

Business Expectations Survey in Nigeria: Its Techniques, Uses and Challenges

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Abstract

This paper examines the techniques, uses and the various challenges of Business Expectations Survey (BES) in Nigeria. The method of Stratified random sampling design adopted for the collection of the data was described. The firms (small, medium and large) considered are subdivided into strata: industrial, construction, wholesale/ retail trade and services sectors. The method of diffusion indices used to compute the relevant indicators and the business confidence index were also discussed. The uses of BES to check the consistency of exchange rate, inflation rate and lending rate by the deposit money banks as well as for short-term planning and forecasting were highlighted. Both the endogenous and exogenous challenges are discussed. Suggestions to remedy some of the challenges were proffered and conclusion drawn on how mutual understanding and strong network cooperation between data collecting agencies and stakeholders can enhance data credibility and reliability.

Key words: Stratified random sampling, Diffusion indices, Respondent firms, Data issues