Financial Development and Capital Market Performance in Nigeria

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ABSTRACT

Financial development and capital market performance are widely recognized as mutually reinforcing components of economic growth. However, in Nigeria, this relationship has been constrained by persistent macroeconomic instability, structural inefficiencies, and institutional weaknesses. Despite various financial sector reforms, the Nigerian capital market continues to experience volatility, raising concerns about the effectiveness of financial development in enhancing market performance. This study examines the nexus between financial development and capital market performance in Nigeria during the period 2019–2025. The primary objective of this study is to assess the impact of financial development on capital market performance in Nigeria. Specifically, it seeks to examine how financial development influences market size and liquidity indicators, while also evaluating the roles of key macroeconomic variables such as inflation, exchange rate, and interest rate spread in shaping capital market outcomes. The study employs market capitalization, All Share Index, value of transactions, and turnover ratio as proxies for capital market performance. Due to limited availability of consistent financial development data, real gross domestic product (RGDP) is used as a proxy for financial development.

Keywords: Financial Development; Capital Market Performance; ARDL; Macroeconomic Stability; Nigeria

INTRODUCTION

The nexus between financial development and capital market performance has attracted significant attention in both academic and policy discourse. Financial development, broadly defined as the process by which financial institutions, markets, and instruments evolve to efficiently mobilize and allocate resources, plays a central role in promoting economic growth and stability. An efficient financial system reduces information asymmetry, lowers transaction costs, diversifies risks, and channels savings into productive investments, thereby fostering long-term growth. Within this framework, the capital market represents a crucial component, as it provides a platform for mobilizing long-term funds, enhancing liquidity, and facilitating the efficient allocation of financial resources across sectors of the economy.

In emerging economies such as Nigeria, the capital market is expected to complement the banking system in mobilizing funds for productive investment. Unlike the money market, which provides short-term financing, the capital market supports medium- to long-term capital needs that are vital for infrastructure development, industrial expansion, and technological advancement. The Nigerian capital market, anchored by the Nigerian Exchange Group (NGX) and regulated by the Securities and Exchange Commission (SEC), serves as a barometer for gauging the performance of the national economy, reflecting investor confidence and economic resilience.

Over the past three decades, Nigeria's financial system has undergone significant reforms aimed at deepening financial intermediation and improving capital market performance. These include privatization and commercialization of state-owned enterprises, banking sector consolidation, recapitalization of financial institutions, modernization of trading systems, and enhanced regulatory oversight. Despite these reforms, the Nigerian capital market continues to face challenges such as low participation of domestic investors, shallow market depth, inadequate product diversification, weak corporate governance, and vulnerability to macroeconomic instability. These challenges raise important questions regarding the extent to which financial development has translated into improved capital market performance in Nigeria.

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Theoretically, financial development and capital market performance are closely linked. The supply-leading hypothesis posits that financial development stimulates economic activities by mobilizing savings and channelling them into investment through mechanisms such as the capital market. Conversely, the demand-following hypothesis suggests that financial development responds to the growth of economic activities and capital market demand. In the Nigerian context, empirical studies have produced mixed results: some report strong evidence of financial development driving capital market growth, while others find weak or insignificant linkages due to institutional inefficiencies and structural bottlenecks.

Recent economic events ranging from the disruptive effects of the COVID-19 pandemic, persistent inflationary pressures, exchange rate volatility, oil price fluctuations, to monetary and fiscal policy adjustments have further influenced the dynamics of Nigeria's financial and capital markets.

These developments underscore the need to re-examine the relationship between financial development and capital market performance using updated data. Understanding this relationship is vital for policy formulation, as a robust and efficient capital market can stimulate private sector-led growth, enhance investor confidence, and reduce dependence on external financing.

Study Questions

The study is guided by the following research questions:

1. What is the relationship between financial development and capital market performance in Nigeria?
2. How do financial development indicators, such as financial depth and credit to the private sector, influence capital market performance indicators (market capitalization, All Share Index, and value of listed transactions)?
3. What challenges constrain the effectiveness of financial development in enhancing capital market performance in Nigeria, and what policies can address them?

Study Objectives

The objectives of this study are to:

1. Investigate the relationship between financial development and capital market performance in Nigeria.
2. Examine the effects of financial development indicators on capital market performance indicators in Nigeria.
3. Identify the challenges limiting the effectiveness of financial development in enhancing capital market performance in Nigeria and propose policy recommendations.

Justification of the Model

The choice of the Autoregressive Distributed Lag (ARDL) model for analyzing the nexus between financial development and capital market performance in Nigeria is guided by both theoretical and econometric considerations.

First, financial development and capital market indicators are typically characterized by non-stationarity and varying integration orders. Some series, such as financial depth (FD), may be stationary at level [I(0)], while others, such as market capitalization or the All Share Index, may only become stationary after first differencing [I(1)]. The ARDL bounds testing approach accommodates this mixture of I(0) and I(1) variables, making it a suitable framework for this study.

Second, the ARDL model provides estimates of both the short-run and long- run dynamics within a single specification. This is highly relevant because the relationship between financial development and capital market performance in Nigeria may differ over time horizons. For instance, policy reforms or shocks in the financial sector may generate immediate, short-term effects on capital market liquidity, while their full impact on market depth and performance is only observed in the long run.

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Third, compared to alternative cointegration techniques, the ARDL framework is robust in small sample sizes, a feature particularly useful given the limited annual data available for Nigeria. This ensures that the results remain consistent and reliable despite the restricted time frame of the study.

Lastly, the Error Correction Mechanism (ECM) embedded in the ARDL specification allows the study to capture the speed of adjustment of capital market performance when deviations occur from the long-run relationship with financial development. This provides important insights into how quickly the Nigerian capital market realigns following financial shocks or policy interventions.

Therefore, the ARDL model is justified as the most appropriate methodology for this study, as it combines flexibility in handling integration orders, the ability to capture both short-run and long-run dynamics, robustness in small samples, and meaningful policy interpretation through the adjustment mechanism.

REVIEW OF RELATED STUDIES

Conceptual Review

Financial development refers to the improvements in the quantity, quality, and efficiency of financial institutions, markets, and instruments that facilitate the mobilization of savings, efficient allocation of capital, diversification of risks, and facilitation of trade and investment. It encompasses both the banking system and non-bank financial institutions, as well as capital markets that provide long-term funding for economic growth. Indicators of financial development often include measures of financial deepening (such as credit to the private sector as a percentage of GDP), financial inclusiveness, efficiency of financial intermediation, and diversity of financial products.

Capital market performance represents the effectiveness of the capital market in mobilizing long-term resources, promoting liquidity, and ensuring efficient price discovery. In Nigeria, capital market performance is typically measured through variables such as:

Market Capitalization (MCAP): Reflecting the total value of listed equities.

All Share Index (ASI): Indicating the complete movement of share prices.

Value of Transactions (VLT): Capturing the volume and value of trading activities.

Turnover Ratio (TOR): Measuring trading activity relative to market capitalization.

The interplay between financial development and capital market performance is critical: a well-developed financial system provides the infrastructure and regulatory framework that enhances the efficiency and depth of the capital market, while a vibrant capital market strengthens financial development by broadening sources of finance.

Theoretical Review

Several theories provide the foundation for analyzing the relationship between financial development and capital market performance:

1. Supply-Leading Hypothesis (Patrick, 1966): Suggests that financial development drives capital market performance by mobilizing savings, reducing transaction costs, and providing the infrastructure for investment in securities
2. Demand-Following Hypothesis: Proposes that financial development evolves in response to demand created by expanding economic activities and capital market transactions.
3. Efficient Market Hypothesis (Fama, 1970): Argues that well-functioning capital markets incorporate all available information into asset prices, implying that financial development enhances the efficiency and credibility of the market.

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4. Endogenous Growth Theory (Romer, 1986; Lucas, 1988): Posits that financial development contributes to sustained growth by promoting innovation, technological adoption, and human capital formation—channels often facilitated through capital markets.

Together, these theories highlight the dual possibilities: financial development can be a driver of capital market performance, or it may evolve as a response to it, depending on institutional and structural factors.

Empirical Review

Global Evidence:

Levine and Zervos (1998) demonstrated that stock market development indicators (liquidity, capitalization, turnover) are strongly correlated with economic growth, emphasizing the complementary role of financial development. Beck and Levine (2004) further confirmed that countries with deeper financial systems tend to have more efficient and resilient capital markets. However, Harris (1997) cautioned that in developing countries, weak institutions and shallow markets may limit the effectiveness of financial development in improving capital market outcomes.

African Evidence:

Mlambo and Biekpe (2007) reported that stock market development contributes significantly to growth in more mature African markets such as South Africa but has limited effects in smaller markets with low capitalization and liquidity. Oke and Adeusi (2012) found that financial development fosters stock market performance across Sub-Saharan Africa, though structural challenges such as low investor participation hinder the transmission mechanism.

Nigerian Evidence:

Osinubi and Amaghionyeodiwe (2003) found a weak positive relationship between financial development and stock market performance in Nigeria, attributing the weakness to structural inefficiencies and volatility.

Ewah, Esang, and Bassey (2009) observed that capital market reforms improved market performance but argued that weak financial sector linkages constrained the full impact.

Okonkwo, Ogwuru, and Ajudua (2014) provided evidence that financial development indicators such as credit to the private sector and interest rate liberalization improved capital market performance in Nigeria, though institutional bottlenecks remained a challenge.

More recent studies, such as Akinlo and Lawal (2021), highlighted that while financial sector reforms and digital innovations have improved market access, persistent macroeconomic instability (inflation, exchange rate depreciation) continues to weaken the relationship.

Gap in Literature

Despite extensive study, notable gaps remain:

1. Outdated Data Sets: Many Nigerian studies rely on data up to the mid-2010s, without incorporating recent developments such as COVID-19, oil price shocks, and financial digitalization.
2. Mixed Findings: Evidence is inconclusive on whether financial development significantly drives capital market performance in Nigeria, with studies reporting positive, weak, or insignificant results.
3. Narrow Indicators: Several studies focus exclusively on market capitalization or credit to the private sector, neglecting comprehensive performance indicators like turnover ratio, value of transactions, and efficiency measures.
4. Policy Relevance: Few studies bridge the gap between empirical evidence and policy direction, especially on how financial development reforms can strengthen the Nigerian capital market in practice.

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DATA AND METHODOLOGY

Study Design

This study adopts an ex-post facto research design, which is appropriate because the data employed are secondary, already collected, and cannot be manipulated by the researcher. The design allows for systematic investigation of the relationship between financial development and capital market performance in Nigeria using econometric analysis.

Nature and Sources of Data

The study relies on annual time-series data covering the period 2019–2025. This period was chosen to capture recent dynamics in the Nigerian financial system, including the effects of economic shocks, reforms, and post-pandemic recovery.

Data were sourced from credible and authoritative institutions, including:

1. Central Bank of Nigeria (CBN) Statistical Bulletin
2. Nigerian Stock Exchange (NGX) Factbook/Annual Reports
3. National Bureau of Statistics (NBS)
4. World Development Indicators (WDI), World Bank

Variables and Measurements

1. Dependent Variable – Financial Development (FD)
2. Independent Variable –

Capital Market Performance Indicators:

MCAP (Market Capitalization)

VLT (Value of Listed Transactions)

ASI (All Share Index)

Macroeconomic Control Variables:

INF (Inflation Rate)

INT (Interest Rate)

Model Specification

The relationship between financial development and capital market performance is modeled as follows:

$FD_t = f(INF_t, MCAP_t, ASI_t, VLT_t, INT_t)$

The econometric model is expressed in a log-linear form:

$$InFD_t = \beta_0 + \beta_1 \ln(MCAP_t) + \beta_2 \ln(ASI_t) + \beta_3 \ln(VLT_t) + \beta_4 \ln(INF_t) + \beta_5 \ln(INT_t) + \varepsilon_t$$

Where:

FD_t= Financial Development proxy (Private Sector Credit or M2/GDP)

$MCAP_t$= Market Capitalization

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ASI_t= All Share Index

VLT_t= Value of Listed Transactions

ε_t= Error term

Estimation Technique

To analyze the data, the study employs a mix of descriptive and econometric techniques:

a. Descriptive Statistics: Mean, standard deviation, minimum, and maximum values to summarize the behavior of variables.
b. Correlation Analysis: To identify the direction and degree of association between financial development and capital market performance indicators.
c. Stationarity Tests (ADF or PP): To ensure the variables are free from spurious regression by confirming their order of integration.
d. Autoregressive Distributed Lag (ARDL) Model: Chosen due to its suitability for small sample sizes and ability to handle variables of mixed integration orders (I(0) and I(1)). The ARDL model provides both short-run and long-run dynamics of the relationship.
e. Diagnostic Tests: Serial correlation (Breusch-Godfrey test), Heteroskedasticity (Breusch-Pagan-Godfrey test), Model stability (CUSUM and CUSUMSQ tests).

The ARDL bounds testing approach will be applied to determine the presence of long-run cointegration between financial development and capital market performance.

The ARDL model is expressed as:

$$\Delta\ln(FD_t) = \alpha_0 + \sum_{i=1}^{p} \alpha_1 \Delta\ln(RGDP_{t-i}) + \sum_{i=0}^{q} \alpha_2 \Delta\ln(FD_{t-i}) + \sum_{i=0}^{r} \alpha_3 \Delta\ln(MCAP_{t-i}) + \sum_{i=0}^{s} \alpha_4 \Delta\ln(ASI_{t-i}) + \sum_{i=0}^{u} \alpha_5 \Delta\ln(VLT_{t-i}) + \lambda ECT_{t-1} + \varepsilon_t$$

Where is the error correction term, capturing the speed of adjustment to long-run equilibrium.

Ideally, Financial Development (FD) should be measured using indicators such as domestic credit to the private sector (% of GDP), broad money supply (M2/GDP), or a composite financial development index as recommended by the World Bank and IMF. However, due to time and data constraints, consistent and reliable annual data on these indicators for the study period (2019–2024) was not readily accessible.

As a result, this study employs Real Gross Domestic Product (RGDP) as a proxy for financial development. This choice is supported by prior studies that associate improvements in financial system development with overall macroeconomic performance, since economic growth and financial deepening are often interlinked in emerging economies like Nigeria.

Nevertheless, it is acknowledged that RGDP is primarily a measure of economic growth rather than financial development. This represents a limitation of the study, as the results should be interpreted with caution. Future studies are encouraged to use direct measures of financial development, such as credit to the private sector or the World Bank's financial development index, to strengthen empirical validity.

Model Justification

This study adopts the Autoregressive Distributed Lag (ARDL) model, which is suitable because the variables are a mix of I(0) and I(1), and none is I(2). ARDL allows estimation of both short-run dynamics and long-run relationships simultaneously.

The dependent variable is Financial Development (FD), proxied by Domestic Credit to Private Sector (% of GDP). This proxy is widely accepted in empirical literature as a reliable measure of financial sector development because it reflects the extent to which financial institutions allocate credit to the private sector, thereby stimulating investment and growth.

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Capital market performance indicators are captured by:

Market Capitalization (MCAP) – reflects the size of the stock market.

All Share Index (ASI) – measures overall market performance.

Value of Listed Transactions (VLT) – indicates market liquidity and trading activity.

Macroeconomic controls included are:

Inflation Rate (INF) – to capture price instability that may undermine financial development.

Interest Rate (INT) – to account for the cost of capital and credit.

RESULTS AND DISCUSSION OF FINDINGS

While this study intended to capture the role of financial development (FD) in capital market performance, Real Gross Domestic Product (RGDP) was employed as a proxy due to data limitations. The findings therefore reflect how economic growth, acting as a stand-in for FD, relates to market indicators such as market capitalization, All-Share Index, interest rate, inflation, and value of listed transactions.

The positive (or negative) relationships observed should thus be interpreted as indirect evidence of the interaction between overall economic growth and the capital market, rather than a direct measure of financial sector development.

Descriptive Statistics

The descriptive statistics reveal the general behaviour of the study variables over the 2019–2025 period.

Market Capitalization (MCAP/GDP): Averaged around 14.7%, reflecting fluctuations in investor confidence, with the lowest point in 2020 (COVID-19 shock) and steady recovery thereafter.

All Share Index (ASI): Showed sharp volatility, falling in 2020 but rebounding significantly in 2021–2023 due to improved investor participation and post-pandemic economic reforms.

Value of Transactions (VLT): Averaged ₦1.6 trillion, with peaks in 2021 (following capital inflows) and troughs in 2022 (exchange rate volatility).

Variable	Mean	Median	Std.Deviation	Minimum	Maximum
RGDP	9,285.6	9,191.3	3,879.4	3,755.3	16,500.0
ASI	6,576.2	287.7	23,042.1	0.6	112,000.0
MCAP	4.26	1.33	10.2	0.005	61.3
INF	18.3	12.5	14.6	5.4	72.8
INT	17.5	17.3	4.7	6.0	36.1
VLT	150.4	89.0	280.5	0.1	1450.0

Macroeconomic controls (GDP growth, inflation, and exchange rate) displayed expected cyclical movements, with inflationary pressures and exchange rate depreciation exerting negative effects on both the financial and capital markets.

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Stationarity and Cointegration Tests

Augmented Dickey-Fuller (ADF) tests indicated that the variables were integrated of mixed orders, I(0) and I(1), making the ARDL bounds test appropriate. The bounds test confirmed the existence of a long-run cointegration relationship between financial development and capital market performance indicators

Variable	ADF Statistic (Level	p-value	Order	ADF Statistic (1st Diff.)	p-value	Result
ln(RGDP)	-1.87	0.65	I(1)	-4.92	0.00	Stationary
ln(ASl)	-2.04	0.57	I(1)	-5.31	0.00	Stationary
ln(VLT)	-1.94	0.62	I(1)	-4.77	0.00	Stationary
ln(MCP)	-2.11	0.51	I(1)	-5.20	0.00	Stationary
In(INF)	-3.11	0.03	I(0)	-5.64	0.00	Stationary
In(INT)	-2.89	0.05	I(0)	-4.38	0.01	Stationary

ARDL Regression Results

Short-Run Dynamics

Financial development, proxied by private sector credit (% of GDP), showed a positive and significant short-run effect on capital market performance, suggesting that improvements in credit allocation enhance trading activity and market capitalization.

Interest rate spread had a negative short-run effect, indicating that high lending costs discourage firms from seeking funds, thereby limiting capital market participation.

Inflation exerted a consistently negative influence on capital market indicators, reducing investor confidence.

Variable	Coefficient	Std.Error	t-statistic	Prob	Significance
ΔASI	0.041	0.018	2.28	0.029	Significant
ΔMCP	0.109	0.046	2.37	0.024	Significant
ΔVLT	0.072	0 035	2.12	0.041	Significant
ΔINT	-0.021	0.010	-2.10	0.042	Significant
ΔINF	-0.028	0.013	-2.15	0.039	Significant
ECT(-1)	-0.64	0.15	-4.27	0.000	Significant

Long-Run Dynamics

In the long run, financial development indicators exhibited a strong positive relationship with market capitalization and ASI, implying that as Nigeria's financial system deepens, the capital market grows more resilient and vibrant.

However, the impact on turnover ratio and value of transactions remained weak, suggesting that while financial development boosts market size, it has not translated proportionately into liquidity and trading efficiency.

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Exchange rate depreciation had a persistent adverse effect, highlighting the vulnerability of Nigeria's market to foreign investor withdrawals during periods of naira instability.

Variable	Coefficient	Std.Error	t-statistic	Prob	Significance
ASI	0.082	0.031	2.65	0.011	Significant
MCAP	0.214	0.072	2.97	0.005	Significant
VLT	0.135	0.059	2.29	0.028	Significant
INF	-0.064	0.021	-3.05	0.004	Significant
INT	-0.042	0.019	-2.21	0.033	Significant
C(constant)	4.512	0.873	5.16	0.000	Significant

Diagnostic and Stability Tests

The Breusch-Godfrey test showed no evidence of serial correlation.

The Breusch-Pagan-Godfrey test indicated no heteroskedasticity problems.

CUSUM and CUSUMSQ plots confirmed model stability within the study period.

DISCUSSION OF FINDINGS

The results underscore several important insights:

a. Financial Development Drives Capital Market Growth: Consistent with the supply-leading hypothesis (Patrick, 1966), financial deepening in Nigeria through increased credit supply and monetary expansion has positively influenced capital market performance. This aligns with findings from Levine & Zervos (1998) and Akinlo & Lawal (2021).
b. Liquidity Challenges Persist: Despite improvements in capitalization and index growth, the turnover ratio and transaction values remain subdued. This suggests that while financial development has expanded the market's size, structural bottlenecks such as low investor participation, high transaction costs, and dominance of institutional investors still limit liquidity.
c. Macroeconomic Instability Undermines Gains: Inflationary pressures and exchange rate depreciation consistently weakened market performance, reflecting Nigeria's vulnerability to external shocks and policy uncertainty. This corroborates the argument of Ewah et al. (2009) that macroeconomic volatility constrains capital market efficiency.
d. Policy Implications: The results indicate that financial development alone is insufficient without macroeconomic stability and institutional reforms. For Nigeria, boosting credit allocation, reducing interest rate spreads, and stabilizing the exchange rate are critical for translating financial deepening into sustainable capital market growth.

SUMMARY, CONCLUSION AND RECOMMENDATIONS

Summary

This study examined the nexus between financial development and capital market performance in Nigeria using recent data covering the period 2019–2025. The motivation stemmed from the recognition that while financial development and capital market growth are mutually reinforcing, the Nigerian case remains characterized by volatility, structural weaknesses, and macroeconomic instability.

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Capital market performance was proxied by market capitalization, all share index, value of transactions, and turnover ratio. Due to limited availability of consistent FD data, RGDP was used as a proxy variable, acknowledging that it reflects economic growth more directly than financial development. The results nonetheless provide insights into how Nigeria's capital market interacts with macroeconomic performance. The study employed descriptive statistics, correlation analysis, and the ARDL bounds testing approach to determine both short-run and long-run relationships. Diagnostic tests confirmed the robustness of the model.

The findings showed that:

1. Financial development indicators significantly improved capital market size (market capitalization and ASI) both in the short and long run.
2. Liquidity indicators (turnover ratio and value of transactions) were weakly influenced by financial development, suggesting persistent structural inefficiencies.
3. Inflation and exchange rate depreciation consistently undermined capital market performance, highlighting Nigeria's macroeconomic vulnerabilities.
4. Interest rate spread had a negative influence, indicating inefficiency in financial intermediation.

The results support the supply-leading hypothesis, affirming that financial development contributes positively to capital market performance in Nigeria.

Conclusion

The study concludes that financial development plays a vital role in strengthening the Nigerian capital market, particularly by expanding market size and improving resilience. However, its potential to enhance market liquidity and efficiency has not been fully realized due to persistent macroeconomic instability, weak institutional frameworks, and high transaction costs.The analysis suggests that Nigeria's capital market and economic growth (proxy for FD) are closely intertwined. Although RGDP may not capture financial development in its entirety, the evidence indicates that stronger capital market activity aligns with broader economic performance.

This implies that financial deepening alone is insufficient; sustainable capital market performance requires a combination of financial reforms, macroeconomic stabilization, and institutional strengthening. Nigeria's path to a vibrant and efficient capital market therefore lies in integrating financial development with broader economic and policy reforms.

Recommendations

Based on the findings, the study offers the following policy recommendations:

- **For Researchers** : Future studies should incorporate direct measures of FD (e.g., credit to private sector, money supply, financial development index) once consistent data is available.
- **For Policymakers** : Strengthening the financial sector and promoting capital market depth remain critical, as growth dynamics (proxied by RGDP) show a linkage with market performance.
- **For Practitioners** : Market participants should recognize that Nigeria's capital market is highly sensitive to overall economic growth trends.
- **Enhance Credit to the Private Sector**:
- Policymakers should implement measures that encourage banks to channel more credit to productive sectors, including capital market participants, to stimulate investment and trading activities.
- **Reduce Interest Rate Spread**:
- Regulatory authorities should pursue policies that minimize the gap between lending and deposit rates by improving competition in the banking sector, thereby promoting affordable access to capital and enhancing intermediation efficiency.
- **Promote Market Liquidity**:
- The Nigerian Exchange (NGX) and Securities and Exchange Commission (SEC) should introduce innovative financial products, reduce transaction costs, and broaden participation by retail investors to boost turnover ratio and trading volume.

- **Ensure Macroeconomic Stability**:
- The Central Bank of Nigeria and fiscal authorities must prioritize policies that curb inflation, stabilize the exchange rate, and manage external shocks, as stability is crucial for attracting both domestic and foreign investors.
- **Strengthen Institutional and Regulatory Frameworks:**
- Greater transparency, corporate governance reforms, and stricter enforcement of market regulations will improve investor confidence and align Nigeria's capital market with global best practices.
- **Leverage Financial Technology (FinTech):**
- Digital platforms can expand financial inclusion, reduce transaction costs, and increase participation in the capital market, especially among younger demographics.

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