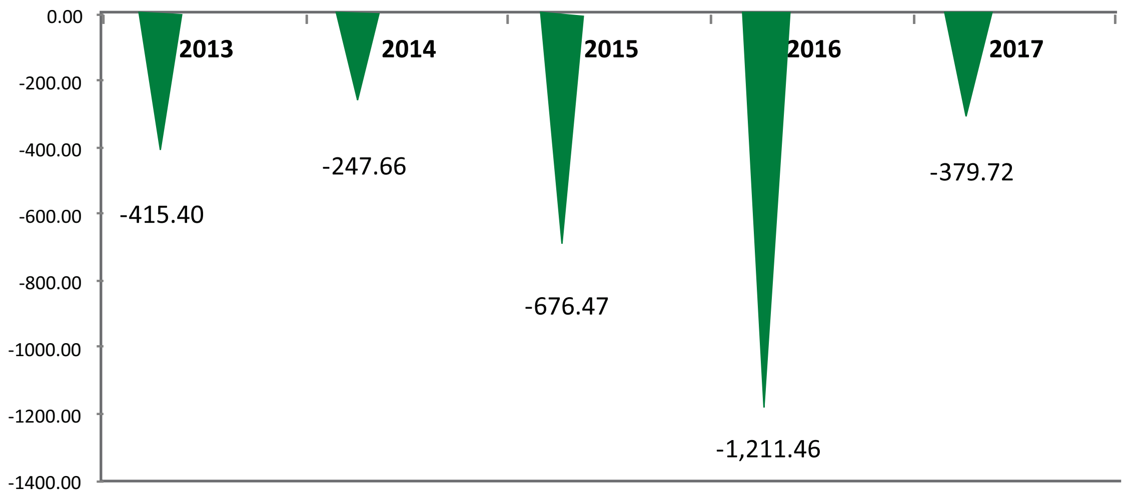
4.2.2 Federal Government Finances

4.2.2.1 Federal Government Fiscal Balance

Provisional Data showed that the fiscal operations of the Federal Government in the first half of 2017 resulted in an estimated overall deficit of ₦379.72 billion or 0.7 per cent of GDP, compared with that of the proportionate budget estimate and the corresponding period of 2016 at ₦1,178.39 billion and ₦1,211.46 billion, respectively. The deficit was financed mainly from domestic sources.

[8] Shared as follows: Federal (15.0%); States (50.0%) and local governments (35.0%)

Figure 54
FGN Fiscal Balance (N' Billion)
First Half 2013 - 2017

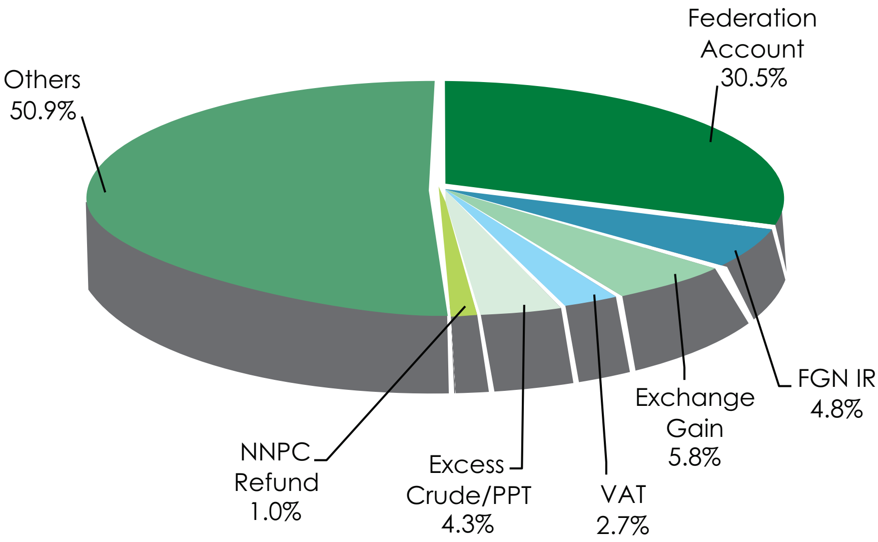


Source: The OAGF and the FMF

4.2.2.2 Federal Government Retained Revenue

At ₦2,505.53 billion or 4.7 per cent of GDP, the provisional retained-revenue of the Federal Government was lower than the proportionate budget estimate by 7.1 per cent. It was, however, higher than the level in the first half of 2016 by 91.9 per cent. The development relative to the proportionate budget estimate was attributed to the drop in revenue from oil and non-oil sources. A breakdown of the retained-revenue revealed that the share from the Federation Account was ₦765.17 billion (30.5%); Federal Government Independent Revenue, N119.38 billion (4.8%); Exchange Gain, ₦145.98 billion (5.8%); VAT Pool Account, ₦67.01 billion (2.7%); Excess Crude, ₦106.60 billion (4.3%); NNPC Refund, ₦25.32 billion (1.0%) and 'Others', ₦1,276.09 billion (50.9%).

Figure 55
Composition of Federal Government Retained Revenue, (Per cent)
First Half 2017

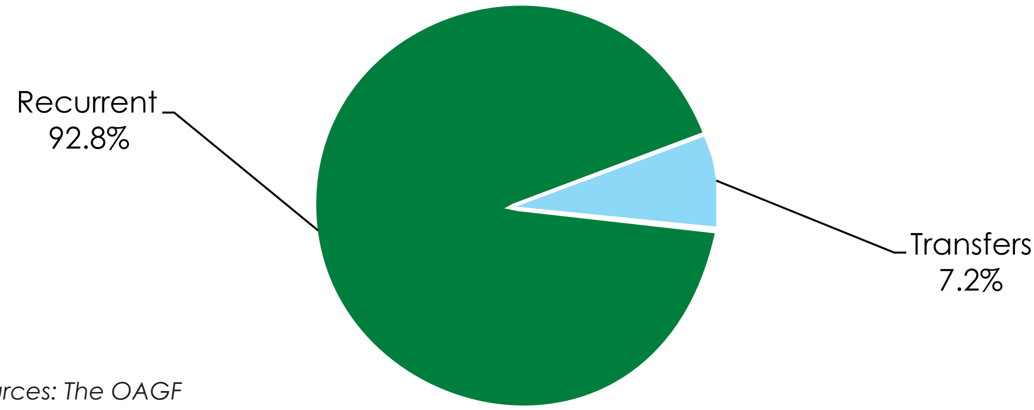


Sources: The OAGF and the FMF

4.2.2.3 Federal Government Expenditure

Provisional data indicated that the aggregate expenditure of the Federal Government in the first half of 2017 was ₦2,885.25 billion or 5.4 per cent of GDP. This was below the proportionate budget estimate by 25.6 per cent, but was above the level in the corresponding period of 2016 by 14.6 per cent. The development relative to the proportionate budget estimate reflected largely, non-capital releases owing to the delay in the passage of the 2017 budget, extension of 2016 capital budget implementation to May 5, 2017 and the need for MDAs to finalise their procurement processes. Non-debt expenditure was below the proportionate budget estimate by 33.8 per cent and constituted 67.8 per cent of total expenditure. Total interest payments amounted to ₦927.74 billion, representing 37.0 and 32.2 per cent of Federal Government retained revenue and total expenditure, respectively.

Figure 56
Composition of Federal Government Expenditure, (Per cent)
First Half 2017



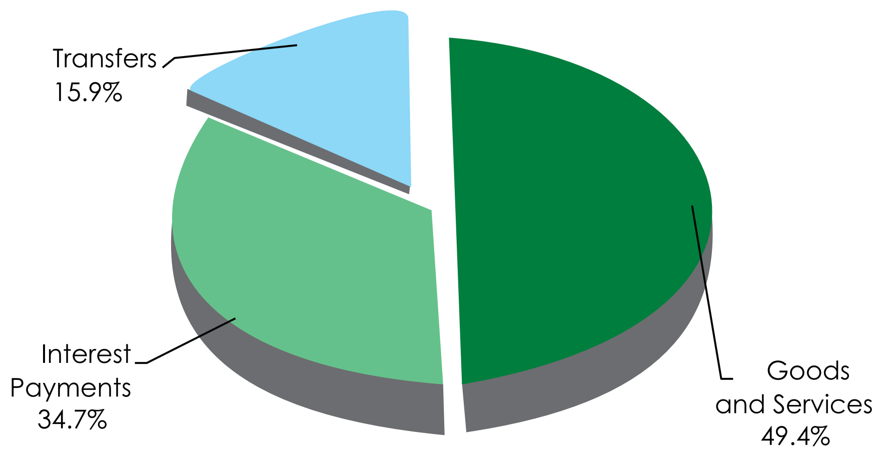
Sources: The OAGF

At ₦2,676.23 billion, provisional recurrent expenditure rose by 4.1 per cent above the proportionate budget estimate and accounted for 92.8 per cent of total expenditure. As a percentage of GDP, recurrent expenditure was 5.0 per cent, compared with 3.3 per cent in the first half of 2016. A breakdown of the recurrent expenditure showed that the goods and services component, at ₦1,323.06 billion or 49.4 per cent of the total, fell below the proportionate budget estimate by 11.5 per cent owing largely, to the decline in personnel cost. Further analysis of the goods and services component showed that personnel cost accounted for ₦723.89 billion (54.7%), while overhead cost and pension were ₦455.89 billion (34.5%) and ₦143.28 billion (10.8%), respectively.

Interest payments, which was 34.7 per cent of total recurrent expenditure or 1.7 per cent of GDP, rose by 0.8 per cent to ₦927.74 billion, compared with the proportionate budget estimate of ₦920.67 billion. Of this amount, ₦871.94 billion (94.0%) was expended on domestic debt service, while the balance of ₦55.80 billion (6.0%) was for external debt service. Transfers to special funds (FCT, Stabilisation Fund, Development of Natural Resources and Ecology Fund) and "Others" accounted for ₦425.44 billion or 15.9 per cent of total recurrent expenditure.

[9] Include interest payments on CBN Overdraft.

Figure 57
Economic Classification of FG Recurrent Expenditure, (Per cent)
First Half 2017



Sources: The OAGF

On a functional basis, outlay for administration was ₦904.30 billion and constituted 33.8 per cent of total recurrent expenditure. Relative to the level in the corresponding period of 2016, it rose by 39.3 per cent due to the increase in the allocation to all the key sub-sectors. Similarly, expenditure in the social and community services sector increased by 60.2 per cent to ₦462.89 billion, and accounted for 17.3 per cent of the total. Also, spending on economic services and transfers rose by 31.9 and 39.0 per cent to N215.94 billion and ₦1,093.07 billion and constituted 8.1 and 40.8 per cent of the total, respectively.

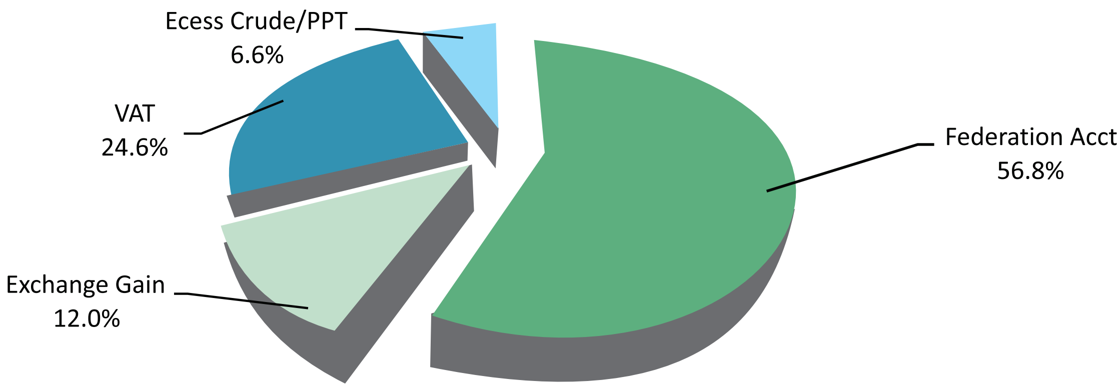
Statutory transfers, at ₦209.02 billion or 0.4 per cent of GDP, fell by 3.8 per cent, compared with the proportionate budget estimate and accounted for 7.2 per cent of total expenditure.

4.2.3 State Government Finances

Provisional data showed that the aggregate statutory allocation to state governments from the Federation Account, Excess Crude/PPT, Exchange Gain and VAT Pool Account amounted to N908.11 billion in the first half of 2017. This was 46.5 per cent below the proportionate budget estimate, but was 29.6 per cent above the level in the corresponding period of 2016. A breakdown showed that allocation from the Federation Account was ₦515.69 billion (56.8%); VAT Pool Account, ₦223.35 billion (24.6%); Exchange Gain, ₦108.69 billion (12.0%); and Excess Crude/PPT, ₦60.38 billion (6.6%).

[10] Both Federation Account and Exchange Gain includes allocation to the 13% Derivation Fund

Figure 58
Composition of Total Allocations to State Governments, (Per cent)
First Half 2017



Source: The FMF

The sum of ₦112.92 billion was, however, deducted as state governments' contractual obligations[11] from the share of Federation Account, leaving a net distributable balance of ₦402.77 billion. Of the net sum, ₦275.18 billion was distributed to the 36 states of the Federation and the balance of ₦127.59 billion, being 13% Derivation Fund, was allocated to the oil-producing states. In addition, the state governments received ₦112.76 billion from the distributions from Exchange Gain and Excess Crude/PPT Accounts, while the 13% Derivation Fund got ₦56.31billion.

Overall, the net aggregate allocation, including the VAT Pool Account to the states and 13% Derivation Fund, was above the level in the first half of 2016 by 53.2 per cent. Further analysis of the state governments' aggregate allocation showed that Akwa Ibom, Rivers and Lagos states received 8.1, 6.9 and 6.2 per cent of the total, respectively. Kwara, Ebonyi and Ekiti states received the least with approximately 1.8 per cent each.

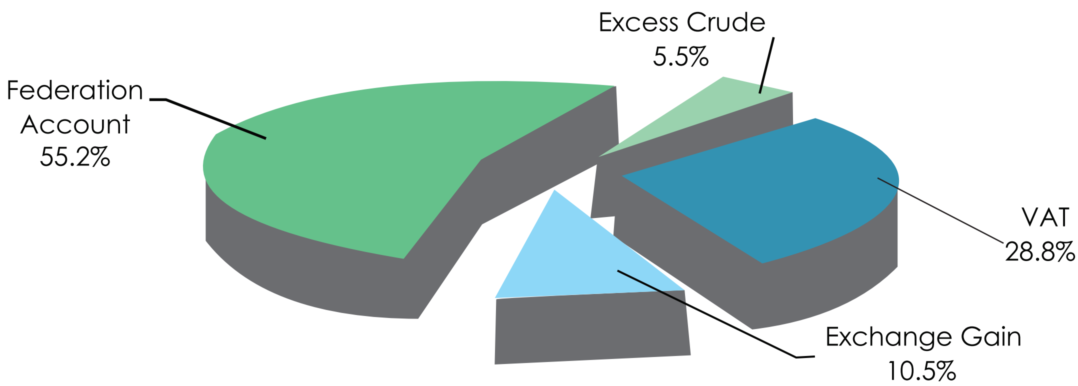
4.2.4 Local Government Finances

Provisional aggregate statutory allocation to the 774 local governments from the Federation Account, Exchange Gain, Excess Crude/PPT and VAT Pool Account was ₦542.49 billion in the first half of 2017, indicating a decrease of 47.1 per cent relative to the proportionate budget estimate. The breakdown revealed that allocations from the Federation Account was ₦299.21 billion (55.2%); Exchange Gain, ₦57.08 billion (10.5%);

[11] Include contribution to external debt service fund, payments for fertilizer, State Agricultural Project, National Fadama Project and the National Agricultural Technology Support Programme.

Excess Crude/PPT, ₦29.85 billion (5.5%); and VAT Pool Account, ₦156.35 billion (28.8%). Allocation to local governments on state basis indicated that Lagos, Kano and Katsina ranked highest with 6.5, 5.8 and 4.1 per cent of the total, respectively. Conversely, Ebonyi, Gombe and Bayelsa ranked least with 1.6, 1.5 and 1.2 per cent, respectively.

Figure 59
Composition of Statutory Allocations to Local Governments, (Per cent)
First Half 2017



Source: The FMF

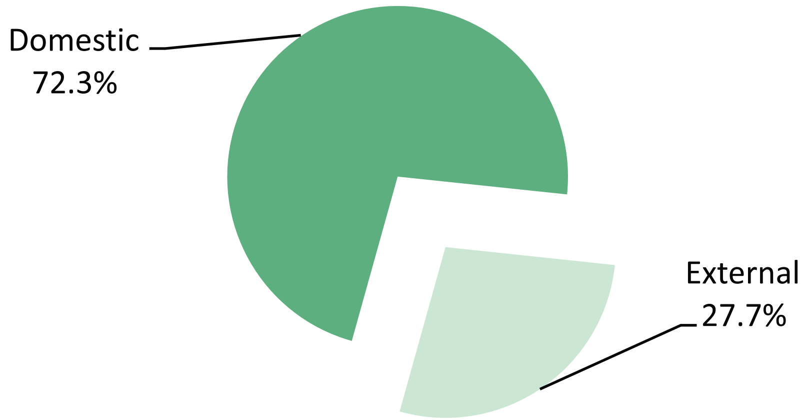
4.2.5 Public Debt[2]

4.2.5.1 Consolidated Federal Government Debt

The consolidated debt stock of the Federal Government at end-June 2017 stood at ₦16,636.33 billion or 15.6 per cent of GDP. This represented an increase of 14.4 per cent over the level at end-December 2016. Of the total debt stock, domestic debt was ₦12,033.45 billion or 72.3 per cent, while external debt amounted to ₦4,602.88 billion (US$15.05 billion) or 27.7 per cent of the total.

[12] Public Debt Data are sourced from the Debt Management Office (DMO)

Figure 60
Composition of Federal Government Consolidated Debt, (Per cent)
End-March 2017



Source: The Debt Management Office (DMO)

4.2.5.2 Domestic Debt

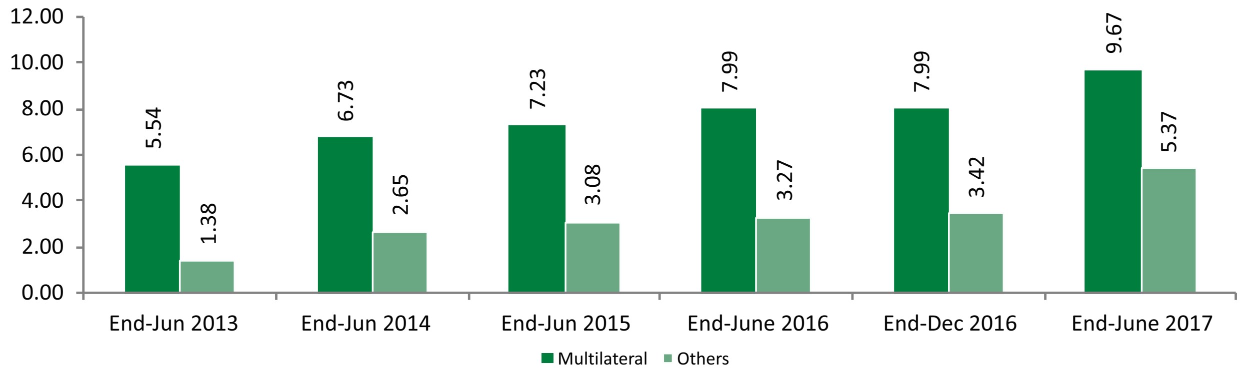
At ₦12,033.45 billion or 11.3 per cent of GDP, the Federal Government securitised domestic debt at end-June 2017 was above the level at end-December 2016 by 8.8 per cent. The increase was due to the issuance of additional FGN Bonds and Nigeria Treasury Bills (NTBs) to bridge Federal Government of Nigeria financing gap and further deepen the domestic bond market. Consequently, the stock of FGN Bonds and NTBs increased by 13.0 and 7.5 per cent to ₦8,134.9 and ₦3,702.8 billion, respectively, above the levels at end-December, 2016.

Further analysis indicated that the holders of the total outstanding domestic debt instruments were: banking system, including Sinking Fund (67.9%); and non-bank public (32.1 %).

4.2.5.3 External Debt

Total external debt stock (Federal and states, including the Federal Capital Territory) at end-June 2017 was US$15.05 billion or 4.3 per cent of GDP. This represented an increase of 31.9 per cent above the level at end-December 2016, reflecting largely, additional multilateral loan of US$1.69 billion for infrastructure funding. A decomposition by holders indicated that 64.3 per cent of the total debt stock was owed to the multilateral creditors, while the balance of 35.7 per cent was for non-Paris bilateral and commercial debt.

Figure 61
Breakdown of External Debt Stock, (US$ Billion)
First Half 2013 - 2017

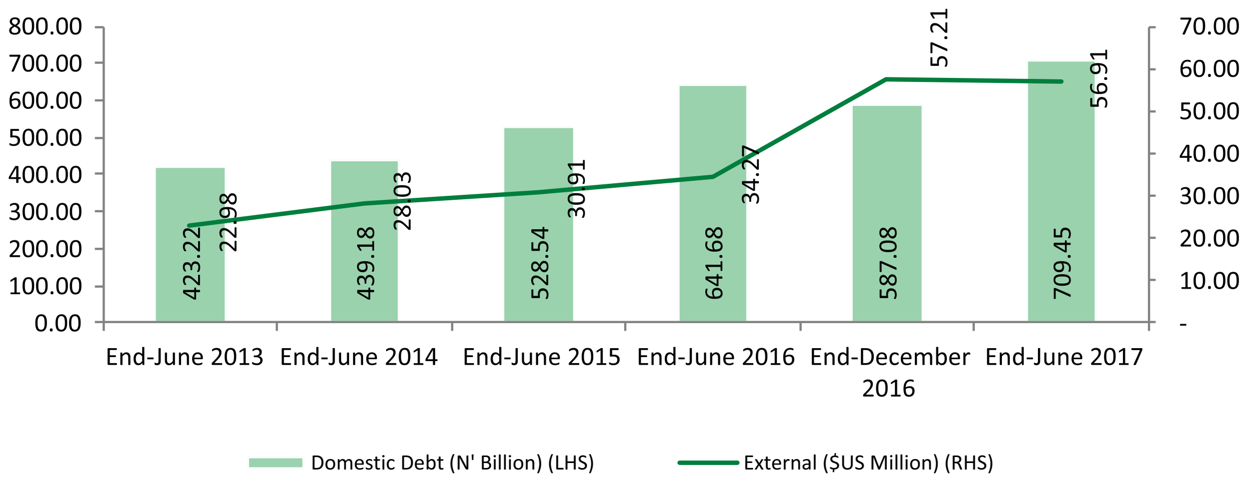


Sources: The Debt Management Office (DMO)

4.2.5.4 Total Debt Service

The consolidated debt service of the Federal Government at end-June 2017 stood at ₦766.36 billion or 1.4 per cent of GDP, representing an increase of 18.9 per cent above the level at end-December 2016. A breakdown showed that ₦56.91 billion or 7.4 per cent of the total was expended on external debt service, while domestic debt service accounted for the balance of ₦709.45 billion or 92.6 per cent.

Figure 62
Breakdown of External Debt Service, (N' Billion)
First Half 2013 - 2017

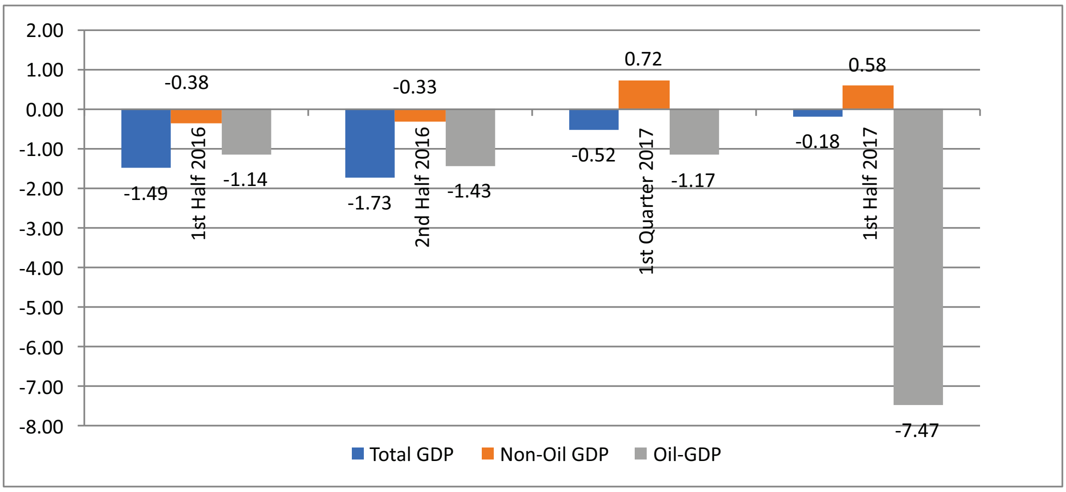


Sources: Computation based on data from the DMO

4.3 REAL SECTOR DEVELOPMENTS

The real sector continued to contend with the challenges arising from economic downturn. There were, however, indications that the economy was gradually recovering from recession. Available data from NBS indicated that the Gross Domestic Product (GDP), at 2010 constant basic prices, contracted by 0.18 per cent in the first half of 2017, relative to 1.08 per cent contraction in the corresponding period of 2016. The non-oil sector output grew by 0.58 per cent, while the oil sector output declined by 7.47 per cent. On quarter on quarter basis, real GDP contracted by 0.91 per cent in the first quarter of 2017, but grew by 0.55 per cent in the second quarter of 2017. The year-on-year headline inflation maintained downward trend during the period under review. The improvement in economic condition in the first half of 2017 was on account of the gradual increase in aggregate demand, moderate rise in production across the sectors and the sustained Government's effort to tackle lingering energy challenges.

Figure 63
GDP Growth Rate
(Per cent)



Source: National Bureau of Statistics (NBS)

4.3.1 Agriculture

4.3.1.1 Agricultural Policies and Institutional Support

The Federal Government continued with the implementation of the Agricultural Promotion Policy Framework (APPF) in the review period. This was aimed to diversify the economy, ensure food security and reduce the level of poverty.

The federal government launched the 10-year Agricultural Sector Food Security and Nutrition Strategy to guide the activities of the Ministry of Agriculture and the wider agricultural sector for improved nutrition in support of food security and nutrition in the country. The Strategy would ensure effective advocacy for mobilising necessary human, material, and financial resources and encourage sustained commitment to improved nutrition. The Policy set out eight (8) priority areas: enhance value chains for improved nutrition; diversify household food production and consumption, especially, target women and increase access to food rich in micronutrients; improve food safety along the value chain; and build resilience and social protection net through food nutrition systems for vulnerable groups. Others include: promotion of nutrition research and information system; improving the agricultural sector capacity to address food security and nutrition problems; nutrition education, social marketing, behaviour change communication, and advocacy; and nutrition surveillance, monitoring and evaluation.

The Federal Government trained 3,000 personnel under the Agro Rangers programme to protect farmers and their investments from attacks. The Agro Rangers, drawn from the Nigeria Security and Civil Defence Corps (NSCDC) arms squad, were trained by the Nigerian Army in weapon handling and, thereafter, deployed to guard and protect farms and ranches. The development would boost farmers' confidence to work on their farms without fear of attack.

The Raw Materials Research and Development Council (RMRDC) provided four (4) tonnes of improved cotton seeds to the National Cotton Association of Nigeria (NACOTAN) and 10,000 seedlings of improved oil palm to farmers' Associations. This would increase the availability of improved seedlings for use by farmers.

The Federal Government revived the School of Agriculture in Rivers State to build capacity of youths in the south-south geopolitical zone on agricultural activities. Also, the Federal Universities of Agriculture were returned to the supervisory purview of Federal Ministry of Agriculture and Rural Development. The initiative was aimed at refocusing the institutions to achieve their core mandates of developing capacity in the sector.

Furthermore, the Nigerian Export Promotion Council (NEPC) endorsed a processing and logistic facility in Lily Pond, Lagos to boost export performance in the country. The Facility would provide a conducive environment to service providers in shipping, warehousing, and inspection by customs and certification agencies to facilitate the clearance of goods for export.

As part of the gains of the diversification drive, the country for the first time, exported seventy-two (72) tonnes of certified yams to the United Kingdom and United States during the review period. The development would boost non-oil export contribution to foreign exchange earnings.

The sugar sub-sector was boosted with the provision of 12, 000 hectares of land to Chinese investors by the Jigawa State Government to establish a sugar estate in Garki, Taura, Sule Tankarkar and Gagarawa local government areas. Also, the Dangote group signed a memorandum of understanding (MoU) for an investment of N220.00 billion towards the establishment of sugar estates in Obi, Awei and Doma local government areas of Nasarawa State. The investment involves 60,000 hectares of sugar plantation and two sugar factories.

As part of their contributions to boost capacity and increase output in the agricultural sector, the African Development Bank (AfDB) group, Centres for Disease Control and Prevention (CDC) group and the Dutch Good Growth Fund jointly committed US$31.00 million to the "Fund Agricultural Finance in Nigeria" (FAFIN). The funds would be invested over a two-year period to support sustainable businesses that would revolutionize the Agri-business landscape, improve productivity, create new jobs and strengthen the value chain.

4.3.1.2 Agricultural Production and Prices

Agriculture recorded positive growth in output in the first half of 2017. At 131.5 (2010=100), the provisional index of agricultural production grew by 3.2 per cent, but was lower than the 3.8 per cent growth in the first half of 2016. The increase in agricultural output during the first half of 2017 was attributed largely to the sustained effort to strengthen domestic production through the implementation of the Agricultural Promotion Policy framework, especially the CBN sponsored Anchor Borrowers Programme, strong commitment to economic diversification and favourable weather conditions.

All the sub-sectors contributed to the improvement in growth of agricultural output during the period. The output of fishery improved remarkably from a negative growth of 1.6 per cent in the first half of 2016 to 1.4 per cent in the first half of 2017. The crops sub-sector grew by 3.4 per cent; output of staples, 3.4 per cent, and "other" crops, 3.3 per cent. The output of forestry and livestock grew by 3.2 and 2.0 per cent, compared with 3.1, and 5.1 per cent, respectively, in the first half of 2016.

A survey conducted by the Central Bank of Nigeria indicated that the domestic retail prices of all selected agricultural commodities increased, compared with their levels in the first half of 2016. The price increase ranged from 5.1 per cent for cocoa to 69.0 per cent for groundnut oil. The development was attributed largely to the cost of production, including transportation.

The all-commodities price index (in dollar-terms) of Nigeria's major agricultural export commodities decreased during the first half of 2017. At 67.3 (2010=100), it declined by 28.2 per cent in contrast to an increase of 3.1 per cent in the corresponding period of 2016. The decline was due largely to the fall in the price of cocoa by 33.0 per cent, having the highest weight in the basket of monitored commodities. Cocoa prices declined due largely to excessive market supply against the back drop of sales by hedge funds. However, five (5) of the six (6) commodities monitored recorded price increases of 1.4, 4.4, 7.9, 18.5 and 24.2 per cent, for soyabeans, coffee, palm oil, copra, and cotton, respectively. The development was driven by supply deficit, and seasonal factors arising from unfavourable weather conditions in major producing countries.

The all-commodities price index (in naira-terms) of Nigeria's major agricultural export commodities increased during the first half of 2017. At 136.83 (2010=100), it increased by 8.2 per cent compared with 7.3 per cent in the corresponding period of 2016. The increase was due largely to the movements of domestic currency vis a vis the US dollar.

4.3.2 Industry

4.3.2.1 Industrial Policy and Institutional Support

The Federal Government constituted the Presidential Industrial Policy and Competiveness Advisory Council to drive the nation's industrial agenda to boost the contribution of the manufacturing sector to the country's Gross Domestic Product (GDP). The terms of reference were to: make input to sectoral and industrial policy; provide feedback on government policies and programmes affecting the sector; recommend and propose initiatives to promote competitiveness and growth of the sector; as well as carry out periodic review of the performance and trends of the sector. Others were: propose output targets and investments for major industrial sub-sectors in the country; and serve as envoys of the industrial sector as a platform to facilitate effective communication on the current and emerging issues affecting the sector.

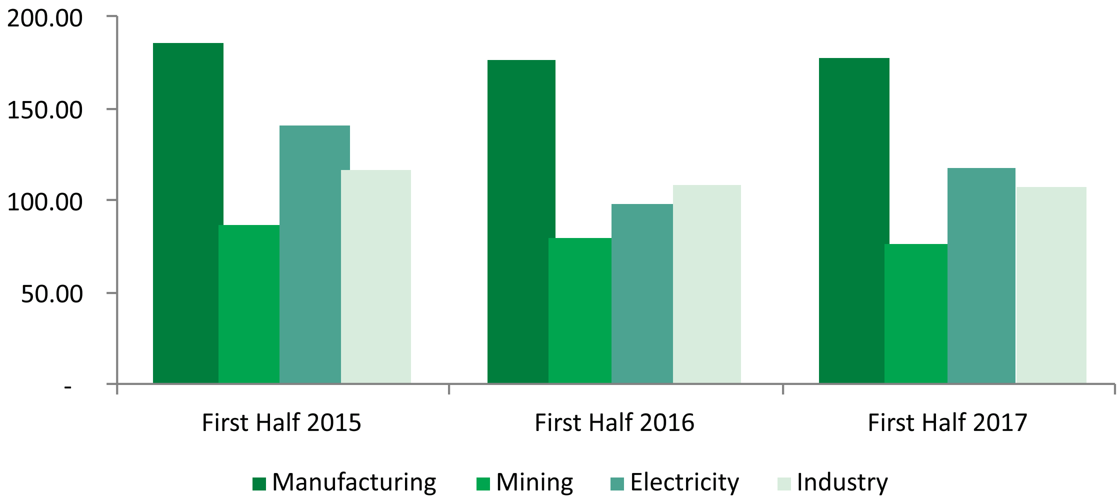
To support the development of Nigeria's gas reserve and improve the supply of gas to thermal power stations, the General Electric (GE) commenced the construction of a US$100.00 million gas turbine assembly plant. The Plant, located in Calabar, Cross River State, would also provide repairs and servicing for gas turbines in the country. The project was expected to be completed in December, 2017 and would commence operations in 2018.

In continuation of the privatisation process, the 80.0 per cent equity holding of the Federal Government in the ten (10) National Integrated Power Projects (NIPP), plants were being offered. The process would be done in phases, starting with the four plants that do not have gas supply and have internal constraints. An offer of US$5.6 billion (about N1.76 trillion) was made for the assets built at a cost of US$4.00 billion (about N1.25 trillion). These included the: 561mw Calabar NIPP; 500mw Omotosho NIPP; 434mw Geregu NIPP; and 450mw Ihovbor NIPP.

4.3.2.2 Industrial Production

The data indicated a decline in activities in the industrial sector in the first half of 2017. At 104.4 (2010=100), index of industrial production fell by 1.2 per cent, relative to the level in the corresponding period of 2016. This development could be attributed to decline in the activities in mining sub-sector which recorded a decline of 3.8 per cent, as a result of fall in crude oil and gas production.

Figure 64
Industrial Production Index
(First Half 2015 - 2017, 2010=100)

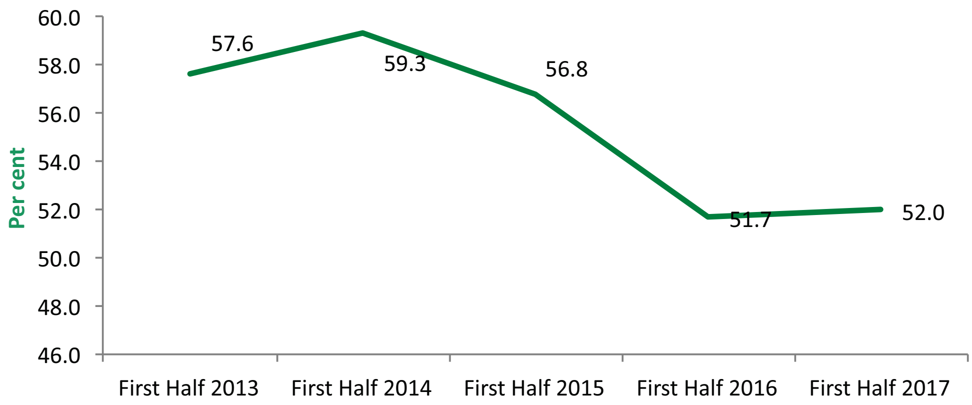


Source: Computed based on data from NBS and Manufacturing Association of Nigeria (MAN)

4.3.2.3 Manufacturing

At 174.7 (2010=100), the index of manufacturing production in the first half of 2017, rose marginally by 0.64 per cent, above the level in the corresponding period of 2016. Similarly, capacity utilisation during the period rose 0.3 percentage points to 52.0 per cent, compared with the level in the corresponding period of 2016. The marginal growth was as a result of increased supply of foreign exchange which aided importation of raw material and intermediate inputs as well as easing in Inflationary pressures which decelerated in input and output prices.

Figure 65
Average Manufacturing Capacity Utilisation
(First Half 2013-2017, Per cent)



Source: Computed based on data from NBS and Manufacturing Association of Nigeria (MAN)

4.3.3 Crude Oil

To enhance regulatory efficacy in the nation's oil and gas industry, the Senate in the first half of 2017 passed the Petroleum Industry Governance Bill (PIGB). The Bill covers the administrative aspects, which is one of the four components of the proposed Petroleum Industry Bill (PIB). The PIGB would provide a legal framework for the creation of a more efficient, competitive and transparent industry that would create conducive business environment for the operations of the petroleum industry and support the restructuring of the Nigerian National Petroleum Corporation (NNPC).

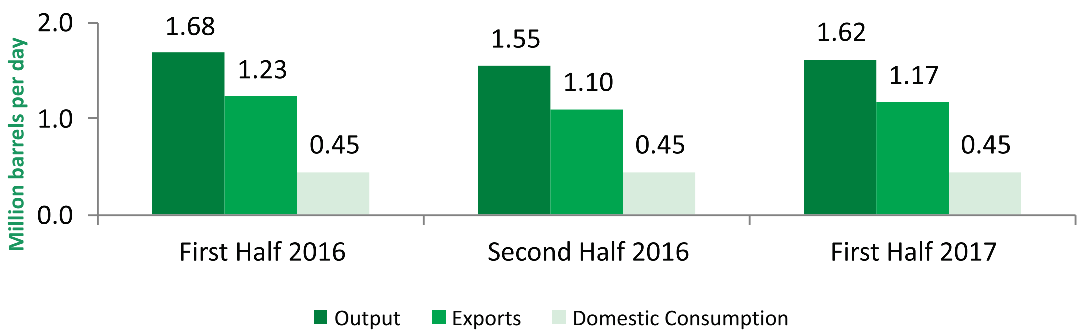
4.3.3.1 Crude Oil Production and Demand

Aggregate crude oil production, including natural gas liquids (NGLs) and condensates by the Organisation of Petroleum Exporting Countries (OPEC), averaged 38.44 million barrels per day (mbd) in the first half of 2017. This represented a decrease of 1.4 and 1.1 per cent below the levels in the preceding and the corresponding halves of 2016, respectively. The agreement between OPEC and some non-OPEC countries to a production cut led to a decline in production from Ecuador, Iraq, Iran, Venezuela and the United Arab Emirates. Non-OPEC supply was estimated at an average of 57.71 mbd, indicating a 0.9 per cent increase over the corresponding half of 2016. The production increase was due mainly to the return of the US oil into the market as a result of higher drilling efficiencies, better "well" performance and lower wellhead breakeven prices. Total world supply averaged 96.15 mbd, indicating a slight increase of 0.01 per cent above the level in the first half of 2016.

World crude oil demand was estimated at an average of 95.39 mbd in the first half of 2017, compared with 95.38 mbd in the corresponding half of 2016. This was a marginal increase of 0.01 per cent, compared with the corresponding half of 2016. Of this, demand from the Organisation for Economic Co-operation and Development (OECD) countries averaged 46.73 mbd, while non-OECD was 48.66 mbd. The increase in demand was driven largely by the demand for LPG and naphtha for the petrochemical industry in China as well as jet/kerosene for the aviation sector. Demand for oil from Iran, Iraq, UAE and Qatar also grew. Furthermore, jet/kerosene, gasoline, gas/diesel oil and LPG demand in Kuwait, Brazil and India; LPG, naphtha and diesel oil in Indonesia, Japan, and US, as well as rising demand in the transportation sector and industrial fuel requirements in Canada contributed to increased global demand.

At an average daily production of 1.62 mbd or 293.2 million barrels (mb), Nigeria's crude oil output increased by 0.07 mbd or 4.5 per cent above the level of 1.55 mbd or 285.2 mb in the preceding half of 2016. The development was due mainly to improved security in the Niger Delta region occasioned by the ongoing peace deal between the Federal Government and the key stakeholders in the region. It however, decreased by 0.06 mbd or 3.6 per cent below the levels of 1.68 mbd or 305.8 mb in the corresponding period of 2016. Aggregate export of crude oil for the review period was estimated at 211.7 mb or 1.17 mbd, compared with 202.4 mb or 1.10 mbd and 223.9 mb or 1.23 mbd in the preceding and corresponding halves of 2016, respectively.

Figure 66
Crude Oil Production and Exports

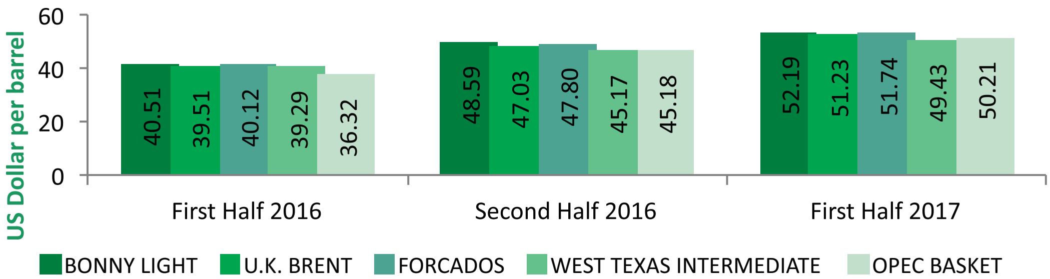


Source: Nigerian National Petroleum Corporation (NNPC)

4.3.3.2 Crude Oil Prices

The average spot price of Nigeria's reference crude, the Bonny Light (37o API), at US$52.19 per barrel, increased by 7.4 and 28.8 per cent above its levels in the preceding half and the first half of 2016, respectively. Similarly, the average prices of the Forcados, the UK Brent, and the West Texas Intermediate rose by 8.2, 8.9, and 9.4 per cent, to US$51.74, US$51.23, and US$49.43 per barrel, respectively. The marginal price increase was attributed largely to the continued cooperation between OPEC and some non-OPEC producers for a production cut. The average price of the OPEC basket of fourteen (14) crude streams was US$50.21 per barrel, compared with US$45.18 per barrel and US$36.32 per barrel in the preceding and the corresponding halves of 2016, representing an increase of 11.1 and 38.24 per cent, respectively.

Figure 67
Average Spot Prices of Selected Crudes



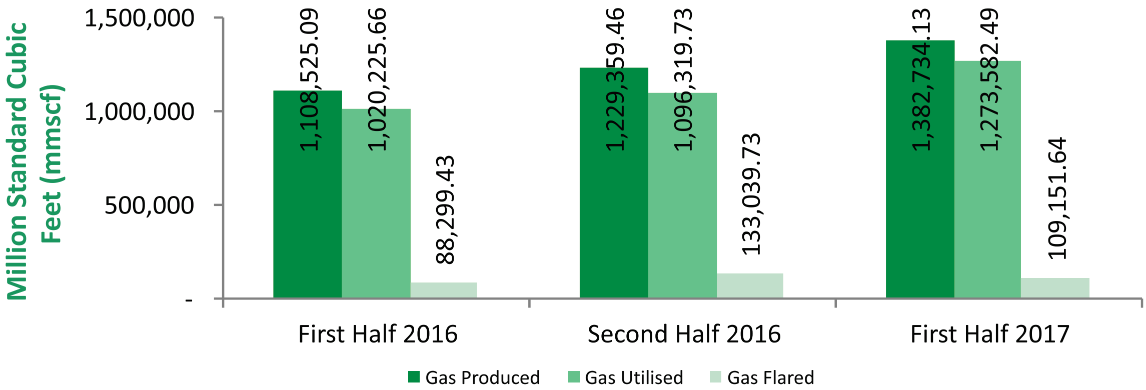
Source: Reuters

4.3.4 Gas

The West African Gas Limited, a joint venture company of the Nigerian National Petroleum Corporation (NNPC) and Sahara Energy, took delivery of two (2) liquefied petroleum gas (LPG) carriers from the Hyundai Mipo Dockyard in Ulsan, South Korea in the first half of 2017. The vessels, "MT Africa Gas" and "MT Sahara Gas", have combined capacity of 38,000 cubic meters (m3) and would enhance the supply of (LPG), also known as domestic cooking gas.

In the first half of 2017, the NNPC re-opened the Aba, Mosimi, Atlas-Cove and Kano Depots. The re-opening of the depots has enhanced availability of the products across the country. Also, various repairs were carried out on vandalised pipelines. Accordingly, all gas plants that were hitherto shut-down including, the Oredo Gas Plant, Sapele Gas Plant, Ovade Gas Plant, Oben and NGC Gas Compressors, were reactivated. Furthermore, the issue of condensate evacuation was addressed, resulting in increased gas supply across the gas plants.

Figure 68
Gas Production and Utilisation



Source: NNPC

Total associated gas produced in the first half of 2017 was estimated at 1,382,734.13 million standard cubic feet (mmscf), indicating an increase of 24.7 per cent and 12.5 per cent above the level in the corresponding period of 2016 and the preceding period, respectively. Total volume of gas utilised and flared during the period was estimated at 1,273,582.49 mmscf and 109,151.64 mmscf, indicating an increase of 24.8 and 23.6 per cent above their respective levels in the first half of 2016.

4.3.5 Petroleum Products

The estimated quantity of petroleum products distributed by the major and independent marketing companies in the period under review was 7,905.8 million litres, representing an increase of 65.0 per cent above the level in the first half of 2016. A disaggregation by product type showed that 6,864.8 million litres of Premium Motor Spirit (PMS), 706.2 million litres of Automotive Gas Oil (AGO), 334.8 million litres of Dual Purpose Kerosene (DPK) and 123.3 million litres of Low Pour Fuel Oil (LPFO) were distributed.

4.3.6 Solid Minerals

In the review period, the Federal Government approved N30.00 billion from the Natural Resources Development Fund (NRDF) for the Ministry of Mines and Steel Development (MMSD) to tackle the challenges in the sector and ensure that it plays a key role in the economic diversification agenda. The Fund would provide cheap loans and grants to industry participants and promote direct investment in the sector.

In addition, the World Bank approved US$150.00 million credit to help increase the mining sector's contribution to the Nigerian economy. The funds would assist in building a strong foundation for mining sector development in the country. It would also enhance competitiveness by improving information infrastructure and knowledge of mining as well as strengthen key government institutions and foster domestic investments in the sector.

Provisional data from the Ministry of Mines and Steel Development indicated that solid minerals production in the first half of 2017 decreased by 11.3 per cent from the level in the corresponding period of 2016 to 15.32 million tonnes. The decrease in the production of some principal minerals such as clay, coal, lead/zinc and laterite accounted for the decline in production.

4.3.7 Electricity Generation

Average electricity generation in the first half of 2017, at 3,511.62 MW/h, declined by 9.0 per cent, compared with 3,857.28 MW/h in the first half of 2016. The decrease was attributed to fall in gas supply to thermal plants and decreased generation from Shiroro Hydro Power Plant following major repair undertaken in the review period.

4.3.8 Electricity Consumption

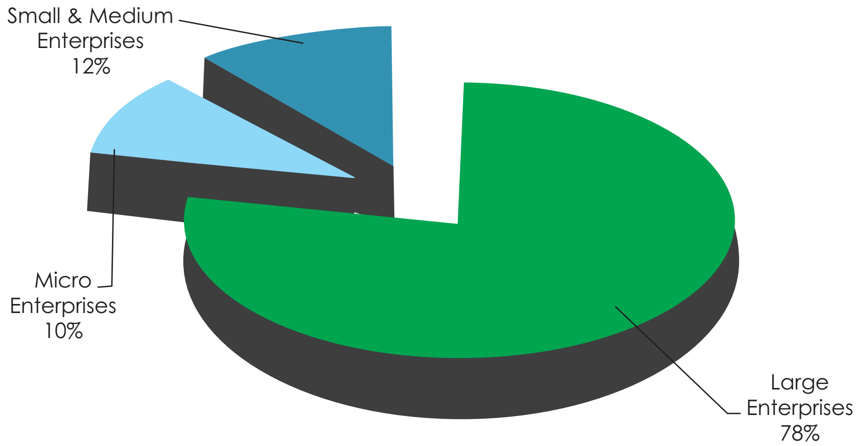
Average electricity consumed at 3,171 MW/h, grew by 10.7 per cent, compared with the level in the same period of 2016. The increase in consumption was attributed to improvement in transmission and distribution network the review period.

4.3.9 Industrial Financing

4.3.9.1 The Bank of Industry (BOI)

The total disbursed by the Bank of Industry (BOI) to various beneficiaries in the review period was N54.2 billion. This amount was 81.4 per cent higher than the level of disbursement in the corresponding period of 2016. Of the total, Micro Enterprise, Small and Medium Enterprises and Large Enterprise sub-sectors received 10.3, 11.8 and 77.9 per cent, respectively.

Figure 69
Sectoral Disbursement of BOI Loans, First Half 2017

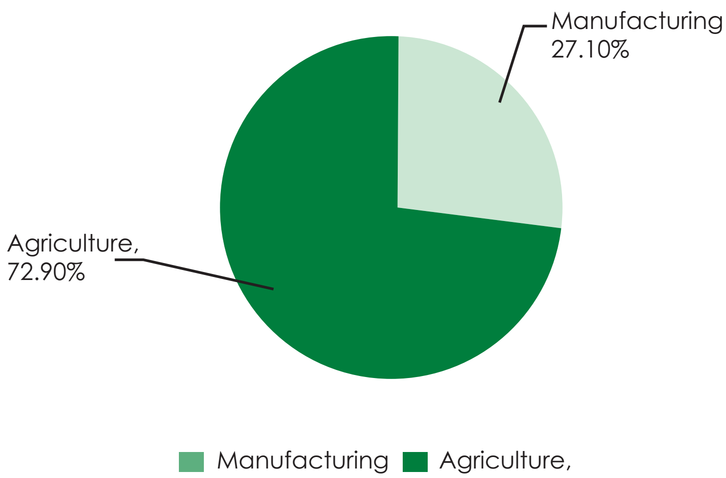


Source: Bank of Industry BOI

4.3.9.2 The Nigerian Export-Import Bank (NEXIM)

The total amount disbursed by the Nigeria Export-Import Bank (NEXIM) to four (4) beneficiaries in the review period was N94.52million, compared to the total disbursement of N1.70billion to 26 beneficiaries in the corresponding period of 2016. This amount represented a 94.4 per cent decline, compared to the disbursement in the corresponding period of 2016. The decline was due to paucity of loanable funds during the period. The total sectoral distribution showed that manufacturing and agriculture sub-sectors received 27.1 and 72.9 per cent, respectively.

Figure 70
Sectoral Disbursement of NEXIM Loans, First Half 2017



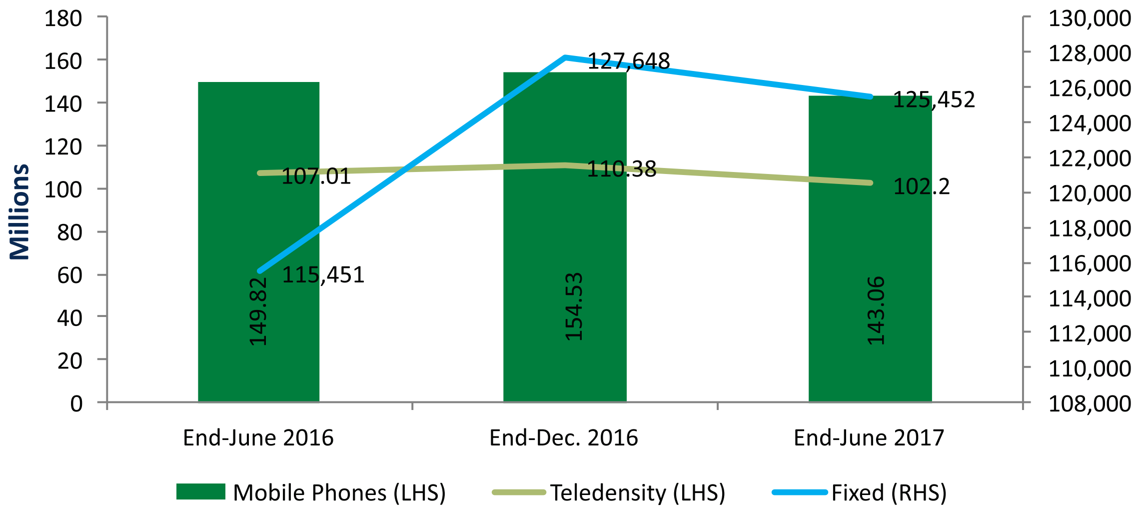
Source: NEXIM Bank

4.3.10 Telecommunications

The Telecommunications sub-sector experienced a decline in the first half of 2017, compared with the corresponding period of 2016. Data obtained from the National Communications Commission (NCC) showed that the number of active telephone lines stood at 143.1 million at end-June 2017, compared with 149.8 and 154.5 million at end-June and end-December 2016, respectively. The development represented a decrease of 4.5 per cent of active telephone lines during the review period. In addition, the number of internet users in the country declined slightly to 91.6 million at end-June 2017, from 92.1 million at end-June 2016. Similarly, teledensity stood at 102.2 per 100 inhabitants at end-June 2017, a decrease of 4.8 percentage points, compared with 107.0 per 100 inhabitants recorded at end-June 2016. However, teledensity in Nigeria continued to exceed the International Telecommunication Union (ITU) minimum standard of 1:100.

The subdued growth in the number of active telephone lines (active subscriber base) in the review period, compared with end-June 2016 was largely attributed to the regulatory directive to all GSM operators and other network providers to deactivate all unregistered, pre-registered, and poorly registered SIM cards. This became necessary following the criminal activities carried out against members of the public using unregistered SIM cards across networks.

Figure 71
Total Active Lines and Teledensity

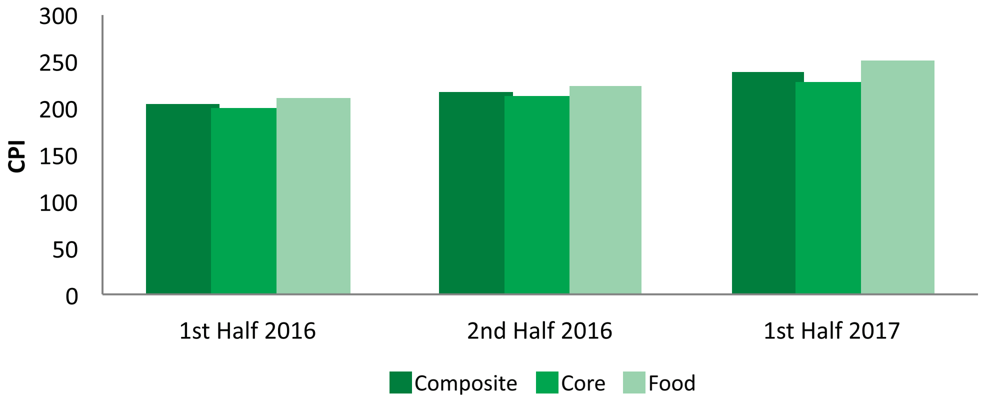


Source: Nigerian Communication Commission (NCC)

4.3.11 Consumer Prices

The all-items composite Consumer Price Index (CPI) was 234.2 (November 2009=100) at end-June 2017, compared with 213.6 and 201.7 at end-December and end-June 2016, respectively. The all-items less farm produce CPI was 223.0 at end-June 2017, compared with 208.6 and 198.3 at end-December and end-June 2016, respectively. Food CPI stood at 246.3 at end-June 2017, compared with 218.6 and 205.4 at end-December and end-June 2016, respectively.

Figure 72
Consumer Price Indices
(November 2009 = 100)



Source: NBS

4.3.11.1 Headline Inflation

The year-on-year headline inflation maintained a consistent decline throughout the first half of 2017. It declined from 18.7 per cent in January to 17.3 per cent in March and closed at 16.1 per cent in June 2017, relative to 18.6 and 16.5 per cent in December and June 2016, respectively. The deceleration in headline inflation was attributed largely to moderation in non-food prices arising from improved access to foreign exchange which more than offset the upward trend in food inflation. However, the 12-month moving average inflation rose from 16.4 per cent in January to 17.3 per cent in March and closed at 17.6 per cent in June 2017, compared with 15.7 and 11.4 per cent in December and June 2016.

4.3.11.2 Core Inflation

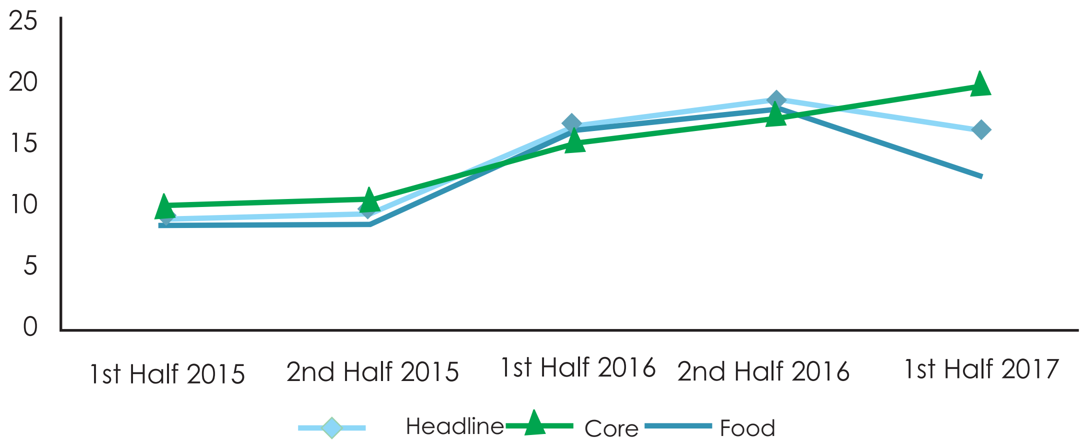
The year-on-year core inflation (all-item less farm produce) decelerated from 17.9 per cent in January to 15.4 per cent in March and closed at 12.5 per cent in June 2017, compared with 18.1 and 16.2 per cent at end-December and end-June 2016, respectively. Core inflation, on a 12-month moving average basis, however, rose from

16.0 per cent in January to 16.7 per cent in March and 16.2 per cent in June 2017, compared with 15.3 per cent at end-December and 10.9 per cent at end-June 2016. The development was due mainly to increase in the prices of majority of the items in the basket, including processed food; housing, water, electricity, gas and other fuel; clothing and footwear; transport; education; furnishing, household equipment and maintenance; and health. Core inflation increased steadily for the first four months of the period, but declined in May and June. The decline was attributed to the sustained interventions by the CBN to improve foreign exchange supply, thereby mitigating the effects of exchange rate pass-through to prices.

4.3.11.3 Food Inflation

The year-on-year food inflation comprising farm produce, processed and imported food maintained an upward trend all through the first half of 2017. It rose from 17.8 per cent in January to 18.4 per cent in March and further to 19.9 per cent at end-June 2017, compared with 17.4 and 15.3 per cent at end-December and end-June 2016, respectively. The 12-month moving average food inflation also rose from 15.5 per cent in January to 16.6 and 17.9 per cent at end-March and end-June 2017, respectively compared with 15.0 and 11.7 per cent at end-December and end-June 2016. The rise in food inflation was attributed mainly to food supply shortages arising from attacks on farmers and their farmlands, unabated boko haram insurgency and imported food inflation.

Figure 73
Inflation Rate
(Year-on-Year, Per cent)



Source: NBS

4.3.11.4 Urban and Rural Consumer Price Indices and Inflation Rates

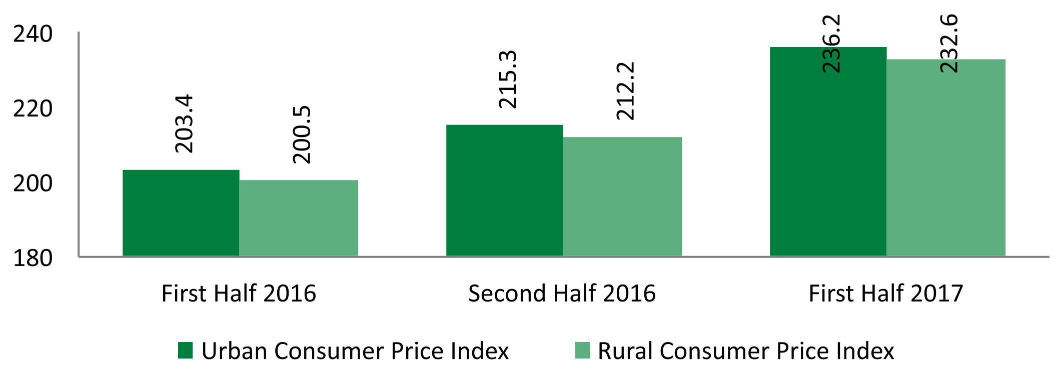
The all-items Urban CPI increased to 236.2 at end-June 2017, from 216.3 and 203.4 at end-December and end-June 2016, respectively. The development was attributed largely to the increase in the prices of food (11.6 per cent); food and non-alcoholic beverages (11.6 per cent); clothing and footwear (8.3 per cent); furnishing and household equipment (7.4 per cent); recreation and culture (7.2 per cent); imported food (7.1 per cent); transport (6.8 per cent) and; miscellaneous goods and services (6.7 per cent). Others were: health (6.1 per cent); education (5.7 per cent); restaurant and hotels (5.6 per cent); alcoholic beverages (4.5 per cent); housing, water and electricity (4.2 per cent); and, communication (2.0 per cent). The year-on-year urban inflation stood at 16.1 per cent at end-June 2017, compared with 20.1 and 18.1 per cent at end-December and end-June 2016, respectively.

Similarly, the all-items rural CPI rose to 232.66 at end-June 2017, above 212.2 at end-December and 200.55 at end-June 2016. The increase was driven by the rise in the prices of food (10.9 per cent); food and non-alcoholic beverages (10.9 per cent); clothing and footwear (7.1 per cent); imported food (6.5 per cent); furnishing and household (5.3 per cent) and; education (5.3per cent). Others were: housing and utilities (5.3 per cent); transport (5.0 per cent); recreation and culture (4.8 per cent); miscellaneous goods and services (4.7 per cent); health (4.7 per cent); alcohol beverages (4.0 per cent); restaurant (3.9 per cent) and; communications (1.0 per cent).

Urban headline inflation was higher than the rural headline inflation by 0.2 percentage point in the period under review. Urban core inflation stood at 13.6 per cent at end-June 2017, compared with 19.6 per cent at end-December and 17.1 per cent at end-June 2016. Urban food inflation was 20.5 per cent at end-June 2017, compared with 17.6 and 15.7 per cent at end-December and end-June 2016, respectively.

Rural core inflation was 11.6 per cent at end-June 2017, compared with 16.8 per cent at end-December and 15.5 per cent at end-June 2016. Rural food inflation was 19.5 per cent at end-June 2017, compared with 17.1 and 14.9 per cent at end-December and end-June 2016, respectively.

Figure 74
Urban and Rural Consumer Price Indices
(November 2009 = 100)



Source: NBS

4.3.12 Aviation Services

4.3.12.1 REAL SECTOR DEVELOPMENTS

Policy and Airport Development

To improve the safety of airline operations in the country, the Federal Government reconstructed the Nnamdi Azikiwe International Airport's runway as well as embarked on extensive renovation of the airport facilities within the period. The Airport was shut down for six weeks to allow for reconstruction of its runway, while the Kaduna International Airport was rehabilitated and used as an alternate airport during the period of closure.

Furthermore, the standardisation process of Nnamdi Azikiwe International Airport, Abuja and the Murtala Mohammed International Airport, Lagos, by the International Civil Aviation Organisation (ICAO), in conjunction with the Nigerian Civil Aviation Authority (NCAA) commenced during the period with the implementation of the Africa Indian Flight Region (AFI) Plan Aerodrome Certification Project. The Plan addresses three focal areas: establish and maintain a sustainable oversight system (infrastructure/capacity building); assist countries to resolve identified deficiencies within reasonable time; and enhance aviation safety culture of African aviation service providers.

4.3.12.2 Domestic Operations

A total of 4,365,140 passengers were airlifted by domestic airlines in the first half of 2017. This represented a 5.7 per cent decline below the 4,627,816 passengers airlifted in the corresponding period of 2016. Total aircraft movement for the first half of 2017 was 89,268 representing an increase of 8.3 per cent above the 82,448 recorded in the corresponding period of 2016.

4.3.12.3 International Operations

The number of passengers airlifted by airlines on international routes in the first half of 2017 declined by 14.2 per cent to 1,864,775 compared with 2,172,588 recorded in the first half of 2016. Aircraft movement reduced by 2.7 per cent to 22,309 in the review period, compared with 22,932 recorded in the corresponding period of the preceding year.
Cargo movement at designated airports grew by 122.1 per cent to 167 million kg from 75.2 million kg recorded in the first half of 2016. Mail movement grew by 2,470 per cent to 29.6 million kg in the first half of 2017, compared with 1.2 million kg recorded in the corresponding period of 2016.

4.3.13 Maritime Services

The Nigerian Maritime Administration and Safety Agency (NIMASA) recorded a milestone during the review period. The agency improved in International Ships and Port Facility Security (ISPS) Code compliance. The country recorded a compliance rate of about 80 per cent as 114 Port facilities out of the total 145 ports in Nigeria are now fully ISPS compliant. Additionally, the agency engaged some schools abroad to build capacity of 1,045 beneficiaries on sea time training.

During the review period, the Federal Government granted approval to the agency to acquire assets that would be deployed at strategic locations to enhance its ability to improve the safety of vessels within the nation's maritime domain. In view of that, the Agency procured 12 intervention vessels and 3 helicopters for the Nigerian Maritime Administration and Safety Agency (NIMASA) to fight piracy and other illegal activities on the country's territorial waters. Consequently, the agency operates 24-hour surveillance system, which captures all vessels in the Nigerian maritime domain irrespective of weather conditions.

A total of 1,540 ocean going vessels berthed at Nigerian ports, compared with 2,208 vessels in the corresponding period of 2016, representing a decrease of 30.1 per cent decrease.

Cargo throughput stood at 13,487,851 tonnes in the first half of 2017, compared with 35,256,845 tonnes recorded in the corresponding period of 2016, representing a decline of 61.7 per cent.

4.3.14 Railway Services

During the review period, a total of 1,364,885 passengers and 53,055 tonnes of freight were moved by trains operated by the Nigeria Railway Corporation compared with

1,409,597 passengers and 58,403 tonnes of freight moved during the corresponding period of 2016. In other developments, the Corporation awarded contracts for the design, manufacture and supply of ten (10) standard gauge coaches for the Abuja-Kaduna rail service. The haulage of fertilizers from Apapa port to Kaduna City and the construction of the Lagos-Ibadan standard gauge rail project also commenced.

4.4 SOCIAL SECTOR DEVELOPMENTS

4.4.1 Health

During the review period, the Federal Government approved the third National Health Policy aimed at promoting health care delivery to accelerate socio-economic development in the country. The Policy lays emphasis on primary healthcare as the bedrock of the national health system in addition to the provision of financial risk protection to all Nigerians, particularly, the poor and vulnerable group.

The Federal Government disbursed the N16.9 billion World Bank grant to the 36 states and the FCT for the implementation of the Save-One-Million-Lives (SOML) programme-for-Results. The objective of the Programme was to increase the utilisation and quality of high impact reproductive, child health, and nutrition interventions. To further boost the health sector, the Government signed a Memorandum of Understanding (MoU) with the European Union (EU) on a 70 million Euro Fund to strengthen the nation's health care system and eradicate polio.

However, the health sector experienced a meningitis epidemic in some parts of the country during the period under review. The Nigerian Centre for Disease Control (NCDC) reported a total of 14,473 suspected cases and 1,155 deaths from 25 states. The Federal Ministry of Health, the NCDC, the National Primary Healthcare Development Agency (NPHCDA), World Health Organisation (WHO), and other international development partners worked to control and reduce the impact of the outbreak on affected communities. Consequently, the government officially declared the end of the meningitis outbreak in the country in June, 2017. The declaration came four weeks after the number of new meningitis cases reported each week fell below the epidemic and alert thresholds in all the affected local government areas.

To improve the quality of health care delivery in the country, the Federal Government flagged off the "National Primary Healthcare Revitalisation Programme" to improve over 10,000 healthcare centres across the country. The Federal Government, through the NPHCDA and the Federal Ministry of Health, would make at least one primary health care centre in each ward across the country fully functional to deliver several health care services.

The Government also flagged off the Health and Nutrition Emergency Response Initiative. Consequently, the Federal Ministry of Health delivered materials worth N4.33 billion to victims of insurgency in Borno State. Similarly, the United Nations Children's Funds (UNICEF) donated medical equipment worth N1.20 billion to the Adamawa State Government to save mothers and children at birth. This was necessitated by the high rate of maternal mortality in the North East as a result of the onslaught of the Boko Haram insurgency.

4.4.2 Environment

The Federal Government in protecting human health, intensified effort to reduce emission with the adoption of the low sulphur policy. The Federal Ministry of Environment, in collaboration with Ministry of Trade and Investment/Standard Organisation of Nigeria (SON), successfully reviewed the standards of sulphur content in diesel and petro-products.

The World Bank continued to assist affected states in the country to address flood and erosion challenges. During the review period, the Nigeria Erosion and Watershed Management Project (NEWMAP), under the auspices of the World Bank earmarked about N6.5 billion for the restoration of the Watershed in the Lugu Dam in Sokoto State. The state also committed the sum of N1.33 billion as counterpart contribution to the project.

4.4.3 Housing and Urban Development

The housing sector recorded a milestone during the review period. The World Bank and the International Development Association (IDA), earmarked US$300 million to fast-track provision of accommodation for the country's teeming population. The Nigeria Housing Finance Programme (NHFP) is driven by the CBN. The Bank would manage the Fund, which would be channeled towards effective development of the housing sector in the country.

Furthermore, to address the housing deficit in the country, the Government flagged off the Federal Integrated Staff Housing (FISH) programme during the period under review. The FISH is a strategic initiative designed as an intervention project for massive housing delivery to federal civil servants. It is also a Special Purpose Vehicle for housing delivery for federal workers. The Programme which has a Federal Government seed fund of N30.00 billion was being driven through strategic partnership involving relevant stakeholders in the country.

4.5 EXTERNAL SECTOR DEVELOPMENTS

The performance of the external sector in the review period improved with an overall balance of payments (BOP) and current account surpluses of 1.9 and 2.4 per cent of gross domestic product (GDP), respectively. The development was as a result of improvement in crude oil price and domestic production, and gradual economic recovery in the emerging markets which bolstered global aggregate demand. The capital and financial account recorded a net incurrence of financial liabilities of 3.3 per cent of GDP. The stock of external reserves recorded an accretion of US$3.27 billion and stood at US$30.34 billion at end-June, 2017. The level could finance 11.1 months of current level of import of goods and 7.7 months of goods and services. External debt stood at US$15.05 billion equivalent to 8.6 per cent of GDP at end-June 2017, and remained within the sustainable threshold of 40.0 per cent of GDP. The exchange rate remained stable in the first half of 2017, as the premium between the inter-bank and BDC rates narrowed to 19.8 per cent at end-June 2017 from 61.6 per cent at end-January 2017.

4.5.1 Current Account

Available data showed that the current account position improved significantly with a surplus of N1,265.77 billion or 2.4 per cent of GDP as against a deficit of N134.16 billion, or 0.3 per cent of GDP in the corresponding period in 2016. The development was attributed to the trade surplus recorded in the goods account occasioned by the improvement in crude export; and higher net surplus in the current transfers as a result of the increased inflow of home remittance.

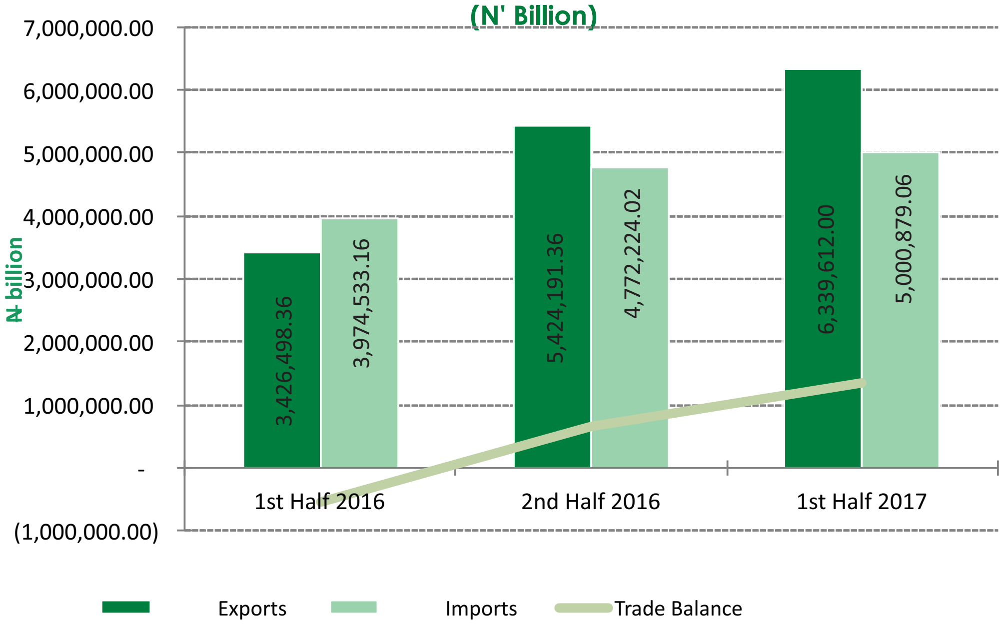
4.5.1.1 Trade

In the first half of 2017, the value of aggregate external trade increased to N11,340.49 billion or 21.2 per cent of GDP, above the N10,196.42 billion or 18.1 per cent of GDP and N7,401.03 billion, or 16.0 per cent of GDP recorded in the preceding and the corresponding periods of 2016, respectively. A disaggregation of total trade showed that export at N6,339.61 billion increased from N5,424.19 billion and N3,426.50 billion in the second and first halves of 2016, respectively. Further analysis revealed that crude oil and gas component which constituted 90.6 per cent of total export increased significantly to N5,745.99 billion in the review period, from N3,115.99 billion in the first half of 2016. The development was as a result of improvement in crude oil export. Similarly, non-oil component, representing 1.1 per cent of GDP, increased by 91.2 per cent above N310.51 billion in the first half of 2016 to N593.62 billion in the review period, accounting for 9.4 per cent of total export. This was attributed to increased export of agricultural produce and manufactured goods.

The value of total import increased by 25.8 per cent to N5,000.88 billion in the first half of 2017 above the level of N3,974.53 billion in the corresponding period of 2016, on account of increased petroleum product import. Oil and gas import, representing 27.5 per cent of total import, increased by 49.1 per cent to N1,375.41 billion or 2.6 per cent of GDP, above its level in the corresponding half of 2016. Non-oil import at N3,625.47 billion constituted 72.5 per cent of total import and represented 6.8 per cent of GDP in the review period. This indicated an increase of 18.8 per cent above the level of N3,052.23 billion in the first half of 2016.

Overall, the trade account resulted in a trade surplus of N1,338.73 billion in the review period as against a deficit of N548.03 billion in the corresponding period of 2016.

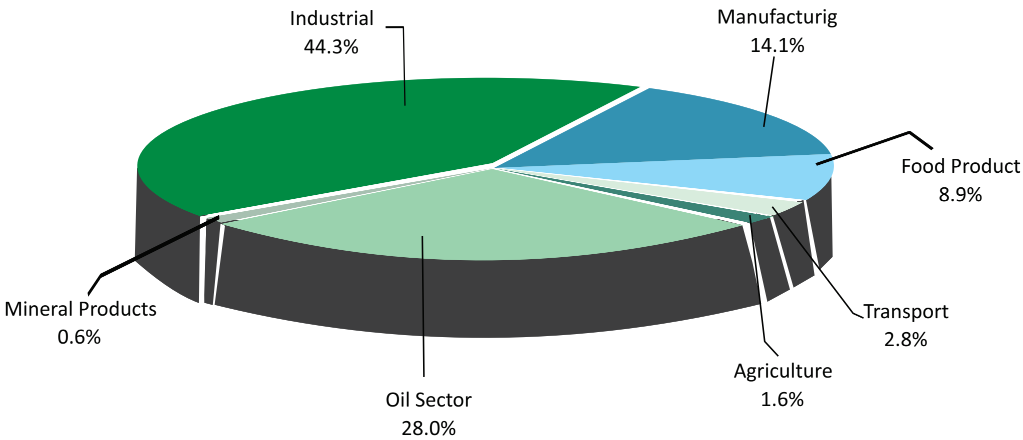
Figure 75
Export, Import and Trade Balance
(N' Billion)



Source: CBN

A further breakdown of visible import by sector using data on sectoral utilisation of foreign exchange by banks indicated that industrial sector import accounted for 44.3 per cent, and oil sector, 28.0 per cent. Manufactured products, food products, transport, agriculture and mineral products accounted for 14.1, 8.6, 2.8, 1.6 and 0.6 per cent of total import, respectively.

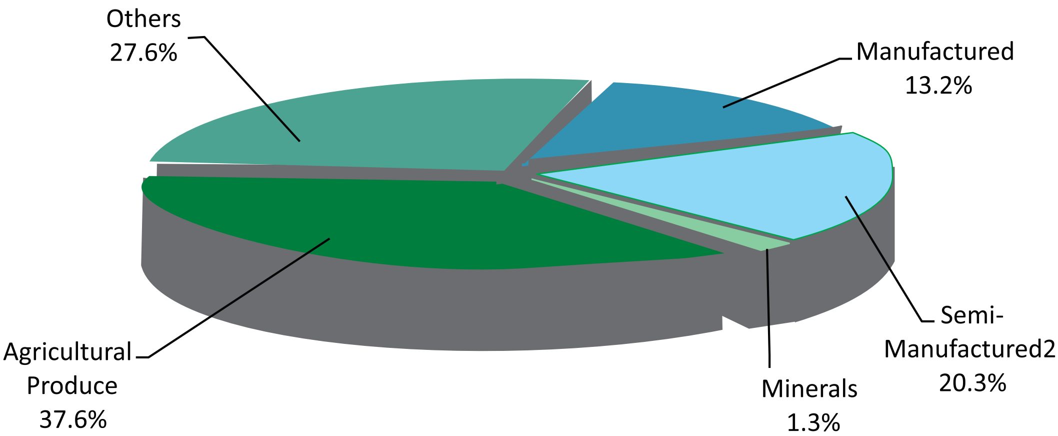
Figure 76
Foreign Exchange Utilisation in the First Half 2017
(Per cent)



Source: CBN

A disaggregation of non-oil export by products revealed that agricultural, other products, manufactured, semi-manufactured and mineral products accounted for 37.6, 27.6, 20.3, 13.2 and 1.3 per cent of total, respectively.

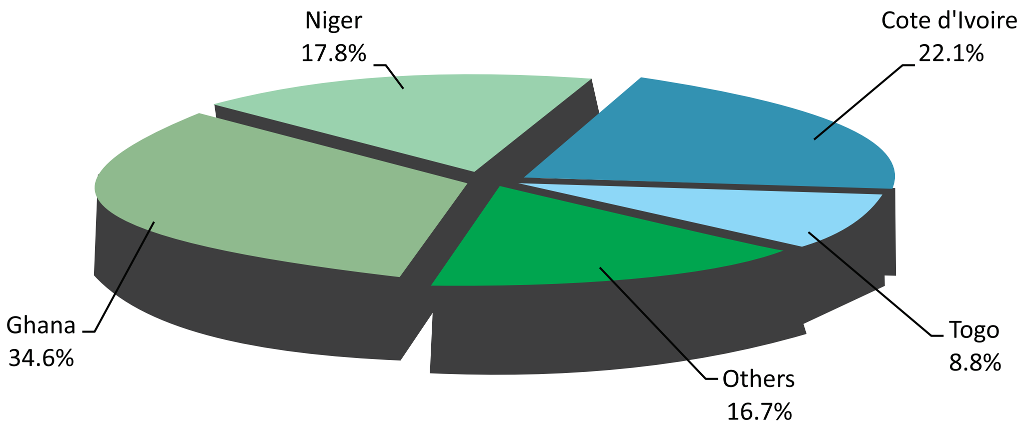
Figure 77
Non-Oil Export by Products
(First Half 2017, Per cent)



Source: CBN

Analysis of non-oil export to the ECOWAS sub-region showed a total value of US$146.53 million in the first half of 2017. Among member-countries, export to Ghana remained the highest at US$50.68 million or 34.6 per cent of total. This was followed by Côté d'Ivoire, US$32.30 million (22.1%); Niger, US$26.14 million (17.8 %); and Togo, US$12.88 million (8.8%). Export to Senegal was US$8.46 million (5.8%); Guinea, US$5.57 million (3.8%); Benin, US$3.76 million (2.6%); and "Others" accounted for the balance. The dominant export commodity to the sub-region remained instant noodles, detergents, tobacco, plastics, dairy products, soya beans meal, and carbonated soft drink.

Figure 78
Non-oil Export to the ECOWAS sub-Region in the First Half of 2017
(Per cent)



Source: CBN

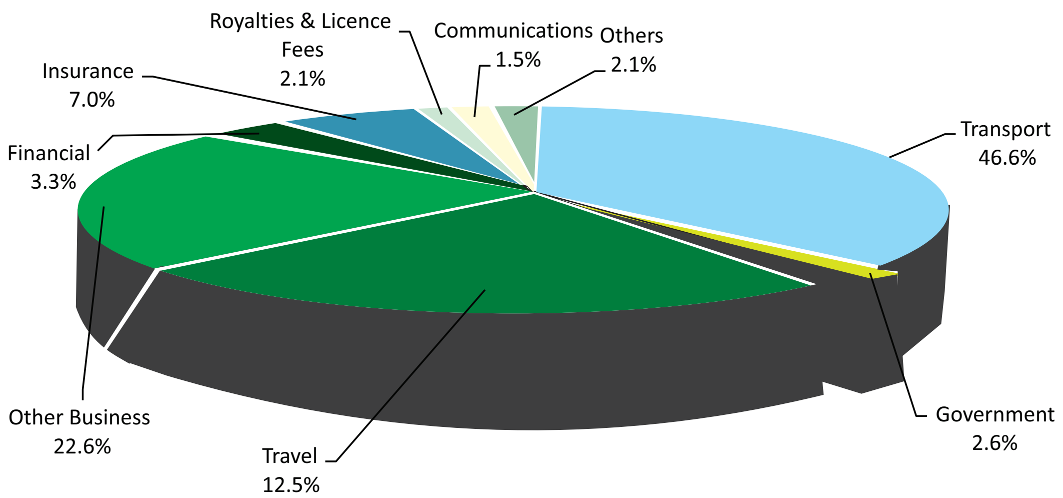
Foreign Exchange Receipts by Top Hundred (100) Exporters

Aggregate value of export proceeds of the top one hundred exporters in the first half of 2017 was US$764.82 million, an increase of 88.6 per cent above the level in the corresponding period of 2016. The NNPC/PPMC ranked 1st with proceeds valued at US$168.43 million for the export of NAPTHA, a petroleum by-product to the United States of America (USA). Olam Nigeria Limited ranked 2nd with US$150.25 million from the export of sesame seeds, cocoa beans and dried raw cashew nuts to The Netherlands, Greece, Turkey and the United Kingdom (UK). Indorama Eleme Fertilizer and Chemicals Ltd, ranked 3rd with US$54.49 million with export of granular urea to Spain and Israel. The British American Tobacco (BAT) Nigeria ranked 4th, with export of cigarettes to Ghana and Cameroon amounting to US$53.95 million. The Wacot Limited, ranked 5th having exported ginned cotton lint and raw cashew nuts valued at US$29.14 million to India and China. The 6th major exporter was Indorama Eleme Petrochemicals Company with export of injection molding UV stabilizer, Silica, Prime and Film mainly to Ghana worth US$20.47 million. The Atlantic Shrimpers Limited, ranked 10th having exported frozen shrimps and crab valued at US$5.30 million. The Metka Power West Africa Limited and Vahl International & Natural Goods Limited were at the 98th and 99th positions with US$0.26 million and US$0.25 million, respectively. Their major exports were cement and dried split ginger to Ghana and the USA, respectively. The Exclusive Connect Nigeria Limited, ranked 100th with US$0.25 million for export of charcoal dust to the UK.

4.5.1.2 Services

The net deficit in the services account widened significantly to N1,639.19 billion or 3.1 per cent of GDP, from N763.42 billion or 1.7 per cent of GDP in the corresponding period of 2016. This was due to higher out-payments in respect of the major components of the services sub-account. A disaggregation of service payments showed that transportation services constituted the bulk at N837.05 billion or 37.6 per cent of total out-payments, travels was N559.26 billion and accounted for 25.1 per cent of the total, while other business services, at N465.92 billion accounted for 20.9 per cent. Payments in respect of insurance services, N153.32 billion; financial services, N53.41 billion; government services, N40.49 billion; royalties and licence fees, N38.58 billion; and communication services, N32.99 billion; accounted for 6.9, 2.4, 1.8, 1.7, and 1.5 per cent of the total, respectively. Others accounted for the balance.

Figure 79
Share of Services Out-Payments
(First Half 2017, Per cent



Source: CBN

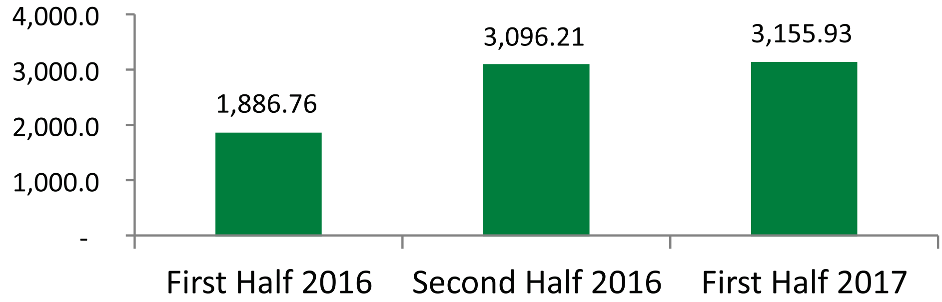
4.5.1.3 Income

Transactions in the income account resulted in a higher net deficit of N1,544.84 billion or 2.9 per cent of GDP, compared with N835.34 billion or 1.8 per cent of GDP and N1,369.76 billion or 2.4 per cent of GDP, respectively, in the first and second halves of 2016. The development was attributed to increased payment of dividends and distributed branch profits as well as other payments to non-resident investors. The investment income sub-account recorded a higher net deficit of N1,579.08 billion, compared with N1,399.43 billion and N852.00 billion in the preceding and corresponding periods of 2016. On the contrary, compensation of employees' sub-component maintained a net surplus balance increasing to N34.24 billion in the review period, above the levels of N33.11billion and N19.05 billion in the second and first halves of 2016, respectively.

4.5.1.4 Current Transfers

Available data showed a net surplus of N3,111.07 billion or 5.8 per cent of GDP in the current transfers account during the review period. This was above the N3,014.55 billion (5.3 % of GDP) and N2,012.64 billion, (4.4% of GDP) in the second and first halves of 2016, respectively. The development was due to the higher inflow of home remittances which accounted for 98.0 per cent of total inflow. At N57.88 billion in the first half of 2017, the net surplus in the general government transfers (comprising payments to foreign embassies and international organisations) declined significantly below the level in the corresponding period of 2016.

Figure 80
Private Home Remittances
(N'billion)



Source: CBN

4.5.2 Capital and Financial Account

In the first half of 2017, the capital and financial account recorded a higher net foreign financial liability of N1,739.66 billion or 3.3 per cent of GDP, compared to N545.22 billion or 1.0 per cent of GDP and N57.01billion or 0.11 per cent of GDP in the second and first halves of 2016, respectively.

Aanalysis of the capital and financial account showed that aggregate financial assets (financial outflow) increased to N1,453.83 billion in the review period above the level of N328.91 billion and N410.97 billion in the second and first halves of 2016. Aggregate foreign liabilities (financial inflows by non-resident investors into the economy) maintained an upward trend increasing to N3,193.49 billion above the levels of N874.13 billion and N467.98 billion, respectively, in the second and first halves of 2016, occasioned by increased inflow of loans and portfolio investment in the review period.

4.5.2.1 Foreign Direct Investment

Inflow of FDI into the economy increased to N532.63 billion in the first half of 2017, above the level of N363.38 billion in the first half of 2016. This was as a result of increased fresh equity capital and higher retained earnings in Nigerian companies by non-resident investors. It, however, declined by 34.0 per cent below the N807.15 billion recorded in the second half of 2016. In terms of share in total inflow, FDI accounted for 16.7 per cent.
Residents' outward direct investment decreased to N196.07 billion from N211.57 billion recorded in the second half of 2016, but increased relative to N196.07 billion recorded in the first half of 2016. This accounted for 13.5 per cent of total financial assets abroad. Further analysis revealed that FDI component accounted for 13.5 per cent of total financial assets.

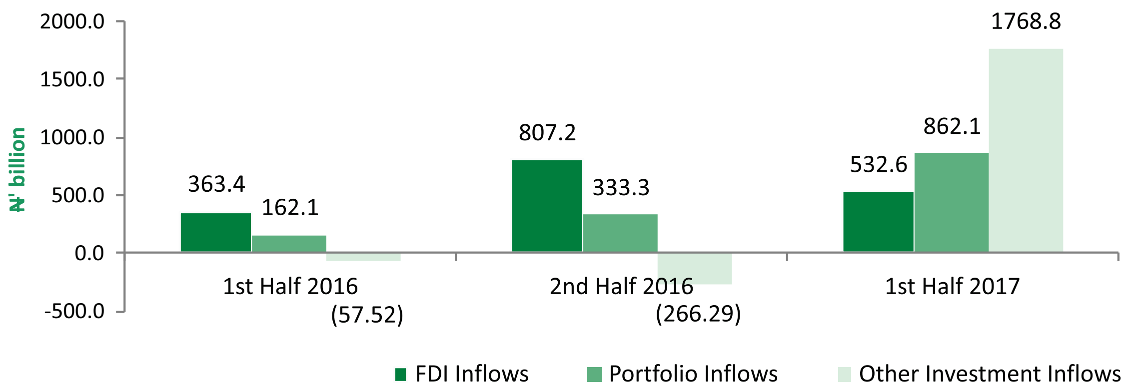
4.5.2.2 Portfolio Investment

Portfolio investment inflow comprising equity and debt securities rose to N892.06 billion from the levels of N333.12 billion and N162.12 billion in the preceding and corresponding halves of 2016, respectively, in the review period. This was due largely to increased investment in government debt securities occasioned by the attractive returns on investment. A further analysis showed that, portfolio investment inflow accounted for 27.9 per cent of total investment in the review period. The ratio of portfolio investment to external reserves as a measure of the level of exposure of the external sector to short-term liabilities, was 147.0 per cent, above the 100.0 per cent international benchmark. On the other hand, portfolio investments abroad driven by investment in equity securities, declined during the review period to N0.51 billion from N26.27 billion and N14.41 billion in the first and second halves of 2016, respectively. Its share in total assets was low at 0.03 per cent, reflecting the risk-averseness of resident investors.

4.5.2.3 Other Investment

Other investment inflow driven mainly by loans and currency & deposits was N1,768.80 billion in the review period as against a repayment of N266.27 billion and N57.52 billion in the second and first halves of 2016, respectively. The development was largely, due to fresh loans drawn by the general government and deposit money banks. Other investment inflow accounted for 55.4 per cent of total financial liabilities. On the contrary, other investment assets declined to N257.92 billion in the review period from N576.71 billion in the corresponding period of 2016. It, however, showed an improvement, compared with the level in the preceding period of 2016. Its share in total financial assets was 17.7 per cent.

Figure 81
Foreign Direct Investment and Portfolio Investment Inflows



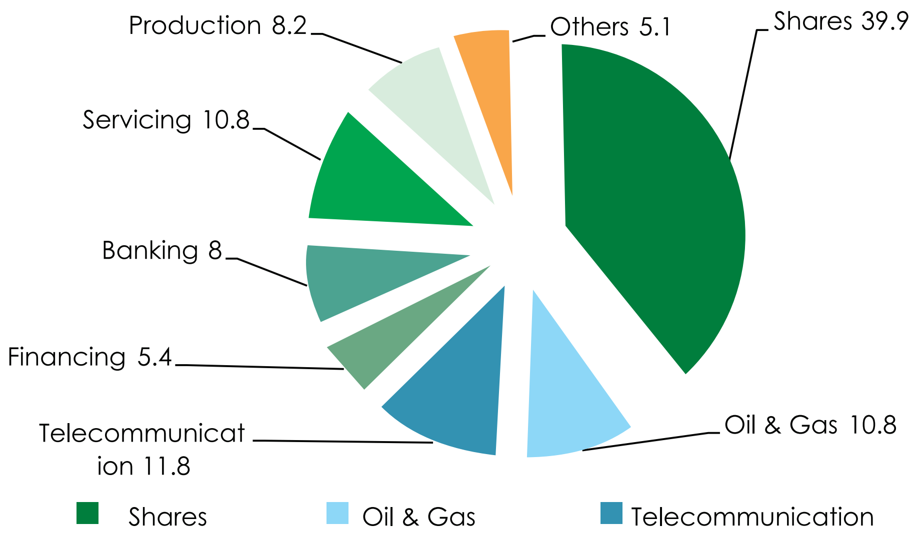
Source: CBN

4.5.3 Capital Importation and Capital Outflow

Provisional data showed that new capital imported into the economy as reported by banks, amounted to US$2.71 billion in the review period, compared with US$1.81 billion in the first half of 2016. A disaggregation of capital imported by sectors showed that 39.9 per cent of total new capital was for purchase of shares, while investment in telecommunication accounted for 11.8 per cent of the total. The servicing, oil and gas, production/manufacturing, banking and financing sectors accounted for 10.8, 10.8, 8.2, 8.0 and 5.4 per cent of the total, respectively, while "Others" accounted for the balance.
In terms of the nature of capital, other investments remained dominant accounting for 41.9 per cent of the total, followed by portfolio investment with 40.1 per cent, while FDI inflows accounted for 18.0 per cent. By country of origin, the United Kingdom accounted for the highest inflow with 37.0 per cent of the total, followed by the United States, Belgium and Singapore with 18.6, 10.6, and 8.5 per cent, respectively. Other countries accounted for the balance.

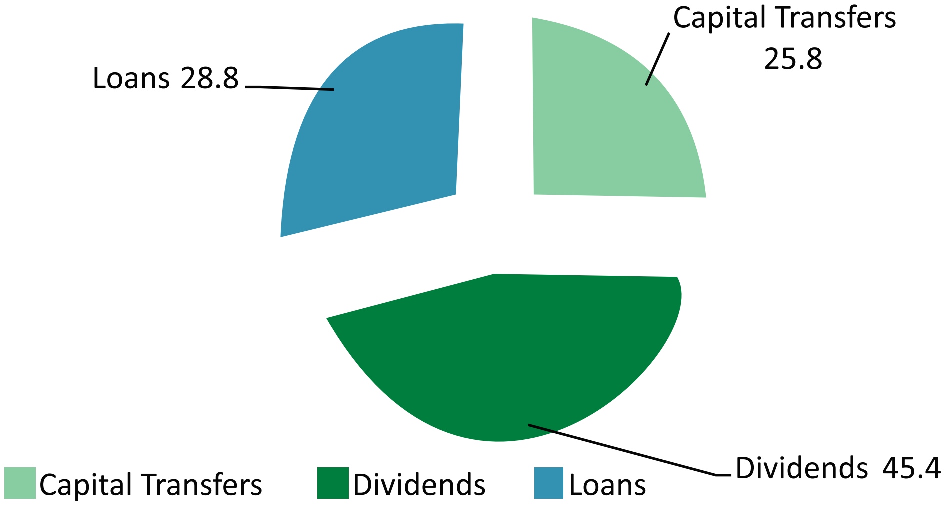
Provisional data also showed that capital outflow was US$2.19 billion during the review period, compared with US$1.43 billion in the first half of 2016. Of the total amount, remittance of dividends by foreign investors amounted to US$1.00 billion, representing 45.7 per cent of the total. Repayment of loans at US$0.63 billion accounted for 28.8 per cent, while capital transfer was US$0.56 billion, or 25.6 per cent of the total.

Figure 82
Capital Importation by Sector
(First Half 2017, Per cent)



Source: CBN

Figure 83
Capital Outflow and Outward Transfers
(First Half 2017, Per cent)



Source: CBN

4.5.4 External Reserves

Gross external reserves at end-June 2017 stood at US$30.34 billion, compared with US$26.99 billion and US$26.51 billion at end-December and end-June 2016, respectively. The improvement in external reserves was attributed mainly to crude oil-related receipts, and federal government loans, Eurobond proceeds and cash collateral. The external reserves position could cover 7.7 months of import of goods and services and 11.1 months of import of goods only. A breakdown of the external reserves by ownership showed that Federation was US$2.62 billion (8.6%); Federal Government, US$7.07 billion (23.3%); and the CBN, US$20.64 billion (68.1%) of the total.

Figure 84
External Reserves Stock and Months of Import Commitments

Source: CBN

5.0 INTERNATIONAL ECONOMIC RELATIONS

5.1 Global Institutions

5.1.1 International Monetary Fund (IMF)

5.1.2 The World Bank/IMF Spring Meetings

The 2017 Spring Meetings of the Board of Governors of the World Bank Group (WBG) and the International Monetary Fund (IMF) were held in Washington D. C., USA from April 17 – 23, 2017. In parallel with the Meetings, were the Ministers of the Inter-Governmental Group of Twenty-Four (G-24) on International Monetary Affairs and Developments and the International Monetary and Finance Committee (IMFC) Meetings.

The highlights of the discussions included:

- Increased momentum in global economic growth. It was expected that the Emerging Market and Developing Countries (EMDCs) would continue to contribute significantly to global growth. However, downside risks from economic and non-economic sources remained high, including sharper than expected tightening of global financial conditions, inward-looking policies, and a reversal of financial regulatory reforms in systemically important advanced economies;
- Efficient fiscal frameworks was essential to mobilize domestic resources to effectively support development efforts. There has been progress in improving tax revenue-to-GDP ratios and enhancing spending efficiency in EMDCs. Nevertheless, international partners have an important role to play in supporting capacity building for revenue mobilization. The EMDCs were encouraged to engage in more peer learning and collaboration; and
- The IMF has a key role to play in supporting member countries to sustain recovery through monetary, fiscal, and structural policies.

The G-24 Ministers:

- Expressed support for a quota-based, adequately-resourced IMF that is less dependent on borrowed resources; and
- Called for the full implementation of the 2010 Governance Reforms on Board Representation as well as the completion of the 15th General Review of Quotas, including a new quota formula.

The International Monetary and Finance Committee (IMFC):

- Welcomed initiatives by the IMF in providing country-specific advice on the policy mix that would sustain the ongoing recovery and address excessive global imbalances; and

- Called on the IMF to promote policies that would expand opportunities; facilitate multilateral solutions to meet global challenges; and strengthen the international monetary system.

5.1.3 G24 Technical Group Meeting

The 2017 Spring Technical Group Meeting (TGM) was held in Addis-Ababa, Ethiopia from February 27 - 28, 2017. The Meeting discussed investment in infrastructure and managing structural transformation; mobilising domestic resources for development; and international tax cooperation.

On infrastructure financing, there was a consensus that given the huge infrastructural deficits in member-countries, budget appropriations have become grossly inadequate to meet the financing requirements. Thus, other domestic and external financing sources have become germane.

Policy actions to promote long-term investments by domestic institutions were suggested as follows:

- Government support for long-term investments involving designing policy frameworks that were supportive of long-term investing. The limited number and sporadic nature of investment opportunities in the infrastructure sector were perceived as the main barrier preventing investors from including infrastructure in their long-term investment strategy;
- Government support, such as long-term policy planning, tax incentives and risk transfer mechanisms may be required to engage investors in less liquid, long term investments in infrastructure; and
- There was need for reforming the regulatory framework for long-term investment. Policymakers need to promote greater professionalism and expertise in the governance of institutional investors. Collaboration and resource-pooling can also be encouraged to create institutions of sufficient scale that can implement a broader investment strategy and more effective risk management systems that take into account long-term risks.

On transformative industrial policy, the following broad lessons for industrial policymakers in member-countries were noted:

- The importance of productive capability building in economic development was highlighted. If a policy limits the possibilities of building productive capabilities in the long run, as policies like free trade or unconditional participation in global value chains (GVCs) are likely to do, it should not be adopted, or, at least, adopted with a deliberate plan to phase it out as soon as possible;

- Industrial policy-makers need to acquaint themselves with a range of industrial policy experiences, if they were to design policies with the greatest possible effectiveness; and
- The recent changes in global industrial policy environment, the shrinkage in 'policy space' and the rise of GVCs, have not made industrial policy irrelevant. If anything, they have made it even more important for developing countries' industrial policymakers to be 'smarter'.

The challenge that governments in developing countries face in mobilising tax revenues, which usually result in a gap between potential and actual revenues mobilised, was recognised.

The key recommendations were that:

- Domestic revenue mobilisation effort should take a broader and longer-term perspective; and
- Effort should also be targeted at creating an environment conducive to sustainable revenue mobilisation as part of a social contract between the government and the citizens. This means promoting efficient, effective, equitable and sustainable revenue policy and administrative strategies, and a strengthened legal framework to support them.

5.2 Regional Institutions

5.2.1 Ordinary Meeting of the Bureau of the Association of African Central Banks (AACB), Dakar, Senegal, March 8, 2017

The Bureau of the Association of African Central Banks (AACB) held its Ordinary Meeting in Dakar, Senegal on March 8, 2017. The Meeting was preceded by the Technical Meeting of the Bureau from March 6 – 7, 2017.

The Meeting:

- Examined the amended report of the Experts Group on the refinement of the convergence criteria of the African Monetary Cooperation Programme (AMCP) and instructed the Experts Group to:
    - Provide justifications on the selected criteria and thresholds;
    - Present timelines for the creation of the African Central Bank (ACB);
    - Submit the report to the member central banks and to the Regional Economic Communities (RECs) for comment; and
    - Present the report to the 40th Session of the Assembly of Governors scheduled for August 2017 in South Africa.

- Selected "Monetary Integration Prospects in Africa: Lessons from the Experience of the European Monetary and Financial Integration", as the theme for the 2017 Symposium, with the following sub-themes:
  - Monetary integration: African Experience and European Experience;
  - Coordinating and Merging Monetary and non-Monetary Blocs in Africa for Monetary Integration; and
  - Banking and Financial Reforms in the Post Global Financial Crisis Era: Lessons for Africa.
- Selected "Credible Communication Strategies for Central Banks in the Framework of Monetary Policy and Financial Stability", as the theme for the 2017 Continental Seminar, with the following sub-themes:
  - Central Bank Communication and Monetary Policy Credibility;
  - Central Bank Communication and Financial Stability; and
  - Cross-Country Analysis on Central Banks Communication: Lessons for African Central Banks.

5.2.2 2017 Association of African Central Banks (AACB) Continental Seminar

The 2017 Association of African Central Banks (AACB) Continental Seminar was held in Accra, Ghana from May 3 – 5, 2017. The theme of the Seminar was "Credible Communication Strategies for Central Banks in the Framework of Monetary Policy and Financial Stability".

Key recommendations proposed at the Seminar included:

- Training journalists and engaging the media on reporting emerging crisis, its implications and how it is being managed;
- Having a team of experts ready to be used in public engagement in times of crises;
- Ensuring coordinated communication to advise management on the implications of a chosen course of action;
- Having a full-fledged and functional communication department in central banks with adequate budget allocation to carry out their mandate;
- Having a definitive communication strategy for monetary policy and financial stability;
- Communication officials should have adequate authorisation to execute their mandate;
- Ensuring a blend of communication experts and economists where necessary, with strong collaboration between monetary policy and financial stability departments; and
- Ensuring the use of appropriate methodologies for measuring the effectiveness of monetary policy communication.

5.3 Sub-Regional Institutions

5.3.1 Economic Community of West African States (ECOWAS)

The Mid-Year Statutory Meeting of the Economic Community of West African States (ECOWAS) was held at Monrovia, Liberia from May 25 – June 4, 2017. The objective of the meeting was to highlight the major areas of concern with respect to the implementation of the ECOWAS Monetary Cooperation Programme (EMCP), assess the progress made, as well as identify important areas that require urgent attention towards the 2020 monetary integration.

The major outcome of the Meeting was the adoption of Morocco as a member in principle. The President of Liberia, Mrs. Ellen Johnson Sirleaf, handed over the mantle of leadership to the President of Togo, Faure Gnassingbé, in line with the rotational principle of the Community.

5.3.2 West African Monetary Zone (WAMZ) Committee of Governors

The 34th Meeting of the Committee of Governors of the Central Banks of the West African Monetary Zone (WAMZ) was held in Freetown, Sierra Leone on February 9, 2017, to deliberate on the status of implementation of the WAMZ Work Programme. The Report of the 40th Meeting of the Technical Committee formed the basis for the deliberations.

After deliberations, the Committee of Governors endorsed the following recommendations for the consideration of the Convergence Council:

i. The Report on macroeconomic developments and convergence in the WAMZ at end-June 2016 and urged member-states to:
   - endeavour to diversify their economies so as to minimise the impact of shocks, domestic or external, as well as stimulate their economies through targeted spending in growth-enhancing sectors for employment-generation and poverty-reduction;
   - strengthen fiscal consolidation through expenditure rationalisation and revenue mobilisation measures. Tax administration should be strengthened, including enforcement strategies aimed at curbing tax evasion and excessive duty waivers in a bid to enhance revenue collection and consequently improving on the fiscal deficit to GDP ratio;
   - restrain the rising wage bill in some member countries through the development and implementation of public financial management reforms; and
   - ensure full implementation of the CET, making efforts to resolve issues hindering the take-off as countries which have implemented the CET have not suffered any revenue losses;

ii. Directed WAMI to undertake a study on the implications of fragility of member-states' economies on the convergence process with implementable recommendations at the next statutory meetings;
iii. Directed WAMI to finalise and re-present the paper on "Managing Commodity Price Shocks in the WAMZ: The Role of Fiscal, Monetary and Exchange Rate Policies" to the Technical Committee;
iv. Endorsed the transformation of WAMI into a Commission;
v. Approved the roadmap leading to the establishment of the proposed WAMZ Commission, including the preparation of a project document, proposals for the amendment of the WAMZ Agreement and the convening of WAMZ Heads of State Summit to consider and approve the establishment of the Commission;
vi. Urged the beneficiary member-states to fund, on equal basis, the shortfall for the WAMZ Payments System Project arising from the exchange rate losses due to appreciation of the US-dollar against the Unit of Account;
vii. Directed WAMI to prepare a proposal and seek funding for the WAMZ Payments and Settlement System (WAMZPSS), which will establish, among other functions, an inter-linkage between the RTGS of the WAMZ member-states via SWIFT to facilitate cross-border trade through efficient and safe transfer of funds and also serve as a platform for quoting and trading in WAMZ national currencies;
viii. Noted the Report on the progress made in capital market integration in West Africa and urged member-states to redouble efforts to address the constraints to deepening the market in the WAMZ; and
ix. Directed WAMI to establish three sub-committees, namely Legal and Institutional, Payments System, and Operations, to facilitate the work of the Experts Committee on Quoting and Trading in WAMZ National Currencies.

5.3.3 West African Institute for Financial and Economic Management (WAIFEM)

The 32nd Board of Governors Meeting of the West African Institute for Financial and Economic Management (WAIFEM) was held in Freetown, Sierra Leone on February 9, 2017. The Meeting was preceded by the 35th meeting of the Technical Committee held on February 5, 2017. The Meeting was chaired by the Deputy Governor, Bank of Liberia and Chairman, Board of Governors of WAIFEM. The report of the Technical Committee formed the basis for the Board of Governors' deliberations.

After deliberating on the report, the Board of Governors:

- adopted the draft minutes of the 31st Meeting of the Board of Governors;
- noted the Progress Report by the Director General;
- approved the Draft Revised Budget for the Year 2017;
- noted the Report on studies conducted by the Research Unit;
- noted the Progress Report on the implementation of the WAIFEM's Strategic Plan; and

· noted the Status Report on WAIFEM as an ECOWAS Training Institute.

5.3.4 Meeting of the Committee of Governors of ECOWAS Member Central Banks

The 49th Ordinary Meeting of the Committee of Governors (CoG) of Central Banks of ECOWAS member-states was held on February 9, 2017 in Freetown, Sierra Leone. The Meeting was preceded by the 30th Meeting of the Technical Committee held from February 3 - 4, 2017. The CoG Meeting reviewed and discussed the report of the 30th meeting of the Technical Committee. After deliberations, the CoG endorsed the following recommendations:

I. On the ECOWAS Monetary Cooperation Programme in 2015 Report, the CoG urged Member Countries to:

- I. Improve the business climate with the aim of diversifying the economy, strengthening growth prospects and boosting exports through:
  - · acceleration of on-going reforms with a view to overcoming the constraints impeding the development of certain sectors of the economy and enhancing dynamism of economic activities and diversifying the sources of growth;
  - · stepping up effort to boost energy production and the development of modern infrastructure with a view to increasing capacity for processing raw materials and reducing dependence on commodity export;
  - · implementation of appropriate measures to curb the spread of terrorism through, inter alia, strengthening security arrangements, improving the education system, combating youth unemployment and developing vulnerable areas; and
  - · consolidation of ongoing actions to resolve the socio-political and security crises in the region.
- ii. Take all necessary measures to contain the budget deficits, curtail the rapid growth in public debt and improve the impact of government expenditure especially by:
  - · increasing tax revenue through modernisation of the tax administration, expanding the tax base, strengthening control procedures and minimising exemptions;
  - · rationalising public sector institutions by modernising administrative systems and operational procedures to minimise recurrent expenditure, in particular the wage bill as well as transfers and subsidies; and
  - · enhancing the effectiveness and efficiency of public investment to increase their impact on growth.

iii. To show more commitment to the monetary integration agenda by ensuring compliance with the convergence criteria on a sustainable basis;

iv. Liberia should fast-track effort at the de-dollarisation of its economy;

v. WAMA urged to conduct the following studies:

a. The Relationship between GDP, Growth in Money Supply and Inflation in ECOWAS member-countries; and

b. The Sufficiency of the Convergence Criteria as Basis for Monetary Integration in ECOWAS.

II. The CoG considered the Report on Exchange Rate Developments of ECOWAS Currencies at end-2015 and in the first half of 2016 and urged Member States to:

i. undertake structural reforms aimed at diversifying exports to increase the foreign exchange earning capacity of member-states of ECOWAS;

ii. take measures to encourage local production and consumption as part of the process of import substitution;

iii. promote the use of local currencies in domestic transactions; and

iv. strengthen economic policies of member states by enhancing the collaboration between monetary and fiscal authorities.

III. The CoG considered the Report on Financial Sector Developments and Stability in ECOWAS (First half 2016) and recommended that member countries should:

i. adopt risk-based supervision and set up deposit insurance schemes to safeguard depositors' funds, reinforce public confidence in the banking system and contribute towards financial stability; and

ii. initiate the establishment of colleges of supervisors for systemically important financial institutions to guard against financial instability.

IV. On the Study on the Mechanisms for Transition to Inflation Targeting Lite (ITL) in ECOWAS, the CoG directed WAMA to:

i. confirm whether ITL would be the optimal framework for ECOWAS monetary policy; and

ii. undertake a study on the compatibility of the ITL framework with exchange rate regimes of ECOWAS member-countries.

V. On the Proposal for the Establishment of an Exchange Rate Mechanism for ECOWAS, it was recommended that WAMA should:

i. Update the report, taking into account, recent developments of ECOWAS currencies;

ii. Review the strengths and weaknesses of the currencies of ECOWAS member countries and evaluate movements towards convergence;

iii. Conduct a study project with a view to assessing the impact of the proposed exchange rate mechanism on the economies of Member States; and

iv. Organise a meeting of exchange rate specialists to share the technical aspects of the report.

5.3.5 Convergence Council of Ministers and Governors of Central Banks of the WAMZ

The 37th Meeting of the Convergence Council of Ministers and Governors of the Central Banks of the West African Monetary Zone (WAMZ) was held in Freetown, Sierra Leone on February 10, 2017, to deliberate on the status of implementation of the WAMZ Work Programme. The Report of the 34th Meeting of the Committee of Governors formed the basis for the deliberations. In a unanimous decision, the Republic of Sierra Leone was elected as Chair of the Convergence Council.

Following deliberations on the presentations by the Committee of Governors of the WAMZ members, Council approved the recommendations of the Committee of Governors.

6.0 OUTLOOK FOR THE SECOND HALF OF 2017

The outlook for Nigeria's economy for the rest of the year signals moderate improvement, premised largely on expected fiscal expansion, slowdown in inflationary pressure, stability in the foreign exchange market and increase in non-oil receipts. The cautious optimism was against the backdrop of persisting structural rigidities and sluggish recovery of the global economy.

The outlook for the real sector for the remaining half of 2017 is largely positive. The commitment of the Federal Government to implement the Economic Recovery and Growth Plan (ERGP) and close dilapidated infrastructure gap is expected to increase domestic production, dampen inflationary pressure and moderate unemployment. In addition, the CBN interventions in critical sectors, the commitment of the government to enhance ease of doing business through the signing of three (3) executive orders, as well as the sustained effort to stem insurgency in the North Eastern, would improve the macroeconomic environment for increased real sector productivity, thereby returning the economy to positive growth path.

The improved performance of the external sector was expected to be sustained into the second half of 2017. The positive outlook is premised on the fact that crude oil price and production increase in 2017. With the peace deal in the Niger Delta region, it is expected that this favourable scenario would continue in the near future. On the foreign exchange market, the CBN remains committed to provide the required liquidity to support domestic production.

On the fiscal side, there are indications that government revenue target would be met. The passage of the 2017 appropriation bill would stimulate economic activities, through capital releases to address infrastructure deficits and the Paris Club refund to state governments to settle the accumulated salaries and pension arrears. These developments would provide the necessary fiscal stimulus for the economy and boost aggregate demand and output. The downside risk, however, is the likelihood of bunching capital spendings with implication for banking system liquidity. This should be contained by effective fiscal/monetary policy coordination.

In the financial sector, with the continued monetary policy tightening stance of the Bank, the prospect of achieving its objectives of monetary and price stability is bright. Also, the prospect for improvement in the banking sector in particular will rest, largely, on the gradual reversal of deterioration in asset quality of banks, which remained significantly above the regulatory benchmark in the review period. The effort by the banks, in debt recovery, realisation of collateral for lost facilities and strengthening of risk management functions, coupled with measures being taken by the CBN, are likely going to lead to a rebound in the sector. The sector, however, witnessed the emergence of digital currencies, innovation in financial technology which poses risks to monetary policy effectiveness. An understanding of this development alongside approaches to overcome its downside risks is critical for the monetary authority in the coming months in the year, to maintain a balance in the financial sector and ensure the achievement of the Bank's mandate of price and financial system stability.

Table 20
DMBs' Credit to the Core Private Sector: (Percentage Share)

Sources	Share in Outstanding (Per cent)		
	Jun-16	Dec-16	Jun-17
Agriculture	**3.09**	**3.26**	**3.19**
Industry	**37.89**	**38.82**	**39.61**
Mining & Quarrying	0.11	0.13	0.07
Manufacturing	13.25	13.75	14.11
Oil & Gas	21.66	22.26	22.46
of which DownStream, Natural Gas and Crude Oil Refining	21.66	22.26	22.46
Power and Energy	2.88	2.68	2.97
of which IPP and Power Generation	2.88	2.68	2.97
Construction	**3.91**	**3.92**	**4.01**
Trade/General Commerce	**6.56**	**6.11**	**6.11**
Government	**8.91**	**8.45**	**8.70**
Services	**39.62**	**39.44**	**38.38**
Real Estate	4.61	4.91	5.06
Finance, Insurance and Capital Market	5.51	5.82	5.79
Education	0.56	0.54	0.48
Oil & Gas	7.32	7.87	6.94
of which Upstream and Oil & Gas Services	7.32	7.87	6.94
Power and Energy	1.53	1.82	1.92
of which Power Transmission and Distribution	1.53	1.82	1.92
Others	20.09	18.48	18.18
of which: i. General	8.53	8.16	8.16
ii. Information & Communication	6.08	5.25	5.00
iii. Transportation & Storage	2.94	2.80	2.57
Total Private Sector Credit	**100.00**	**100.00**	**100.00**

Source: Central Bank of Nigeria

Table 21
Money Market Rates: First Half 2017 /1
(Per cent)

WEIGHTED AVERAGE						
Month	MPR	Interbank Call Rate	OBB	NIBOR: Call	NIBOR: 30 Days	NIBOR: 90 Days
Jan - 17	14.00	8.15	8.69	9.70	16.95	18.44
Feb - 17	14.00	27.46	23.60	23.94	16.87	19.14
Mar - 17	14.00	12.56	21.60	22.08	19.99	20.45
Apr - 17	14.00	64.58	51.04	58.51	55.47	56.61
May - 17	14.00	21.29	39.29	41.35	30.48	31.33
Jun - 17	14.00	13.46	29.57	32.88	30.84	31.55
1st Half 2017 Average	**14.00**	**24.58**	**28.97**	**31.41**	**28.43**	**29.59**
1st Half 2016 Average	**11.67**	**9.28**	**6.75**	**6.73**	**9.03**	**10.16**

Sources: Central Bank of Nigeria and Financial Markets Dealers Association
1/ Revised
n. a. means not available

Table 22
Selected Interest Rates: First Half 2017
(Per cent)

Month	Savings	Average Term Deposit	Prime Lending	Maximum Lending
Jan - 17	4.22	7.81	16.91	28.88
Feb - 17	4.22	7.85	17.13	29.26
Mar - 17	4.23	7.85	17.43	30.18
Apr - 17	4.24	7.97	17.44	30.31
May - 17	4.08	7.98	17.58	30.75
Jun - 17	4.08	7.86	17.59	30.94
1st Half 2017 Average	**4.18**	**7.89**	**17.35**	**30.06**
1st Half 2016 Average	**3.43**	**5.76**	**16.63**	**26.83**

Source: Central Bank of Nigeria

Table 23
Open Market Operations (OMO) Sessions

Period	Total Bids (N' Million)	Amount Sold (N' Million)	Average Tenor (Days)	Average Yield (%)
2013				
January	2,958,460.00	1,756,660.00	77	13.73
February	2,302,710.00	1,351,600.00	105	12.54
March	2,061,290.00	1,265,240.00	118	13.30
April	2,228,780.00	1,516,690.00	169	13.55
May	1,476,320.00	1,127,400.00	159	13.22
June	505,190.00	81,950.00	156	14.09
Total	**11,532,750.00**	**7,099,540.00**		
Average	**1,922,125.00**	**1,183,256.67**	**131**	**13.40**
July	1,078,590.00	508,740.00	161	14.02
August	96,480.00	91,730.00	132	13.37
September	337,350.00	150,510.00	141	13.41
October	1,956,950.00	1,206,860.00	127	12.80
November	1,109,670.00	791,090.00	102	12.52
December	797,960.00	599,470.00	125	12.51
Total	**5,377,000.00**	**3,348,400.00**		
Average	**896,166.67**	**558,066.67**	**131**	**13.10**
2014				
January	1,271,958.85	1,091,488.65	118	12.47
February	405,786.77	307,403.51	130	13.17
March	836,869.23	714,571.36	133	13.76
April	359,329.93	285,940.65	125	12.87
May	1,229,507.61	905,994.13	121	11.29
June	1,351,007.15	1,179,539.92	122	11.20
Total	**5,454,459.54**	**4,484,938.22**		
Average	**909,076.59**	**747,489.70**	**125**	**12.46**
July	812,923.19	810,924.19	129	11.23
August	654,527.07	654,527.07	133	11.24
September	1,070,421.99	989,578.88	143	11.25
October	800,935.02	652,505.59	164	11.52
November	1,012,679.55	830,230.89	163	11.81
December	0.00	0.00	0	0.00
Total	**4,351,486.82**	**3,937,766.62**		
Average	**870,297.36**	**787,553.32**	**146**	**11.41**
2015				
January	1,637,224.91	1,295,880.94	165	15.29
February	279,283.49	217,327.54	193	16.09
March	586,859.44	543,859.44	188	16.09
April	1,027,454.90	933,744.73	261	16.44
May	657,106.07	524,540.43	206	15.24
June	979,350.37	746,365.40	145	14.55
Total	**5,167,279.18**	**4,261,718.48**		
Average	**861,213.20**	**710,286.41**	**193**	**15.61**
July	963,380.00	771,823.00	227	15.34
August	226,718.00	73,269.00	346	16.14
September	402,805.00	-	-	-
October	-	-	-	-
November	-	-	-	-
December	736,952.00	482,153.00	303	8.57
Total	**2,329,855.00**	**1,327,245.00**		
Average	**582,463.75**	**442,415.00**	**292**	**13.35**
2016				
January	913,260.00	698,420.00	186	8.15
February	630,890.00	509,230.00	175	8.08
March	706,990.00	394,630.00	231	8.81
April	710,300.00	363,720.00	233	9.72
May	367,700.00	64,630.00	288	10.56
June	540,800.00	299,120.00	285	12.93
Total	**3,869,940.00**	**2,329,750.00**		
Average	**644,990.00**	**388,291.67**	**233**	**9.71**
July	909,780.00	695,210.00	233	19.38
August	2,248,650.00	1,728,150.00	275	17.87
September	1,067,340.00	1,057,950.00	232	20.64
October	832,900.00	807,020.00	234	20.67
November	732,660.00	665,570.00	278	17.25
December	633,140.00	575,970.00	266	21.12
Total	**6,424,470.00**	**5,529,870.00**		
Average	**1,070,745.00**	**921,645.00**	**253**	**19.49**
2017				
January	1,237,870.00	700,520.00	248	20.8925
February	621,150.00	619,140.00	262	21.0613
March	418,190.00	391,160.00	251	20.9345
April	376,660.00	319,090.00	266	21.1100
May	585,900.00	580,080.00	259	21.0310
June	1,354,160.00	1,261,280.00	252	19.6466
Total	**4,593,930.00**	**3,871,270.00**		
Average	**765,655.00**	**645,211.67**	**256**	**20.78**

Source: Central Bank of Nigeria

Table 24
Treasury Bills: Issues and Allotments
(Naira Million)

Period	Issues	Central Bank	Allotment to Subscriber	
			Deposit Money Banks	Non-Bank Public
2013				
June	397,845.75	0.00	152,626.18	245,219.57
December	400,605.12	0.00	139,214.85	261,390.28
Annual Total	**3,650,881.21**	**0.00**	**1,853,716.30**	**1,797,164.91**
Annual Average	**304,240.10**	**0.00**	**154,476.36**	**149,763.74**
2014				
June	440,713.48	0.00	165,215.22	275,498.26
December	378,130.00	21,260.00	132,010.00	224,850.00
Annual Total	**3,879,469.09**	**88,240.00**	**1,985,031.81**	**1,806,194.96**
Annual Average	**323,289.09**	**7,353.33**	**165,419.32**	**150,516.25**
2015				
June	380,023.16	0.00	212,850.32	167,172.84
December	352,034.71	0.00	344,843.52	7,191.20
Annual Total	**3,845,317.30**	**0.00**	**2,686,460.16**	**1,158,857.14**
Annual Average	**320,443.11**	**0.00**	**223,871.68**	**96,571.43**
2016				
June	480,753.95	28,000.00	260,910.92	191,843.03
December	347,920.69	43,511.80	157,769.48	146,639.42
Annual Total	**4,555,502.05**	**163,590.48**	**2,329,090.90**	**2,062,820.67**
Annual Average	**379,625.17**	**13,632.54**	**194,090.91**	**171,901.72**
2017				
January	441,808.31	-	340,747.79	101,060.52
February	504,833.44	-	388,414.89	116,418.55
March	698,966.18	14,130.18	330,783.44	354,052.56
April	402,411.43	113,050.28	163,504.05	125,857.10
May	367,605.89	-	158,014.69	209,591.19
June	513,625.88	-	244,465.98	269,159.90
Half Year Total	**2,929,251.12**	**127,180.46**	**1,625,930.84**	**1,176,139.83**
Half Year Average	**488,208.52**	**21,196.74**	**270,988.47**	**196,023.30**

Source: Central Bank of Nigeria

Table 25
Monetary and Credit Developments 3/
(N' Million)

Item	Jun 2013	Dec 2013	Jun 2014	Dec 2014	Jun 2015	Dec 2015	Jun 2016	Dec 2016	Jun 2017 /4
(1) Domestic Credit (Net)	**13,149,382.49**	**14,535,204.72**	**16,689,493.70**	**19,273,756.71**	**21,409,774.20**	**21,612,452.09**	**24,623,626.70**	**26,857,719.34**	**27,236,433.60**
(a) Claims on Federal Government (Net)	**-2,542,654.43**	**-1,656,265.28**	**-238,488.87**	**1,147,707.24**	**2,511,101.09**	**2,891,946.66**	**3,171,443.45**	**4,875,570.30**	**5,250,486.41**
By Central Bank	-3,519,920.52	-2,289,104.87	-2,913,883.11	-2,141,684.16	-769,517.43	-1,653,067.50	-1,185,761.66	109,158.25	232,806.35
By Commecial Banks	937,527.48	596,989.86	2,629,128.88	3,214,435.52	3,219,301.45	4,470,267.34	4,179,939.12	4,563,266.39	4,821,703.05
By Merchant Banks	39,738.60	36,606.47	46,265.36	74,955.88	61,317.08	74,746.83	177,266.00	203,145.66	195,977.01
By Non Interest Banks	0.00	-756.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(b) Claims on Private Sector	**15,692,036.93**	**16,191,470.00**	**16,927,982.57**	**18,126,049.46**	**18,898,673.11**	**18,720,505.43**	**21,452,183.25**	**21,982,149.04**	**21,985,947.18**
By Central Bank	4,703,313.19	4,599,388.32	4,702,335.98	4,859,887.74	5,093,071.50	5,061,611.28	5,402,940.93	5,298,255.90	5,692,288.30
By Commercial Banks	10,949,139.46	11,543,649.93	12,168,761.86	13,179,598.11	13,712,964.87	13,568,543.70	15,903,577.86	16,500,150.26	16,092,233.81
By Merchant Banks	32,218.12	37,919.13	40,749.44	62,646.43	68,535.18	62,845.80	111,828.57	145,180.11	161,090.01
By Non Interest Banks	7,366.15	10,512.62	16,135.29	23,917.18	24,101.56	27,504.65	33,835.89	38,562.77	40,335.06
(i) Claims on State and Local Govts	**661,034.92**	**779,126.93**	**489,324.37**	**538,767.32**	**472,792.84**	**585,060.12**	**729,427.54**	**989,541.97**	**1,180,310.12**
By Central Bank	0.00	0.00	0.00	0.00	0.00	0.00	27,800.00	300,379.00	495,915.00
By Commercial Banks	660,341.02	776,698.03	486,924.37	536,367.32	471,430.12	583,817.73	698,822.78	681,830.36	678,439.76
By Merchant Banks	693.90	1,428.90	0.00	0.00	0.00	0.00	1,650.14	6,272.36	4,996.57
By Non Interest Banks	0.00	1,000.00	2,400.00	2,400.00	1,362.72	1,242.40	1,154.62	1,060.25	958.80
(ii) Claims on Non-Financial Public Ent's	**0.00**	**23,578.28**	**23,587.73**	**25,590.35**	**51,033.53**	**25,588.01**	**319,694.07**	**25,603.30**	**32,984.48**
By Central Bank	0.00	23,578.28	23,587.73	25,590.35	51,033.53	25,588.01	319,694.07	25,603.30	32,984.48
By Commercial Banks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
By Merchant Banks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
By Non Interest Banks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Claims on Other Private Sector	**15,031,002.01**	**15,388,764.78**	**16,415,070.47**	**17,561,691.79**	**18,374,846.74**	**18,109,857.30**	**20,403,061.64**	**20,967,003.77**	**20,772,652.59**
By Central Bank	4,703,313.19	4,575,810.04	4,678,748.26	4,834,297.39	5,042,037.96	5,036,023.27	5,055,446.86	4,972,273.60	5,163,388.82
By Commercial Banks	10,288,798.44	10,766,951.89	11,681,837.48	12,643,230.79	13,241,534.75	12,984,725.98	15,204,755.08	15,818,319.90	15,413,794.05
By Merchant Banks	31,524.22	36,490.23	40,749.44	62,646.43	68,535.18	62,845.80	110,178.43	138,907.76	156,093.44
By Non Interest Banks	7,366.15	9,512.62	13,735.29	21,517.18	22,738.84	26,262.25	32,681.27	37,502.52	39,376.27
(2) Foreign Assets (Net)	**9,164,430.15**	**8,658,649.73**	**7,673,096.58**	**6,954,214.77**	**5,951,452.90**	**5,653,320.37**	**7,105,663.47**	**9,149,659.29**	**8,468,080.62**
By Central Bank	7,561,183.53	7,043,927.36	6,343,984.91	6,244,718.92	5,795,959.61	5,545,320.51	6,840,426.38	8,790,652.82	8,378,904.55
By Commecial Banks	1,599,504.06	1,611,727.94	1,317,873.30	712,557.52	159,892.93	125,384.36	254,493.47	346,200.38	101,695.18
By Merchant Banks	1,936.05	1,089.63	8,419.57	-6,373.02	-5,946.22	-18,785.78	8,455.14	11,711.36	-21,000.64
By Non Interest Banks	1,806.50	1,904.80	2,818.80	3,311.35	1,546.58	1,401.28	2,288.47	1,094.72	8,481.53
(3) Other Assets (Net)	**-6,720,640.13**	**-7,504,890.90**	**-6,785,949.98**	**-7,314,942.50**	**-8,549,797.70**	**-7,235,941.34**	**-9,651,276.71**	**-12,415,646.05**	**-13,723,931.86**
Total Monetary Assets	**15,593,172.51**	**15,688,963.55**	**17,576,640.29**	**18,913,028.98**	**18,811,429.40**	**20,029,831.12**	**22,078,013.46**	**23,591,732.58**	**21,980,582.35**
Quasi-Money /1	**8,653,623.30**	**8,656,124.80**	**10,480,203.25**	**12,008,237.57**	**12,269,037.20**	**11,458,129.82**	**12,559,032.07**	**12,320,225.75**	**11,790,391.44**
Money Supply	**6,939,549.21**	**7,032,838.75**	**7,096,437.05**	**6,904,791.41**	**6,542,392.20**	**8,571,701.30**	**9,518,981.39**	**11,271,506.82**	**10,190,190.92**
Currency Outside Banks	1,127,804.88	1,446,660.40	1,211,563.93	1,437,397.09	1,183,988.38	1,456,096.85	1,379,045.17	1,820,415.90	1,477,147.44
Demand Deposits /2	5,811,744.33	5,586,178.35	5,884,873.12	5,467,394.32	5,358,403.82	7,115,604.46	8,139,936.23	9,451,090.92	8,713,043.48
Total Monetary Liabilities	**15,593,172.51**	**15,688,963.55**	**17,576,640.29**	**18,913,028.98**	**18,811,429.40**	**20,029,831.12**	**22,078,013.46**	**23,591,732.58**	**21,980,582.35**
GROWTH RATE OVER THE PRECEDING DECEMBER (In Percentages)									
Credit to the Domestic Economy (Net)	3.55	14.47	14.82	32.60	11.08	12.13	13.93	24.27	1.41
Credit to the Private Sector	3.57	6.86	4.55	11.95	4.26	3.28	14.59	17.42	0.02
Claims on Federal Government (Net)	-3.63	32.50	85.60	169.29	118.79	151.98	9.66	68.59	7.69
By Central Bank	1.52	35.96	-27.29	6.44	64.07	22.81	28.27	106.60	113.27
Claims on State and Local Governments	-0.73	17.01	-37.20	-30.85	-12.25	8.59	24.68	69.14	19.28
Claims on Non-Financial Public Enterprises			0.04	8.53	99.42	-0.01	1,149.39	0.06	28.83
Claims on Other Private Sector	3.76	6.23	6.67	14.12	4.63	3.12	12.66	15.78	-0.93
Foreign Assets (Net)	1.34	-4.26	-11.38	-19.68	-14.42	-18.71	25.69	61.85	-7.45
Quasi-Money	7.33	7.36	21.07	38.73	2.17	-4.58	9.61	7.52	-4.30
Money Supply (M1)	-6.49	-5.23	0.90	-1.82	-5.25	24.14	11.05	31.50	-9.59
Broad Money (M2)	0.71	1.32	12.03	20.55	-0.54	5.90	10.23	17.78	-6.83
Other Assets (Net)	-7.39	-19.92	9.58	2.53	-16.88	1.08	-33.38	-71.58	-10.54

Source: Central Bank of Nigeria

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

/2 Demand Deposits consist of state and local government as well as parastatals deposits at the CBN on the one hand, and state and local government and private sector deposits as well as demand deposits of non-financial public enterprises at the Deposit Money Banks on the other.

/3 Adoption of International Financial Reporting Standard (IFRS) and bank returns in compliance with the IFRS commenced in March 2015.

/4 Provisional

Table 26
Value of Money Market Assets 1/
(Naira Million)

Instrument	2013		2014		2015		2016		2017 /2
	June	Dec	June	Dec	June	Dec	June	Dec	June
Treasury Bills	2,483,285.11	2,581,550.64	2,735,869.09	2,815,523.75	2,824,952.25	2,772,867.04	2,901,807.05	3,277,278.83	3,702,831.68
Certificates of Deposits	23,000.00	20,500.00	51,500.00	50,954.00	38,693.10	75,702.83	55,020.04	0.00	0.00
Commercial Papers	15,002.10	9,324.80	10,088.31	9,822.17	6,679.00	6,291.85	3,546.10	490.47	497.34
Bankers' Acceptances	16,012.34	20,469.96	7,350.82	8,757.23	8,596.28	28,417.89	29,755.86	27,795.30	41,039.93
FGN Bonds	4,032,903.13	4,222,037.71	4,369,837.71	4,792,281.22	5,300,418.82	5,808,140.82	7,473,539.17	7,564,937.47	7,962,193.05
FGN Savings Bonds /3									4,754.08
Total	**6,570,202.67**	**6,853,883.10**	**7,174,645.94**	**7,677,338.37**	**8,179,339.46**	**8,691,420.43**	**10,463,668.22**	**10,870,502.06**	**11,711,316.07**
Percentage Change Over Preceding December									
Treasury Bills	16.97	21.60	5.98	9.06	0.33	-1.52	4.65	18.19	27.60
Certificates of Deposits	-32.35	-39.71	151.22	148.56	-24.06	48.57	-27.32	-100.00	-100.00
Commercial Papers	1,328.28	787.77	8.19	5.33	-32.00	-35.94	-43.64	-92.20	-85.98
Bankers' Acceptances	62.33	107.53	-64.09	-57.22	-1.84	224.51	4.71	-2.19	37.92
FGN Bonds	-1.16	3.48	3.50	13.51	10.60	21.20	28.67	30.25	6.54
FGN Savings Bond /3									
Percentage Change of Total	**5.16**	**9.70**	**4.68**	**12.01**	**6.54**	**13.21**	**20.39**	**25.07**	**7.73**

Source: Central Bank of Nigeria
/1 Revised
/2 Provisional
/3 A new FGN security introduced in March 2017.

Table 27
Selected Interest Rates /1
(End-Period Rate)

	2013		2014		2015		2016		2017
	Jun	Dec	Jun	Dec	Jun	Dec	Jun	Dec	Jun
End-Period Rates									
Monetary Policy Rate	12.00	12.00	12.00	13.00	13.00	11.00	12.00	14.00	14.00
Treasury Bills Issue Rate	11.60	10.97	10.23	10.77	11.87	6.21	10.14	17.24	17.51
Weighted Average Rates									
Inter-bank Call Rate	11.59	10.75	10.50	24.30	10.85	0.77	35.26	10.39	13.46
NIBOR Call Rate	12.22	11.17	10.84	25.51	14.07	1.04	20.34	8.53	32.88
NIBOR 30-days	12.32	11.87	12.17	13.71	14.54	9.11	17.62	16.34	30.84
NIBOR 90-days	13.31	12.43	13.28	13.75	15.30	10.84	18.43	18.66	31.55
Open Buy Back (OBB)	11.19	11.24	10.52	22.28	10.65	0.98	21.75	7.35	29.57
Deposit Money Banks (DMBs) (Weighted Average Rates)									
Savings Deposit Rate	2.04	2.53	3.42	3.46	3.60	3.33	3.61	4.18	4.08
Time Deposit Rate (3 months)	7.49	7.96	9.30	9.48	10.27	6.91	6.92	8.80	9.01
Prime Lending Rate	16.56	17.01	16.50	15.88	17.24	16.96	16.78	17.09	17.59
Maximum Lending Rate	24.58	24.90	26.07	25.91	26.84	26.84	26.93	28.55	30.94

Sources: Financial Market Dealers Association (FMDA) and Central Bank of Nigeria
/1 Revised

Table 28
Federation Account Operations
(N' Billion)

	2013 1st Half	2014 1st Half	2015 1/ 1st Half	2016 2/ 1st Half	2017 2/ 1st Half	'Half Year Budget 2017
Total Revenue (Gross)	**4,806.50**	**5,109.04**	**3,452.84**	**2,395.44**	**2,992.83**	**5,368.55**
Oil Revenue (Gross)	**3,648.04**	**3,604.39**	**2,049.78**	**1,203.32**	**1,613.02**	**2,697.72**
Crude Oil and Gas Exports	842.94	1,094.04	489.49	194.98	213.17	841.64
PPT and Royalties etc.	2,003.29	1,713.36	898.33	526.82	645.86	1,002.69
Domestic Crude Oil / Gas Sales	785.17	748.21	607.21	440.37	723.25	343.87
Other Oil Revenue	16.64	48.78	54.76	41.15	30.74	479.02
Dividend by NLNG	0.00	0.00	0.00	0.00	0.00	30.50
Less:						
Deductions	**1,281.47**	**1,124.72**	**450.66**	**241.04**	**631.60**	**152.50**
Oil Revenue (Net)	**2,366.57**	**2,479.67**	**1,599.12**	**962.28**	**981.43**	**2,545.22**
Non-oil Revenue	**1,158.46**	**1,504.64**	**1,403.06**	**1,192.12**	**1,379.80**	**2,670.83**
Corporate Tax	341.37	582.31	334.30	347.97	365.33	871.02
Customs & Excise Duties	207.20	257.91	265.67	242.05	294.84	307.69
Value-Added Tax (VAT)	379.18	407.95	398.84	391.18	465.31	900.00
Independent Revenue of Fed. Govt.	82.20	134.01	290.93	106.62	119.38	403.79
Education Tax	51.80	18.57	16.38	25.39	41.17	97.41
Customs Special Levies (Federation Account)	92.91	44.93	36.32	23.11	30.09	50.89
National Information Technology Dev. (NITDF)	3.80	2.04	2.70	3.95	0.72	12.06
Customs Special Levies (Non-Federation Account) 5/	0.00	56.91	57.92	51.85	62.97	26.72
Solid Mineral & Other Mining Revenue	0.00	0.00	0.00	0.00	0.00	1.26
Less:						
Cost of Collection	**43.33**	**217.35**	**48.54**	**46.87**	**80.14**	**103.64**
Non-Oil Revenue (Net)	**1,115.14**	**1,287.29**	**1,354.52**	**1,145.24**	**1,299.67**	**2,567.02**
Estmiated Balances in Special Accounts for the previous year	0.00	0.00	0.00	0.00	0.00	6.85
Federally-collected revenue (Net)	**3,481.71**	**3,766.96**	**2,953.64**	**2,107.52**	**2,281.09**	**5,119.09**
Federation Account Allocation:	**3,481.71**	**3,766.96**	**2,953.64**	**2,107.52**	**2,281.09**	**5,119.09**
Transfer to Federal Govt. Ind. Revenue	82.20	134.01	290.93	106.62	119.38	403.79
Transfer to VAT Pool Account	364.01	391.63	382.88	375.53	446.70	864.00
Other Tranfers 3/	148.51	122.46	113.32	104.30	134.94	131.69
Amount Distributed	**2,886.98**	**3,118.87**	**2,166.51**	**1,521.07**	**1,580.07**	**3,719.45**
Federal Government	1,358.79	1,473.20	1,031.80	735.40	765.17	1,787.19
State Government	689.20	747.23	523.34	373.00	388.10	906.49
Local Government	531.34	576.08	403.48	287.57	299.21	698.86
13% Derivation	307.65	322.36	207.89	125.10	127.59	326.91
Solid Mineral Revenue	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.16**
Federal Government	0.00	0.00	0.00	0.00	0.00	0.00
State Government	0.00	0.00	0.00	0.00	0.00	0.00
Local Government	0.00	0.00	0.00	0.00	0.00	0.00
13% Derivation (Solid Mineral)	0.00	0.00	0.00	0.00	0.00	0.16
Vat Pool Account	**364.01**	**391.63**	**382.88**	**375.53**	**446.70**	**864.00**
FG	54.60	58.75	57.43	56.33	67.01	129.60
SG	182.00	195.82	191.44	187.77	223.35	432.00
LG	127.40	137.07	134.01	131.44	156.35	302.40
Special Funds (FGN)	**107.49**	**116.89**	**81.87**	**58.30**	**60.71**	**141.81**
Federal Capital Territory	25.71	27.97	19.59	13.91	14.52	33.93
Ecology	25.71	27.97	19.59	13.96	14.52	33.93
Statutory Stabilization	12.86	13.98	9.79	6.98	7.26	16.96
Natural Resources	43.20	46.98	32.90	23.45	24.40	56.99
FCT VAT	3.64	3.92	3.83	3.76	4.47	8.64
Overall Balance	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Memorandum Items						
Deductions	**1,281.47**	**1,124.72**	**450.66**	**241.04**	**631.60**	**152.50**
JVC Cash calls	571.43	684.05	383.66	194.98	460.65	0.00
Excess Crude Proceeds	0.00	182.50	0.00	0.00	14.37	0.00
Excess PPT & Royalty	674.07	206.85	15.50	0.00	117.17	0.00
Domestic Subsidy	0.00	0.00	0.00	0.00	0.00	0.00
DPR Cost of Collection	0.00	0.00	13.52	8.09	13.89	0.00
Others	35.96	51.33	37.98	37.98	25.52	152.50
Total Non-Oil Revenue Deductions	**43.33**	**217.35**	**48.54**	**46.87**	**80.14**	**103.64**
Cost of Collection	**43.33**	**57.66**	**48.54**	**46.59**	**54.64**	**93.64**
7% NCS	14.50	18.05	18.60	16.92	20.60	26.97
4% FIRS	13.65	23.29	13.99	14.02	15.42	30.67
V.A.T.	15.17	16.32	15.95	15.65	18.61	36.00
Non Oil Revenue (Excess)	0.00	159.69	0.00	0.00	0.00	0.00
FIRS Tax Refunds	0.00	0.00	0.00	0.00	25.42	10.00
NCS Refunds	0.00	0.00	0.00	0.29	0.08	0.00

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

Table 29
Federally Collected Revenue Distribution
(N' Billion)

	2013 1st Half	2014 1st Half	2015 1/ 1st Half	2016 2/ 1st Half	2017 2/ 1st Half	'Half Year Budget 2017
Statuory Allocation	**2,886.98**	**3,118.87**	**2,166.51**	**1,521.07**	**1,580.07**	**3,719.45**
Federal Government	*1,358.79*	*1,473.20*	*1,031.80*	*735.40*	*765.17*	*1,787.19*
State Government	*689.20*	*747.23*	*523.34*	*373.00*	*388.10*	*906.49*
Local Government	*531.34*	*576.08*	*403.48*	*287.57*	*299.21*	*698.86*
13% Derivation	*307.65*	*322.36*	*207.89*	*125.10*	*127.59*	*326.91*
Solid Mineral Revenue	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.16**
Federal Government	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
State Government	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
Local Government	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
13% Derivation (Solid Mineral)	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.16*
Vat Pool Account	**364.01**	**391.63**	**382.88**	**375.53**	**446.70**	**864.00**
FG	*54.60*	*58.75*	*57.43*	*56.33*	*67.01*	*129.60*
SG	*182.00*	*195.82*	*191.44*	*187.77*	*223.35*	*432.00*
LG	*127.40*	*137.07*	*134.01*	*131.44*	*156.35*	*302.40*
Distribution from Excess Crude/PPT	**309.48**	**0.00**	**15.63**	**0.00**	**166.58**	**0.00**
Federal Government	*141.84*	*0.00*	*7.16*	*0.00*	*76.35*	0.00
State Government	*71.94*	*0.00*	*3.63*	*0.00*	*38.72*	0.00
Local Government	*55.46*	*0.00*	*2.80*	*0.00*	*29.85*	0.00
13% Derivation	*40.23*	*0.00*	*2.03*	*0.00*	*21.66*	0.00
Provisional Dist & Actual Budget (Diff)/Non-Oil Excess Revenue	**0.00**	**0.00**	**0.00**	**1.59**	**0.00**	**0.00**
Federal Government	*0.00*	*0.00*	*0.00*	*0.84*	*0.00*	*0.00*
State Government	*0.00*	*0.00*	*0.00*	*0.42*	*0.00*	*0.00*
Local Government	*0.00*	*0.00*	*0.00*	*0.33*	*0.00*	*0.00*
13% Derivation	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*	*0.00*
Exchange Rate Gain	**0.00**	**0.00**	**210.43**	**19.08**	**311.75**	**0.00**
Federal Government	*0.00*	*0.00*	*96.44*	*8.91*	*145.98*	*0.00*
State Government	*0.00*	*0.00*	*48.92*	*4.52*	*74.04*	*0.00*
Local Government	*0.00*	*0.00*	*37.71*	*3.48*	*57.08*	*0.00*
13% Derivation	*0.00*	*0.00*	*27.36*	*2.17*	*34.65*	*0.00*
SURE-P/ SIGNATURE BONUS 6/	**213.30**	**213.30**	**0.00**	**0.00**	**0.00**	**117.83**
Federal Government	*97.76*	*97.76*	*0.00*	*0.00*	*0.00*	*62.07*
State Government	*49.58*	*49.58*	*0.00*	*0.00*	*0.00*	*31.49*
Local Government	*38.23*	*38.23*	*0.00*	*0.00*	*0.00*	*24.27*
13% Derivation	*27.73*	*27.73*	*0.00*	*0.00*	*0.00*	*0.00*
NNPC Refund	**45.70**	**30.47**	**37.98**	**37.98**	**25.32**	**0.00**
Federal Government	0.00	0.00	37.98	37.98	25.32	0.00
State Government	*22.45*	*14.97*	*0.00*	*0.00*	*0.00*	*0.00*
Local Government	*17.31*	*11.54*	*0.00*	*0.00*	*0.00*	*0.00*
13% Derivation	*5.94*	3.96	*0.00*	*0.00*	*0.00*	*0.00*
Federation Revenue Augmentation/NNPC Additional Rev.	**613.88**	**0.00**	**14.68**	**29.40**	**0.00**	**0.00**
Federal Government	*281.35*	*0.00*	*6.73*	*15.49*	*0.00*	*0.00*
State Government	*142.71*	*0.00*	*3.41*	*7.86*	*0.00*	*0.00*
Local Government	*110.02*	*0.00*	*2.63*	*6.06*	*0.00*	*0.00*
13% Derivation	*79.80*	*0.00*	*1.91*	*0.00*	*0.00*	*0.00*
Total Excluding VAT	**4,069.34**	**3,362.63**	**2,445.23**	**1,609.11**	**2,083.72**	**3,837.28**
Federal Government	*1,879.74*	*1,570.96*	*1,180.12*	*798.61*	*1,012.81*	*1,849.26*
State Government	*975.88*	*811.78*	*579.30*	*385.80*	*500.87*	*937.97*
Local Government	*752.36*	*625.85*	*446.62*	*297.44*	*386.15*	*723.14*
13% Derivation	*461.36*	*354.05*	*239.19*	*127.26*	*183.90*	*326.91*
Total Statutory Revenue and VAT Distribution 3/	**4,433.35**	**3,754.26**	**2,828.11**	**1,984.65**	**2,530.42**	**4,701.45**
Federal Government	*1,934.34*	*1,629.70*	*1,237.55*	*854.94*	*1,079.82*	*1,978.86*
State Government	*1,157.89*	*1,007.60*	*770.74*	*573.57*	*724.22*	*1,369.97*
Local Government	*879.76*	*762.92*	*580.63*	*428.87*	*542.49*	*1,025.54*
13% Derivation	*461.36*	*354.05*	*239.19*	*127.26*	*183.90*	*327.08*

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

Table 30
Money Market Rates: First Half 2017 /1
(Per cent)

	2013 1st Half	2014 1st Half	2015 1st Half	2016 1/ 1st Half	2017 2/ 1st Half	Half Year Budget 2016
Total Federal Government Retained Revenue	**1,960.17**	**1,881.04**	**1,583.19**	**1,305.75**	**2,505.53**	**2,697.57**
Share of Federation Account (Gross)	1,358.79	1,473.20	1,031.80	735.40	765.17	1,787.19
Share of VAT Pool Account	54.60	58.75	57.43	56.33	67.01	129.60
Federal Government Independent Revenue	82.20	134.01	290.93	106.62	119.38	403.79
Share of Excess Crude Account (incl. Augment.)	423.19	0.00	7.16	0.00	106.60	0.00
Share from SURE-P Distribution	97.76	97.76	0.00	15.49	0.00	62.07
Share from Excess Non-Oil	0.00	84.12	0.00	0.84	0.00	0.00
NNPC Refund (Incl. Additional NNPC Share)	0.00	0.00	44.71	37.98	25.32	0.00
Subsidy	0.00	0.00	0.00	0.00	0.00	0.00
Exchange Gain	0.00	0.00	96.44	8.91	145.98	0.00
Others 3/	(56.38)	33.20	54.72	344.19	1,276.09	314.93
Total Expenditure	**2,375.56**	**2,128.70**	**2,259.66**	**2,517.21**	**2,885.25**	**3,875.96**
Recurrent Expenditure	**1,714.39**	**1,610.20**	**1,872.80**	**1,885.36**	**2,676.23**	**2,571.51**
Goods and Services	**1,080.61**	**979.27**	**1,166.06**	**1,178.01**	**1,323.06**	**1,495.46**
Personnel Cost	775.06	753.13	860.15	890.81	723.89	942.03
Pension	66.27	73.88	96.01	79.18	143.28	95.82
Overhead Cost	239.28	152.26	209.90	208.02	455.89	457.61
Interest Payments	**390.61**	**477.80**	**592.17**	**609.52**	**927.74**	**920.67**
Foreign	29.59	36.37	35.82	30.71	55.80	87.94
Domestic 4/	361.02	441.44	556.35	578.81	871.94	832.73
Transfers	**243.17**	**153.13**	**114.57**	**97.83**	**425.44**	**155.37**
Special Funds and others 5/	243.17	153.13	114.57	97.83	425.44	155.37
Capital Expenditure & Net Lending 6/	**499.69**	**353.15**	**274.53**	**346.18**	**0.00**	**1,087.25**
Domestic Financed Budgets	**499.69**	**353.15**	**274.53**	**346.18**	**0.00**	**1,087.25**
Budgetary	401.93	255.40	57.43	90.79	0.00	1,087.25
Subsidy	0.00	0.00	61.00	0.00	0.00	0.00
SURE-P/ Loan to Ex Dom Naira Account	97.76	97.76	156.10	0.00	0.00	0.00
Capital release 2015 7/	0.00	0.00	0.00	255.39	0.00	0.00
Transfers	**161.49**	**165.34**	**112.33**	**285.67**	**209.02**	**217.21**
NDDC	0.00	15.49	7.71	20.53	10.23	32.01
NJC	33.50	27.92	39.71	35.00	10.83	50.00
UBE	38.99	29.36	10.30	38.56	15.41	47.59
Refund of Signature Bonuses/Others	89.01	92.58	54.61	191.59	172.55	87.60
Balance Of Revenue And Expenditure						
Primary Surplus (+)/Deficit (-)	***(24.79)***	***230.14***	***(84.30)***	***(601.94)***	***548.02***	***(257.71)***
Current Surplus(+)/Deficit(-)	***245.78***	***270.84***	***(289.61)***	***(579.61)***	***(170.70)***	***126.07***
Overall Surplus(+)/Deficit(-)	***(415.40)***	***(247.66)***	***(676.47)***	***(1,211.46)***	***(379.72)***	***(1,178.39)***
Financing:	***415.40***	***247.66***	***676.47***	***1,211.46***	***379.72***	***1,178.39***
Foreign(Net)	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***533.75***
Domestic(Net)	***415.40***	***247.66***	***676.47***	***1,211.46***	***379.72***	***644.64***
Banking System	0.00	0.00	0.00	0.00	0.00	0.00
CBN	0.00	0.00	421.20	0.20	0.20	0.00
DMBs	0.00	0.00	0.00	0.00	0.00	0.00
Non Bank Public	521.43	504.00	330.00	524.60	0.00	627.14
Privatization Proceeds	0.00	0.00	72.60	5.92	0.00	17.50
Loans from Special Accts	151.26	36.70	24.01	296.51	0.00	0.00
Excess Crude	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Recoveries of Misappropriated Funds	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Other Funds	**(257.30)**	**(293.04)**	**249.86**	**384.42**	**379.72**	**533.75**

1/ Revised
2/ Provisional
3/ Includes FGN balance of special accounts, transfers to CRF and payments to FGN and other statutory benefits
4/ Include Ways and Means Advances
5/ Includes FCT share of VAT
6/ 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 31
Functional Classification of Federal Government Recurrent and Capital Expenditure
(Naira Billion)

	2013 Half - Year	2014 Half -	2015 Half - Year 1/	2016 Half - Year 1/	2017 Half - Year 1/
TOTAL EXPENDITURE	**2,375.56**	**2,128.70**	**2,259.65**	**2,631.65**	**2,885.22**
A. RECURRENT EXPENDITURE	**1,714.39**	**1,610.20**	**1,872.80**	**1,888.19**	**2,676.20**
A1. ADMINISTRATION	**626.12**	**512.59**	**607.41**	**649.01**	**904.30**
General Administration	313.47	203.22	206.57	280.36	377.36
Defence	117.52	112.80	150.73	137.62	196.22
Internal Security	195.14	196.57	250.12	231.03	330.72
A2. ECONOMIC SERVICES	**178.34**	**106.50**	**123.33**	**163.75**	**215.94**
Agriculture	19.01	19.33	23.28	24.76	33.90
Roads & Construction	21.31	20.53	23.47	25.13	35.41
Transport & Communications	46.72	46.29	53.98	57.65	80.24
Others	91.30	20.35	22.61	56.21	66.38
A3. SOCIAL & COMMUNITY SERVICES	**300.67**	**293.52**	**339.31**	**288.91**	**462.89**
Education	138.21	136.39	158.83	160.03	225.24
Health	64.80	64.55	76.78	77.36	107.56
Others	97.66	92.58	103.69	51.52	130.09
A4. TRANSFERS	**609.26**	**697.60**	**802.75**	**786.53**	**1,093.07**
Public Debt Charges (Int)	390.61	477.80	592.17	609.52	927.74
Domestic	361.02	441.44	556.35	578.81	871.94
Foreign	29.59	36.37	35.82	30.71	55.80
Pensions & Gratuities	66.27	66.66	96.01	79.18	106.41
FCT & Others	152.38	153.13	114.57	97.83	58.92
Contingencies (Others)	-	-	-	-	-
External Obligations	-	-	-	-	-
Extra-Budgetary Expenditure	-	-	-	-	-
Deferred Customs Duties	-	-	-	-	-
Unspecified Expenditure	-	-	-	-	-
Others	-	-	-	-	-
B. CAPITAL EXPENDITURE	**499.69**	**353.15**	**274.53**	**457.78**	**-**
B1. ADMINISTRATION	**176.19**	**136.65**	**106.64**	**172.38**	**-**
General Administration	110.77	86.20	66.72	107.85	-
Defence	26.41	19.89	15.80	25.54	-
Internal Security	39.01	30.56	24.12	38.99	-
B2 ECONOMIC SERVICES	**221.44**	**142.68**	**112.05**	**194.81**	**-**
Agriculture & Natural Resources	38.22	26.04	21.20	34.28	-
Manuf., Mining & Quarrying	12.23	8.53	6.48	10.56	-
Transport & Communications	51.97	36.65	29.51	47.67	-
Housing	-	-	-	-	-
Roads & Construction	71.15	47.40	38.30	62.07	-
National Priority Projects	-	-	-	-	-
JVC Calls/NNPC Priority Projects	-	-	-	-	-
PTF	-	-	-	-	-
Counterpart Funding	-	-	-	-	-
Others	47.86	24.06	16.55	40.24	-
B3 SOCIAL & COMMUNITY SERVICES	**79.11**	**57.90**	**43.48**	**70.54**	**-**
Education	30.32	23.23	18.53	30.06	-
Health	24.82	18.96	15.03	24.39	-
Others	23.97	15.71	9.92	16.10	-
B4 TRANSFERS	**22.94**	**15.92**	**12.36**	**20.05**	**-**
Financial Obligations	-	-	-	-	-
Capital Repayments	-	-	-	-	-
Domestic	-	-	-	-	-
Foreign	-	-	-	-	-
External Obligations	-	-	-	-	-
Contingencies 2/	-	-	-	-	-
Capital Supplementation	17.99	12.06	9.31	15.09	-
Net Lending to States/L.G.s/Parast.	-	-	-	-	-
Grants to States	-	-	-	-	-
Others	4.95	3.86	3.05	4.95	-
C. STATUTORY TRANSFERS	**161.49**	**165.34**	**112.33**	**285.67**	**209.02**
NDDC	0.00	15.49	7.71	20.53	10.23
NJC	33.50	27.92	39.71	35.00	10.83
UBE	38.99	29.36	10.30	38.56	15.41
Others	89.01	92.58	54.61	191.59	172.55

1/ Provisional
Sources: Federal Ministry of Finance, Office of the Accountant-General of the Federation
Central Bank of Nigeria

Table 32
Summary of Statutory & VAT Revenue Allocation to State Governments: First half 2017 1/
(Naira Billion)

S/N	STATES	FIRST HALF 2013 Gross Stat. Alloc.	Deductions	13% Derivation	Total Net Stat. Alloc.	Augmentation	Excess Crude 2/	NNPC Refund	SURE-P	VAT	Total Gross Alloc.	Total Net Alloc.
1	ABIA	16.61	0.46	4.94	21.09	3.44	1.73	0.55	1.20	3.76	32.23	**31.76**
2	ADAMAWA	18.54	0.05	-	18.49	3.84	1.94	0.62	1.33	3.91	30.18	**30.12**
3	AKWA IBOM	18.76	4.93	121.52	135.35	3.88	1.96	0.61	1.35	4.74	152.82	**147.89**
4	ANAMBRA	18.73	0.23	-	18.50	3.88	1.96	0.62	1.35	4.34	30.87	**30.64**
5	BAUCHI	21.73	1.44	-	20.28	4.50	2.27	0.69	1.56	4.47	35.22	**33.78**
6	BAYELSA	14.88	11.43	95.92	99.36	3.08	1.55	0.48	1.07	3.76	120.74	**109.30**
7	BENUE	20.03	2.12	-	17.90	4.15	2.09	0.66	1.44	4.27	32.64	**30.51**
8	BORNO	22.10	0.20	-	21.89	4.58	2.31	0.70	1.59	4.25	35.52	**35.32**
9	CROSS RIVER	17.41	0.92	0.32	16.81	3.60	1.82	0.58	1.25	3.85	28.83	**27.91**
10	DELTA	18.75	7.81	95.47	106.40	3.88	1.96	0.62	1.35	4.72	126.74	**118.92**
11	EBONYI	15.37	2.93	-	12.45	3.18	1.60	0.52	1.11	3.54	25.33	**22.40**
12	EDO	17.50	3.49	9.35	23.36	3.62	1.83	0.61	1.26	4.14	38.31	**34.82**
13	EKITI	15.51	2.22	-	13.29	3.21	1.62	0.52	1.12	3.62	25.59	**23.37**
14	ENUGU	17.50	0.08	-	17.42	3.62	1.83	0.57	1.26	3.98	28.75	**28.68**
15	GOMBE	16.45	2.43	-	14.01	3.41	1.72	0.53	1.18	3.58	26.86	**24.43**
16	IMO	18.68	2.22	5.09	21.56	3.87	1.95	0.61	1.34	4.27	35.81	**33.59**
17	JIGAWA	20.52	0.36	-	20.16	4.25	2.14	0.67	1.48	4.47	33.53	**33.17**
18	KADUNA	23.38	1.94	-	21.45	4.84	2.44	0.75	1.68	5.17	38.27	**36.33**
19	KANO	29.31	0.58	-	28.73	6.07	3.06	0.92	2.11	6.92	48.38	**47.81**
20	KATSINA	22.29	0.53	-	21.76	4.62	2.33	0.72	1.60	4.92	36.47	**35.94**
21	KEBBI	18.64	0.21	-	18.43	3.86	1.95	0.60	1.34	3.98	30.37	**30.15**
22	KOGI	18.60	0.09	-	18.51	3.85	1.94	0.60	1.34	3.97	30.29	**30.20**
23	KWARA	16.95	0.09	-	16.85	3.51	1.77	0.55	1.22	3.58	27.57	**27.48**
24	LAGOS	26.47	8.93	-	17.54	5.48	2.76	0.87	1.90	32.69	70.18	**61.24**
25	NASARAWA	15.88	1.79	-	14.09	3.29	1.66	0.52	1.14	3.34	25.83	**24.04**
26	NIGER	21.69	1.88	-	19.81	4.49	2.26	0.70	1.56	4.19	34.89	**33.01**
27	OGUN	18.12	0.11	-	18.01	3.75	1.89	0.59	1.30	4.20	29.86	**29.74**
28	ONDO	17.38	2.71	18.02	32.69	3.60	1.81	0.58	1.25	4.03	46.67	**43.96**
29	OSUN	17.19	2.69	-	14.50	3.56	1.79	0.56	1.24	4.01	28.36	**25.67**
30	OYO	21.66	0.38	-	21.28	4.48	2.26	0.70	1.56	4.97	35.64	**35.25**
31	PLATEAU	18.19	0.48	6.60	24.31	3.77	1.90	0.60	1.31	4.08	36.44	**35.96**
32	RIVERS	20.33	0.80	104.06	123.59	4.21	2.12	0.66	1.46	7.01	139.87	**139.06**
33	SOKOTO	19.34	0.26	-	19.08	4.00	2.02	0.63	1.39	4.19	31.57	**31.31**
34	TARABA	18.31	0.29	-	18.03	3.79	1.91	0.59	1.32	3.54	29.46	**29.17**
35	YOBE	18.18	0.11	-	18.07	3.76	1.90	0.58	1.31	3.57	29.29	**29.18**
36	ZAMFARA	18.23	0.37	-	17.86	3.78	1.90	0.60	1.31	4.01	29.83	**29.46**
37	Disputed Deriv.	-	-	0.05	0.05	-	-	-	-	-	0.05	**0.05**
	Rivers/Akwa Disputed Fund	-	-	0.01	0.01	-	-	-	-	-	0.01	**0.01**
	TOTAL	**689.20**	**67.60**	**461.36**	**1,082.96**	**142.71**	**71.94**	**22.45**	**49.58**	**182.00**	**1,619.25**	**1,551.65**

S/N	STATES	FIRST HALF 2014 Gross Stat. Alloc.	Deductions	13% Derivation	Total Net Stat. Alloc.	NNPC Refund	SURE-P	VAT	Total Gross Alloc.	Total Net Alloc.
1	ABIA	18.45	0.87	3.81	21.39	0.37	1.20	4.07	27.90	**27.03**
2	ADAMAWA	19.63	0.46	-	19.17	0.41	1.33	4.16	25.53	**25.07**
3	AKWA IBOM	19.81	2.44	106.46	123.82	0.41	1.35	4.42	132.44	**130.00**
4	ANAMBRA	19.59	0.58	-	19.02	0.41	1.35	4.74	26.09	**25.52**
5	BAUCHI	23.57	2.71	-	20.86	0.46	1.56	4.82	30.42	**27.71**
6	BAYELSA	17.44	14.01	69.07	72.50	0.32	1.07	3.91	91.80	**77.79**
7	BENUE	22.10	3.11	-	18.99	0.44	1.44	4.65	28.63	**25.52**
8	BORNO	24.48	0.25	-	24.23	0.47	1.59	4.60	31.14	**30.89**
9	CROSS RIVER	19.82	1.52	0.29	18.59	0.38	1.25	4.19	25.93	**24.41**
10	DELTA	20.01	8.80	74.20	85.40	0.41	1.35	4.90	100.86	**92.06**
11	EBONYI	17.63	3.68	-	13.95	0.35	1.11	3.79	22.87	**19.19**
12	EDO	18.43	4.93	8.80	22.29	0.41	1.26	4.33	33.22	**28.29**
13	EKITI	17.62	3.63	-	13.99	0.35	1.12	3.79	22.87	**19.23**
14	ENUGU	19.82	0.64	-	19.18	0.38	1.26	4.28	25.74	**25.10**
15	GOMBE	18.56	3.16	-	15.40	0.35	1.18	3.76	23.85	**20.69**
16	IMO	20.49	2.98	3.54	21.05	0.40	1.34	4.49	30.26	**27.29**
17	JIGAWA	22.04	0.65	-	21.39	0.45	1.48	4.93	28.89	**28.24**
18	KADUNA	25.82	3.10	-	22.72	0.50	1.68	5.54	33.54	**30.44**
19	KANO	31.26	1.34	-	29.92	0.61	2.11	7.44	41.42	**40.08**
20	KATSINA	24.22	0.73	-	23.49	0.48	1.60	5.37	31.67	**30.94**
21	KEBBI	20.81	0.72	-	20.08	0.40	1.34	4.36	26.90	**26.18**
22	KOGI	21.78	1.37	-	20.41	0.40	1.34	4.21	27.73	**26.35**
23	KWARA	17.54	0.78	-	16.76	0.36	1.22	3.82	22.95	**22.16**
24	LAGOS	26.40	14.54	-	11.85	0.58	1.90	37.44	66.32	**51.78**
25	NASARAWA	18.17	1.79	-	16.38	0.34	1.14	3.60	23.25	**21.46**
26	NIGER	23.34	3.71	-	19.63	0.46	1.56	4.51	29.87	**26.16**
27	OGUN	18.31	0.47	-	17.83	0.39	1.30	4.44	24.44	**23.97**
28	ONDO	18.34	5.63	14.13	26.84	0.38	1.25	4.28	38.39	**32.75**
29	OSUN	17.97	6.25	-	11.72	0.38	1.24	4.39	23.98	**17.73**
30	OYO	22.10	1.25	-	20.85	0.47	1.56	5.41	29.54	**28.29**
31	PLATEAU	20.58	1.39	5.50	24.69	0.40	1.31	4.30	32.08	**30.69**
32	RIVERS	21.25	7.68	68.21	81.79	0.44	1.46	6.56	97.93	**90.25**
33	SOKOTO	21.72	0.91	-	20.80	0.42	1.39	4.56	28.09	**27.18**
34	TARABA	18.98	0.45	-	18.53	0.39	1.32	3.79	24.49	**24.03**
35	YOBE	19.57	0.25	-	19.32	0.38	1.31	3.80	25.06	**24.81**
36	ZAMFARA	19.61	0.65	-	18.96	0.40	1.31	4.19	25.51	**24.86**
37	Disputed Deriv.	-	0.06	0.04	(0.02)	-	-	-	0.04	**(0.02)**
	Rivers/Akwa Disputed Fund	-	-	0.01	0.01	-	-	-	0.01	**0.01**
	TOTAL	**747.23**	**107.51**	**354.05**	**993.77**	**14.97**	**49.58**	**195.82**	**1,361.64**	**1,254.14**

S/N	STATES	FIRST HALF 2015 Gross Stat. Alloc.	Deductions	13% Derivation	Total Net Stat. Alloc.	NNPC Refund/Additional Fund	Excess Crude	Exchange Gain	VAT	Total Gross Alloc.	Total Net Alloc.
1	ABIA	12.92	0.77	2.25	**14.41**	0.11	0.11	1.52	3.98	**20.90**	**20.13**
2	ADAMAWA	13.75	0.93	-	**12.82**	0.09	0.10	1.29	4.15	**19.37**	**18.44**
3	AKWA IBOM	13.88	0.70	60.83	**74.01**	0.68	0.73	9.46	4.68	**90.25**	**89.55**
4	ANAMBRA	13.72	0.23	-	**13.49**	0.09	0.10	1.28	4.55	**19.74**	**19.50**
5	BAUCHI	16.51	3.47		**13.03**	0.11	0.11	1.54	4.75	**23.02**	**19.55**
6	BAYELSA	12.21	9.62	40.21	**42.81**	0.44	0.46	6.28	3.49	**63.09**	**53.47**
7	BENUE	15.48	3.09	-	**12.38**	0.10	0.11	1.45	4.47	**21.60**	**18.51**
8	BORNO	17.15	0.09	-	**17.06**	0.11	0.12	1.60	4.42	**23.40**	**23.31**
9	CROSS RIVER	13.88	3.52	-	**10.36**	0.09	0.10	1.30	4.13	**19.49**	**15.97**
10	DELTA	14.01	8.40	49.94	**55.55**	0.53	0.56	7.93	4.90	**77.88**	**69.48**
11	EBONYI	12.35	4.45	-	**7.90**	0.08	0.09	1.15	3.68	**17.34**	**12.90**
12	EDO	12.90	4.73	6.06	**14.24**	0.13	0.15	1.99	4.26	**25.49**	**20.77**
13	EKITI	12.34	3.45	-	**8.89**	0.08	0.09	1.15	3.72	**17.38**	**13.93**
14	ENUGU	13.88	0.98	-	**12.90**	0.09	0.10	1.30	4.39	**19.75**	**18.77**
15	GOMBE	13.00	4.02	-	**8.98**	0.08	0.09	1.22	3.77	**18.16**	**14.15**
16	IMO	14.35	2.74	2.14	**13.74**	0.11	0.12	1.62	4.38	**22.72**	**19.98**
17	JIGAWA	15.43	0.13	-	**15.30**	0.10	0.11	1.44	4.65	**21.74**	**21.60**
18	KADUNA	18.08	3.21	-	**14.88**	0.12	0.13	1.69	5.40	**25.41**	**22.21**
19	KANO	21.89	0.42	-	**21.47**	0.14	0.15	2.05	7.26	**31.49**	**31.07**
20	KATSINA	16.96	0.71	-	**16.25**	0.11	0.12	1.59	5.35	**24.13**	**23.42**
21	KEBBI	14.57	0.22	-	**14.35**	0.10	0.10	1.36	4.11	**20.24**	**20.02**
22	KOGI	15.25	1.62	-	**13.64**	0.10	0.11	1.43	4.11	**21.00**	**19.38**
23	KWARA	12.29	0.70	-	**11.59**	0.08	0.09	1.15	3.76	**17.36**	**16.66**
24	LAGOS	18.49	13.93	-	**4.56**	0.12	0.13	1.73	36.74	**57.21**	**43.27**
25	NASARAWA	12.73	0.87	-	**11.85**	0.08	0.09	1.19	3.53	**17.62**	**16.74**
26	NIGER	16.35	3.20	-	**13.14**	0.11	0.11	1.53	4.40	**22.49**	**19.29**
27	OGUN	12.82	0.99	-	**11.83**	0.08	0.09	1.20	4.49	**18.68**	**17.70**
28	ONDO	12.85	6.36	7.39	**13.88**	0.15	0.17	2.18	4.20	**26.94**	**20.58**
29	OSUN	12.59	6.75	-	**5.84**	0.08	0.09	1.18	4.17	**18.10**	**11.36**
30	OYO	15.48	1.69	-	**13.79**	0.10	0.11	1.45	5.60	**22.73**	**21.04**
31	PLATEAU	14.41	2.80	-	**11.62**	0.09	0.10	1.35	4.24	**20.19**	**17.40**
32	RIVERS	14.88	8.36	39.07	**45.60**	0.46	0.48	6.46	5.90	**67.26**	**58.90**
33	SOKOTO	15.21	0.25	-	**14.96**	0.10	0.11	1.42	4.27	**21.11**	**20.86**
34	TARABA	13.29	1.11	-	**12.18**	0.09	0.09	1.24	3.75	**18.46**	**17.35**
35	YOBE	13.70	0.11	-	**13.59**	0.09	0.10	1.28	3.68	**18.85**	**18.74**
36	ZAMFARA	13.73	2.41	-	**11.32**	0.09	0.10	1.28	4.10	**19.30**	**16.89**
37	Disputed Deriv.										
	Rivers/Akwa Disputed Fund										
	TOTAL	**523.34**	**107.06**	**207.89**	**624.17**	**5.32**	**5.67**	**76.27**	**191.44**	**1,009.93**	**902.88**

1/ Provisional
2/ Includes the share of Oil-producing states from the excess crude
Source: Federation Account Allocation, Federal Ministry of Finance.

Table 32 Contd.
Summary of Statutory & VAT Revenue Allocation to State Governments: First Half 2017 1/
(Naira Billion)

S/N	STATES	FIRST HALF 2016 Gross Stat. Alloc.	Deductions	13% Derivation	Total Net Stat. Alloc.	Non-oil Excess	NNPC Refund/Additional Fund	Excess Crude	Exchange Gain	VAT	Total Gross Alloc.	Total Net Alloc.
1	ABIA	9.21	2.09	1.15	**8.28**	0.01	0.19		0.13	3.84	**14.54**	**12.45**
2	ADAMAWA	9.80	2.10	-	**7.70**	0.01	0.21		0.12	4.02	**14.15**	**12.05**
3	AKWA IBOM	9.89	7.51	40.22	**42.60**	0.01	0.21		0.82	4.30	**55.45**	**47.94**
4	ANAMBRA	9.78	0.87	-	**8.91**	0.01	0.21		0.12	4.44	**14.56**	**13.69**
5	BAUCHI	11.77	3.31	-	**8.45**	0.01	0.25		0.14	4.60	**16.77**	**13.45**
6	BAYELSA	8.70	17.40	21.06	**12.37**	0.01	0.18		0.46	3.39	**33.81**	**16.41**
7	BENUE	11.03	5.13	-	**5.90**	0.01	0.23		0.13	4.43	**15.84**	**10.71**
8	BORNO	12.22	2.02	-	**10.21**	0.01	0.26		0.15	4.35	**16.99**	**14.98**
9	CROSS RIVER	9.89	8.67	-	**1.23**	0.01	0.21		0.12	3.85	**14.08**	**5.42**
10	DELTA	9.99	14.45	30.03	**25.56**	0.01	0.21		0.64	4.78	**45.66**	**31.21**
11	EBONYI	8.80	0.89	-	**7.91**	0.01	0.19		0.11	3.57	**12.67**	**11.79**
12	EDO	9.20	6.31	3.04	**5.93**	0.01	0.19		0.16	4.30	**16.91**	**10.60**
13	EKITI	8.80	6.12	-	**2.67**	0.01	0.19		0.11	3.67	**12.76**	**6.64**
14	ENUGU	9.89	1.42	-	**8.48**	0.01	0.21		0.12	4.21	**14.44**	**13.03**
15	GOMBE	9.27	4.86	-	**4.41**	0.01	0.20		0.11	3.68	**13.27**	**8.41**
16	IMO	10.23	4.38	1.13	**6.97**	0.01	0.22		0.14	4.30	**16.03**	**11.65**
17	JIGAWA	11.00	0.72	-	**10.28**	0.01	0.23		0.13	4.48	**15.86**	**15.13**
18	KADUNA	12.89	2.36	-	**10.53**	0.01	0.27		0.16	5.30	**18.63**	**16.27**
19	KANO	15.60	2.09	-	**13.51**	0.02	0.33		0.19	7.16	**23.30**	**21.20**
20	KATSINA	12.09	1.55	-	**10.54**	0.01	0.25		0.15	5.25	**17.76**	**16.21**
21	KEBBI	10.39	1.68	-	**8.71**	0.01	0.22		0.13	3.99	**14.73**	**13.05**
22	KOGI	10.87	1.92	-	**8.95**	0.01	0.23		0.13	4.02	**15.26**	**13.35**
23	KWARA	8.76	2.62	-	**6.14**	0.01	0.18		0.11	3.68	**12.74**	**10.12**
24	LAGOS	13.18	14.22	-	**(1.04)**	0.01	0.28		0.16	36.48	**50.11**	**35.90**
25	NASARAWA	9.07	1.28	-	**7.79**	0.01	0.19		0.11	3.41	**12.80**	**11.51**
26	NIGER	11.65	4.06	-	**7.59**	0.01	0.25		0.14	4.35	**16.40**	**12.34**
27	OGUN	9.14	7.47	-	**1.67**	0.01	0.19		0.11	4.26	**13.71**	**6.24**
28	ONDO	9.16	7.22	5.59	**7.53**	0.01	0.19		0.21	4.11	**19.27**	**12.06**
29	OSUN	8.97	14.39	-	**(5.42)**	0.01	0.19		0.11	4.09	**13.37**	**(1.02)**
30	OYO	11.03	3.82	-	**7.21**	0.01	0.23		0.13	5.86	**17.27**	**13.45**
31	PLATEAU	10.27	7.36	-	**2.92**	0.01	0.22		0.12	4.05	**14.68**	**7.32**
32	RIVERS	10.61	11.64	22.87	**21.84**	0.01	0.22		0.52	6.05	**40.28**	**28.64**
33	SOKOTO	10.84	1.23	-	**9.61**	0.01	0.23		0.13	4.23	**15.44**	**14.21**
34	TARABA	9.48	2.19	-	**7.29**	0.01	0.20		0.11	3.62	**13.42**	**11.23**
35	YOBE	9.77	0.79	-	**8.98**	0.01	0.21		0.12	3.63	**13.73**	**12.94**
36	ZAMFARA	9.79	5.58	-	**4.21**	0.01	0.21		0.12	4.01	**14.14**	**8.56**
37	Disputed Deriv.											
	Rivers/Akwa Disputed Fund											
	TOTAL	**373.00**	**181.69**	**125.10**	**316.41**	**0.42**	**7.86**	**-**	**6.69**	**187.77**	**700.83**	**519.14**

S/N	STATES	FIRST HALF 2017 Gross Stat. Alloc.	Deductions	13% Derivation	Total Net Stat. Alloc.	Augmentation	NNPC Refund/Additional Fund	Excess Crude	Exchange Gain	VAT	Total Gross Alloc.	Total Net Alloc.
1	ABIA	9.58	1.63	1.46	**9.41**	-	-	1.22	2.24	4.58	**19.07**	**17.44**
2	ADAMAWA	10.20	1.52	-	**8.68**	-	-	1.02	1.95	4.79	**17.95**	**16.43**
3	AKWA IBOM	10.29	4.35	38.58	**44.52**	-	-	6.69	12.79	5.12	**73.48**	**69.13**
4	ANAMBRA	10.18	0.59	-	**9.58**	-	-	1.02	1.94	5.37	**18.50**	**17.91**
5	BAUCHI	12.24	3.60	-	**8.64**	-	-	1.22	2.34	5.47	**21.27**	**17.66**
6	BAYELSA	9.06	5.90	26.85	**30.01**	-	-	5.38	8.70	4.36	**54.34**	**48.44**
7	BENUE	11.48	2.42	-	**9.06**	-	-	1.15	2.19	5.24	**20.06**	**17.64**
8	BORNO	12.72	1.37	-	**11.35**	-	-	1.27	2.43	5.19	**21.60**	**20.24**
9	CROSS RIVER	10.29	6.09	-	**4.20**	-	-	1.03	1.96	4.66	**17.94**	**11.86**
10	DELTA	10.39	9.37	24.48	**25.50**	-	-	5.45	8.78	5.47	**54.58**	**45.20**
11	EBONYI	9.16	0.64	-	**8.52**	-	-	0.91	1.75	4.34	**16.16**	**15.52**
12	EDO	9.57	3.97	1.25	**6.85**	-	-	1.14	2.10	5.04	**19.11**	**15.13**
13	EKITI	9.15	4.07	-	**5.08**	-	-	0.91	1.75	4.35	**16.16**	**12.08**
14	ENUGU	10.29	1.65	-	**8.65**	-	-	1.03	1.96	5.05	**18.33**	**16.68**
15	GOMBE	9.64	2.71	-	**6.93**	-	-	0.96	1.84	4.36	**16.81**	**14.10**
16	IMO	10.64	3.51	1.53	**8.66**	-	-	1.38	2.43	5.15	**21.13**	**17.62**
17	JIGAWA	11.45	0.47	-	**10.97**	-	-	1.14	2.18	5.41	**20.18**	**19.71**
18	KADUNA	13.41	1.69	-	**11.72**	-	-	1.34	2.56	6.59	**23.89**	**22.20**
19	KANO	16.23	2.14	-	**14.09**	-	-	1.62	3.10	10.42	**31.37**	**29.23**
20	KATSINA	12.58	1.38	-	**11.20**	-	-	1.26	2.40	6.04	**22.28**	**20.90**
21	KEBBI	10.81	1.27	-	**9.54**	-	-	1.08	2.06	4.76	**18.70**	**17.44**
22	KOGI	11.31	1.85	-	**9.46**	-	-	1.13	2.16	4.81	**19.41**	**17.56**
23	KWARA	9.11	1.50	-	**7.61**	-	-	0.91	1.74	4.38	**16.14**	**14.64**
24	LAGOS	13.71	8.83	-	**4.88**	-	-	1.37	2.62	38.29	**55.99**	**47.15**
25	NASARAWA	9.44	1.01	-	**8.43**	-	-	0.94	1.80	4.16	**16.34**	**15.33**
26	NIGER	12.12	1.87	-	**10.26**	-	-	1.21	2.31	5.14	**20.79**	**18.92**
27	OGUN	9.51	4.85	-	**4.66**	-	-	0.95	1.81	5.17	**17.44**	**12.59**
28	ONDO	9.53	4.31	6.45	**11.67**	-	-	2.12	3.68	4.89	**26.66**	**22.35**
29	OSUN	9.33	6.01	-	**3.32**	-	-	0.93	1.78	4.86	**16.90**	**10.89**
30	OYO	11.48	2.67	-	**8.81**	-	-	1.15	2.19	7.67	**22.48**	**19.81**
31	PLATEAU	10.69	4.75	-	**5.94**	-	-	1.07	2.04	4.83	**18.63**	**13.88**
32	RIVERS	11.04	7.39	26.98	**30.62**	-	-	6.27	9.22	8.95	**62.45**	**55.07**
33	SOKOTO	11.28	0.87	-	**10.41**	-	-	1.13	2.15	4.96	**19.52**	**18.65**
34	TARABA	9.86	2.14	-	**7.72**	-	-	0.98	1.88	4.36	**17.09**	**14.95**
35	YOBE	10.16	0.50	-	**9.66**	-	-	1.01	1.94	4.35	**17.47**	**16.96**
36	ZAMFARA	10.18	4.02	-	**6.16**	-	-	1.02	1.94	4.74	**17.88**	**13.86**
37	Disputed Deriv.											
	Rivers/Akwa Disputed Fund											
	TOTAL	**388.10**	**112.92**	**127.59**	**402.77**	**-**	**-**	**60.38**	**108.69**	**223.35**	**908.11**	**795.19**

1/ Provisional
2/ Includes the share of Oil-producing states from the excess crude
Source: Federation Account Allocation, Federal Ministry of Finance.

Table 33
Allocation to Local Governments from the Federation and VAT Pools Accounts
(Naira Billion)

First Half, 2013-2017																										
		1st Half 2013								1st Half 2014 1/								1st Half 2015 1/								
S/N	State	Fed. Acct.	Excess Crude	Budget Augmentation	Exchange Gain	NNPC Refunds	SURE-P	VAT	Total	Fed. Acct.	Excess Crude	Budget Augmentation	Exchange Gain	NNPC Refunds	SURE-P	VAT	Total	Fed. Acct.	Excess Crude	Budget Augmentation	Exchange Gain	NNPC Refunds	SURE-P	Additional Revenue	VAT	Total
1	Abia	11.1	1.15	2.3	-	0.36	0.80	2.2	**17.9**	11.96	-	-	-	0.24	0.80	2.4	**15.4**	8.37	0.06	-	0.78	-	-	0.05	2.4	**11.6**
2	Adamawa	14.3	1.45	2.9	-	0.48	1.03	2.7	**22.8**	15.08	-	-	-	0.32	1.03	2.8	**19.3**	10.56	0.07	-	0.99	-	-	0.07	2.8	**14.5**
3	Akwa-Ibom	18.8	1.93	3.8	-	0.58	1.35	4.0	**30.5**	20.09	-	-	-	0.39	1.35	3.9	**25.7**	14.07	0.10	-	1.32	-	-	0.09	4.0	**19.6**
4	Anambra	14.1	1.46	2.9	-	0.50	1.02	3.0	**23.0**	15.16	-	-	-	0.33	1.02	3.2	**19.7**	10.62	0.07	-	0.99	-	-	0.07	3.1	**14.9**
5	Bauchi	16.3	1.66	3.3	-	0.49	1.18	3.0	**25.9**	17.21	-	-	-	0.33	1.18	3.2	**21.9**	12.06	0.08	-	1.13	-	-	0.08	3.2	**16.5**
6	Bayelsa	6.0	0.67	1.3	-	0.19	0.43	1.4	**10.1**	7.01	-	-	-	0.13	0.43	1.5	**9.0**	4.91	0.03	-	0.46	-	-	0.03	1.2	**6.7**
7	Benue	16.6	1.80	3.6	-	0.55	1.20	3.1	**26.8**	18.73	-	-	-	0.37	1.20	3.4	**23.7**	13.12	0.09	-	1.23	-	-	0.09	3.2	**17.8**
8	Borno	19.1	1.96	3.9	-	0.61	1.37	3.4	**30.3**	20.34	-	-	-	0.40	1.37	3.7	**25.8**	14.24	0.10	-	1.33	-	-	0.09	3.6	**19.3**
9	Cross-River	11.9	1.26	2.5	-	0.40	0.85	2.4	**19.3**	13.11	-	-	-	0.27	0.85	2.6	**16.8**	9.18	0.06	-	0.86	-	-	0.06	2.5	**12.7**
10	Delta	15.7	1.62	3.2	-	0.53	1.13	3.5	**25.7**	16.80	-	-	-	0.36	1.13	3.7	**21.9**	11.77	0.08	-	1.10	-	-	0.08	3.6	**16.7**
11	Ebonyi	8.5	0.93	1.9	-	0.28	0.61	1.8	**13.9**	9.70	-	-	-	0.18	0.61	1.9	**12.4**	6.79	0.05	-	0.63	-	-	0.04	1.8	**9.3**
12	Edo	11.9	1.24	2.5	-	0.43	0.85	2.6	**19.4**	12.85	-	-	-	0.29	0.85	2.7	**16.7**	9.00	0.06	-	0.84	-	-	0.06	2.6	**12.6**
13	Ekiti	9.7	0.98	1.9	-	0.32	0.70	2.1	**15.7**	10.21	-	-	-	0.21	0.70	2.1	**13.3**	7.15	0.05	-	0.67	-	-	0.05	2.1	**10.0**
14	Enugu	11.5	1.26	2.5	-	0.37	0.82	2.4	**18.8**	13.06	-	-	-	0.24	0.82	2.6	**16.7**	9.15	0.06	-	0.85	-	-	0.06	2.6	**12.7**
15	Gombe	8.4	0.86	1.7	-	0.26	0.60	1.6	**13.4**	8.95	-	-	-	0.17	0.60	1.7	**11.4**	6.27	0.04	-	0.59	-	-	0.04	1.7	**8.6**
16	Imo	16.6	1.69	3.3	-	0.52	1.19	3.4	**26.7**	17.50	-	-	-	0.35	1.19	3.6	**22.6**	12.26	0.09	-	1.15	-	-	0.08	3.5	**17.1**
17	Jigawa	17.4	1.77	3.5	-	0.56	1.25	3.5	**28.0**	18.39	-	-	-	0.37	1.25	3.9	**23.9**	12.88	0.09	-	1.20	-	-	0.08	3.7	**17.9**
18	Kaduna	18.7	1.99	3.9	-	0.61	1.34	3.7	**30.2**	20.68	-	-	-	0.41	1.34	4.0	**26.4**	14.48	0.10	-	1.35	-	-	0.09	3.9	**19.9**
19	Kano	30.6	3.17	6.3	-	0.97	2.20	6.6	**49.8**	32.92	-	-	-	0.64	2.20	7.1	**42.8**	23.06	0.16	-	2.16	-	-	0.15	6.9	**32.4**
20	Katsina	22.4	2.41	4.8	-	0.73	1.61	4.4	**36.4**	25.06	-	-	-	0.48	1.61	4.8	**32.0**	17.55	0.12	-	1.64	-	-	0.11	4.8	**24.2**
21	Kebbi	13.9	1.52	3.0	-	0.45	1.00	2.7	**22.6**	15.82	-	-	-	0.30	1.00	3.0	**20.1**	11.08	0.08	-	1.04	-	-	0.07	2.8	**15.1**
22	Kogi	14.4	1.57	3.1	-	0.45	1.04	2.7	**23.3**	16.35	-	-	-	0.30	1.04	2.9	**20.6**	11.45	0.08	-	1.07	-	-	0.07	2.8	**15.5**
23	Kwara	11.1	1.11	2.2	-	0.37	0.80	2.0	**17.6**	11.57	-	-	-	0.25	0.80	2.2	**14.8**	8.10	0.06	-	0.76	-	-	0.05	2.1	**11.1**
24	Lagos	18.6	1.90	3.8	-	0.65	1.34	19.3	**45.5**	19.71	-	-	-	0.43	1.34	21.7	**43.2**	13.80	0.10	-	1.29	-	-	0.09	20.6	**35.9**
25	Nassarawa	8.9	0.99	2.0	-	0.29	0.64	1.6	**14.4**	10.32	-	-	-	0.19	0.64	1.7	**12.9**	7.23	0.05	-	0.68	-	-	0.05	1.7	**9.7**
26	Niger	18.0	1.84	3.6	-	0.58	1.29	3.2	**28.5**	19.10	-	-	-	0.39	1.29	3.4	**24.2**	13.38	0.09	-	1.25	-	-	0.09	3.4	**18.2**
27	Ogun	13.3	1.31	2.6	-	0.44	0.96	2.8	**21.4**	13.63	-	-	-	0.30	0.96	2.9	**17.8**	9.55	0.07	-	0.89	-	-	0.06	3.0	**13.5**
28	Ondo	12.3	1.25	2.5	-	0.40	0.88	2.5	**19.8**	13.02	-	-	-	0.27	0.88	2.7	**16.8**	9.12	0.06	-	0.85	-	-	0.06	2.6	**12.7**
29	Osun	16.7	1.70	3.4	-	0.58	1.20	3.5	**27.0**	17.63	-	-	-	0.39	1.20	3.8	**23.0**	12.35	0.09	-	1.15	-	-	0.08	3.6	**17.3**
30	Oyo	21.4	2.14	4.2	-	0.70	1.54	4.4	**34.4**	22.24	-	-	-	0.46	1.54	4.7	**29.0**	15.58	0.11	-	1.46	-	-	0.10	4.8	**22.0**
31	Plateau	12.2	1.34	2.7	-	0.39	0.88	2.4	**19.9**	13.94	-	-	-	0.26	0.88	2.6	**17.7**	9.76	0.07	-	0.91	-	-	0.06	2.5	**13.3**
32	Rivers	16.0	1.66	3.3	-	0.51	1.15	4.7	**27.3**	17.28	-	-	-	0.34	1.15	4.5	**23.3**	12.10	0.08	-	1.13	-	-	0.08	4.1	**17.5**
33	Sokoto	15.4	1.68	3.3	-	0.50	1.10	3.0	**25.0**	17.41	-	-	-	0.34	1.10	3.3	**22.1**	12.19	0.08	-	1.14	-	-	0.08	3.1	**16.6**
34	Taraba	12.2	1.26	2.5	-	0.39	0.88	2.0	**19.2**	13.05	-	-	-	0.26	0.88	2.1	**16.3**	9.14	0.06	-	0.85	-	-	0.06	2.1	**12.2**
35	Yobe	11.9	1.26	2.5	-	0.39	0.85	2.1	**19.0**	13.12	-	-	-	0.26	0.85	2.2	**16.5**	9.19	0.06	-	0.86	-	-	0.06	2.2	**12.3**
36	Zamfara	11.1	1.14	2.3	-	0.34	0.80	2.2	**17.8**	11.85	-	-	-	0.23	0.80	2.2	**15.1**	8.30	0.06	-	0.78	-	-	0.05	2.2	**11.4**
37	FCT Abuja	4.7	0.50	1.0	-	0.14	0.34	5.6	**12.3**	5.23	-	-	-	0.09	0.34	6.5	**12.2**	3.67	0.03	-	0.34	-	-	0.02	7.2	**11.3**
	TOTAL	**531.34**	**55.46**	**110.02**	**-**	**17.31**	**38.23**	**127.40**	**879.76**	**576.08**	**-**	**-**	**-**	**11.54**	**38.23**	**137.07**	**762.92**	**403.48**	**2.80**	**-**	**37.71**	**-**	**-**	**2.63**	**134.01**	**580.63**

1/ Revised
2/ Provisional
VAT: Value Added Tax
LGA: Local Governments Areas
Source: Federation Account Allocation, Federal Ministry of Finance (FMF)

Table 33 Contd.
Allocation to Local Governments from the Federation and VAT Pools Accounts
(Naira Billion)

		1st Half 2016 2/											1st Half 2017 2/										
S/N	State	Fed. Acct.	Excess Crude	Non-Oil Excess	Budget Augmentation	Exchange Gain	NNPC Refunds	NLNG Dividend	SURE-P	Additional Revenue	VAT	Total	Fed. Acct.	Excess Crude	Non-Oil Excess	Budget Augmentation	Exchange Gain	NNPC Refunds	NLNG Dividend	SURE-P	Additional Revenue	VAT	Total
1	Abia	5.97		0.01	-	0.07	-	0.13	-	-	2.3	**8.5**	6.21	0.62		-	1.18	-		-		2.7	**10.7**
2	Adamawa	7.53		0.01	-	0.09	-	0.16	-	-	2.7	**10.5**	7.83	0.78		-	1.49	-		-		3.3	**13.4**
3	Akwa-Ibom	10.03		0.01	-	0.12	-	0.21	-	-	3.8	**14.2**	10.43	1.04		-	1.99	-		-		4.5	**18.0**
4	Anambra	7.57		0.01	-	0.09	-	0.16	-	-	3.0	**10.9**	7.88	0.79		-	1.50	-		-		3.7	**13.8**
5	Bauchi	8.59		0.01	-	0.10	-	0.18	-	-	3.1	**11.9**	8.94	0.89		-	1.71	-		-		3.6	**15.2**
6	Bayelsa	3.50		0.00	-	0.04	-	0.07	-	-	1.2	**4.8**	3.64	0.36		-	0.69	-		-		1.6	**6.3**
7	Benue	9.35		0.01	-	0.11	-	0.20	-	-	3.2	**12.9**	9.73	0.97		-	1.86	-		-		3.8	**16.3**
8	Borno	10.15		0.01	-	0.12	-	0.21	-	-	3.5	**14.0**	10.56	1.05		-	2.02	-		-		4.2	**17.8**
9	Cross-River	6.54		0.01	-	0.08	-	0.14	-	-	2.4	**9.1**	6.81	0.68		-	1.30	-		-		2.9	**11.7**
10	Delta	8.39		0.01	-	0.10	-	0.18	-	-	3.6	**12.2**	8.73	0.87		-	1.66	-		-		4.1	**15.4**
11	Ebonyi	4.84		0.01	-	0.06	-	0.10	-	-	1.8	**6.8**	5.04	0.50		-	0.96	-		-		2.1	**8.6**
12	Edo	6.42		0.01	-	0.08	-	0.14	-	-	2.6	**9.3**	6.68	0.67		-	1.27	-		-		3.1	**11.7**
13	Ekiti	5.09		0.01	-	0.06	-	0.11	-	-	2.1	**7.4**	5.30	0.53		-	1.01	-		-		2.5	**9.3**
14	Enugu	6.52		0.01	-	0.08	-	0.14	-	-	2.5	**9.3**	6.78	0.68		-	1.29	-		-		3.0	**11.8**
15	Gombe	4.47		0.01	-	0.05	-	0.09	-	-	1.7	**6.3**	4.65	0.46		-	0.89	-		-		2.0	**8.0**
16	Imo	8.74		0.01	-	0.11	-	0.18	-	-	3.5	**12.5**	9.09	0.91		-	1.73	-		-		4.1	**15.9**
17	Jigawa	9.18		0.01	-	0.11	-	0.19	-	-	3.6	**13.1**	9.55	0.95		-	1.82	-		-		4.3	**16.6**
18	Kaduna	10.32		0.01	-	0.13	-	0.22	-	-	3.8	**14.5**	10.74	1.07		-	2.05	-		-		4.7	**18.5**
19	Kano	16.43		0.02	-	0.20	-	0.35	-	-	6.8	**23.8**	17.10	1.71		-	3.26	-		-		9.1	**31.2**
20	Katsina	12.51		0.01	-	0.15	-	0.26	-	-	4.7	**17.6**	13.02	1.30		-	2.48	-		-		5.5	**22.3**
21	Kebbi	7.90		0.01	-	0.10	-	0.17	-	-	2.7	**10.9**	8.22	0.82		-	1.57	-		-		3.3	**13.9**
22	Kogi	8.16		0.01	-	0.10	-	0.17	-	-	2.8	**11.2**	8.49	0.85		-	1.62	-		-		3.3	**14.2**
23	Kwara	5.78		0.01	-	0.07	-	0.12	-	-	2.1	**8.1**	6.01	0.60		-	1.15	-		-		2.5	**10.2**
24	Lagos	9.84		0.01	-	0.12	-	0.21	-	-	21.1	**31.2**	10.24	1.02		-	1.95	-		-		22.3	**35.5**
25	Nassarawa	5.15		0.01	-	0.06	-	0.11	-	-	1.7	**7.0**	5.36	0.53		-	1.02	-		-		2.0	**8.9**
26	Niger	9.54		0.01	-	0.12	-	0.20	-	-	3.3	**13.2**	9.92	0.99		-	1.89	-		-		3.9	**16.7**
27	Ogun	6.80		0.01	-	0.08	-	0.14	-	-	2.8	**9.9**	7.08	0.71		-	1.35	-		-		3.4	**12.6**
28	Ondo	6.50		0.01	-	0.08	-	0.14	-	-	2.6	**9.3**	6.76	0.67		-	1.29	-		-		3.0	**11.8**
29	Osun	8.80		0.01	-	0.11	-	0.19	-	-	3.6	**12.7**	9.16	0.91		-	1.75	-		-		4.2	**16.1**
30	Oyo	11.10		0.01	-	0.13	-	0.23	-	-	4.9	**16.4**	11.55	1.15		-	2.20	-		-		6.2	**21.2**
31	Plateau	6.96		0.01	-	0.08	-	0.15	-	-	2.4	**9.6**	7.24	0.72		-	1.38	-		-		2.9	**12.2**
32	Rivers	8.63		0.01	-	0.10	-	0.18	-	-	4.1	**13.1**	8.98	0.90		-	1.71	-		-		5.9	**17.5**
33	Sokoto	8.69		0.01	-	0.11	-	0.18	-	-	3.1	**12.0**	9.04	0.90		-	1.72	-		-		3.6	**15.3**
34	Taraba	6.51		0.01	-	0.08	-	0.14	-	-	2.0	**8.8**	6.78	0.68		-	1.29	-		-		2.5	**11.2**
35	Yobe	6.55		0.01	-	0.08	-	0.14	-	-	2.1	**8.9**	6.81	0.68		-	1.30	-		-		2.6	**11.4**
36	Zamfara	5.92		0.01	-	0.07	-	0.12	-	-	2.2	**8.3**	6.16	0.61		-	1.17	-		-		2.5	**10.5**
37	FCT Abuja	2.61		0.00	-	0.03	-	0.06	-	-	6.3	**9.0**	2.72	0.27		-	0.52	-		-		7.4	**10.9**
	TOTAL	**287.57**		**0.33**	**-**	**3.48**	**-**	**6.06**	**-**	**-**	**131.44**	**428.87**	**299.21**	**29.85**		**-**	**57.08**	**-**		**-**	**-**	**156.35**	**542.49**

1/ Revised
2/ Provisional
VAT: Value Added Tax
LGA: Local Governments Areas
Source: Federation Account Allocation, Federal Ministry of Finance (FMF)

Table 34
Consolidated Debt of the Federal Government
(Naira Billion)

Type	1st Half 2013	1st Half 2014	1st Half 2015	1st Half 2016	End-December 2016	End-June 2017
External Debt	1,088.60	1,474.93	2,031.90	3,187.12	3,478.91	4,602.88
Domestic Debt	6,850.75	7,421.10	8,396.59	10,606.33	11,058.20	12,033.45
Total	**7,939.35**	**8,896.02**	**10,428.49**	**13,793.45**	**14,537.12**	**16,636.33**

Domestic Public Debt (end - Period)

Item	1st Half 2013	1st Half 2014	1st Half 2015	1st Half 2016	End-December 2016	End-June 2017
COMPOSITION OF DEBT.						
Instruments						
Treasury Bills	2,483.3	2,735.9	2,825.0	2,901.8	3,277.3	3,702.8
Treasury Bonds	334.6	315.4	271.2	231.0	216.0	191.0
Development Stocks	0.00	0.00	0.00	0.00	0.00	0.00
FGN Bonds	4,032.9	4,369.8	5,300.4	7,473.5	7,564.9	8,134.9
Special FGN Savings Bond	0.00	0.00	0.00	0.00	0.00	4.75
Promisory Notes 2/	0.00	0.00	0.00	0.00	0.00	0.00
	6,850.7	**7,421.1**	**8,396.6**	**10,606.3**	**11,058.2**	**12,033.5**
HOLDERS						
Banking System	5,243.8	5,747.1	6,040.09	6,927.25	5,625.86	7,859.34
Central Bank	761.0	832.1	948.97	689.42	710.74	782.18
Deposit Money Banks (DMBs)	4,166.1	4,568.7	5,091.12	6,237.83	4,915.12	7,077.15
Sinking Fund	316.7	346.3	394.90	271.75	231.75	308.32
Non-Bank Public	1,607.0	1,674.0	1,961.60	3,407.33	5,200.59	3,865.79
Total Debt Outstanding	**6,850.7**	**7,421.1**	**8,396.59**	**10,606.33**	**11,058.20**	**12,033.45**

***Figures for 2012 have been revised*
1/ Provisional
2/ Introduced 30th September, 2009

Table 35
External Public Debt Outstanding
External Debt Stock

Holder	US $ Million						Naira Billion					
	1st Half 2013	1st Half 2014	1st Half 2015	1st Half 2016	End-December 2016	End-June 2017	1st Half 2013	1st Half 2014	1st Half 2015	1st Half 2016	End-December 2016	End-June 2017
MULTILATERAL	**5,538.70**	**6,730.45**	**7,232.86**	**7,991.00**	**7,988.21**	**9,673.99**	**871.29**	**1,058.63**	**1,424.51**	**2,261.45**	**2,436.40**	**2,959.27**
IBRD	-	-	-	7.25	3.88	124.18	-	-	-	2.05	1.18	37.99
IDA	4,777.40	5,772.77	6,091.45	6,844.97	6,669.57	7,596.11	751.53	908.00	1,199.71	1,937.13	2,034.22	2,323.65
IFAD	83.70	91.57	94.80	103.01	107.42	121.21	13.17	14.40	18.67	29.15	32.76	37.08
ADB Group	***559.50***	***748.24***	***946.53***	***938.91***	***1,118.62***	***1,740.70***	***88.01***	***117.69***	***186.42***	***265.71***	***341.18***	***532.48***
ADB	21.20	150.00	350.00	400.73	403.34	1,002.33	3.33	23.59	68.93	113.41	123.02	306.61
ADF	538.30	598.24	596.53	538.18	715.28	738.37	84.68	94.10	117.49	152.30	218.16	225.87
Others 2/	118.10	117.87	100.08	96.86	88.72	91.79	18.58	18.54	19.71	27.41	27.06	28.08
BILATERAL	**845.40**	**1,140.79**	**1,583.95**	**1,770.90**	**1,918.06**	**2,073.02**	**132.99**	**179.43**	**311.96**	**501.16**	**585.01**	**634.14**
Exim Bank of China	825.40	1,031.84	1,388.87	1,495.85	1,638.06	1,768.95	129.84	162.30	273.54	423.33	499.61	541.12
French Devt. Agency (AFD)	20.00	108.95	140.25	182.95	198.25	218.25	3.15	17.14	27.62	51.77	60.47	66.76
Others 3/	-	-	54.83	92.10	81.75	85.82	-	-	10.80	26.06	24.93	26.25
COMMERCIAL 4/	36.00	5.88	-	-	-	300.00	5.66	0.92	-	-	-	91.77
EUROBOND	500.00	1,500.00	1,500.00	1,500.00	1,500.00	3,000.00	78.66	235.94	295.43	424.50	457.50	917.70
Total Debt Outstanding	**6,920.10**	**9,377.12**	**10,316.81**	**11,261.90**	**11,406.27**	**15,047.01**	**1,088.60**	**1,474.93**	**2,031.90**	**3,187.12**	**3,478.91**	**4,602.88**

External Debt Service Payments

Holder	US $ Million						Naira Billion					
	1st Half 2013	1st Half 2014	1st Half 2015	1st Half 2016	End-December 2016	1st Half 2017	1st Half 2013	1st Half 2014	1st Half 2015	1st Half 2016	End-December 2016	1st Half 2017
MULTILATERAL	**70.91**	**82.43**	**63.39**	**77.01**	**88.31**	**85.64**	**11.15**	**12.97**	**12.30**	**15.93**	**26.95**	**26.18**
IBRD	-	-	-	-	-	0.06	-	-	-	-	-	0.02
IDA	46.99	58.66	50.46	63.95	72.90	69.01	7.39	9.23	9.79	13.23	22.25	21.10
IFAD	1.76	1.62	1.48	1.66	1.70	2.09	0.28	0.25	0.29	0.34	0.52	0.64
ADB Group	***18.96***	***18.75***	***7.60***	***8.59***	***9.50***	***11.34***	***2.98***	***2.95***	***1.47***	***1.78***	***2.90***	***3.47***
ADB	11.97	11.76	0.79	1.54	2.12	3.88	1.88	1.85	0.15	0.32	0.65	1.19
ADF	7.00	7.00	6.80	7.05	7.39	7.46	1.10	1.10	1.32	1.46	2.25	2.28
Others 2/	3.21	3.40	3.86	2.81	4.21	3.15	0.50	0.54	0.75	0.58	1.29	0.96
BILATERAL	**19.48**	**23.17**	**29.43**	**30.75**	**32.63**	**34.02**	**3.06**	**3.64**	**5.71**	**6.36**	**9.96**	**10.40**
Exim Bank of China	-	22.79	26.65	28.76	30.03	31.48	-	3.59	5.17	5.95	9.17	9.62
French Devt. Agency (AFD)	0.04	0.37	1.83	1.90	2.38	2.39	0.01	0.06	0.36	0.39	0.73	0.73
Others 3/	19.43	-	0.94	0.09	0.22	0.15	3.06	-	0.18	0.02	0.07	0.04
COMMERCIAL 4/	**38.82**	**6.08**	**-**	**-**	**-**	**-**	**6.11**	**0.96**	**-**	**-**	**-**	**-**
EUROBOND	**16.88**	**45.63**	**45.63**	**45.63**	**45.63**	**45.63**	**2.65**	**7.18**	**8.85**	**9.44**	**13.93**	**13.95**
OTHERS 5/	**0.01**	**20.87**	**20.86**	**12.26**	**20.86**	**20.86**	**0.00**	**3.28**	**4.05**	**2.54**	**6.37**	**6.38**
Total Debt Service Payments	**146.09**	**178.18**	**159.31**	**165.66**	**187.43**	**186.15**	**22.98**	**28.03**	**30.91**	**34.27**	**57.21**	**56.91**

1/ *Provisional*
2/ Includes ABEDA, IDB and EDF
3/ Exim Bank of Korea and Nig. ICT Infrast. Backbone Project.
4/ Includes Papalanto &Omotosho, ZTE, Arcatel and SBI Holdings.
5/ Includes Bank of England and CITIbank Lazards agency fees and Oil warrants
Source: Debt Management Office, The Presidency, Abuja.

Table 36
Consolidated Debt Service Payment 1/
(Naira Billion)

Holders	1st Half 2013	1st Half 2014	1st Half 2015	1st Half 2016	End-December 2016	1st Half 2017
External Debt	22.98	28.03	30.91	34.27	57.21	56.91
Domestic Debt	423.22	439.18	528.54	641.68	587.08	709.45
Total Consolidated Debt	**446.20**	**467.21**	**559.45**	**675.96**	**644.29**	**766.36**

1/ Provisional

Source: Debt Management Office (DMO)

Table 37
Debt Service Payment by the Federal Government 1/
(By Instrument)
(Naira Billion)

	1st Half 2013	1ST HALF 2014	1ST HALF 2015	1ST HALF 2016	End-December 2016	1st Half 2017
i Treasury Bills	170.34	173.08	191.04	219.93	115.65	201.57
ii Treasury Bonds	18.75	18.75	43.75	40.63	13.37	34.62
iii Development Stocks	0.00	0.00	0.00	0.00	0.00	0.00
iv FGN Bonds	234.13	247.35	293.74	381.13	458.05	473.19
v Savings Bonds	-	-	-	-	-	0.07
Total	**423.22**	**439.18**	**528.54**	**641.68**	**587.08**	**709.45**

1/ 2008 to 2013 Figures are Revised

NB: Debt Service excludes sinking fund charges

Source: Debt Management Office

Table 38
Gross Domestic Product at 2010 Constant Basic Prices
(Naira Billion unless otherwise stated)

Activity Sector	1st Half 2014	2nd Half 2014	1st Half 2015	2nd Half 2015	1st Half 2016 1/	2nd Half 2016 2/	1st Half 2017 2/	Share of Total GDP (Per Cent)				
								1st Half 2015	2nd Half 2015	1st Half 2016 1/	2nd Half 2016 2/	1st Half 2017 2/
1. Agriculture	**6,394.42**	**8,985.97**	**6,654.44**	**9,297.78**	**6,910.26**	**9,697.08**	**7,130.69**	**20.47**	**25.47**	**21.49**	**27.11**	**22.21**
(a) Crop Production	5,627.04	8,166.41	5,840.32	8,434.61	6,068.95	8,825.50	6,272.02	17.96	23.10	18.87	24.67	19.54
(b) Livestock	515.37	571.48	547.96	603.37	575.65	609.47	587.13	1.69	1.65	1.79	1.70	1.83
(c) Forestry	77.85	83.49	81.09	86.17	83.61	88.03	86.36	0.25	0.24	0.26	0.25	0.27
(d) Fishing	174.17	164.59	185.08	173.62	182.05	174.08	185.18	0.57	0.48	0.57	0.49	0.58
2. Industry	**6,886.47**	**6,904.78**	**6,550.29**	**6,768.84**	**6,096.27**	**5,965.78**	**5,903.52**	**20.15**	**18.54**	**18.95**	**16.68**	**18.39**
(a) Crude Petroleum & Natural Gas	3,558.05	3,453.77	3,291.61	3,338.36	3,023.25	2,648.96	2,797.40	10.12	9.14	9.40	7.41	8.71
(b) Solid Minerals	45.12	50.10	49.28	53.26	31.09	56.52	33.77	0.15	0.15	0.10	0.16	0.11
(c) Manufacturing	3,283.30	3,400.92	3,209.41	3,377.21	3,041.94	3,260.30	3,072.36	9.87	9.25	9.46	9.11	9.57
3. Construction	**1,322.85**	**1,245.61**	**1,437.57**	**1,242.65**	**1,353.69**	**1,167.16**	**1,355.54**	**4.42**	**3.40**	**4.21**	**3.26**	**4.22**
4. Trade	**5,376.27**	**5,749.52**	**5,686.39**	**6,011.20**	**5,742.90**	**5,926.17**	**5,607.42**	**17.49**	**16.46**	**17.86**	**16.57**	**17.47**
5. Services	**11,543.29**	**12,743.60**	**12,185.25**	**13,189.53**	**12,059.14**	**13,012.80**	**12,108.52**	**37.48**	**36.13**	**37.49**	**36.38**	**37.71**
(a) Transport	351.05	419.64	366.48	438.98	380.31	428.29	388.74	1.13	1.20	1.18	1.20	1.21
(b) Information and Communication	3,579.50	3,677.56	3,857.96	3,850.16	3,960.18	3,898.51	3,989.00	11.87	10.55	12.31	10.90	12.42
(c) Utilities	189.15	193.29	165.58	201.74	138.01	197.23	159.16	0.51	0.55	0.43	0.55	0.50
(d) Accommodation and Food Services	282.12	357.60	312.49	341.72	290.49	328.93	278.89	0.96	0.94	0.90	0.92	0.87
(e) Finance & Insurance	1,035.35	947.32	1,115.13	1,008.77	991.88	1,035.63	1,046.58	3.43	2.76	3.08	2.90	3.26
(f) Real Estate	2,303.72	2,852.01	2,373.28	2,891.42	2,254.40	2,649.21	2,179.27	7.30	7.92	7.01	7.41	6.79
(g) Professional, Scientific & Technical Services	1,091.53	1,298.91	1,162.07	1,354.00	1,162.99	1,373.30	1,161.22	3.57	3.71	3.62	3.84	3.62
(h) Administrative and Support Services Bussiness Services	6.68	7.30	6.96	7.51	6.78	7.59	6.77	0.02	0.02	0.02	0.02	0.02
(i) Public Administration	915.64	959.31	809.79	834.99	766.92	802.59	765.66	2.49	2.29	2.38	2.24	2.38
(j) Education	582.10	809.86	623.37	875.33	644.44	874.49	643.30	1.92	2.40	2.00	2.44	2.00
(k) Human Health & Social Services	228.84	243.79	234.00	250.33	231.37	244.32	231.41	0.72	0.69	0.72	0.68	0.72
(l) Arts, Entertainment & Recreation	67.32	61.86	75.47	65.86	79.39	67.19	84.07	0.23	0.18	0.25	0.19	0.26
(m) Other Services	910.29	915.16	1,082.67	1,068.71	1,151.96	1,105.51	1,174.46	3.33	2.93	3.58	3.09	3.66
TOTAL (GDP)	**31,523.30**	**35,629.48**	**32,513.94**	**36,509.99**	**32,162.26**	**35,768.98**	**32,105.70**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**
NON-OIL (GDP)	**27,965.26**	**32,175.72**	**29,222.34**	**33,171.63**	**29,139.01**	**33,120.02**	**29,308.30**	**89.88**	**90.86**	**90.60**	**92.59**	**91.29**
NET INDIRECT TAXES ON PRODUCTS	**327.11**	**497.56**	**312.91**	**443.85**	**274.26**	**446.93**	**264.39**					
TOTAL GDP AT 2010 CONSTANT MARKET PRICES	**31,850.42**	**36,127.04**	**32,826.86**	**36,953.84**	**32,436.52**	**36,215.91**	**32,370.09**					
TOTAL GDP GROWTH RATE (%)			**3.14**	**2.47**	**(1.08)**	**(2.03)**	**(0.18)**					
OIL GDP GROWTH RATE (%)			**(7.49)**	**(3.34)**	**(8.15)**	**(20.65)**	**(7.47)**					
NON-OIL GDP GROWTH RATE (%)			**4.50**	**3.10**	**(0.29)**	**(0.16)**	**0.58**					
Growth in Total GDP												
Agriculture (%)			4.07	3.47	3.84	4.29	3.19					
Industry (%)			(4.88)	(1.97)	(6.93)	(11.86)	(3.16)					
Construction (%)			8.67	(0.24)	(5.83)	(6.07)	0.14					
Trade (%)			5.77	4.55	0.99	(1.41)	(2.36)					
Services (%)			5.56	3.50	(1.04)	(1.34)	0.41					

Source: National Bureau of Statistics
1/ Revised
2/ Provisional

Table 39
Gross Domestic Product at Current Basic Prices /1
(Naira Billion unless otherwise stated)

Activity Sector	1st Half 2014	2nd Half 2014	1st Half 2015	2nd Half 2015	1st Half 2016 1/	2nd Half 2016 2/	1st Half 2017 2/	Share of Total GDP (Per Cent)				
								1st Half 2015	2nd Half 2015	1st Half 2016 1/	2nd Half 2016 2/	1st Half 2017 2/
1. Agriculture	**7,225.24**	**10,793.37**	**7,827.50**	**11,809.47**	**8,897.75**	**12,625.76**	**9,896.37**	**17.83**	**23.50**	**19.43**	**22.66**	**18.67**
(a) Crop Production	6,173.67	9,638.90	6,652.62	10,537.35	7,601.06	11,282.02	8,499.64	15.15	20.97	16.60	20.25	16.03
(b) Livestock	736.22	836.83	821.92	926.11	902.80	972.99	962.08	1.87	1.84	1.97	1.75	1.81
(c) Forestry	98.77	108.97	108.16	114.67	113.28	122.98	125.22	0.25	0.23	0.25	0.22	0.24
(d) Fishing	216.58	208.67	244.80	231.34	280.61	247.78	309.42	0.56	0.46	0.61	0.44	0.58
2. Industry	**9,530.21**	**8,871.98**	**7,455.57**	**7,618.21**	**6,061.42**	**8,311.37**	**9,426.22**	**16.98**	**15.16**	**13.24**	**14.92**	**17.78**
(a) Crude Petroleum & Natural Gas	5,245.39	4,371.09	3,137.49	2,852.92	1,847.05	3,520.27	4,518.07	7.15	5.68	4.03	6.32	8.52
(b) Solid Minerals	47.37	52.90	52.68	56.91	34.45	67.77	47.05	0.12	0.11	0.08	0.12	0.09
(c) Manufacturing	4,237.45	4,447.98	4,265.40	4,708.38	4,179.91	4,723.33	4,861.09	9.72	9.37	9.13	8.48	9.17
3. Construction	**1,625.22**	**1,563.60**	**1,835.19**	**1,637.06**	**1,881.22**	**1,725.34**	**2,244.43**	**4.18**	**3.26**	**4.11**	**3.10**	**4.23**
4. Trade	**7,431.15**	**8,272.98**	**8,538.49**	**9,490.41**	**9,766.09**	**10,909.77**	**10,465.20**	**19.45**	**18.89**	**21.33**	**19.58**	**19.74**
5. Services	**16,092.79**	**17,637.07**	**18,244.10**	**19,688.96**	**19,176.31**	**22,134.47**	**20,982.13**	**41.56**	**39.19**	**41.89**	**39.73**	**39.58**
(a) Transport	550.71	646.73	614.58	746.49	716.31	857.21	822.20	1.40	1.49	1.56	1.54	1.55
(b) Information and Communication	4,986.20	4,602.37	5,685.01	5,096.07	5,691.91	5,787.59	6,017.28	12.95	10.14	12.43	10.39	11.35
(c) Utilities	279.71	342.29	284.54	358.00	259.47	402.36	336.77	0.65	0.71	0.57	0.72	0.64
(d) Accommodation and Food Services	355.21	464.57	424.48	469.19	426.75	498.32	446.58	0.97	0.93	0.93	0.89	0.84
(e) Finance & Insurance	1,431.02	1,360.38	1,674.24	1,586.26	1,686.93	1,906.40	1,953.33	3.81	3.16	3.68	3.42	3.68
(f) Real Estate	3,278.91	4,196.63	3,626.21	4,561.34	3,678.47	4,661.96	3,977.91	8.26	9.08	8.03	8.37	7.50
(g) Professional, Scientific & Technical Services	1,558.71	1,842.84	1,799.16	2,128.14	1,979.74	2,528.02	2,167.22	4.10	4.24	4.32	4.54	4.09
(h) Administrative and Support Services Bussiness Services	9.24	10.48	10.46	11.79	11.55	13.97	12.63	0.02	0.02	0.03	0.03	0.02
(i) Public Administration	1,265.91	1,378.32	1,216.61	1,335.84	1,305.88	1,477.95	1,429.03	2.77	2.66	2.85	2.65	2.70
(j) Education	738.40	1,066.01	853.49	1,262.85	989.74	1,456.21	1,101.79	1.94	2.51	2.16	2.61	2.08
(k) Human Health & Social Services	291.62	323.40	322.11	360.58	351.50	394.08	382.00	0.73	0.72	0.77	0.71	0.72
(l) Arts, Entertainment & Recreation	90.25	86.74	109.93	100.49	126.39	112.99	143.77	0.25	0.20	0.28	0.20	0.27
(m) Other Services	1,256.90	1,316.31	1,623.27	1,671.93	1,951.68	2,037.41	2,191.62	3.70	3.33	4.26	3.66	4.13
TOTAL (GDP)	**41,904.61**	**47,139.01**	**43,900.85**	**50,244.11**	**45,782.78**	**55,706.71**	**53,014.36**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**
NON-OIL (GDP)	36,659.21	42,767.91	40,763.36	47,391.18	**43,935.73**	**52,186.44**	**48,496.29**	**92.85**	**94.32**	**95.97**	**93.68**	**91.48**
NET INDIRECT TAXES ON PRODUCTS	**434.74**	**658.63**	**422.60**	**610.18**	**389.98**	**695.95**	**436.64**					
TOTAL GDP AT CURRENT MARKET PRICES	**42,339.35**	**47,797.64**	**44,323.45**	**50,854.28**	**46,172.76**	**56,402.66**	**53,451.00**					
TOTAL GDP GROWTH RATE (%)			**4.76**	**6.59**	**4.29**	**10.87**	**15.80**					
OIL GDP GROWTH RATE (%)			**(40.19)**	**(34.73)**	**(41.13)**	**23.39**	**144.61**					
NON-OIL GDP GROWTH RATE (%)			**11.20**	**10.81**	**7.78**	**10.12**	**10.38**					
Growth in Total GDP												
Agriculture (%)			8.34	9.41	13.67	6.91	11.22					
Industry (%)			(21.77)	(14.13)	(18.70)	9.10	55.51					
Construction (%)			12.92	4.70	2.51	5.39	19.31					
Trade (%)			14.90	14.72	14.38	14.96	7.16					
Services (%)			13.37	11.63	5.11	12.42	9.42					

Source: National Bureau of Statistics
1/ Revised
2/ Provisional

Table 40
Selected Real Sector Indicators
(Per cent, except otherwise indicated)

Item	2012 First Half	2013 First Half	2014 First Half	2015 First Half	2016 First Half	2017 /2 First Half
Agricultural Production Index (2010 = 100)						
Aggregate	109.9	112.7	117.9	123.4	126.5	
Crops	109.5	111.6	116.3	121.5	124.3	
Staples	109.9	112.0	116.6	122.0	124.9	
Other Crops	109.7	118.9	124.2	129.5	132.2	
Livestock	112.9	120.5	126.6	134.7	139.8	
Fishery	112.5	123.3	131.5	140.7	141.5	
Forestry	111.7	118.3	125.1	130.5	136.0	
Indices of Average World Prices of Nigeria's Major Agricultural Export Commodities (2010 = 100) (Dollar Based)						
All Commodities	80.5	74.7	96.1	92.2	93.6	67.3
Cocoa	73.8	72.1	96.3	95.5	97.0	65.1
Coffee	102.7	75.8	98.3	86.1	78.7	82.2
Cotton	92.0	88.1	90.0	68.1	66.6	82.8
Palm Oil	122.0	89.6	93.6	71.4	71.8	77.5
Copra	114.2	74.2	121.3	99.6	124.9	148.0
Soya Bean	128.2	138.9	134.4	93.0	92.1	93.4
Indices of Average World Prices of Nigeria's Major Agricultural Export Commodities (2010 = 100) (Naira Based)						
All Commodities	84.4	78.2	100.6	117.8	126.4	136.8
Cocoa	77.4	75.5	100.8	122.1	131.1	132.4
Coffee	107.7	79.4	102.9	109.6	106.4	167.1
Cotton	96.5	92.2	94.2	87.1	90.1	168.3
Palm Oil	127.9	93.8	97.9	91.1	96.9	157.6
Copra	119.8	77.6	126.9	127.1	169.0	301.0
Soya Bean	134.5	145.3	140.7	118.7	124.8	189.9
GROWTH RATE OVER THE PRECEDING PERIOD (%)						
Agricultural Production Index (2010 = 100)						
Aggregate	4.1	2.5	4.6	4.7	3.1	
Crops	3.8	1.9	4.2	4.5	3.0	
Staples	4.1	1.9	4.1	4.6	3.2	
Other Crops	4.0	8.4	4.4	4.3	2.8	
Livestock	6.1	6.7	5.1	6.4	3.9	
Fishery	6.0	9.6	6.7	7.0	3.3	
Forestry	5.9	5.9	5.7	4.3	2.3	
Indices of Average World Prices of Nigeria's Major Agricultural Export Commodities (2010 = 100) (Dollar Based)						
All Commodities	-25.4	-7.2	28.7	-4.1	1.6	-28.2
Cocoa	-28.0	-2.3	33.7	-0.9	1.6	-33.0
Coffee	-29.4	-26.1	29.6	-12.5	-8.6	4.4
Cotton	-51.1	-4.2	2.2	-24.4	-2.1	24.2
Palm Oil	-9.8	-26.5	4.4	-23.7	0.6	7.9
Copra	-37.0	-35.0	63.4	-17.9	25.5	18.5
Soya Bean	-1.6	8.3	-3.2	-30.8	-1.0	1.4
Indices of Average World Prices of Nigeria's Major Agricultural Export Commodities (2010 = 100) (Naira Based)						
All Commodities		-7.4	28.7	17.1	7.3	8.2
Cocoa		-2.5	33.6	21.1	7.3	1.0
Coffee		-26.3	29.6	6.5	-2.9	57.1
Cotton		-4.5	2.2	-7.5	3.5	86.9
Palm Oil		-26.6	4.3	-6.9	6.3	62.7
Copra		-35.2	63.4	0.2	33.0	78.1
Soya Bean		8.1	-3.2	-15.6	5.2	52.1
Industrial Production Index (2010 = 100)						
Industrial Production Index	**115.77**	**114.52**	**120.58**	**114.23**	**107.30**	
Manufacturing Production Index	133.72	162.99	186.98	182.78	169.80	
Mining Production Index	106.78	92.36	91.35	84.69	77.80	
Electricity Production Index	181.44	191.95	173.58	138.73	111.10	
Capacity Utilization Rate (%)	57.0	57.6	59.3	55.5	51.7	
Inflation Rate (12-Month Moving Average)	11.3	10.4	8.0	8.4	11.4	17.6
Inflation Rate (Year-on-Year)	12.9	8.4	8.2	9.2	16.5	16.1
Food Inflation Rate (Year-on-Year)	12.0	9.6	9.8	10.0	15.3	19.9
Non-Food Inflation Rate (Year-on-Year)	12.7	5.5	8.1	8.4	16.2	12.5

1/Revised
2/Provisional

Table 40 cont'd
Selected Real Sector Indicators
(Per cent, except otherwise indicated)

Item	2015 1/		2016 1/		2017 2/	Absolute Change Between		Percentage Change Between	
	First Half	Second Half	First Half (1)	Second Half (2)	First Half (3)	(1) & (3)	(2) & (3)	(1) & (3)	(2) & (3)
World Crude Oil Production									
million barrels per day (mbd)									
OPEC	37.54	38.46	38.86	38.97	38.44	-0.42	-0.53	-1.08	-1.36
Crudes	31.48	32.26	32.60	32.84	32.21	-0.39	-0.63	-1.20	-1.92
NGLs and condensates	6.06	6.20	6.26	6.13	6.23	-0.03	0.10	-0.48	1.63
Total non-OPEC	57.00	57.28	57.13	57.17	57.71	0.58	0.54	1.02	0.94
Total World Supply	**94.54**	**95.74**	**95.99**	**96.14**	**96.15**	**0.16**	**0.01**	**0.17**	**0.01**
Demand									
OECD	45.93	46.44	46.13	46.99	46.73	0.60	-0.26	1.30	-0.55
Non-OECD	46.06	47.53	47.04	48.39	48.66	1.62	0.27	3.44	0.56
Total World Demand	**91.99**	**93.97**	**93.17**	**95.38**	**95.39**	**2.22**	**0.01**	**2.38**	**0.01**
Nigeria									
Output	1.89	1.92	1.68	1.55	1.62	-0.06	0.07	-3.57	4.52
Exports	1.44	1.47	1.23	1.10	1.17	-0.06	0.07	-4.88	6.36
Domestic Consumption	0.45	0.45	0.45	0.45	0.45	0.00	0.00	0.00	0.00
Average Spot Price of Selected Crude Oil at the International Oil Market (US$)									
UK Brent	57.47	46.89	39.51	47.03	51.23	11.72	4.20	29.66	8.93
West Texas Intermediate (WTI)	52.40	44.68	39.29	45.17	49.43	10.14	4.26	25.81	9.43
Bonny Light	58.63	47.73	40.51	48.59	52.19	11.68	3.60	28.83	7.41
Forcados	58.94	47.86	40.12	47.80	51.74	11.62	3.94	28.96	8.24
OPEC Basket	55.10	44.02	36.32	45.18	50.21	13.89	5.03	38.24	11.13
Gas Activities						0.00	0.00		
(MMm^3)						0.00	0.00		
Gas Produced	40,430.59	35,643.45	32,472.43	35,643.45	32,472.43	0.00	-3,171.02	(19.68)	(8.90)
Total Gas Utilised	34,238.58	32,075.79	28,009.65	32,075.79	28,009.65	0.00	-4,066.14	(18.19)	(12.68)
Gas Utilised as % of Gas Produced	84.68	89.99	86.26	89.99	86.26	0.00	-3.73	1.86	(4.15)
Gas Flared	6,192.01	3,525.43	4,462.79	3,525.43	4,462.79	0.00	937.36	(27.93)	26.59
Gas Flared as % Gas Produced	15.32	9.89	13.74	9.89	13.74	0.00	3.85	(10.24)	38.92

Sources: OPEC, NNPC, Reuters & CBN Estimates
1/ Revised
2/ Provisional

Table 41
Composite Consumer Price Index
(November 2009=100)

Year & Month	All Item (Headline) Monthly Index	All Item (Headline) Inflation y-o-y(%)	All Item (Headline) 12-Month Average Index	All Item (Headline) Inflation 12-Month Average(%)	All Items less Farm Produce (Core) Monthly Index	All Items less Farm Produce (Core) Inflation y-o-y(%)	All Items less Farm Produce (Core) Inflation 12-Month Average(%)	Food Monthly Index	Food Inflation y-o-y(%)	Food Inflation 12-Month Average(%)
2013										
January	141.9	9.0	136.5	11.9	143.8	11.3	13.7	142.3	10.1	11.1
February	143.0	9.5	137.5	11.7	143.8	11.2	13.7	143.3	11.0	11.2
March	144.0	8.6	138.4	11.4	144.8	7.2	13.0	144.6	9.5	11.0
April	144.8	9.1	139.4	11.1	144.5	6.9	12.3	145.6	10.0	10.8
May	145.8	9.0	140.4	10.8	145.2	6.2	11.5	146.4	9.3	10.5
June	146.6	8.4	141.4	10.4	145.5	5.5	10.7	147.5	9.6	10.4
July	147.4	8.7	142.4	10.0	147.2	6.6	10.0	148.4	10.0	10.2
August	147.8	8.2	143.3	9.8	149.1	7.2	9.4	149.2	9.7	10.2
September	148.9	8.0	144.2	9.5	150.0	7.4	8.9	150.4	9.4	10.1
October	150.0	7.8	145.1	9.2	150.9	7.6	8.6	151.6	9.2	10.0
November	151.1	7.9	146.1	8.8	151.8	7.8	8.1	152.9	9.3	9.8
December	152.3	8.0	147.0	8.5	153.0	7.9	7.7	154.3	9.3	9.7
2014										
January	153.3	8.0	147.9	8.4	153.3	6.6	7.3	155.5	9.3	9.6
February	154.0	7.7	148.8	8.3	154.1	7.2	7.0	156.5	9.2	9.5
March	155.2	7.8	149.8	8.2	154.7	6.8	7.0	158.0	9.3	9.5
April	156.2	7.9	150.7	8.1	155.3	7.5	7.0	159.3	9.4	9.4
May	157.4	8.0	151.7	8.0	156.3	7.7	7.2	160.6	9.7	9.4
June	158.6	8.2	152.7	8.0	157.4	8.1	7.4	161.9	9.8	9.5
July	159.7	8.3	153.7	8.0	157.7	7.1	7.4	163.1	9.9	9.5
August	160.4	8.5	154.8	8.0	158.4	6.3	7.3	164.0	10.0	9.5
September	161.3	8.3	155.8	8.0	159.4	6.3	7.2	165.0	9.7	9.5
October	162.1	8.1	156.8	8.0	160.3	6.3	7.1	165.8	9.3	9.5
November	163.1	7.9	157.8	8.0	161.3	6.3	7.0	166.8	9.1	9.5
December	164.4	8.0	158.8	8.0	162.5	6.2	6.9	168.4	9.2	9.5
2015										
January	165.8	8.2	159.9	8.1	163.7	6.8	6.9	169.8	9.2	9.5
February	166.9	8.4	160.9	8.1	164.8	7.0	6.9	171.1	9.4	9.5
March	168.4	8.5	162.0	8.2	166.2	7.5	6.9	172.8	9.4	9.5
April	169.7	8.7	163.2	8.2	167.2	7.7	6.9	174.4	9.5	9.5
May	171.6	9.0	164.3	8.3	169.2	8.3	7.0	176.3	9.8	9.5
June	173.2	9.2	165.5	8.4	170.6	8.4	7.0	178.1	10.0	9.5
July	174.4	9.2	166.8	8.5	171.6	8.8	7.2	179.5	10.0	9.6
August	175.4	9.3	168.0	8.6	172.7	9.0	7.4	180.6	10.1	9.6
September	176.5	9.4	169.3	8.7	173.7	8.9	7.6	181.8	10.2	9.6
October	177.2	9.3	170.5	8.8	174.4	8.7	7.8	182.6	10.1	9.7
November	178.4	9.4	171.8	8.9	175.3	8.7	8.0	184.1	10.3	9.8
December	180.1	9.6	173.1	9.0	176.7	8.7	8.2	186.2	10.6	9.9
2016										
January	181.7	9.6	174.5	9.1	178.2	8.8	8.4	187.9	10.6	10.0
February	185.9	11.4	176.0	9.4	183.0	11.0	8.7	190.5	11.3	10.2
March	189.9	12.8	177.8	9.8	186.4	12.2	9.1	194.9	12.7	10.5
April	193.0	13.7	179.8	10.2	189.5	13.4	9.6	197.4	13.2	10.8
May	198.3	15.6	182.0	10.7	194.7	15.1	10.2	202.5	14.9	11.2
June	201.7	16.5	184.4	11.4	198.3	16.2	10.9	205.4	15.3	11.7
July	204.2	17.1	186.9	12.0	200.7	16.9	11.6	207.9	15.8	12.2
August	206.3	17.6	189.4	12.7	202.4	17.2	12.2	210.3	16.4	12.7
September	208.0	17.9	192.1	13.5	204.3	17.7	13.0	212.0	16.6	13.2
October	209.7	18.3	194.8	14.2	205.9	18.1	13.8	213.8	17.1	13.8
November	211.3	18.5	197.5	15.0	207.3	18.2	14.5	215.7	17.2	14.4
December	213.6	18.5	200.3	15.7	208.6	18.1	15.3	218.6	17.4	14.9
2017										
January	215.7	18.7	203.1	16.4	210.0	17.9	16.0	221.4	17.8	15.5
February	218.9	17.8	205.9	17.0	212.3	16.0	16.4	225.8	18.5	16.1
March	222.7	17.3	208.6	17.3	215.1	15.4	16.7	230.8	18.4	16.6
April	226.3	17.2	211.4	17.6	217.5	14.8	16.8	235.5	19.3	17.1
May	230.5	16.3	214.1	17.6	220.0	13.0	16.6	241.5	19.3	17.5
June	234.2	16.1	216.8	17.6	223.0	12.5	16.2	246.3	19.9	17.9

Source: National Bureau of Statistics (NBS)

Table 42
Urban and Rural Consumer Price Index
(November 2009=100)

Year & Month	Urban						Rural					
	All Items (Headline) Monthly Index	Headline Inflation y-o-y(%)	All Items less Farm Produce (Core) Monthly Index	Core Inflation y-o-y(%)	Food Monthly Index	Food Inflation y-o-y(%)	All Items (Headline) Monthly Index	Headline Inflation y-o-y(%)	All Items less Farm Produce (Core) Monthly Index	Core Inflation y-o-y(%)	Food Monthly Index	Food Inflation y-o-y(%)
2013												
January	140.8	9.2	142.3	11.0	138.6	10.5	143.2	9.1	144.9	11.6	145.7	10.0
February	142.0	9.8	142.3	10.9	139.9	10.8	144.1	9.5	144.9	11.5	146.4	11.1
March	142.8	9.3	142.0	7.1	140.7	9.0	145.3	8.1	147.1	7.2	148.2	9.9
April	143.7	9.7	142.6	7.2	142.0	9.7	146.4	8.9	146.5	6.9	149.2	10.5
May	144.5	9.4	142.7	6.5	142.7	8.9	147.1	8.6	147.2	6.0	149.8	9.7
June	145.5	8.4	143.1	5.4	143.9	9.5	147.9	8.3	147.6	5.6	150.8	9.7
July	146.3	8.8	145.4	7.3	145.0	10.1	148.6	8.6	148.8	6.0	151.7	10.0
August	146.8	8.4	147.7	8.0	145.8	10.0	148.9	8.1	150.2	6.6	152.3	9.5
September	147.9	8.0	147.7	7.3	147.1	9.6	150.0	8.0	151.9	7.5	153.6	9.3
October	149.1	7.9	148.6	7.5	148.3	9.6	151.1	7.8	152.8	7.7	154.8	9.0
November	150.2	8.1	149.4	7.6	149.6	9.8	152.2	7.8	153.8	7.9	156.0	8.9
December	151.4	8.1	150.4	7.6	151.0	9.8	153.3	7.9	155.2	8.1	157.4	8.9
2014												
January	152.2	8.2	150.7	5.8	152.3	9.8	154.4	7.8	155.5	7.3	158.6	8.8
February	153.0	7.8	151.6	6.5	153.2	9.5	155.1	7.7	156.1	7.7	159.5	9.0
March	154.2	7.9	152.1	7.1	154.7	10.0	156.4	7.6	156.8	6.6	161.2	8.7
April	155.1	7.9	152.6	7.0	156.1	9.9	157.3	7.5	157.6	7.5	162.3	8.8
May	156.4	8.2	153.6	7.7	157.4	10.3	158.5	7.8	158.6	7.7	163.6	9.2
June	157.6	8.4	154.6	8.0	158.8	10.3	159.7	8.0	159.7	8.2	164.9	9.3
July	158.7	8.5	155.3	6.8	160.1	10.4	160.7	8.1	159.8	7.4	166.0	9.4
August	159.5	8.67	156.1	5.7	161.1	10.5	161.4	8.37	160.3	6.7	166.8	9.5
September	160.3	8.36	156.9	6.2	162.0	10.1	162.4	8.24	161.5	6.3	167.9	9.3
October	161.1	8.06	157.9	6.2	162.7	9.7	163.3	8.02	162.4	6.3	168.8	9.0
November	162.1	7.90	158.8	6.3	163.8	9.5	164.2	7.90	163.3	6.2	169.7	8.8
December	163.4	7.95	160.1	6.4	165.4	9.5	165.5	7.96	164.6	6.1	171.2	8.8
2015												
January	164.7	8.2	161.2	7.0	166.9	9.6	166.9	8.09	165.8	6.6	172.7	8.9
February	165.9	8.4	162.4	7.1	168.2	9.8	168.0	8.29	166.9	6.9	173.9	9.0
March	167.4	8.6	163.7	7.6	169.9	9.8	169.5	8.40	168.3	7.3	175.6	9.0
April	168.7	8.7	164.7	7.9	171.6	9.9	170.8	8.56	169.3	7.4	177.1	9.1
May	170.6	9.1	166.8	8.6	173.5	10.3	172.6	8.90	171.2	8.0	178.9	9.4
June	172.2	9.2	168.2	8.8	175.4	10.5	174.2	9.10	172.6	8.1	180.8	9.7
July	173.3	9.2	169.2	9.0	176.7	10.4	175.5	9.24	173.7	8.7	182.2	9.8
August	174.3	9.2	170.2	9.0	177.8	10.4	176.6	9.38	174.8	9.0	183.3	9.9
September	175.5	9.5	171.3	9.2	179.2	10.6	177.5	9.30	175.7	8.7	184.3	9.8
October	176.2	9.4	172.0	8.9	180.1	10.7	178.2	9.16	176.4	8.6	185.1	9.7
November	177.4	9.4	172.8	8.8	181.5	10.8	179.4	9.26	177.4	8.7	186.5	9.9
December	179.2	9.7	174.3	8.9	183.8	11.1	181.1	9.41	178.7	8.6	188.6	10.1
2016												
January	180.8	9.7	175.8	9.1	185.5	11.1	182.7	9.48	180.2	8.7	190.3	10.2
February	186.2	12.3	181.2	11.6	187.8	11.7	186.0	10.69	184.6	10.6	193.2	11.1
March	190.0	13.5	184.6	12.8	192.1	13.1	189.9	12.04	188.0	11.7	197.5	12.5
April	194.1	15.1	188.0	14.1	194.3	13.2	192.6	12.77	190.8	12.7	200.3	13.1
May	199.8	17.1	193.3	15.9	199.8	15.2	197.4	14.35	195.9	14.4	205.0	14.5
June	203.4	18.1	197.0	17.1	203.0	15.8	200.5	15.09	199.3	15.5	207.6	14.9
July	206.1	18.9	199.7	18.1	205.7	16.4	202.8	15.5	201.5	16.0	209.9	15.2
August	208.0	19.3	201.4	18.4	207.7	16.8	205.0	16.1	203.2	16.3	212.7	16.0
September	209.6	19.5	203.6	18.9	209.4	16.9	206.7	16.4	205.0	16.7	214.4	16.3
October	211.3	19.9	205.1	19.3	211.3	17.3	208.4	16.9	206.5	17.1	216.2	16.8
November	213.0	20.1	206.7	19.6	213.2	17.4	210.1	17.1	207.8	17.1	218.0	16.9
December	215.3	20.1	208.5	19.6	216.2	17.6	212.2	17.2	208.7	16.8	220.8	17.1
2017												
January	217.5	20.3	210.0	19.5	219.1	18.1	214.4	17.3	210.0	16.6	223.6	17.5
February	220.8	18.6	212.7	17.4	223.6	19.0	217.5	17.0	212.1	14.9	228.0	18.0
March	224.7	18.3	215.7	16.9	228.8	19.1	221.2	16.5	214.6	14.2	232.8	17.8
April	228.3	17.6	217.9	15.9	233.6	20.2	224.7	16.7	217.1	13.8	237.4	18.5
May	232.5	16.3	220.5	14.1	239.7	19.9	229.0	16.0	219.7	12.1	243.3	18.7
June	236.2	16.2	223.7	13.6	244.6	20.5	232.6	16.0	222.4	11.5	248.0	19.4

Source: National Bureau of Statistics (NBS)

Table 43
Balance of Payments Analytic Presentation
(US$ Million

	1st Half 2016 1/	2nd Half 2016 2/	1st Half 2017 2/
CURRENT ACCOUNT	**-576.56**	**3,298.54**	**4,147.40**
Goods	**-2,675.15**	**2,139.09**	**4,386.28**
Exports (fob)	16,865.39	17,838.51	20,771.12
Oil and Gas	15,344.74	16,684.30	18,826.24
Non-oil	1,520.65	1,154.21	1,944.88
Imports (fob)	-19,540.54	-15,699.41	-16,384.84
Oil	-4,533.21	-4,417.21	-4,506.46
Non-oil	-15,007.33	-11,282.20	-11,878.38
Unrecorded(TPAdj)	0.00	0.00	0.00
Services(net)	**-3,764.55**	**-4,250.11**	**-5,370.50**
Credit	2,060.45	1,683.20	1,918.89
Transportation	890.24	774.26	761.59
Travel	677.30	393.00	616.92
Insurance Services	35.16	44.45	10.75
Communication Services	62.11	55.54	136.04
Construction Services	0.00	0.00	0.00
Financial Services	107.61	140.49	124.89
Computer & information Services	0.00	0.00	0.00
Royalties and License Fees	0.00	0.00	0.00
Government Services	249.71	249.10	241.75
Personal, cultural & recreational services	0.00	0.00	0.00
Other Bussiness Services	38.32	26.36	26.94
Debit	-5,825.00	-5,933.31	-7,289.39
Transportation	-3,092.03	-2,836.01	-2,742.50
Travel	-593.93	-485.18	-1,832.25
Insurance Services	-383.90	-310.49	-502.35
Communication Services	-125.13	-72.15	-108.08
Construction Services	-0.26	0.00	-0.12
Financial Services	-131.24	-236.99	-174.98
Computer & information Services	-69.87	-78.85	-104.15
Royalties and License Fees	-126.42	-126.42	-126.42
Government Services	-234.92	-178.45	-132.67
Personal, cultural & recreational services	-9.28	-6.63	-39.39
Other Bussiness Services	-1,058.03	-1,602.13	-1,526.48
Income(net)	**-4,111.13**	**-4,505.33**	**-5,061.47**
Credit	625.46	625.28	817.38
Investment Income	537.41	522.04	705.19
Compensation of employees	88.04	103.25	112.20
Debit	-4,736.58	-5,130.62	-5,878.85
Investment Income	-4,730.67	-5,124.97	-5,878.85
Compensation of employees	-5.91	-5.65	0.00
Current transfers(net)	**9,974.27**	**9,914.90**	**10,193.09**
Credit	10,523.93	10,418.72	10,553.32
General Government	1,191.08	215.89	189.64
Other Sectors	9,332.85	10,202.84	10,363.68
Workers Remittance	9,323.15	10,183.49	10,340.08
Debit	-549.66	-503.83	-360.23
General Government	0.00	-7.63	0.00
Other Sectors	-549.66	-496.20	-360.23
Workers Remittance	-364.36	-368.85	-236.08
CAPITAL AND FINANCIAL ACCOUNT	**-174.11**	**1,825.10**	**5,699.45**
Capital account(net)	**0.00**	**0.00**	**0.00**
Credit	0.00	0.00	0.00
Capital Transfers(Debt Forgiveness)	0.00	0.00	0.00
Debit	0.00	0.00	0.00
Capital Transfers	0.00	0.00	0.00
Financial account(net)	**-174.11**	**1,825.10**	**5,699.45**
Assets	**-2,514.81**	**-1,064.27**	**-4,763.83**
Direct investment (Abroad)	-608.97	-696.06	-642.40
Portfolio investment	-129.92	-47.50	-1.66
Other investment	-3,330.01	252.58	-845.12
Change in Reserve	1,554.09	-573.28	-3,274.65
Liabilities	**2,340.70**	**2,889.36**	**10,463.27**
Direct Invesment in reporting economy	1,793.30	2,655.43	1,745.12
Portfolio Investment	790.24	1,097.44	2,922.77
Other investment liabilities	-242.85	-863.51	5,795.38
NET ERRORS AND OMISSIONS	**750.67**	**-5,123.64**	**-9,846.84**

Memorandum Items:	1st Half 2016 1/	2nd Half 2016 2/	1st Half 2017 2/
Current Account Balance as % of G.D.P	**-0.29**	**1.78**	**2.37**
Capital and Financial Account Balance as % of G.D.P	**0.12**	**0.97**	**3.25**
Overall Balance as % of G.D.P	**-0.68**	**0.32**	**1.87**
External Reserves - Stock (US $ million)	**26,505.50**	**26,990.58**	**30,340.96**
Number of Months of Imports Equivalent	**8.14**	**10.32**	**11.11**
External Debt Stock (US$ million)	**11,261.89**	**11,406.28**	**15,047.01**
Debt Service Due as % of Exports of Goods Non Factor Services			
Effective Central Exchange Rate (N/$)	**202.29**	**303.69**	**305.20**
Average Exchange Rate (N/$)	**202.79**	**304.19**	**305.70**
End-Period Exchange Rate (N/$)	**283.00**	**305.00**	**305.90**

Source: Central Bank of Nigeria
1/ Revised
2/ Provisional

Table 44
Balance of Payments Analytic Presentation
(N' Million)

	1st Half 2016 1/	2nd Half 2016 2/	1st Half 2017 2/
CURRENT ACCOUNT	**-134,155.41**	**1,005,123.54**	**1,265,774.32**
Goods	**-548,034.80**	**651,967.35**	**1,338,732.94**
Exports (fob)	3,426,498.36	5,424,191.36	6,339,612.00
Oil and Gas	3,115,986.89	5,073,181.09	5,745,989.51
Non-oil	310,511.46	351,010.27	593,622.50
Imports (fob)	-3,974,533.16	-4,772,224.02	-5,000,879.06
Oil	-922,303.64	-1,342,664.89	-1,375,409.45
Non-oil	-3,052,229.52	-3,429,559.13	-3,625,469.61
Unrecorded(TPAdj)	0.00	0.00	0.00
Services(net)	**-763,421.17**	**-1,291,633.35**	**-1,639,191.99**
Credit	416,336.04	511,747.53	585,671.15
Transportation	179,239.58	235,337.32	232,446.59
Travel	137,329.79	119,508.50	188,294.04
Insurance Services	7,237.59	13,523.18	3,282.36
Communication Services	12,356.27	16,898.72	41,521.46
Construction Services	0.00	0.00	0.00
Financial Services	21,780.34	42,742.13	38,119.50
Computer & information Services	0.00	0.00	0.00
Royalties and License Fees	0.00	0.00	0.00
Government Services	50,576.77	75,723.71	73,784.84
Personal, cultural & recreational services	0.00	0.00	0.00
Other Bussiness Services	7,815.70	8,013.98	8,222.36
Debit	-1,179,757.21	-1,803,380.88	-2,224,863.14
Transportation	-626,795.57	-862,105.52	-837,045.24
Travel	-120,507.28	-147,403.34	-559,261.44
Insurance Services	-77,844.30	-94,490.72	-153,323.60
Communication Services	-24,850.25	-21,931.90	-32,985.41
Construction Services	-54.00	-1.28	-36.02
Financial Services	-26,500.33	-72,107.09	-53,405.86
Computer & information Services	-14,187.93	-23,963.57	-31,789.78
Royalties and License Fees	-25,608.83	-38,430.74	-38,584.79
Government Services	-47,553.11	-54,222.58	-40,491.68
Personal, cultural & recreational services	-1,882.02	-2,015.14	-12,023.65
Other Bussiness Services	-213,973.59	-486,708.98	-465,915.67
Income(net)	**-835,338.31**	**-1,369,758.94**	**-1,544,838.06**
Credit	126,222.58	190,144.74	249,479.18
Investment Income	108,362.24	158,756.39	215,235.32
Compensation of employees	17,860.34	31,388.35	34,243.87
Debit	-961,560.89	-1,559,903.69	-1,794,317.24
Investment Income	-960,366.92	-1,558,184.80	-1,794,317.24
Compensation of employees	-1,193.97	-1,718.88	0.00
Current transfers(net)	**2,012,638.88**	**3,014,548.49**	**3,111,071.42**
Credit	2,124,012.18	3,167,722.11	3,221,012.46
General Government	235,294.11	65,629.21	57,879.42
Other Sectors	1,888,718.07	3,102,092.90	3,163,133.04
Workers Remittance	1,886,757.94	3,096,213.04	3,155,929.36
Debit	-111,373.30	-153,173.62	-109,941.03
General Government	0.00	-2,312.82	0.00
Other Sectors	-111,373.30	-150,860.81	-109,941.03
Workers Remittance	-73,753.58	-112,126.29	-72,049.67
CAPITAL AND FINANCIAL ACCOUNT	**57,010.71**	**545,221.79**	**1,739,662.60**
Capital account(net)	**0.00**	**0.00**	**0.00**
Credit	0.00	0.00	0.00
Capital Transfers(Debt Forgiveness)	0.00	0.00	0.00
Debit	0.00	0.00	0.00
Capital Transfers	0.00	0.00	0.00
Financial account(net)	**57,010.71**	**545,221.79**	**1,739,662.60**
Assets	**-410,967.44**	**-328,905.34**	**-1,453,832.17**
Direct investment (Abroad)	-123,261.96	-211,568.19	-196,066.93
Portfolio investment	-26,273.49	-14,405.81	-506.08
Other investment	-576,713.47	75,588.09	-257,916.43
Change in Reserve	315,281.48	-178,519.43	-999,342.73
Liabilities	**467,978.15**	**874,127.13**	**3,193,494.77**
Direct Invesment in reporting economy	363,381.59	807,147.87	532,632.03
Portfolio Investment	162,119.57	333,264.43	892,064.64
Other investment liabilities	-57,523.02	-266,285.17	1,768,798.10
NET ERRORS AND OMISSIONS	**77,144.70**	**-1,550,345.33**	**-3,005,436.92**

Memorandum Items:	1st Half 2016 1/	2nd Half 2016 2/	1st Half 2017 2/
Current Account Balance as % of G.D.P	**-0.29**	**1.78**	**2.37**
Capital and Financial Account Balance as % of G.D.P	**0.12**	**0.97**	**3.25**
Overall Balance as % of G.D.P	**-0.68**	**0.32**	**1.87**
External Reserves - Stock (US $ million)	**26,505.50**	**26,990.58**	**30,340.96**
Number of Months of Imports Equivalent	**8.14**	**10.32**	**11.11**
External Debt Stock (US$ million)	**11,261.89**	**11,406.28**	**15,047.01**
Debt Service Due as % of Exports of Goods Non Factor Services			
Effective Central Exchange Rate (N/$)	**202.29**	**303.69**	**305.20**
Average Exchange Rate (N/$)	**202.79**	**304.19**	**305.70**
End-Period Exchange Rate (N/$)	**283.00**	**305.00**	**305.90**

Source: Central Bank of Nigeria
1/ Revised
2/ Provisional

Table 45
Foreign Exchange Flows Through the Economy
(US$ Million)

CATEGORY	1st Half 2013	1st Half 2014	1st Half 2015	1st Half 2016 /2	2nd Half 2016 /3	1st Half 2017 /3
INFLOW	**72,277.13**	**75,643.39**	**52,124.57**	**29,154.54**	**33,594.01**	**34,816.93**
A. Through the Central Bank	**19,747.39**	**22,888.76**	**15,283.04**	**8,713.12**	**12,353.07**	**15,871.01**
1. Oil	18,971.59	21,027.88	9,237.67	4,613.69	5,566.80	4,299.49
2.Non-oil	775.80	1,860.88	6,045.36	4,099.43	6,786.27	11,571.51
(i) Drawings on Loans/Grants	-	-	-	0.00	0.00	
(ii) RDAS/WDAS Purchases	20.00	270.00	645.04	30.00	106.33	1,163.81
(iii) Swaps	-	500.00	4,060.00	1,850.00	2,305.02	1,567.00
(iv) Interest on Reserves & Investments	30.32	79.07	70.41	120.19	100.86	138.82
(v) Interest Repatriated from Overseas	0.29	0.12	0.24	0.15	0.08	0.00
(vi) Refund on World Bank/IBRD/IMF Loans/SDR Allocation	-	-	-	0.00	0.00	0.00
(vii) Cash Swap IRO BDC Sales				0.00	48.70	10.00
(vii) Eurobond Proceeds - Fixed Income Securities		7.40	1.34	0.00	7.75	0.00
(viii) Returned Payments [Wired/Cash]		11.21	10.56	194.71	92.71	753.67
(ix) Unutilised funds from DAS		134.02	94.00	49.97	92.13	644.73
(x) Recovered Funds		226.39		0.00	0.00	0.00
(xi) Other Official Receipts	725.19	632.67	1,163.78	1,854.40	3,938.14	864.88
(xii) CBN Interbank Transactions				0.00	0.00	0.00
(xiiii) Return of Unutilised IMTO Funds				0.00	94.55	310.09
(xv) TSA and Third Party Funds						1,498.09
(xvi) Others (FGN Loans)						4,620.42
B. Through Autonomous Sources	**52,529.74**	**52,754.63**	**36,841.53**	**20,441.42**	**21,240.94**	**18,945.92**
1. Non-Oil Exports	1,898.23	3,650.25	2,431.21	1,592.34	1,706.13	1,910.83
2. Capital Inflow	151.82	271.85	41.17	58.78	273.03	33.80
3. Invisibles	50,479.70	48,832.53	34,369.15	18,790.30	19,261.78	17,001.29
(a) Ordinary Domiciliary Accounts				11,959.46	12,174.88	9,994.31
(b) Total OTC Purchases				6,830.83	7,086.90	7,006.99
(i) Oil Companies				3,328.12	1,690.19	897.39
(ii) Capital Importations				1,738.94	3,373.25	2,817.11
(iii) Home Remittances				152.73	268.08	389.50
(iv) Other OTC Purchases				1,611.04	1,755.38	2,902.98
OUTFLOW	**18,964.82**	**29,092.93**	**21,837.26**	**11,880.58**	**13,673.02**	**13,879.61**
A. Through the Central Bank	**18,763.71**	**28,501.99**	**21,070.35**	**10,742.85**	**12,421.35**	**12,775.68**
1. WDAS/RDAS Utilisation	**15,440.47**	**25,172.86**	**18,273.40**	**7,805.33**	**8,013.01**	**9,835.84**
(i) WDAS/RDAS Sales	10,711.04	17,233.85	3,184.55	0.00	0.00	0.00
(ii) WDAS Forward/Inter-Bank FWD	-	1,075.86	1,339.82	0.00	4,167.66	4,426.20
(iii) BDC Sales	2,263.61	3,518.15	1,825.41	15.49	42.93	1,198.98
(iv) Inter-bank Sales	2,461.50	3,345.00	9,673.62	5,599.84	704.76	4,011.98
(v) Swaps	4.33	-	2,250.00	2,190.00	3,097.65	198.68
(vi) Invisibles IFEM	-	-	-	0.00	0.00	0.00
2. Drawings on L/C	**204.13**	**194.70**	**142.62**	**57.13**	**92.63**	**184.66**
3. External Debt Service	**150.09**	**178.18**	**207.16**	**166.11**	**185.03**	**189.83**
(i) Principal	94.35	95.88	90.99	84.45	0.00	0.00
(ii) Interest	5.25	5.21	-	0.00	0.00	0.00
(iii) Others 1/	50.49	77.09	116.17	81.67	185.03	189.83
4. Professional Fees/Commission	-		-	0.00	0.00	0.00
5. Govt and Int'l Grants / Contributions, Grants & Equity Invests. (AFC Equity Participation)		135.55	-	0.00	0.00	29.99
6. National Independent Priority Projects (Niger-Delta Payments)	**33.33**	**42.52**	**91.00**	**21.58**	**3.58**	**0.61**
7. Forex Special Payment (NSA) (Cash Swap/FX Advance/To MDAs)				**0.00**	**252.74**	**57.48**
8. Other Official Payments	**2,885.14**	**2,427.90**	**1,847.36**	**1,699.91**	**2,675.48**	**1,473.57**
(i) Int'l Organisations & Embassies /4	308.03	176.51	290.44	118.19	50.89	
(ii) Estacode	57.62	106.26	522.96	38.56	87.72	29.55
(iii) Parastatals (Public Sector Uses)	545.56	458.29	120.20	278.77	585.51	581.35
(iv) NNPC/JVC (JVC) Cash Calls	1,932.07	1,564.81	892.52	1,155.09	1,847.41	862.67
(v) Miscellaneous (CBN Uses)	41.85	122.02	21.24	109.30	103.93	
9. Bank Charges	0.55	0.05	0.04	0.09	0.43	4.72
10. NSIA Transfer	50.00	-	-	0.00	0.00	
11. Funds Returned to Remitters		0.23	45.96	10.04	79.93	23.38
12. 3rd Party MDA Transfer		350.00	462.79	982.65	1,118.53	975.60
B. Through Autonomous Sources	**201.11**	**590.94**	**766.92**	**1,137.74**	**1,251.67**	**1,103.93**
1. Imports	179.91	577.23	385.05	326.18	394.19	319.12
2. Invisibles	21.21	13.71	381.87	811.56	857.48	784.81
NETFLOW THROUGH THE CBN	**983.68**	**(5,613.23)**	**(5,787.31)**	**-2,029.72**	**-68.28**	**3,095.32**
NETFLOW	**53,312.31**	**46,550.46**	**30,287.31**	**17,273.96**	**19,920.99**	**20,937.32**

Source: Central Bank of Nigeria

1/ Includes penalty and service charges

2/ Revised

3/ Provisional

4/ Includes IMF (SDR charges)

Table 46
Nigeria's Gross External Reserves
(US$ Million)

Month	2013	2014	2015	2016	2017
January	45,824.44	40,667.56	32,385.71	27,607.85	28,592.98
February	47,295.85	36,923.61	29,566.99	27,811.82	29,990.36
March	47,884.12	37,399.22	29,357.21	27,336.38	29,996.38
April	47,903.09	37,105.27	29,829.75	26,598.85	30,749.28
May	47,702.88	35,398.10	28,566.54	26,594.39	29,811.85
June	44,957.00	37,330.03	28,335.21	26,505.50	30,340.96
July	45,834.11	39,065.42	31,222.81	25,581.58	
August	45,428.84	38,705.71	30,637.17	25,031.93	
September	44,108.48	38,278.62	29,880.21	23,806.51	
October	44,155.11	36,280.25	30,336.36	23,689.87	
November	43,414.20	35,248.66	29,263.02	25,081.22	
December	42,847.31	34,241.54	28,284.82	26,990.58	

Source: Central Bank of Nigeria

Table 47
Nigeria's Foreign Exchange Cross Rates
Naira per Unit of Foreign Currency (Monthly Average)

2013	Pounds	Euro	CFAFr	US$ (DAS/WDAS)	US$ (BDC)
Jan	248.72	206.97	0.31	157.30	159.12
Feb	241.10	208.16	0.32	157.30	158.70
Mar	234.75	201.95	0.31	157.31	159.80
Apr	238.49	202.88	0.31	157.31	159.81
May	238.34	202.34	0.31	157.30	159.57
Jun	241.11	205.47	0.31	157.31	160.98
1st Half Average	**240.42**	**204.63**	**0.31**	**157.30**	**159.66**
Jul	236.40	203.77	0.31	157.32	162.43
Aug	241.35	207.23	0.31	157.31	162.28
Sep	246.97	207.95	0.32	157.32	163.14
Oct	250.86	212.74	0.32	157.42	165.00
Nov	250.76	210.17	0.32	157.27	167.14
Dec	255.13	213.41	0.32	157.27	171.40
2nd Half Average	**246.91**	**209.21**	**0.32**	**157.32**	**165.23**
2014	**Pounds**	**Euro**	**CFAFr**	**US$ (DAS/WDAS)**	**US$ (BDC)**
Jan	256.59	212.10	0.32	157.29	171.71
Feb	257.81	212.72	0.32	157.31	169.45
Mar	258.95	215.39	0.33	157.30	171.52
Apr	260.67	215.14	0.33	157.29	170.30
May	262.41	213.98	0.33	157.29	166.85
Jun	263.29	211.68	0.32	157.29	167.17
1st Half Average	**259.95**	**213.50**	**0.32**	**157.29**	**169.50**
Jul	265.93	211.24	0.32	157.29	167.71
Aug	260.12	207.41	0.32	157.29	170.36
Sep	254.06	201.00	0.31	157.30	168.64
Oct	250.27	197.63	0.30	157.31	169.43
Nov	249.96	197.60	0.30	160.00	175.85
Dec	262.86	207.16	0.32	169.68	188.45
2nd Half Average	**257.20**	**203.67**	**0.31**	**159.81**	**173.41**
2015	**Pounds**	**Euro**	**CFAFr**	**US$ (RDAS/IFEM)**	**US$ (BDC)**
Jan	254.39	194.85	0.30	169.68	196.13
Feb	274.79	204.78	0.31	178.54	213.03
Mar	295.20	213.64	0.32	197.07	222.93
Apr	294.73	212.54	0.32	197.00	210.70
May	304.79	219.85	0.34	197.00	219.55
Jun	306.37	220.74	0.34	196.92	218.98
1st Half Average	**288.38**	**211.07**	**0.32**	**189.37**	**213.55**
Jul	306.41	216.87	0.33	196.97	237.15
Aug	307.21	219.33	0.33	197.00	216.64
Sep	302.55	221.22	0.34	197.00	222.68
Oct	302.26	221.45	0.34	196.99	224.98
Nov	299.38	211.53	0.32	196.99	232.40
Dec	295.39	214.00	0.32	196.99	258.30
2nd Half Average	**302.20**	**217.40**	**0.33**	**196.99**	**232.02**
2016	**Pounds**	**Euro**	**CFAFr**	**US$ (IFEM)**	**US$ (BDC)**
Jan	283.62	214.09	0.33	197.00	289.78
Feb	281.79	218.55	0.33	197.00	329.83
Mar	280.40	218.89	0.33	197.00	320.93
Apr	282.07	223.46	0.34	197.00	320.71
May	286.33	222.85	0.34	197.00	336.93
Jun	328.53	260.03	0.38	231.76	351.82
1st Half Average	**290.46**	**226.31**	**0.34**	**202.79**	**325.00**
Jul	388.37	325.90	0.49	294.57	364.47
Aug	406.13	347.33	0.53	309.73	396.15
Sep	401.08	342.17	0.52	305.23	431.10
Oct	375.71	336.21	0.51	305.21	462.03
Nov	379.49	329.83	0.50	305.18	415.36
Dec	381.39	322.13	0.47	305.22	455.26
2nd Half Average	**388.70**	**333.93**	**0.50**	**304.19**	**420.73**
2017	**Pounds**	**Euro**	**CFAFr**	**US$ (IFEM)**	**US$ (BDC)**
Jan	376.32	324.37	0.49	305.20	493.29
Feb	381.17	324.95	0.50	305.31	494.70
Mar	378.13	327.35	0.50	306.40	429.48
Apr	386.92	328.15	0.50	306.05	392.89
May	395.04	337.72	0.51	305.54	384.48
Jun	391.57	343.24	0.52	305.72	366.25
1st Half Average	**384.86**	**330.96**	**0.50**	**305.70**	**426.85**

Source: Central Bank of Nigeria

Note: The Interbank exchange rate became the reference official rate on February 18, 2015 when the RDAS segment of the FOREX market was closed by the CBN.

Table 48
Monthly Average Exchange Rate Movements
(N/US$ 1.00)

2013	W/RDAS	Interbank	BDC
Jan	157.30	156.96	159.12
Feb	157.30	157.52	158.70
Mar	157.31	158.38	159.80
Apr	157.31	158.20	159.81
May	157.30	158.02	159.57
Jun	157.31	160.02	160.98
1st Half	**157.30**	**158.18**	**159.66**
End-Period	**157.31**	**162.60**	**162.00**
Jul	157.32	161.12	162.43
Aug	157.31	161.15	162.28
Sep	157.32	161.96	163.14
Oct	157.42	159.83	165.00
Nov	157.27	158.79	167.14
Dec	157.27	159.05	171.40
2nd Half	**157.32**	**160.32**	**165.23**
End-Period	**157.26**	**159.90**	**172.00**
2014	**W/RDAS**	**Interbank**	**BDC**
Jan	157.29	160.23	171.71
Feb	157.31	163.62	169.45
Mar	157.30	164.62	171.52
Apr	157.29	162.19	170.30
May	157.29	161.86	166.85
Jun	157.29	162.82	167.17
1st Half	**157.29**	**162.56**	**169.50**
End-Period	**157.29**	**162.95**	**168.00**
Jul	157.29	162.25	167.71
Aug	157.29	161.99	170.36
Sep	157.30	162.93	168.64
Oct	157.31	164.64	169.43
Nov	160.00	171.10	175.85
Dec	169.68	180.33	188.45
2nd Half	**159.81**	**167.21**	**173.41**
End-Period	**169.68**	**180.00**	**191.50**
2015	**RDAS**	**Interbank**	**BDC**
Jan	169.68	181.78	196.13
Feb	169.68	194.48	213.03
Mar	Closed	197.07	222.93
Apr	Closed	197.00	210.70
May	Closed	197.00	219.55
Jun	Closed	196.92	218.98
1st Half	**Closed**	**194.04**	**213.55**
End-Period	**Closed**	**196.95**	**225.50**
Jul	Closed	196.97	237.15
Aug	Closed	197.00	216.64
Sep	Closed	197.00	222.68
Oct	Closed	196.99	224.98
Nov	Closed	196.99	232.40
Dec	Closed	196.99	258.30
2nd Half	**Closed**	**196.99**	**232.02**
End-Period	**Closed**	**197.00**	**267.00**
2016	**RDAS**	**Interbank**	**BDC**
Jan	Closed	197.00	289.78
Feb	Closed	197.00	329.83
Mar	Closed	197.00	320.93
Apr	Closed	197.00	320.71
May	Closed	197.00	336.93
Jun	Closed	231.76	351.82
1st Half	**Closed**	**202.79**	**325.00**
End-Period	**Closed**	**283.00**	**348.00**
Jul	Closed	294.57	364.47
Aug	Closed	309.73	396.15
Sep	Closed	305.23	431.10
Oct	Closed	305.21	462.03
Nov	Closed	305.18	415.36
Dec	Closed	305.22	455.26
2nd Half	**Closed**	**304.19**	**420.73**
End-Period	**Closed**	**305.00**	**490.00**
2017	**RDAS**	**Interbank**	**BDC**
Jan	Closed	305.20	493.29
Feb	Closed	305.31	494.70
Mar	Closed	306.40	429.48
Apr	Closed	306.05	392.89
May	Closed	305.54	384.48
Jun	Closed	305.72	366.25
1st Half	**Closed**	**305.90**	**366.00**
End-Period	**Closed**	**305.72**	**366.25**

Source: Central Bank of Nigeria

CBN closed the RDAS segment of the FOREX market on February 18, 2015.

Table 49
Demand and Supply of Foreign Exchange
(US$ Million)

Year/Month	2016										
	RDAS Demand	BDC Demand	RDAS - Forward Demand	Interbank Demand	Total Demand	RDAS Sales	BDC Sales	Interbank - Forward Sales*	Interbank Sales*	Swaps	Total Supply
January	Closed	-	-	-	-	Closed	15.49	-	972.72	300.00	1,288.21
February	Closed	-	-	-	-	Closed	-	-	676.01	190.00	866.01
March	Closed	-	-	-	-	Closed	0.01	-	1,104.11	250.00	1,354.12
April	Closed	-	-	-	-	Closed	-	-	780.36	400.00	1,180.36
May	Closed	-	-	-	-	Closed	-	-	782.83	500.00	1,282.83
June	Closed	-	3,487.76	-	3,487.76	Closed	-	-	1,283.81	550.00	1,833.81
First Half	**Closed**	**-**	**3,487.76**	**-**	**3,487.76**	**Closed**	**15.50**	**0.00**	**5,599.83**	**2,190.00**	**7,805.34**
July	Closed	-	-	-		Closed	-	698.89	510.00	375.00	1,583.89
August	Closed	-	352.15	-	352.15	Closed	-	1,106.05	59.00	308.21	1,473.26
September	Closed	-	-	-		Closed	-	1,565.19	31.50	458.05	2,054.74
October	Closed	-	-	-		Closed	-	352.15	39.76	1,157.62	1,549.53
November	Closed	-	-	-		Closed	-	100.00	36.00	273.42	412.81
December	Closed	-	-	-		Closed	-	345.38	28.50	525.35	938.77
Second Half	**Closed**	**-**	**352.15**	**-**	**352.15**	**Closed**	**-**	**4,167.66**	**704.76**	**3,097.65**	**8,013.00**

Year/Month	2017 First Half										
	RDAS Demand	BDC Demand	RDAS - Forward Demand	Interbank Demand	Total Demand	RDAS Sales	BDC Sales	Interbank - Forward Sales*	Interbank Sales*	Swaps	Total Supply
January	Closed	-	-			Closed	42.82	370.11	33.00		445.93
February	Closed	-	-			Closed	88.54	374.97	124.16		587.67
March	Closed	-	-			Closed	89.50	835.02	219.41	24.06	1,167.99
April	Closed	-	-			Closed	136.25	824.57	587.41		1,548.22
May	Closed	-	-			Closed	-	1,080.39	2,202.18	144.62	3,427.19
June	Closed	-	-			Closed	845.04	941.13	845.82	30.00	2,662.00
First Half	**Closed**	**-**	**-**			**Closed**	**1,202.15**	**4,426.20**	**4,011.98**	**198.68**	**9,839.00**

Table 50
Sectoral Utilization of Foreign Exchange
(US Dollar)

SECTORS	1st Half 2013	1st Half 2014	1st Half 2015	1st Half 2016 1/	2nd Half 2016 2/	1st Half 2017 2/
A. Imports	**14,462,883,365.74**	**16,631,013,170.43**	**15,215,575,071.71**	**8,852,611,269.25**	**8,301,562,614.54**	**7,364,998,409.50**
Industrial Sector	4,041,448,121.96	4,661,644,212.04	4,493,151,505.19	2,946,712,931.16	2,929,679,901.70	3,266,078,241.66
Food Products	2,767,756,161.15	2,658,782,598.59	2,388,706,799.43	1,003,229,417.58	786,152,019.72	635,679,458.20
Manufactured Products	2,147,236,827.27	2,783,304,773.17	2,345,876,977.09	1,542,644,777.06	1,256,422,357.48	1,037,599,371.48
Transport Sector	755,204,035.53	940,834,300.06	551,500,023.46	257,479,536.32	272,896,910.30	202,690,647.57
Agricultural Sector	157,895,155.41	242,451,389.17	134,476,199.54	101,522,957.10	152,928,195.88	119,692,811.00
Minerals	164,617,930.38	180,202,551.19	272,719,634.74	43,160,449.27	50,202,867.58	43,125,418.58
Oil Sector	4,428,725,134.04	5,163,793,346.21	5,029,143,932.26	2,957,861,200.76	2,853,280,361.88	2,060,132,461.01
B. Invisibles	**12,478,677,753.36**	**16,274,798,516.97**	**10,527,665,789.29**	**4,256,388,912.77**	**3,632,240,450.36**	**4,695,483,165.42**
Business Services	589,753,886.55	1,542,253,118.81	848,445,662.91	283,899,866.62	353,915,286.76	558,819,878.91
Communication Services	262,706,450.30	374,076,738.67	349,419,890.87	63,726,178.74	43,918,637.51	139,275,231.58
Construction and Engineering	11,829,909.11	45,162,720.93	49,253,638.79	257,282.43	4,219.27	-
Distribution Services	18,186,729.88	49,743,988.82	29,288,273.16	11,933,333.38	1,460,580.63	4,916,699.05
Educational Services	104,526,083.34	140,778,938.66	244,053,566.86	316,150,957.37	116,016,787.53	235,831,630.79
Environmental Services	0.00		-	-	3,500.00	-
Financial Services	10,811,773,101.58	13,210,340,603.21	8,257,543,710.34	3,264,410,451.02	2,702,076,304.98	3,122,109,272.19
Health Related and Social Services	1,394,662.89	333,168.32	858,801.93	3,287,760.74	804,382.19	1,553,904.69
Tourism and Travel Related Services	16,344,055.52	21,363,448.93	131,694,368.56	9,187,235.78	6,625,676.79	39,394,273.87
Recreational, Cultural and Sporting Services	0.00	1,366,685.32	-	12,758.55	-	-
Transport Services	546,843,850.74	722,244,970.80	451,772,572.86	241,964,311.63	375,499,225.33	274,136,611.37
Other Services not Included Elsewhere	115,319,023.45	167,134,134.50	165,375,303.01	61,558,776.51	31,915,849.37	319,445,662.97
TOTAL (A+B)	**26,941,561,119.10**	**32,905,811,687.40**	**25,743,210,861.00**	**13,109,000,182.02**	**11,933,803,064.90**	**12,060,481,574.92**

Source: Central Bank of Nigeria
1/ Revised
2/ Provisional

Table 51
Total External Assets of Financial Institutions
(Naira Million)

	1st Half 2013	1st Half 2014	1st Half 2015	1st Half 2016 1/	2nd Half 2016 1/	1st Half 2017 2/
1. Monetary Authorities	**7,614,112.49**	**6,724,347.45**	**7,646,654.46**	**8,022,108.88**	**9,248,623.81**	**9,449,922.16**
Foreign Assets	**7,614,112.49**	**6,724,347.45**	**7,646,654.46**	**8,022,108.88**	**9,248,623.81**	**9,449,922.16**
Gold	19.01	19.01	19.01	19.01	19.01	19.01
IMF Reserve Tranche	22.62	22.62	22.62	22.62	22.62	22.62
Foreign Currencies	34,538.05	57,913.74	50,119.83	80,286.35	38,126.50	152,856.43
Demand Deposits at Foreign Banks	7,188,388.24	6,264,354.82	7,132,975.63	7,348,315.40	6,165,074.42	6,390,693.98
of which: Domicilliary Accounts	683,696.66	716,973.32	216,467.10	1,934,552.48	3,296,417.53	2,079,248.89
Securities of Foreign Governments	1.05	51.36	702.76	828.21	2,199,617.46	2,205,283.74
SDR Holdings	391,143.51	401,985.90	462,814.61	592,637.30	611,930.37	631,681.32
Foreign Equity					742.55	744.55
FX Swap/Forward/Futures					233,090.87	68,620.51
Regional Monetary Cooperation Funds						
Other Foreign Assets						
2. Semi Official Institutions						
i) BOI	-	-	-	-	-	-
ii) Others	-	-	-	-	-	-
3. Deposit Money Banks	**1,986,111.81**	**2,234,406.82**	**1,748,403.66**	**2,379,967.15**	**2,076,561.44**	**2,447,082.43**
Total Assets	**9,600,224.30**	**8,958,754.27**	**9,395,058.12**	**10,402,076.02**	**11,325,185.25**	**11,897,004.59**
Total Assets (US$' Million)	**61,028.40**	**56,957.90**	**47,702.76**	**36,756.45**	**37,131.75**	**38,915.34**
Exchange Rate (End-period)	**157.31**	**157.29**	**196.95**	**283.00**	**305.00**	**305.72**

Source: Central Bank of Nigeria
1/ Revised
2/ Provisional