

## ECONOMIC REPORT FOR THE MONTH OF APRIL 2003

### 1.0 SUMMARY

Broad money stock ( $M_2$ ) and narrow money ( $M_1$ ) recorded increases of 2.3 and 10.4 per cent, in April 2003 over the levels in the preceding month, reflecting the increase in aggregate bank credit to the domestic economy. During the first four months of the year,  $M_2$  and  $M_1$  grew by 22.7 and 30.9 per cent, respectively, as against the targets of 15.0 and 13.8 per cent for fiscal 2003. Aggregate banking system's credit to the domestic economy rose by 4.0 per cent during the month and by 17.4 per cent in the first four months of the year, compared with the growth target of 25.7 per cent for the whole year.

Banks' interest rates movement was mixed during the month. The spread between banks' weighted average deposit and maximum lending rates was 11.0 percentage points, as against 8.6 percentage points in the preceding month, while the margin between the average savings deposit and maximum lending rates was 17.6 percentage points. The average inter-bank call rate which was 13.5 per cent in March, declined marginally to 13.1 per cent in the review month, reflecting liquidity condition in the banking system during the period.

At ~~N~~807.6 billion, at end-April 2003, the value of total money market assets outstanding declined by 0.5 per cent, in contrast to the increase of 0.3 per cent in the preceding month. The fall reflected entirely the decline in Bankers' Acceptances (BAs) by 15.0 per cent during the month. No new Nigerian Treasury Bills (NTBs) were issued during the month, while matured bills were rolled over. Developments in the capital market were unimpressive during the month

as all the major market indicators recorded declines.

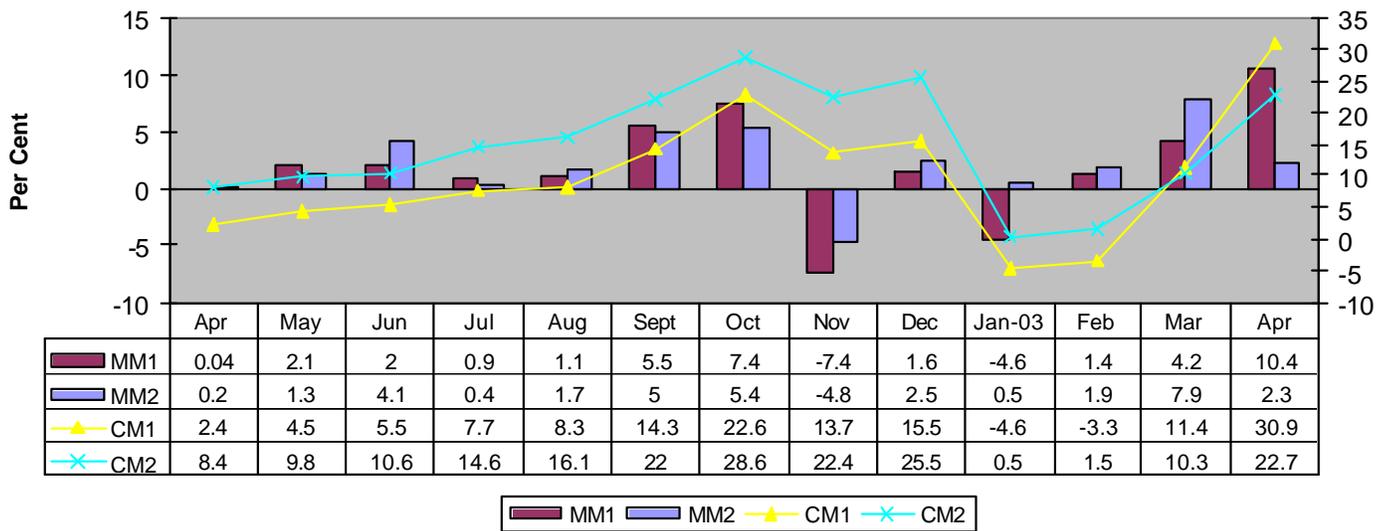
Agricultural activities in April, included land preparations for transplanting of tree crops from nurseries; planting of upland rice, maize and vegetables; application of fertilizers; and the harvesting of fruits. The price index of Nigeria's major agricultural commodities at the London Commodity Market rose by 7.5 and 61.9 per cent, over their levels in the preceding month and corresponding period of 2002, respectively. The inflation rate was estimated at 10.6 per cent for the twelve-month period ended April, 2003, compared with 10.5 and 17.9 per cent in the preceding month and corresponding period of 2002, respectively. Estimated crude oil output, including condensates and natural gas rose by 3.6 per cent to 2.02 million barrels per day (mbd) or 60.0 million barrels for the month, compared with the preceding month's level of 1.95 million barrels per day. Deliveries of crude oil to the refineries for domestic consumption, however, remained at 0.45 million barrels for the month. The average price of Nigeria's reference crude, the Bonny Light (37°API), at \$25.54, declined by 17.9 per cent from the level in March 2003.

Data on foreign exchange flows through the Central Bank of Nigeria (CBN) showed an inflow of US\$1,219.26 million and an outflow of US\$1,099.25 million, resulting in a net inflow of US\$120.01 million in April, 2003. Sales of foreign exchange by CBN to authorized dealers in April 2003, amounted to US\$722.38 million, compared with US\$708.09 million in March. The weighted average exchange rate of the naira vis-à-vis the US dollar

depreciated marginally by 0.06 per cent from ₦127.69 per dollar in March 2003 to N127.77 per dollar in April. Similarly it depreciated marginally by 0.8 and 0.2 per cent in both the parallel market and bureaux de change. Nigeria's gross external reserves rose by 15.0 per cent over its level in the preceding month to US\$9,425.97 million as at end-April, 2003.

candidates from Nigeria were short-listed for the interview for the existing posts. Finally, a Technical Committee meeting of the Association of African Central Banks (AACB) was held in Nairobi, Kenya in April, 2003 to prepare documents for the forthcoming Symposium / 27<sup>th</sup> Ordinary Meeting of the Assembly of Governors of the AACB scheduled to take place in Kampala, Uganda later in the year.

Figure 1 : Aggregate Money Supply in Nigeria (Monthly & Cumulative Growth Rate in Per cent)



On the international scene, aggregate world crude oil output, estimated at 78.15 million barrels per day (mbd), fell by 1.1 per cent in April 2003, while estimated supply exceeded demand by 1.95 mbd, in contrast to an excess demand of 1.40 mbd recorded in the preceding month. Other major international economic developments that influenced the domestic economy during the month were: the second meeting of the Working Group on the modalities for the transfer of the management of the ECOWAS travellers' Cheque scheme to a private sector operator held in Freetown, Sierra Leone in April, 2003. In another development, the short-listing of applicants for the positions to be filled at the WAMA was done in Freetown, Sierra Leone in April 2003. Seven (7)

## 2.0 FINANCIAL SECTOR DEVELOPMENTS

Money supply increased further in April, 2003 following the rise in aggregate bank credit to the domestic economy. Bank interest rate movements indicated mixed trends, while developments in the money market during the month were influenced by the state of liquidity in the banking system. Major stock market indicators declined during the month.

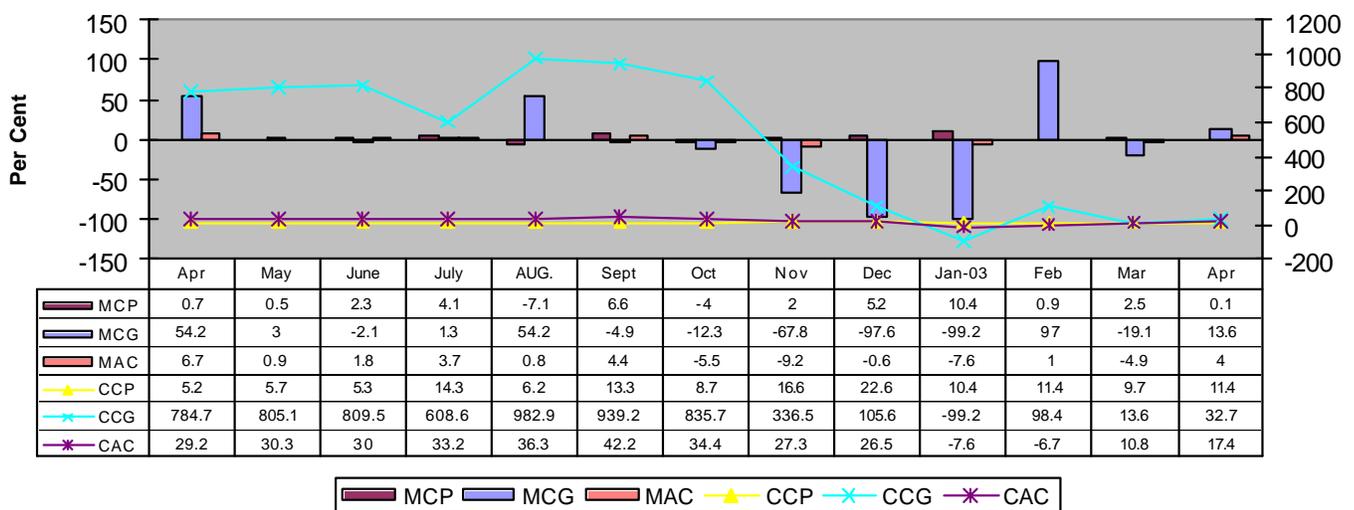
## 2.1 Monetary and Credit Developments

Broad money stock ( $M_2$ ) rose by ₦44.2 billion or 2.3 per cent to ₦1,963.2 billion, compared with the increases of 7.9 and 0.9 per cent in the preceding month and corresponding period of 2002, respectively. The rise in the review month reflected the increase in narrow money. Narrow money ( $M_1$ ) rose by 10.4 per cent to ₦1,238.2 billion, compared with the increase of 4.2 per cent in the preceding month. The rise month reflected the increase in aggregate bank credit to the domestic economy.

month. In the four-month period, aggregate bank credit to the domestic economy rose substantially by ₦231.4 billion or 17.4 per cent, compared with the growth target of 25.7 per cent for the whole year.

Banking system's net claims on the Federal Government rose by ₦59.4 billion or 13.6 per cent in April, 2003, in contrast to a decline of ₦103.2 billion or 19.1 per cent in the preceding month. The increase in the review month was attributable to the increase in CBN's claims on the sector. In the first four months of the year, net claims on the government rose by 32.7 per cent,

Figure 2: Aggregate Domestic Credit To The Economy (Monthly & Cumulative Growth Rate -Please note that omitted points are outliers )



During the first four months of the year,  $M_2$  and  $M_1$  grew by 22.7 and 30.9 per cent, respectively, compared with target of 15.0 and 13.8 per cent for fiscal 2003.

Aggregate bank credit to the domestic economy rose by ₦60.0 billion or 4.0 per cent to ₦1,560.8 billion in April, 2003, in contrast to a decline of ₦77.2 billion or 4.9 per cent in the preceding month. The rise reflected largely the increase in credit to the Federal Government which rose by 13.6 per cent during the

reflecting the drawn down on its deposits with the CBN.

Banking systems' claims on the private sector rose marginally by ₦0.6 billion or 0.1 per cent during the month and by 11.4 per cent in the first four months of the year, compared with the 32.3 per cent growth target for the whole year.

At ₦1,450.0 billion, the foreign assets (net) of the banking system fell by ₦7.0 billion or 0.5 per cent, in contrast to an

increase of ₦45.0 billion or 3.2 per cent in March. The fall reflected entirely the decline in Central Bank's holding. In the first four months of the year, however, the foreign assets of the banking system rose by ₦62.8 billion or 4.5 per cent, in contrast to a decline of 3.1 per cent in the corresponding period of 2002.

Quasi-money also fell by ₦72.4 billion or 9.1 per cent in April, 2003, in contrast to an increase of ₦95.3 billion or 13.6 per cent in the preceding month. The fall in the review month reflected the declines in deposit money banks' time, savings and foreign currency deposits during the period. In the first four months of the year, however, quasi-money rose by ₦71.7 billion or 11.0 per cent.

Other assets (net) of the banking system declined by ₦8.8 billion or 0.8 per cent in the review month, in contrast to an increase of ₦172.4 billion or 14.2 per cent in March, 2003. The fall was traceable to the decline in unclassified assets of the deposit money banks and the rise in CBN's unclassified liabilities, during the period.

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

At ₦443.6 billion in April 2003, currency in circulation rose by ₦8.5 billion or 2.0 per cent over March 2003 level, but declined by ₦19.6 billion or 4.2 per cent from the end December 2002 level. The rise during the month was traceable to the increase in currency outside the banking system by 2.3 per cent, as vault-cash remained unchanged at the preceding month's level of ₦66.8 billion.

Total deposits at CBN amounted to ₦800.7 billion, indicating a further decline of ₦1.7 billion or 0.2 per cent from the level

in the preceding month, but an increase of ₦43.3 or 5.7 per cent over the level at end-December 2002. The fall during the month was attributable largely to the decline in Federal Government deposits by 25.8 per cent. Deposit Money Banks and Private sector deposits, however, rose by 10.2 and 81.5 per cent, respectively, during the month. The shares of the Federal Government, banks and "others" in total deposits at the CBN were 45.8, 24.2 and 30.0 per cent, respectively, compared with 61.6, 21.9 and 16.5 per cent in March, 2003.

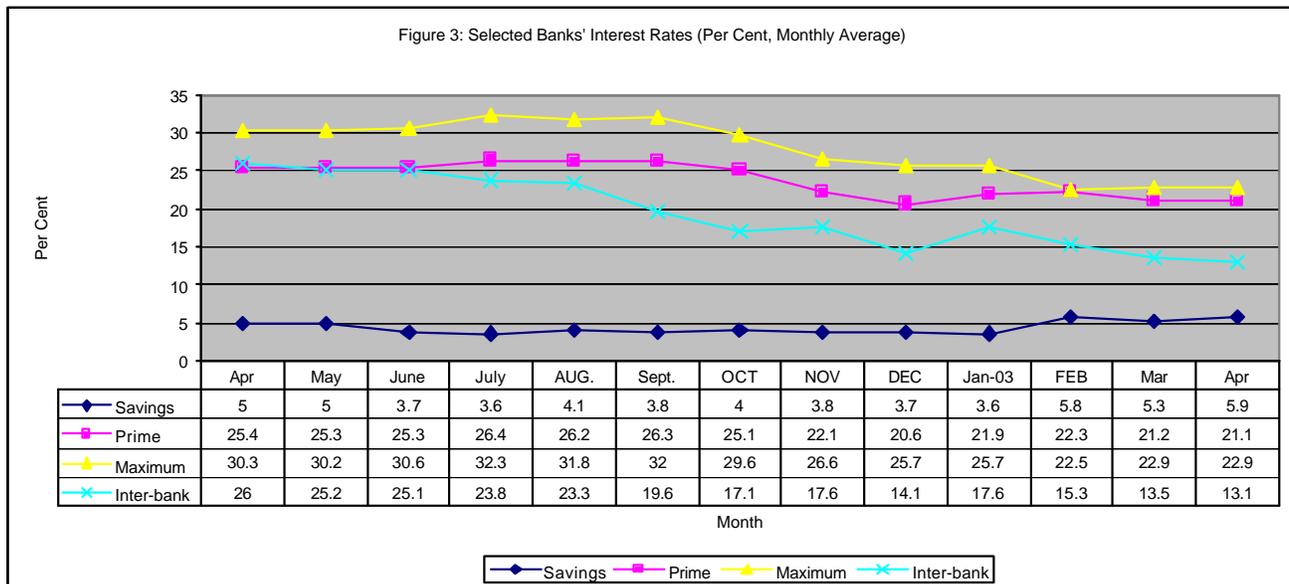
## **2.3 Interest Rate Developments**

Banks' interest rates movement was mixed in April 2003. With the exception of the average savings deposit rate which remained unchanged at the preceding month's level of 5.3 per cent, other rates on time deposits of various maturities rose marginally from a range of 7.2-12.4 per cent in March to a range of 8.5 -14.1 per cent in April, 2003. The average prime lending rate, however, declined by 0.1 percentage point to 21.1 per cent, while the maximum lending rate remained unchanged at the preceding month's level of 22.9 per cent. Thus, the spread between the weighted average deposit and maximum lending rates narrowed to 11.0 percentage points, while the spread between the average savings deposit and maximum lending rates remained unchanged at the preceding month's level of 17.6 percentage points, reflecting the continued uncompetitiveness of the banking system during the period. The average inter-bank call rate which was 13.5 per cent in March, declined marginally to 13.1 per cent in the review month, reflecting liquidity condition in the banking system during the period (fig 3).

## 2.4 Money Market Developments

The value of money market assets outstanding as at end-April 2003 declined by ₦3.9 billion or 0.5 per cent to ₦807.6

“other” investors subscribed ₦48.7 billion or 17.5 per cent of the total. Consequently, the balance of ₦22.0 billion or 7.9 per cent was absorbed by the Central Bank during the month, compared with ₦30.4 billion or 10.5



billion, as against the increase of 0.3 per cent in the preceding month. The decline was attributable wholly to the fall of ₦6.2 billion or 15.0 per cent in Bankers' Acceptances (BAs). The level of commercial papers (CPs) outstanding rose by ₦1.4 billion or 6.7 per cent to ₦36.4 billion, while the levels of Treasury Bills and Eligible Development Stocks (EDS) outstanding remained unchanged at the preceding month's levels of ₦733.8 billion and ₦2.4 billion, respectively.

Treasury bills worth ₦278.0 billion were issued in April 2003 to replace maturing bills of the same value, compared with ₦290.6 billion issued in the preceding month. Thus, treasury bills outstanding remained unchanged at end-December level of ₦733.8 billion. Analysis of the total amount rolled over during the month indicated that deposit money banks (DMBs) and discount houses jointly accounted for ₦207.3 billion or 74.6 per cent, while

per cent in the preceding month.

A breakdown of outstanding treasury bills holdings showed that deposit money banks and discount houses together accounted for ₦569.7 billion or 77.6 per cent of the total, while holdings by both “other” investors and Central Bank (including rediscounts) accounted for ₦118.7 billion or 16.2 per cent and ₦45.4 billion or 6.2 per cent, respectively, during the review month.

## 2.5 Capital Market Developments

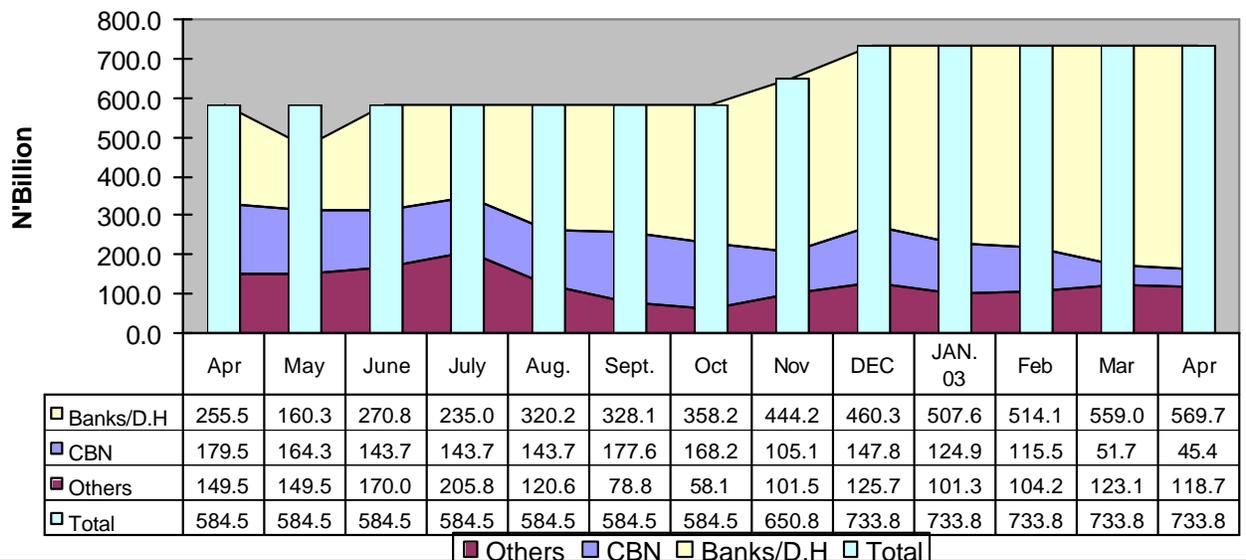
Transactions on the Nigerian Stock Exchange (NSE) were bearish during the month as all major market indicators recorded declines. Available data indicated that the volume of traded securities fell from 1,124.1 million shares in March, 2003 to 600.3 million shares in April, while the value of traded securities declined by 34.2 per cent to ₦5.0 billion. Transactions were in both equities and industrial loans and preference stocks sectors. The industrial loans and preference stocks sector became active during the month as a total of 4.8

by some of the highly capitalized companies on the exchange.

## 2.6 Deposit Money Banks' Activities

Total assets/liabilities of deposit money banks (DMBs) in April, 2003 stood at ₦2,906.6 billion, representing increases of ₦1.4 billion or 0.05 per cent and ₦200.9 or 7.42 per cent over the levels in the preceding month and at end-December 2002, respectively. The main sources of funds were increases in capital accounts as well as time, savings and foreign currency deposits, while the major uses of funds were increases

**Figure 4: Treasury Bills' Holdings (N'Billion)**



million securities valued at ₦393.8 million was recorded in the sector.

Dealings in government stocks, however, were dormant, while the banking sub-sector remained the most active during the month. Similarly, market capitalization and value index declined by 1.5 and 1.3 per cent from ₦841.6 billion and 13,531.1 (1984=100), respectively, in March, 2003 to close at ₦828.8 billion and 13,361.0 in the month under review, reflecting price losses

in reserves and claims on private sector.

Aggregate credit to the domestic economy by the deposit money banks remained unchanged at March 2003 level of ₦1,460.7 billion, but increased by ₦97.3 billion or 7.1 per cent over the level at end-December, 2002. The breakdown showed that credit to the Federal Government and the private sector remained unchanged at the preceding month's levels of ₦404.9 billion and ₦1,055.8 billion, respectively, while

credit to state and local governments fell by ₦1.5 billion or 11.3 per cent. Central Bank's credit to the Deposit Money Banks (DMBs) amounted to ₦6.5 billion, representing declines of ₦0.1 billion or 2.2 per cent and ₦15.7 billion or 70.9 per cent from the levels in the preceding month and end-December, 2002, respectively.

Total specified liquid assets of DMBs stood at ₦808.6 billion or 51.1 per cent of their total deposit liabilities. This level of assets was 0.9 per cent below the preceding month's level, but 11.1 percentage points above the stipulated minimum target of 40.0 per cent for fiscal 2003.

## 2.7 Discount Houses

Total assets/liabilities of the discount houses amounted to ₦60.0 billion in April, 2003, representing a decline of ₦6.0 billion or 9.1 per cent from the level in the preceding month, but an increase of ₦21.7 billion or 56.6 per cent over the level in the corresponding period of 2002.

Investments of discount houses in Federal Government securities of less than 91 days maturity amounted to ₦32.0 billion or 70.5 per cent of their total deposit liabilities. This was 6.1 percentage points below the level in the preceding month, and 10.5 percentage points above the minimum level of 60.0 per cent prescribed for the fiscal year. Total borrowings amounted to ₦9.7 billion, while capital and reserves was ₦6.5 billion, resulting in a gearing ratio of 1.5:1, compared with the prescribed ratio of 50:1.

## 3.0 DOMESTIC ECONOMIC CONDITIONS

The prominent agricultural activities during the month were land preparation for

transplanting of tree crops from nurseries; planting of upland rice, maize and vegetables; application of fertilizers; and harvesting of fruits. Crude oil output rose by 3.6 per cent over the preceding month's level, while inflation rate was estimated at 10.6 per cent up from 10.5 per cent in March.

## 3.1 Agricultural Sector

Land preparation for transplanting of tree crops from nurseries; the planting of upland crops such as rice and vegetables; application of fertilizers; and the harvesting of fruits dominated agricultural activities in various part of the country. In the livestock sub-sector, sales of broilers and over-grown layers were intensified by farmers during the Easter festive season.

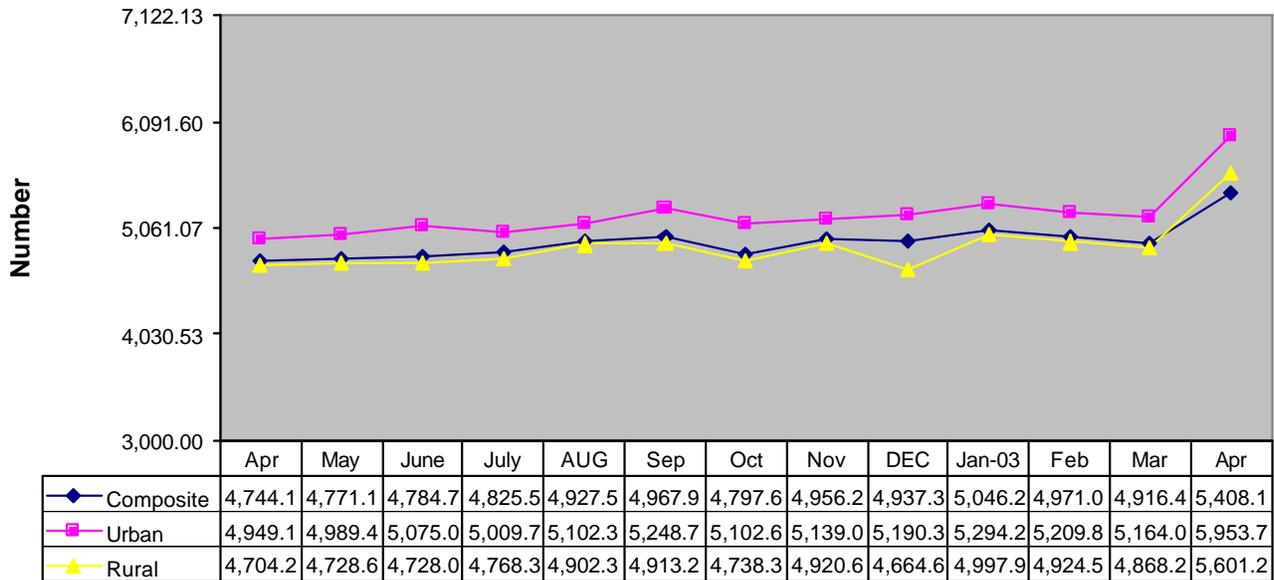
The prices of Nigeria's major agricultural commodities at the London Commodity Market rose during the month. At 126.8 (1985=100), the all-commodities price index, in dollar terms, indicated increases of 7.5 and 61.9 per cent over their levels in the preceding month and corresponding period of 2002, respectively. In naira terms, the index, at 10946.50 (1985=100), rose by 7.4 and 35.8 per cent over their levels in March, 2003 and corresponding period of 2002, respectively.

Of the six commodities monitored during the month, cocoa, palm-oil, soyabean and coffee recorded price increases of 7.9, 4.3, 1.2 and 0.6 per cent, respectively, in dollar terms, over their levels in the preceding month, while the prices of cotton and copra remained unchanged at the preceding month's levels. When compared with their levels a year earlier, five (5) of these commodities namely cocoa, cotton, soyabean, copra and palm-oil recorded price increases of 69.7, 46.4, 24.2, 21.3 and 20.7

per cent, respectively, while coffee recorded a price decline of 33.6 per cent during the same period. In naira terms, cocoa, palm-oil, soyabean and coffee recorded price increases of 8.1, 4.5, 1.4 and 0.8 per cent, respectively, over their levels in March, while copra and cotton recorded price

largely to the full resumption of production activities in the Niger Delta following the end of communal crisis in Warri. The share of the country's production in total OPEC output was 6.8 per cent, compared with 6.4 per cent in the preceding month. Crude oil exports were estimated at 1.57 mbd or 47.10

**Figure 5 : Monthly Consumer Price Indices in Nigeria (1985 = 100)**



Source: Federal Office of Statistics (FOS), Lagos

Composite Urban Rural

declines of 0.2 per cent each. Compared with their levels a year earlier, cotton, copra, palm-oil, cocoa and soyabean recorded price increases of 58.3, 46.0, 38.1, 35.2 and 34.3 per cent, respectively, while the price of coffee fell by 28.7 per cent during the same period.

### 3.2 Petroleum Sector

Nigeria's crude oil production, including condensates and natural gas liquids, was estimated at 2.02 million barrels per day (mbd) or 60.0 million barrels during the month of April, 2003, indicating an increase of 3.6 per cent over the preceding month's level of 1.95 million barrels per day (mbd). The rise in output was attributable

million barrels for the month, indicating an increase of 4.7 per cent over the level in March, 2003, reflecting the rise in production during the month. Deliveries of crude oil to refineries for domestic consumption, however, remained at 0.45 mbd or 13.95 million barrels per month.

Crude oil prices recorded further general declines from the levels in preceding month, in both the spot and net-back markets, following the relative ease in tension in the Middle East arising from the end of the war against Iraq. The average price of Nigeria's reference crude, the Bonny Light (37<sup>0</sup> API), at \$25.54 a barrel, showed a decline of 17.9 per cent from its level in March, 2003, in the spot market. Similarly, the average price of other

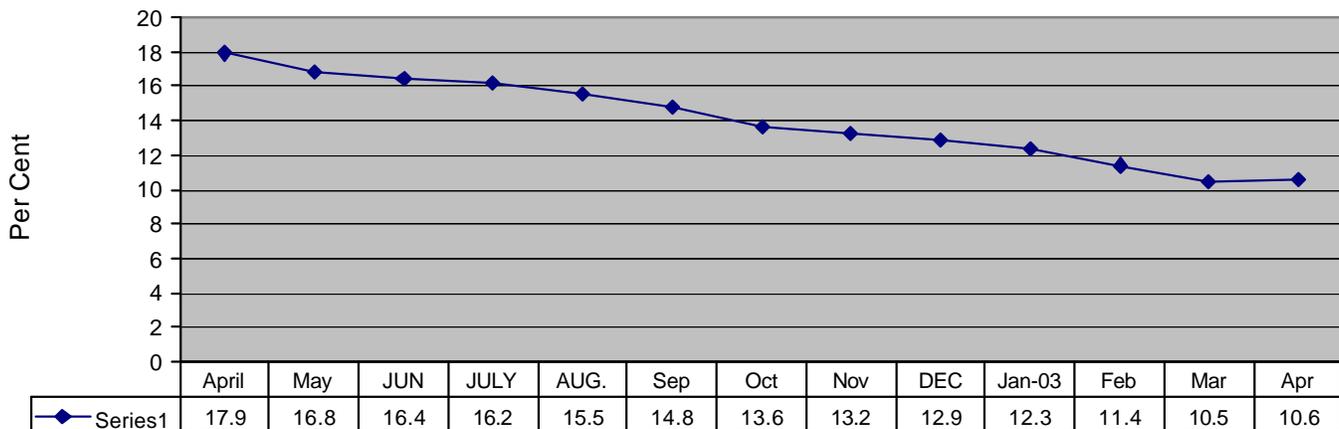
competing brands of crude, namely the U.K Brent, the West Texas Intermediate (WTI) and the Arab Light declined from \$30.65, \$33.54 and \$29.04 a barrel in March 2003 to \$24.84, \$28.08 and \$23.24 a barrel in April, respectively. In the European net-back market, the Bonny Light was sold for \$32.87 a barrel, indicating a decline of 19.4 per cent from the average price in the preceding month, while the U.K Brent and the WTI were sold for \$31.66 and \$34.15 a barrel, respectively, compared with \$38.03 and \$41.92 a barrel in March, 2003.

### 3.3 Consumer Prices

Data from the Federal Office of Statistics (FOS) indicated that the all-items composite Consumer Price Index (CPI) in

cent, respectively. The indices of clothing and footwear; household goods; medical care and health expenses; recreation, entertainment, education and cultural services as well as other services, however, declined by 3.0, 0.8, 6.3, 0.1 and 30.8 per cent, respectively. When compared with their levels in the corresponding month a year earlier, all the components recorded significant price increases ranging from 5.0 per cent for food to 38.6 per cent for other services. The urban all-items CPI was estimated at 5,953.7 (1985=100), in April 2003, indicating increases of 15.3 and 20.3 per cent over the levels in the preceding month and the corresponding period of 2002. Similarly, the rural all-items CPI, estimated at 5,601.2 (1985=100), indicated increases of 15.1 and 19.1 per cent over the

Figure 6: Inflation Rate in Nigeria (Per Cent, Monthly)



Source: Federal Office of Statistics (FOS), Lagos

April was estimated at 5,408.1 (1985 = 100), representing increases of 10.0 and 14.0 per cent over the levels in the preceding month and the corresponding period of 2002, respectively. The development during the month was traceable to the rise in the indices of food; drinks, tobacco and kola; accommodation, fuel and light; and transportation by 6.9, 4.8, 13.9 and 10.4 per

levels in the preceding month and corresponding period of 2002.

Available information based on the retail price surveys in some locations within Lagos area as well as in Bauchi, Enugu, Ibadan and Kano zones indicated an increase in all-items average price of consumer items in April, 2003 by 3.50 per cent, compared

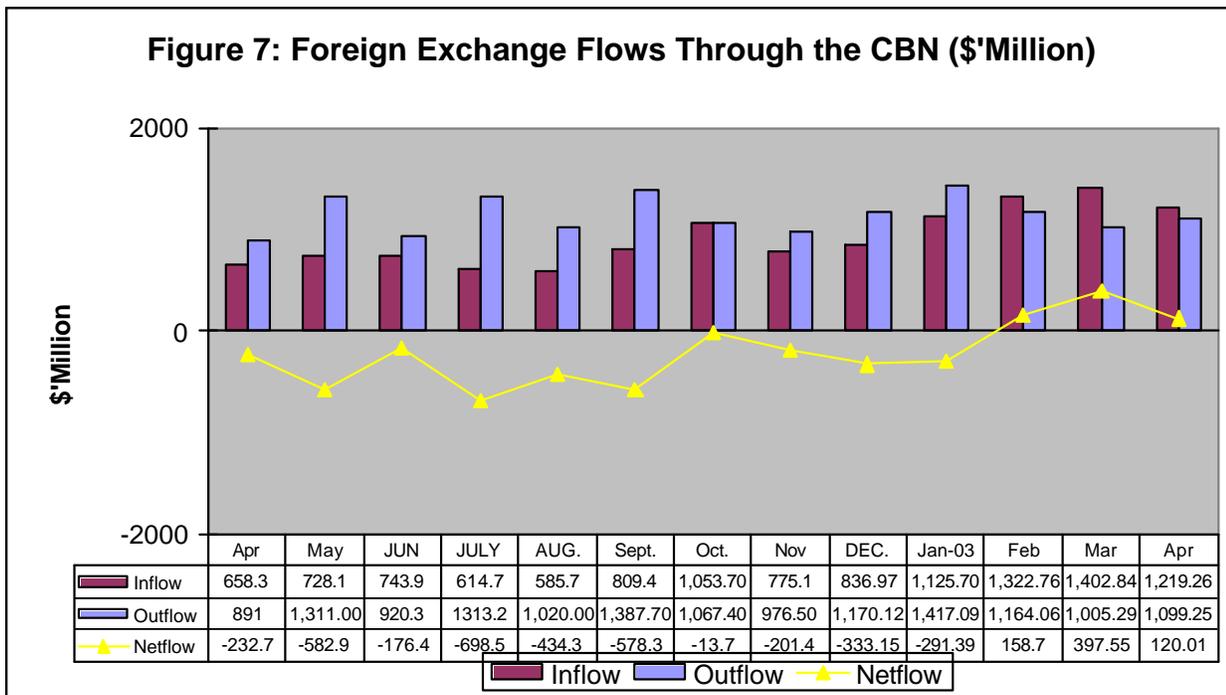
with 1.54 per cent increase recorded in the preceding month. The rise during the month was traceable to the increases in the indices of all the components namely, staples; meat, fish and egg; oil and fat; vegetables, fruits and nuts; beverages and drinks; clothing and fabrics; fuel and light; medical; and building materials by 3.1, 3.1, 2.0, 3.2, 1.3, 2.6, 1.4, 3.3 and 4.2 per cent, respectively. There were price increases of 1.8, 2.9, 7.3, 1.2 and 5.6 per cent in Bauchi zone, Enugu zone, Ibadan zone, Kano zone and Lagos area, respectively, over the preceding month's levels.

with the commencement of the planting season. Besides, the scarcity of petroleum products, particularly the Premium Motor Spirit (PMS) impacted negatively on the prices of consumer items during the period.

#### 4.0 EXTERNAL SECTOR DEVELOPMENTS

##### 4.1 Foreign Exchange Flows

Provisional data indicated that foreign exchange inflow and outflow through the Central Bank of Nigeria (CBN) in April, 2003, amounted to US\$1,219.26



The inflation rate was estimated at 10.6 per cent for the twelve-month period ended April, 2003, compared with 10.5 and 17.9 per cent in the preceding month and corresponding period of 2002, respectively. The inflation figure in the period under review trended upwards over the level in the preceding month by 0.1 percentage point, following the depleting stock of food stuff

million and US\$1,099.25 million, respectively, representing a net inflow of \$120.01 million. When compared with their levels of US\$1,402.84 million and US\$1,005.29 million in March 2003, inflow declined by 13.1 per cent, while outflow increased by 9.3 per cent. The drop in inflow was accounted for by the 13.6 and 11.4 per cent declines in oil and non-oil

earnings, respectively, during the period. At \$5,070.56 million and \$4,685.69 million, cumulative inflow and outflow through the CBN from January to April, 2003 were 65.3 and 15.3 per cent higher than their respective levels in the corresponding period of 2002.

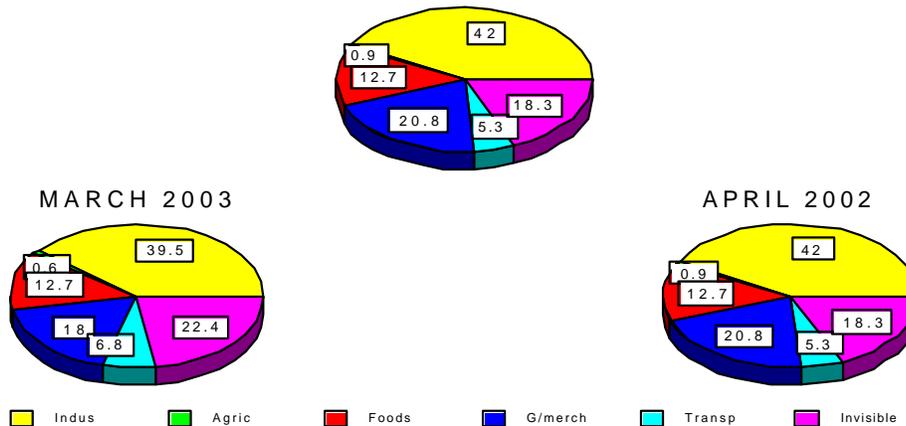
Data on foreign exchange flows through the economy in the month of April 2003 indicated that total inflow was \$1,590.64 million, down by 7.7 per cent from the preceding month's level. Of the total inflow, oil receipts amounted to \$915.50 million or 57.6 per cent, while non-oil public sector receipts amounted to \$303.76 million or 19.1 per cent. Inflow through autonomous sources stood at \$320.02 million or 23.3 per cent of the total.

March to \$149.14 million in April. The cumulative inflow and outflow through the economy during the four-month period amounted to \$6,556.12 million and \$5,168.32 million, respectively, compared with \$4,539.40 million and \$4,296.50 million in the corresponding period of 2002.

#### 4.2 Sectoral Utilisation of Foreign Exchange

The industrial sector accounted for the bulk (42.0 per cent) of total foreign exchange disbursed in April, 2003, followed by general merchandise with 20.8 per cent. Other beneficiary sectors, in a descending order of importance, included: invisibles, food, transportation and agricultural products (fig.8).

Figure 8: Sectoral Utilization of Foreign Exchange (percentage of total)  
APRIL 2003



At \$1,215.55 million, aggregate foreign exchange outflow from the economy showed a decline of 0.4 per cent from the level in March 2003, following the fall in disbursements in respect of "other official payments" and drawings on Letters of Credit (L/Cs) which declined by 22.6 and 28.3 per cent, respectively, during the month. There were however, no disbursements in respect of National Priority Projects in April, 2003, while external debt service rose sharply from \$2.27 million in

#### 4.3 Foreign Exchange Market Developments

The demand pressure in the Foreign Exchange Market (FEM) intensified in April 2003, as a total of \$722.38 million was sold to end-users through the authorized dealers, compared with \$708.09 million in the preceding month. The weighted average exchange rate of naira vis-à-vis the US dollar depreciated by 0.06 per cent from ₦127.69 per dollar in March 2003 to

₦127.77 per dollar in April. Similarly, in the parallel and the bureaux de change segments of the market, the rates depreciated from ₦137.10 and ₦138.45 per dollar in the preceding month to ₦138.25 and ₦138.75 per dollar, respectively. Overall, the premium between the official and parallel market rates stood at 8.5 percentage points in April, up from 7.6 per cent in March 2003.

#### 4.4 External Reserves

Nigeria's gross external reserves, at end-April, 2003 amounted to \$9,425.97 million, indicating an increase of 15.0 per cent over the preceding month's level. At current foreign exchange commitments, the reserves could finance about 7.8 months of imports, compared with 7.6 months in March 2003.

### 5.0 OTHER INTERNATIONAL ECONOMIC DEVELOPMENTS

World crude oil output, estimated at 78.15 million barrels per day (mbd), fell by 1.1 per cent in April 2003, from the preceding month's level of 79.05 million barrels per day (mbd), while estimated supply exceeded demand by 1.95 mbd, in contrast to an excess demand of 1.40 mbd recorded in March, 2003.

Other major international economic developments of relevance to the domestic economy during the month were: the second meeting of the Working Group on the modalities for the transfer of the management of the ECOWAS travellers' Cheque scheme to a private sector operator held in Freetown, Sierra Leone in April, 2003. The Working Group examined and adopted the following proposals:

- the option of immediate and wholesale transfer of the

management of the scheme to a private operator;

- the immediate call for bids as soon as the invitation for tender is finalized;
- Proposed the following time-table for the transfer process: End-May 2003 – finalisation of draft tender and advertisement for bids; June-August, 2003 – preparation and submission of bids by the private operators; and September, 2003 – meeting of Working Group to select the private operator.
- agreed to reconvene in July, 2003 to examine among others, the status of the existing stock of ECOWAS Travellers' Cheques in member Central Banks. West African Monetary Agency (WAMA) is expected to provide stock inventory and other necessary information on the issue; the settlement of the net balances arising from sales of ECOWAS Travellers' Cheques by the member Central Banks; new roles for the Central Banks and WAMA after the transfer; and the draft Transfer Agreement. In this regard, the Working Group was enlarged to include the legal experts from member Central Banks.

In another development, the short-listing of applicants for the position to be filled at the WAMA was done in Freetown, Sierra Leone in April 2003. Seven (7) candidates from Nigeria were short-listed for the interview for the various posts.

Finally, a Technical Committee meeting of the Association of African Central Banks (AACB) was held in Nairobi, Kenya in April, 2003 to prepare documents for the forthcoming Symposium/27<sup>th</sup> Ordinary Meeting of the Assembly of Governors of the AACB scheduled to take place in Kampala, Uganda later in the year.

