

## ECONOMIC REPORT FOR THE MONTH OF SEPTEMBER 2002

### 1.0 SUMMARY

Provisional data indicated further increases in monetary aggregates in September, 2002. Broad money stock ( $M_2$ ) and narrow money ( $M_1$ ) rose by 5.0 and 5.5 per cent, respectively, during the month and expanded by 22.0 per cent and 14.3 per cent in the first nine months of the year, compared with the targets of 15.3 and 12.4 per cent for the whole year. Monetary expansion in the review month was attributable to the increases in banking system's credit to the domestic economy and foreign assets (net) of the banking system. Aggregate bank credit to the domestic economy rose by 4.4 per cent during the month and by 42.2 per cent in the first nine months of the year, compared with 57.9 per cent target for fiscal 2002.

Provisional data indicated an upward movement in banks' interest rates during the review month. The spread between banks' weighted average deposit and maximum lending rates, however, remained unchanged at the end-August level of 17.2 percentage points, while the margin between the average savings deposit and maximum lending rates was 28.2 percentage points, up from 27.7 per cent in August 2002. The average inter-bank call rate declined further to 19.6 per cent in September from 23.3 per cent in August 2002.

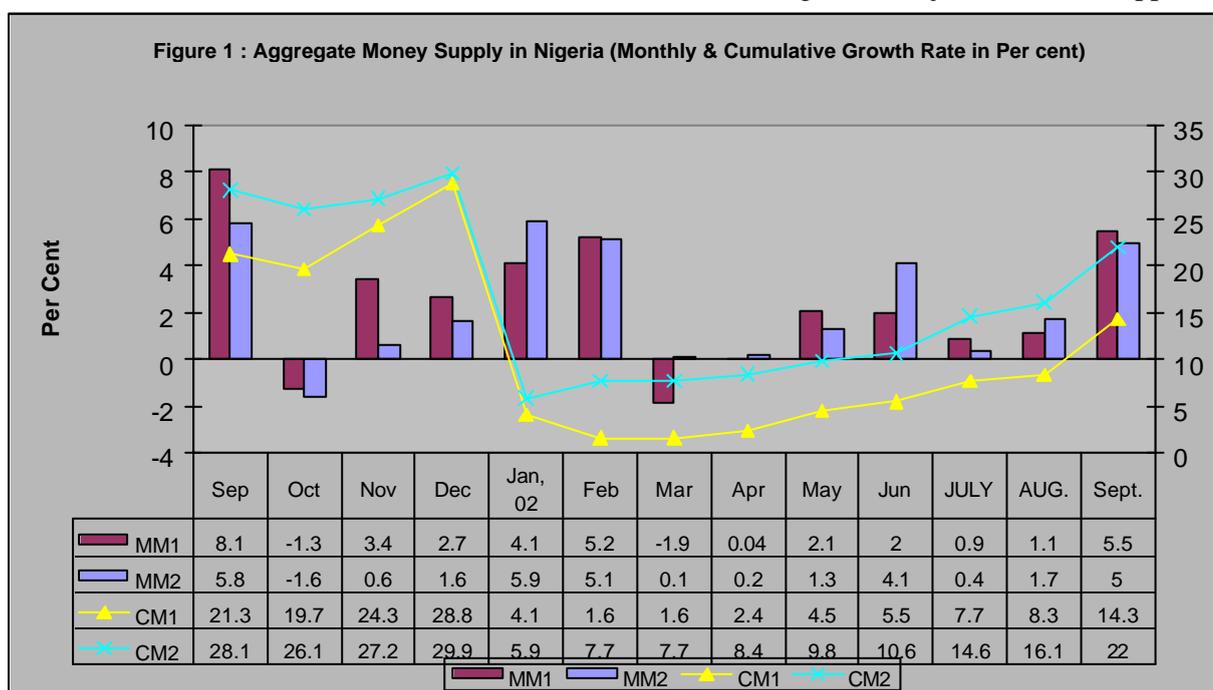
The value of money market assets outstanding rose by 0.9 per cent in September 2002, in contrast to the decline of 1.8 per cent in the preceding month. The rise reflected largely the increase of 22.0 per cent in Commercial Papers (CPs) during the month. No new issue of Nigerian Treasury Bills (NTBs) was made during the month,

but matured ones worth ₦207.6 billion were rolled over. Performance indicators of the capital market trended downward, as the volume and value of traded securities as well as market capitalization and value index declined during the month.

Activities in the agricultural sector during the month included the harvesting of various root crops and planting of late crops in the southern states; and the preparation of land and nurseries for tomatoes, pepper, carrots, cabbage and other vegetables in the northern states. At 144.6 (1985=100), the estimated index of industrial production rose by 0.4 per cent over the level recorded in the preceding quarter, but declined by 0.5 per cent from the level in the corresponding quarter of 2001. The rise in the review quarter reflected the increases of 0.6 and 0.9 per cent in manufacturing and electricity consumption, respectively. Estimated crude oil output, including condensates and natural gas, was 1.85 million barrels per day (mbd) or 55.50 million barrels for the month, reflecting a decline of 10.6 per cent from the preceding month's level. Crude oil exports constituted 75.7 per cent of total output, while deliveries to refineries for domestic consumption remained at 0.45 mbd or 13.50 million barrels per month. The average price of Nigeria's reference crude, Bonny Light, (37°API), at \$28.38 per barrel, rose by 5.9 per cent over its level in August 2002. The price index of Nigeria's major agricultural commodities at the London commodity market increased by 7.4 and 95.5 per cent, in dollar terms, over the levels in the preceding month and corresponding period of 2001, respectively. The inflation rate in September was estimated at 15.2 per cent, down from 15.6 per cent in August, 2002.

Provisional data on foreign exchange flows through the Central Bank of Nigeria (CBN) indicated an inflow of \$809.4 million and an outflow of \$1,387.7 million, resulting in a net outflow of \$578.3 million during the month. Foreign exchange sales to the authorized dealers by CBN amounted to \$582.0 million, compared with \$598.5 million in the preceding month. The weighted average exchange rate of the naira vis-à-vis the US dollar depreciated marginally by 0.3 per cent from ₦126.34 per dollar \$1.00 in August to ₦126.74 per \$1.00 in September, 2002. In the parallel market and the bureaux de change, the naira also depreciated by 0.9 and 1.3 per cent to ₦138.75 and ₦139.83 per dollar, respectively. Nigeria's gross external reserves declined by 4.3 per cent to \$7,367.8 million from \$7,697.1 million in August 2002.

compared with the excess demand of 0.60 mbd recorded in the preceding month. Other major international economic developments of relevance to the domestic economy during the month included: the annual meetings of the International Monetary Fund (IMF) and the World Bank held in Washington, DC from 25<sup>th</sup> to 30<sup>th</sup> September 2002. During the meeting, the country's delegation held bilateral talks with the IMF Managing Director and the Director of African Department at which both officials pledged continued support for the on-going policy measures aimed at revamping the Nigerian economy and improving the standard of living of the citizenry. In another development, a former Deputy Premier of Thailand, was appointed the new Director-General of the World Trade Organisation (WTO) with effect from September 2002, while a Nigerian, Dr. (Mrs.) Ngozi Okonjo-Iweala was appointed



On the international scene, world crude oil output declined by 0.2 per cent, while estimated demand exceeded supply by 0.25 million barrels per day (mbd),

Vice President in the World Bank during the month.

## 2.0 FINANCIAL SECTOR DEVELOPMENTS

Money supply increased further in September 2002. Interest rate movements indicated upward trends, while the liquidity situation in the banking system continued to influence developments in the money market. Major stock market indicators declined during the month.

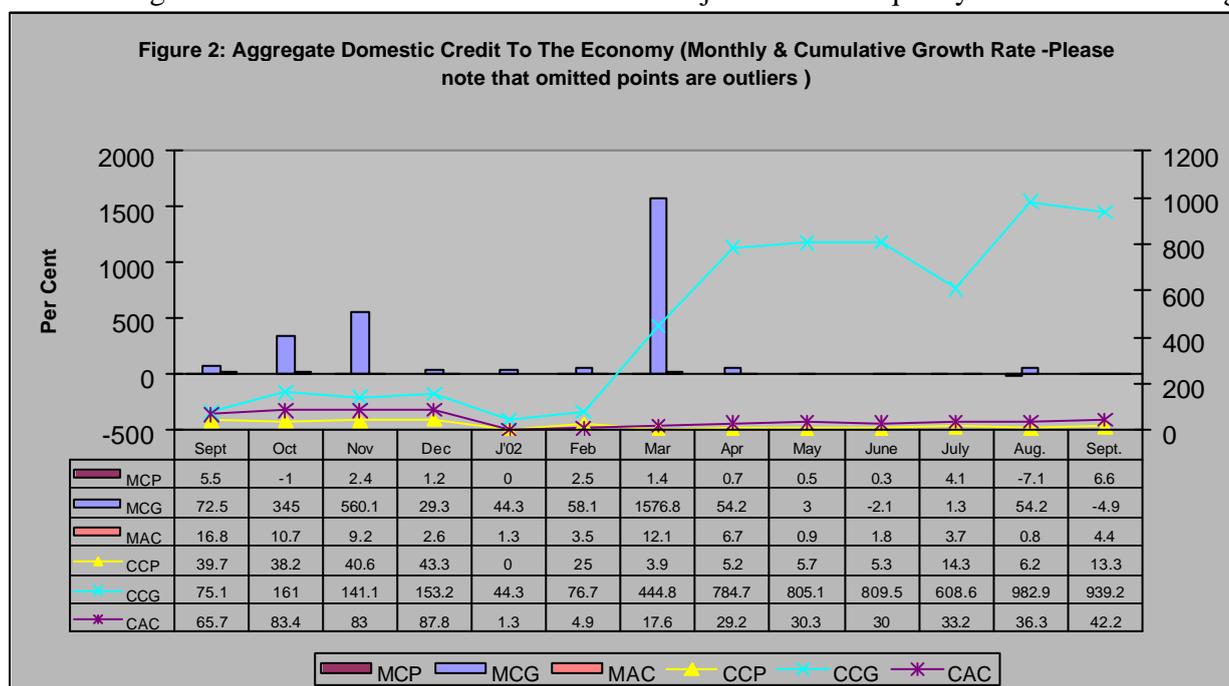
### 2.1 Monetary and Credit Developments

Broad money stock ( $M_2$ ) rose further in September 2002 by ₦77.0 billion or 5.0 per cent to ₦1, 605.4 billion, compared with the increase of ₦25.0 billion or 1.7 per cent in the preceding month. Narrow money ( $M_1$ ) also rose by ₦48.8 billion or 5.5 per cent to ₦933.6 billion, compared with the 1.1 per cent increase recorded in August 2002. The rise during the review month reflected the

22.0 and 14.3 per cent, respectively, compared with the growth targets of 15.3 and 12.4 per cent for the whole year.

Aggregate bank credit to the domestic economy rose by ₦49.3 billion or 4.4 percent to ₦1, 180.2 billion during the month, compared with the increase of ₦9.1 billion or 0.8 per cent in the preceding month. The rise was accounted for entirely by the increase in banking system's credit to the private sector. In the first nine months of the year, aggregate bank claims on the domestic economy rose by 42.2 per cent, compared with the growth target of 57.9 per cent for fiscal 2002.

Banking system's net claims on the Federal government fell by ₦11.0 billion or 4.9 per cent. During the year, the Federal Government drew down on its deposits with the CBN substantially, implying continued injection of liquidity into the banking



increases in banking system's credit to the domestic economy and foreign assets (net) of the banking system. In the first nine months of the year,  $M_2$  and  $M_1$  grew by

system. Bank credit to the private sector increased by ₦60.3 billion or 6.6 per cent during the month and 13.3 per cent in the

first nine months of the year, compared with the target of 34.9 per cent for fiscal 2002.

At ₦1, 333.2 billion, foreign assets, (net) of the banking system rose by ₦219.5 billion or 19.7 per cent, in contrast to the decline of ₦231.4 billion or 17.2 per cent in the preceding month. The rise was attributable entirely to the increase in Central Bank's holding. In the first nine months of the year, however, the foreign assets (net) of the banking system fell by ₦99.9 billion or 7.0 per cent, in contrast to the 13.0 per cent increase recorded in the corresponding period of 2001.

Quasi-money rose by ₦28.2 billion or 4.4 per cent to ₦671.9 billion, compared with the increase of ₦15.0 billion or 2.4 per cent in the preceding month. The rise reflected the increases in time, savings and foreign currency deposits of the banks. Quasi-money increased significantly by ₦172.7 billion or 34.6 per cent in the first nine months of the year.

Other assets (net) of the banking system declined sharply by ₦191.8 billion or 26.8 per cent, as against the increase of ₦247.3 billion or 25.7 per cent recorded in the previous month. The decline was traceable largely to the increase in Central Bank's liabilities, namely capital accounts, DMB's deposits with the CBN and unclassified liabilities.

## **2.2 Currency-in-circulation and Deposits at CBN**

At ₦372.0 billion, currency in circulation increased by ₦15.5 billion or 4.3 per cent and ₦27.8 billion or 8.1 per cent over the levels in the preceding month and corresponding month of 2001, respectively. The development during the month was

traceable to the rise in both currency outside the banking system and vault cash which rose by 4.1 and 5.2 per cent, respectively.

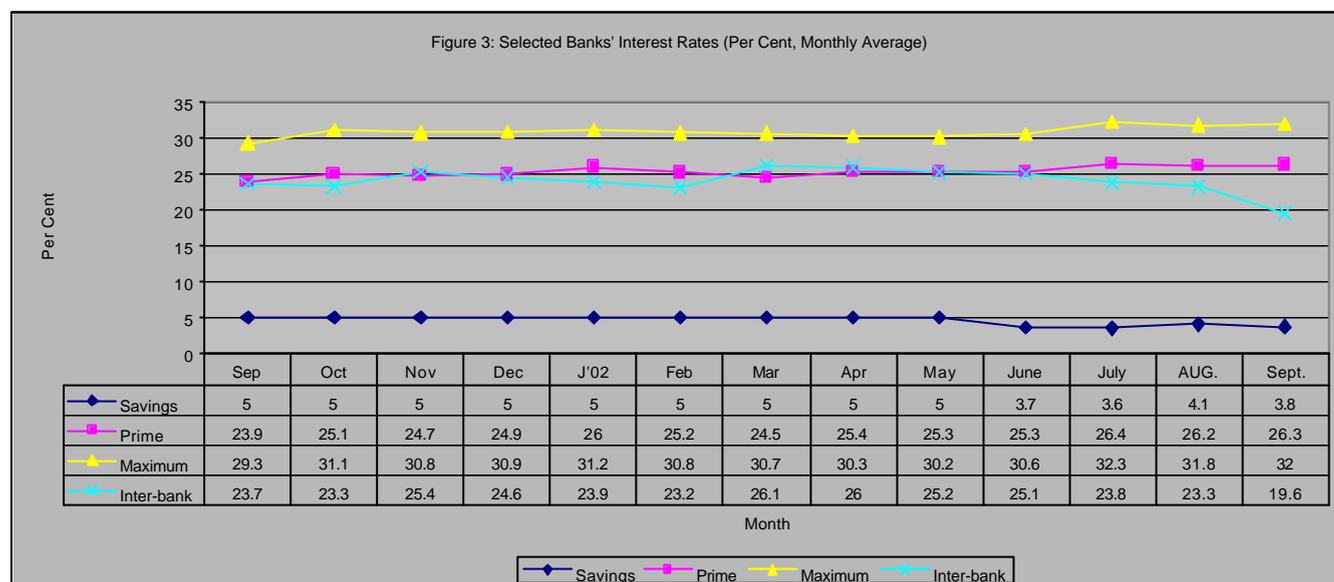
Total deposits at the CBN in September, 2002 amounted to ₦866.2 billion, indicating an increase of ₦34.1 billion or 4.0 per cent over the level in the preceding month, but a decline of ₦221.4 billion or 20.0 per cent from the level in the corresponding period of 2001. The rise was attributable to the increases of 17.0 and 2.6 per cent in deposits by bankers and Federal Government, respectively. This was, however, moderated by a fall in deposits by "others", from ₦109.8 billion in August to ₦92.9 billion in September. The shares of the Federal Government, bankers and "others" in total deposits at the CBN during the month were 62.0, 29.6 and 10.7 per cent, respectively, compared with 61.4, 25.7 and 12.9 per cent in August 2002.

## 2.3 Interest Rate Developments

Provisional data indicated an upward trend in interest rate movements during the month. With the exception of the average

## 2.4 Money Market Developments

Provisional data indicated that the value of money market outstanding as at end-September 2002 rose by ₦5.9 billion or



savings deposit rate which declined by 0.3 percentage to 3.8 per cent, all other rates on deposits of various maturities which ranged from 10.2-16.1 in August, rose to 10.3 – 16.6 per cent in September, 2002. Similarly, banks' average prime and maximum lending rates rose by 0.1 and 0.2 percentage points to 26.3 and 32.0 per cent, respectively. The spread between banks' weighted average deposit and maximum lending rates, however, remained unchanged at the preceding month's level of 17.2 percentage points, while the margin between the average savings deposit and maximum lending rates stood at 28.2 percentage points, up from 27.7 per cent in August 2002.

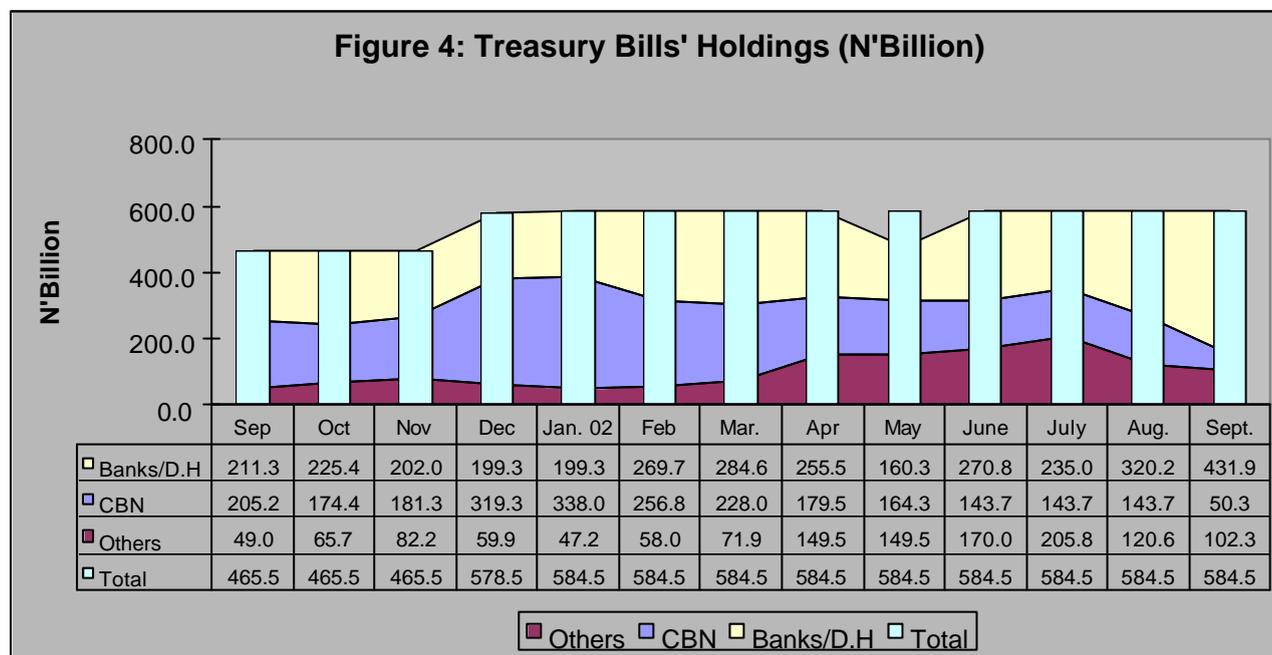
The average inter-bank call rate declined further to 19.6 per cent in September from 23.3 per cent in August 2002, reflecting the impact of liquidity overhang in the banking system during the period.

0.9 per cent to ₦656.7 billion, in contrast to a decline of ₦11.6 billion or 1.8 per cent in the preceding month. The rise reflected largely the increase of 22.0 per cent in commercial papers (CPs) during the month. The level of Bankers Acceptances (BAs), however, declined by ₦0.4 billion or 1.1 per cent, while treasury bills and Eligible Development Stocks (EDS) outstanding remained unchanged at the preceding month's levels of ₦584.5 billion and ₦2.4 billion, respectively.

Treasury bills worth ₦207.6 billion were re-issued in September 2002 to replace matured bills of the same value, compared with ₦98.8 billion re-issued in August, 2002. Analysis of the total amount rolled over during the month showed that Deposit Money Banks (DMBs) and discount houses together subscribed ₦85.6 billion, constituting 41.2 per cent of the total, while "other" investors subscribed ₦55.8 billion, representing 26.9 of the total. The balance

of ₦66.2 billion or 31.9 percent was absorbed by the CBN, during the month.

economy and the attendant slow down in activities in the market.



A breakdown of the outstanding treasury bill holdings so far in 2002 indicated a shift in portfolio from the CBN to the public. The share of the CBN dropped from ₦338.0 billion in January, 2002 to ₦50.3 billion in September, while the combined holdings by deposit money banks and discount houses as well as “other” investors increased correspondingly from ₦199.3 billion and ₦47.2 billion to ₦431.9 billion and ₦102.3 billion, respectively.

## 2.5 Capital Market Developments

Transactions on the Nigerian Stock Exchange (NSE) were bearish during the month as all the market indicators declined. Available data indicated that the volume of traded securities fell from 948.1 million shares in August 2002 to 726.3 million shares in September, while the value of traded securities fell sharply by 65.1 per cent to ₦4.4 billion. The development during the period reflected the state of liquidity in the

Analysis of the transactions during the review month showed that all transactions were in equities, while the banking sub-sector remained the most active with a total of 604.7 million shares worth ₦2.7 billion. Dealings in government and industrial stocks, however, remained dormant. Market capitalisation and value index fell by 4.8 and 4.2 per cent, from ₦758.7 billion and 12,327.9 in August to close at ₦722.2 billion and 11,811.5, respectively, reflecting the persistent fall in the prices of shares of highly capitalised listed companies.

## 2.6 Deposit Money Banks' Activities

Total assets/liabilities of deposit money banks (DMBs) amounted to ₦2,524.1 billion in September, 2002, representing increases of ₦54.5 billion or 2.2 per cent and ₦356.9 billion or 16.5 per cent over the preceding month's level and the level at end-December 2001, respectively. Funds were sourced mainly

from the increases in unclassified liabilities, Federal Government and private sector demand deposits as well as the draw-down on reserves, while the major uses of funds included acquisition of unclassified assets and settlement of foreign liabilities, among others.

Aggregate credit to the domestic economy by DMBs amounted to ₦1,210.3 billion, indicating increases of ₦50.0 billion or 4.3 per cent and ₦212.0 billion or 21.2 per cent over the levels recorded in the preceding month and at end-December 2001. The breakdown showed that net credit to the central government declined by ₦10.0 billion or 3.8 per cent, following the decline in banks' holding of development stocks, while credit to the private sector increased by ₦60.0 billion or 6.7 per cent over the preceding month's level. Similarly, credit to the state and local governments rose by ₦1.4 billion or 6.9 per cent during the review month.

Central Bank's credit to the banks amounted to ₦8.9 billion, representing declines of ₦3.7 billion and ₦5.7 billion from the preceding month's level and the level at end-December 2001, respectively. The decline reflected largely the fall in overdraft facilities granted to the banks during the period.

Total specified liquid assets of deposit money banks stood at ₦675.9 billion or 59.3 per cent of their total deposit liabilities. This level of assets was 44.0 percentage points below the preceding month's levels, and 19.3 percentage points above the stipulated minimum of 40.0 per cent for fiscal 2002.

## **2.7 Discount Houses**

Total assets/liabilities of discount houses amounted to ₦57.1 billion in

September 2002, indicating increases of ₦11.4 billion or 24.9 per cent and ₦28.8 billion or 102.0 per cent over the levels in the preceding month and end-December 2001

Discount houses' investments in Federal Government securities of 91 days maturity or less, stood at ₦31.5 billion, representing 74.0 per cent of their total deposit liabilities. This was 3.0 percentage points below the level in the preceding month, but 14.0 percentage points above the prescribed minimum of 60.0 per cent for fiscal 2002.

Total borrowings by discount houses amounted to ₦13.6 billion, while capital and reserves was ₦6.1 billion, resulting in a gearing ratio of 2.2:1, compared with the stipulated maximum target of 50:1 for fiscal 2002.

## **3.0 DOMESTIC ECONOMIC CONDITIONS**

The dominant agricultural activities during the month included harvesting of root crops such as yam, sweet and Irish potato and groundnut; planting of late crops as well as preparation of land and nurseries for tomatoes, pepper, carrots, cabbage and other vegetables in various parts of the country. Crude oil output fell from the preceding month's level, while inflationary pressure showed further moderation.

### **3.1 Agricultural Sector**

Major agricultural activities in September 2002, consisted of harvesting of various root crops and planting of late crops in the southern states, while in the northern states, farmers were engaged in the preparation of land and nurseries for legumes and vegetables. In the livestock

sub-sector, farmers intensified the production of poultry products. The recent spate of flood reported in some states in the North, however, may adversely affect poultry production.

The prices of Nigeria's major agricultural commodities at the London commodity market rose during the month. At 103.4 (1985=100), the all-commodities price index, in dollar terms, increased by 7.4 and 95.5 per cent over the levels in the preceding month and corresponding period a year earlier, respectively. In naira terms, the index, at 11,539.8 (1985=100), also rose by 5.2 and 122.3 per cent over the levels in August and the corresponding month of 2001, respectively. The development was attributable to the continued fall in supply relative to demand.

Of the six commodities monitored during the month, coffee, cocoa and cotton, recorded price increases of 13.5, 9.1 and 0.4 per cent, respectively, in dollar terms, over their levels in the preceding month, while copra, palm-oil and soya bean recorded price declines of 3.6, 2.1 and 1.2 per cent, respectively. When compared with their levels a year earlier, all the commodities recorded varying degrees of price increases, except copra.

In naira terms, coffee, soya beans, cocoa and cotton recorded price increases of 16.6, 6.9, 6.3 and 3.0 per cent, respectively, over their levels in August, 2002, while copra and palm oil recorded price declines of 3.0 and 1.5 per cent. However, when

compared with their levels in the corresponding month of 2001, all the commodities recorded varying degrees of price increases, ranging from 27.6 per cent for soya bean to 140.9 per cent for cocoa.

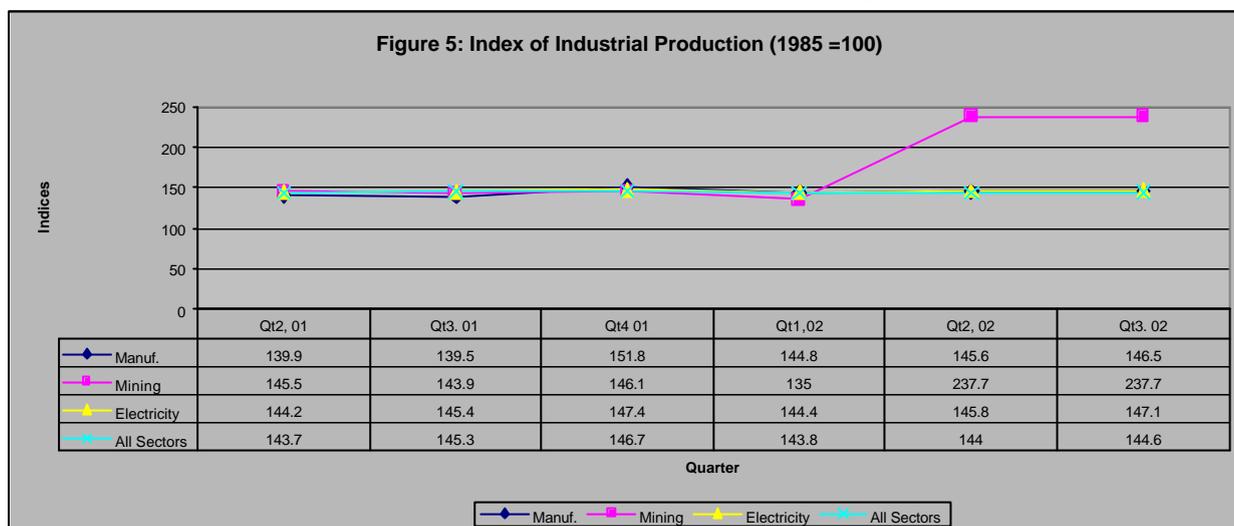
### **3.2 Industrial Production**

Activities in the industrial sector during the third quarter of 2002 indicated an improvement over the level in the preceding quarter. At 144.6 (1985=100), the estimated index of industrial production rose by 0.4 per cent over the level recorded in the preceding quarter, but declined by 0.5 per cent from the level in the corresponding quarter of 2001. The rise in the review quarter reflected increases of 0.6 and 0.9 per cent in manufacturing and electricity consumption, respectively.

The estimated index of manufacturing production, at 146.5 (1985=100), rose by 0.6 and 5.0 per cent over the levels in the preceding quarter and corresponding quarter of 2001. The rise was accounted for by the relative improvement in infrastructural facilities. All the 13 sub-groups in the sub-sector namely: beer and stout; cotton textiles; sugar confectionary; refined petroleum; roofing sheet; footwear; cement; vehicle assembly; soap and detergent; paints; synthetic fabrics; soft drinks and radio & television recorded increases over the preceding quarter's levels, ranging from 0.1 per cent for cotton textiles and synthetic fabrics to 3.1 per cent for radio and television.

The index of mining production at 237.7 (1985=100), remained unchanged at

the month, indicating a decline of 10.6 per cent from the preceding month's level of



the preceding quarter's level but declined by 18.3 per cent from the level in the corresponding quarter of 2001. The decline was attributable mainly to the petroleum and limestone components which fell by 19.3 and 16.7 per cent, respectively. The fall was, however, moderated by the increases of 10.9, 3.7 and 1.1 per cent in the production of gas, cassiterite and columbite, respectively.

At 2,237,585.4 Kwh, estimated aggregate electricity consumption increased by 0.9 and 0.1 per cent over the levels in the preceding quarter and corresponding quarter of 2001. Of the total consumption, residential consumption accounted for 51.4 per cent, while commercial and streetlight as well as industrial consumption accounted for 26.7 and 21.9 per cent, respectively. The rise was attributable to the relative improvement in both transmission and distribution in the sub-sector.

### 3.3 Petroleum Sector

Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at 1.85 million barrels per day (mbd) or 55.50 million barrels for

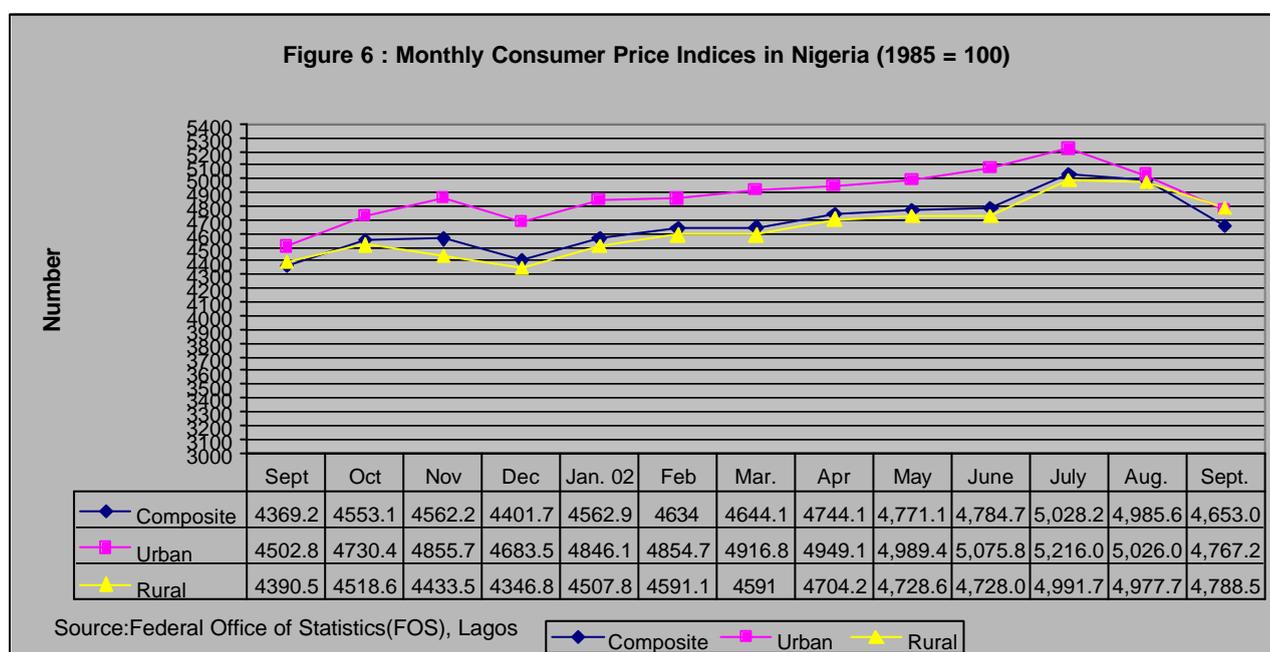
2.07 million barrels per day (mbd). The fall in output was attributable to the nation's compliance with OPEC's output cut as well as the communal disturbances in Shell's production areas. The share of the country's production in total OPEC's output was 6.5 per cent, compared with 7.3 per cent in the preceding month. Crude oil exports were estimated at 1.40 million barrels per day (mbd) or 42.0 million barrels for the month, showing a decline of 13.6 per cent from the level in August 2002.

Crude oil exports accounted for 75.7 per cent of total output, compared with 78.3 per cent in the preceding month. Deliveries to refineries for domestic consumption remained at 0.45 mbd or 13.50 million barrels per month.

Crude oil prices recorded significant increases over the levels in the preceding month, following the decision by OPEC to maintain the current output ceiling of 21.7 million barrels per day as well as the continued tension in the Middle East. At \$28.38 a barrel in the spot market, the average price of Nigeria's reference crude, Bonny Light (37° API), rose by 5.9 per cent

over its level in August, 2002. Similarly, the average prices of other competing brands of crude, namely the Forcados, UK Brent, Arab Light and West Texas Intermediate (WTI) rose to \$28.37, \$28.32, \$25.82 and \$29.60 a barrel, from \$26.73, \$26.80, \$24.71 and \$28.13 a barrel, in the preceding month, respectively. In the European net-back market, the Bonny Light was sold at \$34.26 a barrel, showing an increase of 12.5 per cent over the average price in August, 2002, while the U.K. Brent, Arab Light and the WTI were sold at \$31.27, \$30.60 and \$31.33

The development was attributable to the fall in the indices of food; medical care and health expenses; and other services by 5.1, 0.3 and 0.8 percent, respectively. The indices of drinks, tobacco and kola; clothing and footwear; accommodation fuel and light; household goods; transportation and recreation, entertainment; education and cultural services, however, increased by 4.3, 0.5, 1.2, 1.9, 1.0 and 0.4 per cent, respectively. When compared with their levels in the corresponding month a year earlier, all the components recorded price



a barrel, respectively, as against \$29.57, \$28.63 and \$30.13 a barrel in the preceding month.

### 3.4 Consumer Prices

Data from the Federal Office of Statistics (FOS) indicated that the all-items Composite Consumer Price Index (CPI) for September 2002 was estimated at 4,653.0 (1985=100). This represented a decline of 6.7 per cent from the preceding month's level, but an increase of 3.0 per cent over the level in the corresponding period of 2001.

increases except education and cultural services; and other services whose indices recorded declines of 5.4 and 2.6 per cent, respectively.

The Urban all items CPI was estimated at 4,767.2 (1985=100), in September 2002, showing declines of 5.1 and 2.2 per cent, from the levels in the preceding month and corresponding period of 2001. Similarly, the rural all items CPI, which was estimated at 4,788.5 (1985=100), indicated a decline of 3.8 per cent from the level in the preceding month, but showed an increase of 7.7

percent over the level in the corresponding period of 2001.

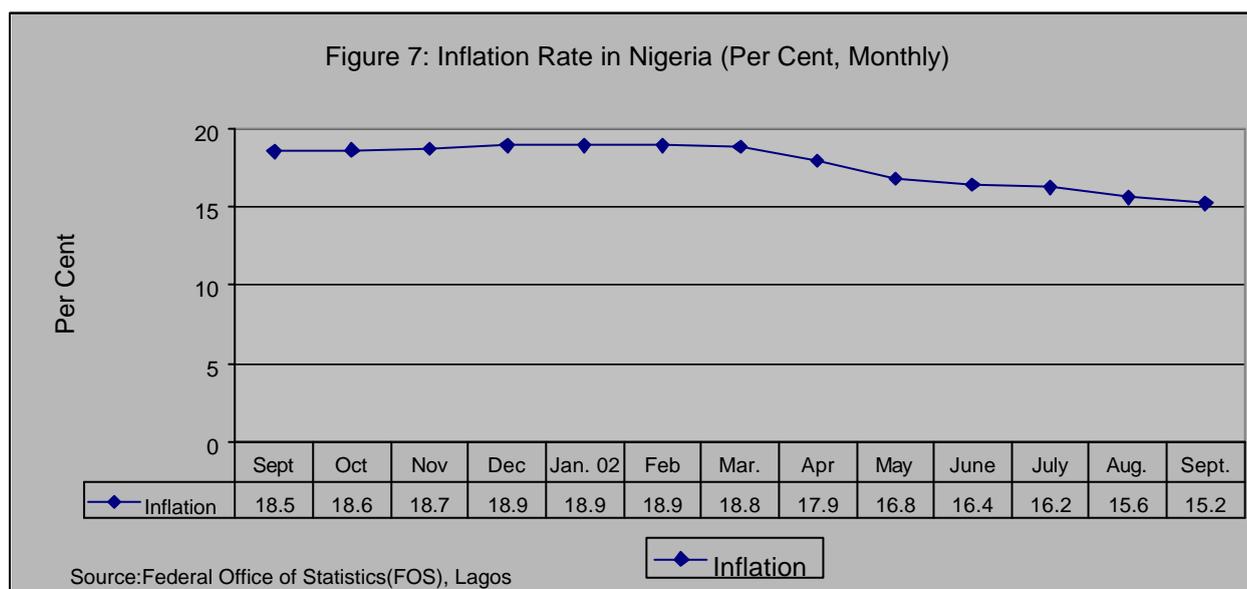
Available information based on the retail price surveys in some locations within the Lagos area and the zonal offices of the Central Bank of Nigeria indicated a decline in the all-items average prices of consumer items in September, 2002 by 1.60 per cent, compared with a decline of 3.7 per cent in August, 2002. The decline during the month was traceable to the fall in the indices of staples; meat, fish and eggs; vegetables, fruits and nuts; clothing and fabrics; fuel and light; medical; and building materials by 0.5, 5.2, 6.5, 4.9, 4.4, 7.7 and 0.8 per cent, respectively, while the indices of other component items recorded increases ranging

estimated at 15.2 per cent, down from 15.6 and 18.4 per cent recorded in the preceding month and corresponding month of 2001, respectively. The observed moderation in the general price level reflected largely the lagged effects of CBN's monetary policy actions as well as the dampening effect of good harvests on food prices.

#### 4.0 EXTERNAL SECTOR DEVELOPMENTS

##### 4.1 Foreign Exchange Flows

Foreign exchange inflow and outflow through the Central Bank of Nigeria (CBN) in September, 2002, amounted to \$809.4 million and \$1,387.7 million,



from 3.1 per cent for beverages and drinks to 4.6 per cent for oil and fat. There were marginal price increases of 1.6, 0.4 and 0.9 per cent in Bauchi, Enugu and Kano zones over the preceding month's levels, while the all-items average prices in Ibadan zone and Lagos area recorded declines of 7.9 and 2.2 per cent, respectively.

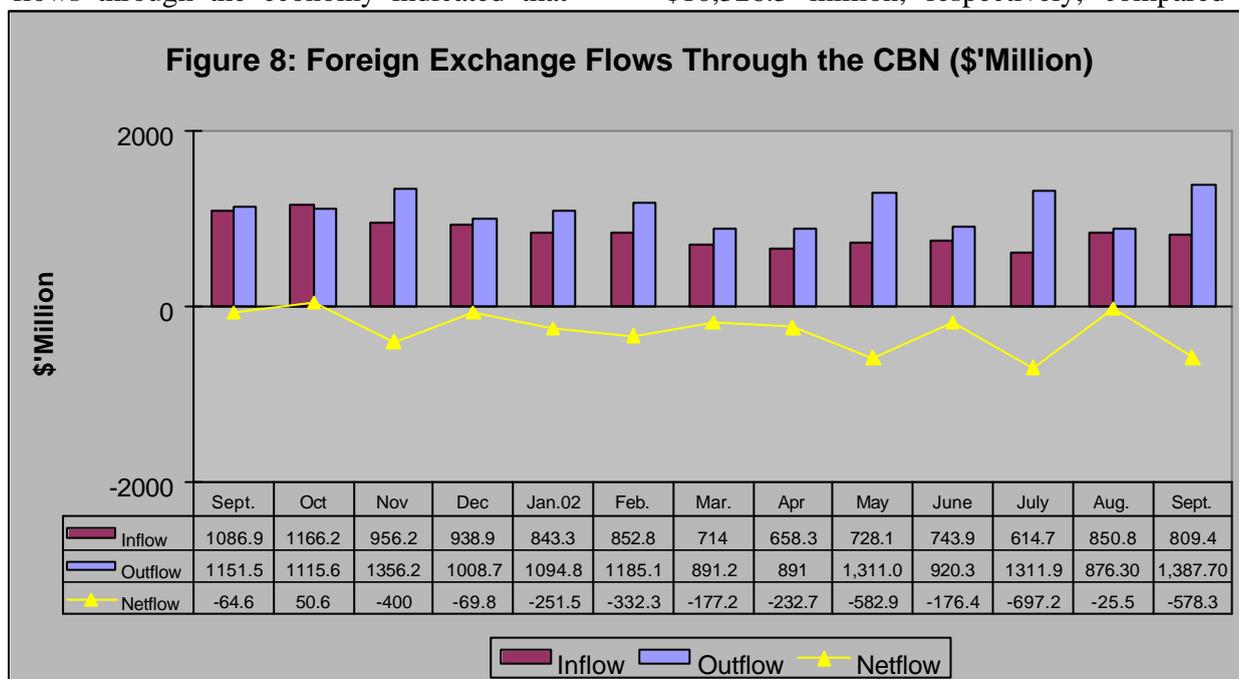
The inflation rate for the twelve-month period ended September 2002 was

respectively, indicating a net outflow of \$578.3 million. Compared with their levels of \$850.8 million and \$876.3 million recorded in August, 2002, inflow declined by 49 per cent, while outflow increased by 58.4 per cent. The drop in inflow was accounted for largely by the 5.6 per cent decline in oil export earnings. At \$6,815.1 million and \$9,869.4 million, cumulative inflow and outflow through the CBN from January to September, 2002 were 46.2 and

12.3 percent lower than their respective levels in the corresponding period of 2001.

Provisional data on foreign exchange flows through the economy indicated that

Priority projects in September, 2002. The cumulative inflow and outflow through the economy during the nine-month period amounted to \$10,751.1 million and \$10,326.3 million, respectively, compared



total inflow rose by 3.3 per cent to \$1,366.0 million in September 2002, over the level in the preceding month. Of the total inflow, oil receipts amounted to ₦754.8 million or 55.3 per cent, while non-oil public sector receipts amounted to \$54.6 million. Inflow through autonomous sources stood at \$556.6 million or 40.7 per cent of the total.

At \$1,449.2 million, foreign exchange outflow from the economy indicated an increase of 56.9 per cent from the level in August, 2002, following the sharp rise in disbursements in respect of "other official payments", especially NNPC/JVC cash calls which amounted to \$672.5 million. However, external debt service and funding of the foreign exchange market fell from \$115.1 million and \$598.5 million to \$10.6 million and \$582.0 million, respectively, during the month. There were no disbursements in respect of National

with \$15,227.6 million and \$11,961.9 million in the corresponding period of 2001.

#### 4.2 Sectoral Utilisation of Foreign Exchange

As in the past, the industrial sector accounted for the bulk (41.6 per cent) of total foreign exchange disbursed in September 2002, followed by invisibles which had 20.9 per cent of the total. Other beneficiary sectors, in a descending order of importance, included: general merchandise, food, transportation, and agricultural products (Fig 9).

### 4.3 Foreign Exchange Market Developments

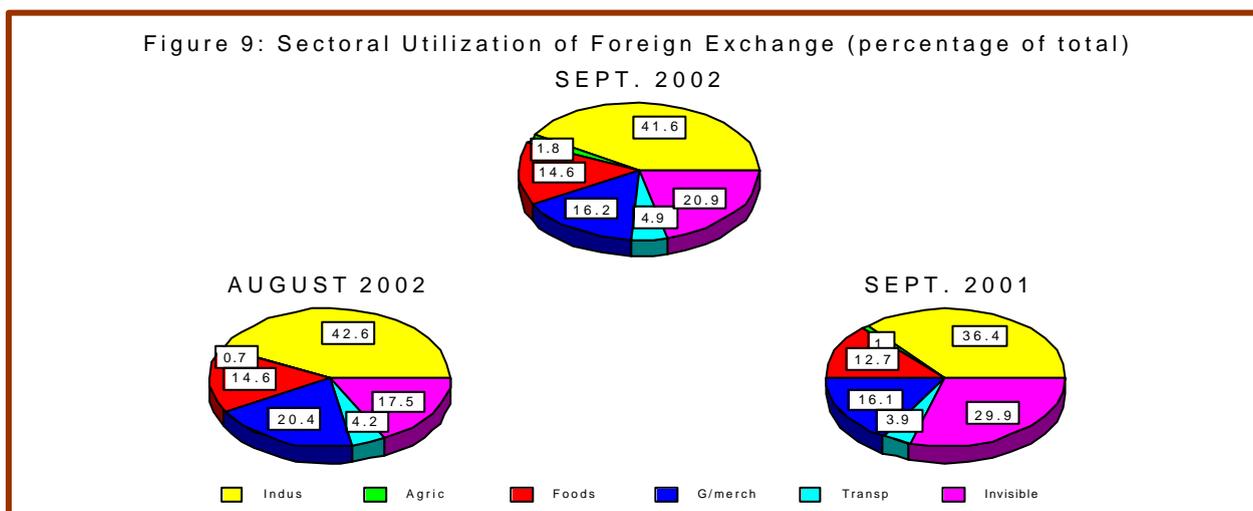
The demand pressure in the foreign exchange market (FEM) moderated further in September, 2002, as a total of \$582.0 million was sold to end users through the authorized dealers, compared with \$598.5 million in the preceding month. The weighted average exchange rate of the naira vis-à-vis the US dollar depreciated marginally by 0.3 per cent from ₦126.34 per \$1.00 in August to ₦126.74 per \$1.00 in September, 2002. Similarly, the rates in the parallel market and the bureaux de change depreciated from ₦137.57 and ₦138.06 per dollar to ₦138.75 and ₦139.83 per dollar, respectively, during the same period. Overall, the premium between the official and parallel market rates stood at 9.73 percentage points in September, compared with 9.37 per cent in August, 2002.

compared with 6.8 months in the preceding month.

### 5.0 OTHER INTERNATIONAL ECONOMIC DEVELOPMENTS

World crude oil output, at 75.95 mbd in September 2002, fell by 0.2 per cent from the preceding month's level of 76.07 mbd, while estimated demand exceeded supply by 0.25 mbd, compared with an excess demand of 0.60 mbd recorded in August.

Other major international economic developments of relevance to the domestic economy during the month included: the annual meetings of the International Monetary Fund (IMF) and the World Bank held in Washington DC from 25<sup>th</sup> to 30<sup>th</sup> September, 2002. The country's delegation held bilateral discussions with the IMF



### 4.4 External Reserves

Nigeria's gross external reserves, at end-September, 2002 amounted to \$7,367.8 million, indicating a decline of 4.3 per cent from the preceding month's level. At current foreign exchange commitments, the reserves could finance about 6.4 months of imports,

Managing Director and the Director of African Department, and both officials pledged continued support for the on-going policy measures aimed at revamping the Nigerian economy and improving the standard of living of the citizenry.

A Nigerian, Dr. (Mrs.) Ngozi Okonjo-Iweala, was appointed a Vice-President in the World Bank during the month.

