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This background report and statistical appendix on Nigeria was prepared by a staff team of the International Monetary Fund as background documentation for the periodic consultation with this member country. As such, the views expressed in this document are those of the staff team and do not necessarily reflect the views of the Government of Nigeria, or the Executive Board of the IMF.

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INTERNATIONAL MONETARY FUND

NIGERIA

Background Papers and Statistical Appendix

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Approved by the African Department

October 19, 1995

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NIGERIA - Basic Data

	1991	1992	1993	1994 Prov.
<u>Gross domestic product and expenditure</u> (In millions of naira)				
GDP at constant factor cost	94,615	97,432	99,649	100,982
Petroleum sector	12,717	13,061	12,721	11,958
Non-petroleum sector	81,898	84,371	86,928	89,025
Agriculture	36,523	37,273	37,781	38,690
Industry	10,627	10,362	10,177	9,912
Services	34,748	36,736	38,971	40,423
GDP at current market prices	324,010	549,808	697,095	897,498
External resource balance	19,297	25,557	24,138	21,155
Consumption	228,873	389,628	555,576	717,739
Investment	75,840	134,623	117,381	158,604
(In percent of GDP)				
Foreign savings	-0.1	1.9	2.9	2.4
Gross national saving	23.5	22.6	13.9	15.2
Public saving (Government)	7.4	5.4	-3.9	0.3
Private saving	16.0	17.3	17.4	14.9
Gross investment	23.4	24.5	16.8	17.7
(Average annual percent change)				
Consumer price index	13.0	44.6	57.2	57.0
<u>Balance of payments</u> (In millions of U.S. dollars)				
Current account	28	-590	-927	-995
Petroleum exports	11,655	12,026	11,022	9,302
Other exports	472	281	275	233
Imports	-7,893	-8,737	-8,129	-6,675
Non-factor services (net)	-2,287	-2,093	-2,073	-1,893
Factor income (net)	-2,969	-2,799	-2,628	-2,464
Private transfers (net)	1,027	790	552	550
Official transfers (net)	22	-57	54	-48
Capital account	-2,067	-6,986	-2,190	-1,673
Disbursements	715	528	543	608
Amortization due	-3,281	-6,596	-3,020	-2,697
Private capital	615	898	641	577
Direct investment	588	836	614	582
of which: from debt conversion	(58)	(65)	(15)	(9)
Other (net)	27	62	27	-5
Short-term capital (net)	-116	-1,817	-354	-160
Errors and omissions (net)	-252	-120	-220	167
Overall balance	-2,292	-7,695	-3,337	-2,500
<u>Foreign reserves</u> (In millions of U.S. dollars, end of period)				
Foreign exchange and gold	4,150	830	718	916
SDR holdings	-	-	-	-
IMF reserve position	-	-	-	-
<u>Exchange rates 1/</u> (Annual percentage change)				
U.S. dollar/naira	-18.9	-42.7	-21.5	0.7
Nominal effective exchange 2/	-17.5	-35.4	-22.5	33.2
Real effective exchange 2/	-15.7	-17.2	9.0	83.2

NIGERIA - Basic Data (concluded)

	1991	1992	1993	<u>1994</u> Prov.
<u>Budgetary operations of the</u>				
<u>Federal Government</u>				
	(In billions of naira)			
Federally collected revenue	101.2	171.2	192.3	164.0
Of which: petroleum receipts	(83.9)	(143.5)	(159.0)	(122.7)
Federally retained revenue	57.9	97.6	106.4	97.5
Expenditure and net lending	80.0	141.0	232.5	176.3
Current expenditure	47.1	80.6	123.3	120.9
Capital expenditure	16.8	21.1	30.5	52.3
Supplementary/extrabudgetary expenditure	17.3	45.2	80.1	5.7
Overall balance	-22.1	-43.4	-126.0	-78.8
Financing	22.1	43.4	126.0	78.8
Foreign (net)	-0.5	-9.0	19.2	16.1
Domestic	22.6	52.4	106.8	62.7
Banking system	12.8	46.8	98.1	49.8
Nonbank	9.7	5.6	8.7	12.9
<u>Monetary survey</u>				
	(In billions of naira; end of period)			
Foreign assets (net)	58.8	38.8	57.2	57.3
Domestic credit	77.5	140.4	268.6	347.7
Claims on Federal Government (net)	33.9	80.7	178.9	228.6
Claims on rest of the economy	43.6	59.7	89.8	119.1
Narrow-money	49.4	77.6	117.4	172.0
Quasi-money	37.0	53.1	76.1	95.8
Other items (net)	-47.5	-8.5	-132.3	-137.3

1/ Changes between average-year rates in foreign currency per naira.

2/ Base on Information Notice System.

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I. Recent Economic Developments

1. Output

Economic growth slowed for the fourth consecutive year in 1994, to 1.3 percent from 2.3 percent in 1993. The slowdown was widespread, affecting every sector except agriculture. Output in the petroleum sector is estimated to have declined by 6 percent, mainly as a result of industrial actions by oil workers during July and August 1994. ^{1/} Growth in real non-oil GDP is estimated to have dropped to less than 2 ½ percent in 1994, from 3 percent in the preceding year (Chart 1). In the non-oil sectors, negative growth was recorded in both fishing and manufacturing activities. Output in fishing dropped by 6.5, as coastal fishing fell for a third consecutive year, partly in response to a rise in relative input costs associated with increased fuel prices. Manufacturing has experienced continuous problems in recent years and output in 1994 was only 2 percent above its 1989 level. Cutbacks in output ranged from 2 percent in petroleum refining to 34 percent in footwear production. The sharp drop in foreign exchange allocations during the second half of the year and civil unrest during the third quarter of 1994 were some of the factors that led to a decline of 5 percent of value added in the manufacturing sector.

Value-added in services expanded by 3.7 percent in 1994, down from 6.1 percent in 1993, and was almost wholly attributable to increased government and community services, each of which grew by nearly 10 percent during the year. Activity in financial services is estimated to have increased by 3 percent, largely associated with foreign exchange operations, while other services were roughly unchanged from their 1993 levels.

Value added in agricultural activities, which accounted for 38 percent of GDP at constant prices in 1994, is estimated to have grown by 2.4 percent, which marked a significant improvement over the 1.4 percent growth registered in 1993. The production of staple crops is estimated to have increased by 4.8 percent, while output of other crops grew by 1.5 percent, as improved rainfall patterns led farmers to increase the land under cultivation, and more fertilizer was distributed to smallholders.

^{1/} Oil production fell by 1.5 percent in 1994, to a level of 2.007 million barrels per day.

Box 1. Difficulties in the Manufacturing Sector

While aggregate production at end-1994 was 20 percent above its 1985 level, only 4 out of 14 manufacturing subsectors were producing above their 1985 levels. The decline in some manufacturing activities has been dramatic: at end-1994, vehicle assembly was at 16 percent of its 1985 level, output of roofing sheets was at 27 percent, and manufactures of footwear was at 48 percent. A nationwide survey of 509 manufacturers conducted by the Central Bank of Nigeria (CBN) in 1993 showed that only 13 out of 29 survey subgroups were operating above 30 percent capacity, and only 5 of those were operating above 50 percent capacity.

What accounts for the severe decline in this sector? A majority (85.3 percent) of respondents to the 1993 CBN survey noted a continuing pessimism on the business outlook. In qualifying their pessimism, they cited foreign exchange constraints and general political conditions as important factors. Businessmen also noted the effects of high interest rates, the poor state of public utilities, most notably electricity, and the effects of inflation on consumer demand.

Indices of Manufacturing Production
(1985 = 100)

	Fourth quarter 1990	Fourth quarter 1991	Fourth quarter 1992	Fourth quarter 1993	Fourth quarter 1994
Sugar confectionery	83.5	147.2	150.8	131.0	76.9
Soft drinks	384.5	230.9	202.8	197.4	143.0
Beer and stout	103.9	106.6	96.0	104.4	96.6
Cotton textiles	130.4	161.6	136.6	131.7	88.4
Synthetic fabrics	1,598.7	2,026.0	1,865.8	1,539.1	742.1
Footwear	44.9	87.4	72.2	77.3	47.5
Paints	51.9	84.2	110.0	116.7	95.8
Refined petroleum	109.3	150.7	107.6	106.0	103.4
Cement	84.0	99.6	93.6	97.0	82.8
Roofing sheets	110.0	59.5	40.8	36.5	27.2
Vehicle assembly	25.6	15.9	17.4	18.0	15.8
Soap and detergent	152.2	153.6	153.1	150.7	150.5
Radio and televisions	12.2	11.0	11.2	9.6	7.7
Total	168.6	180.9	167.9	148.7	120.0

Source: Central Bank of Nigeria.

Box 2. Has the Structure of Production Changed?

The structure of Nigeria's economy has remained fairly stable over the past six years or has changed dramatically, depending on the indicator used. In constant 1984 prices there has been a striking shift since 1989: the share of primary output has declined by nearly 7 percent, the share of manufacturing and other secondary activities has dropped by 11 percent, while the part of services in the total has increased by 13 percent. The structural shift within sectors is even more pronounced. In the tertiary sector, the share of government services has increased by nearly 38 percent and finance and insurance has risen from 6.2 percent of output to 9.0 percent, while wholesale and retail trade dropped by nearly a percentage point.

In current prices, intra-sectoral shifts have been significant but sectoral shares remained nearly static: the primary sector varied significantly around a mean share of 68 percent, while the secondary sector share moved from 7.4 percent in 1989 to 7.7 percent in 1994, and services rose from 25.2 percent to 26.5 percent over the same period. The intra-sectoral movements contrast strongly with the constant price data: the share of both government services and finance and insurance declined, while agriculture and manufacturing increased.

Which picture is correct? Shifts in output shares at current prices are influenced by relative price changes as well as relative variations in output. To the extent that current prices are volatile, short term variations can mask underlying structural trends. Statistics based on constant price data, however, can also be misleading, and the 1984-based weights can distort the significance of major changes. Supporting production statistics, however, confirm the trends in the constant price data. Nigeria's industrial base has contracted significantly while the service sector has grown.

Structure of Gross Domestic Product, 1989-94

(In percent)

	1989	1990	1991	1992	1993	1994
Structure in 1984 prices						
Primary sector	53.9	52.1	52.2	51.9	50.9	50.3
Agricultural activities	40.4	39.0	38.5	38.2	37.8	38.2
Mining and quarrying	13.5	13.2	13.7	13.7	13.0	12.1
Secondary sector	10.7	10.6	10.9	10.3	9.9	9.5
Manufacturing	8.2	8.1	8.5	7.8	7.3	6.9
Building and construction	2.0	1.9	1.9	1.9	2.0	2.0
Tertiary sector	35.2	37.1	36.6	37.6	39.0	39.9
Wholesale and retail trade	13.3	12.7	12.5	12.5	12.6	12.4
Finance and insurance	6.2	8.7	8.6	8.7	8.9	9.0
Government services	8.0	8.4	8.3	9.1	10.1	11.0
Structure in current price terms						
Primary sector	66.3	65.7	67.4	72.9	68.7	65.2
Agricultural activities	31.0	32.4	30.1	26.4	33.3	38.4
Mining and quarrying	35.3	33.3	37.3	46.5	35.4	26.8
Secondary sector	7.4	7.6	7.7	6.2	6.9	7.7
Manufacturing	5.2	5.5	5.8	4.8	5.5	6.4
Building and construction	1.7	1.7	1.5	1.1	1.2	1.1
Tertiary sector	25.2	25.6	23.7	19.9	23.7	26.5
Wholesale and retail trade	14.4	13.8	12.9	11.3	14.5	16.0
Finance and insurance	3.3	4.5	4.0	2.8	2.3	2.3
Government services	3.1	3.1	2.7	2.6	2.7	2.5

Sources: Federal Office of Statistics, National Planning Commission; and staff estimates.

2. Consumption, savings, and investment ^{1/}

While data on national accounts by expenditure category are provisional and rudimentary estimates, indications are that the share of gross national savings in GDP increased by 1.3 percentage points, to 15.2 percent in 1994, reflecting primarily a rise in federal government savings. Aggregate consumption is estimated to have remained roughly unchanged from 1993 in real terms, but the composition of consumption changed markedly, as the Federal Government limited expenditures on goods and services, while the rise in private consumption reflected, in part, the previously noted increase in the production of staple crops.

Gross domestic investment is estimated to have increased by almost 1 percentage point, to 17.7 percent of GDP in 1994. Government investment declined sharply, as the Federal Government tightened capital expenditure. Private investment, however, increased significantly from the abnormally low level of 1993, to 8.8 percent of GDP. Given the continued contraction in the secondary and tertiary sectors of the economy, the pick-up in private sector investment, to a level still below historical trends, is believed to be associated with previously noted developments in agriculture.

Composition of Gross Domestic Product by Expenditure Category
at Current Prices, 1989-94

(In percent)

	1989	1990	1991	1992	1993	1994
Consumption	74.7	70.6	70.6	70.9	79.7	80.0
Government	10.4	15.1	12.3	13.1	17.8	11.3
Private	64.3	55.5	58.3	57.8	61.9	68.7
Gross domestic savings ^{1/}	25.3	29.4	29.4	29.1	20.3	20.0
General government	10.7	16.9	14.9	12.4	2.4	4.9
Private sector	14.6	12.5	14.4	16.7	17.9	15.1
Gross national savings ^{2/}	19.1	22.5	23.5	22.6	13.9	15.2
Gross domestic investment	17.7	14.7	23.4	24.5	16.8	17.7
Gross fixed investment	17.7	14.5	23.3	24.4	16.8	17.6
Government	9.4	10.8	11.6	12.4	13.6	8.8
Private sector	8.3	3.8	11.8	12.1	3.2	8.8

Sources: Federal Office of Statistics, National Planning; and staff estimates.

^{1/} GDP minus consumption.

^{2/} Gross domestic disposable income minus consumption.

^{1/} The accuracy of national accounts by expenditure category, as reported by the Federal Office of Statistics (FOS), is impaired by the serious underrecording of imports. As a result, the staff has developed its own estimates of income by expenditure category, incorporating data from partner country commodity export reports, available information on general government investment, and assumptions on the income elasticity of private consumption. See Appendix II of SM/91/195 for a more detailed presentation on this subject.

3. Prices

Inflation, as measured by the consumer price index, continued to climb in 1994, reaching 76.8 percent on an end-period basis. Unlike 1993, during which some three fourths of inflation was realized during the first half of the year, prices rose sharply in the second half of 1994, largely reflecting increasing expansionary fiscal and monetary policies. Inflation was also clearly influenced by shortages in foreign exchange, the effects of civil unrest, and the significant hike in the retail price of petroleum products at the beginning of October 1994. On an average annual basis, however, inflation remained steady at 57 percent.

During the first quarter of 1994 inflation was relatively constrained, with the aggregate CPI increasing by 9.7 percent and the principal sub-indices, those for food and energy, rising by 9.4 percent and 11.3 percent respectively. The 15.7 percent rise in the CPI during the second quarter was led by fuel prices, which increased by 29.9 percent, related to industrial actions in the petroleum sector. Price increases for other components of the CPI remained within the range of 10 percent to 20 percent, with food prices growing by 14.3 percent. Reflecting the October 1994 fuel price increases, the price index for accommodation, fuel and light increased by 44.3 percent during the third quarter and a 50.3 percent increase was registered in transport prices. Given the additional impetus of expansionary fiscal policies during the third quarter, food prices rose by 18.5 percent, and the overall CPI increased by 21.4 percent. For the year as a whole, food prices increased by 67.1 percent, prices for accommodation, fuel, and light rose by 139.8 percent, and price rises for transportation, health services, and household goods ranged between 97.5 percent and 105.4 percent.

Box 3. Inflation in Nigeria

In a recent study on the main determinants of inflation in Nigeria, ^{1/} it was found that monetary policies, primarily resulting from expansionary fiscal policies, largely explained the inflationary process in Nigeria (Chart 2). In addition, the lagged impact of the devaluation of the naira and agroclimatic conditions were also important factors. A dynamic forecasting model was estimated based on these factors, which explained almost 70 percent of the change in prices over the 1963-93 period. This model, when used to project inflation in 1994, performed quite well, explaining about four fifths of the average inflation rate of 57 percent. In reviewing the prediction of the model against actual price developments in 1994, it is clear that several exogenous factors go a long way in explaining the difference between the projected and actual rates, including the civil disturbances in July/August and the 238 percent increase in the retail price of gasoline in October 1994.

^{1/} See "The Main Determinants of Inflation in Nigeria," by Gary Moser in *Staff Papers*, Vol. 42 No.2 (June 1995), pp. 270-289.

4. Developments in public finance

a. The structure of public finances

The Government of Nigeria consists of three tiers; the Federal Government, 30 state governments, and 589 local governments. It operates as a federation with responsibilities shared among the three tiers. In this regard, certain federally collected revenues are shared, including oil proceeds, customs duties, excise taxes, and revenue collected by the Federal Board of Inland Revenue, consisting mostly of corporate income taxes. These revenues accrue to the Federation Account, where they are distributed monthly to the three tiers of government: 48.5 percent to the Federal Government, 24 percent to state governments, 20 percent to local governments, and 7.5 percent to five special funds. The five funds include general ecology, development of mineral producing states, federal capital territory, stabilization, and derivation. In addition, the revenue generated from the value added tax, introduced in 1994, is separately shared between the federal (20 percent) and state governments (80 percent). ^{1/} Independent revenue, consisting mainly of loan repayments and profit remittances by parastatals, is retained by the Federal Government.

The Federal Government in recent years has excluded from its budget certain expenditures associated with investments in the oil sector, high priority investment projects, and other expenditures through a system of off-budget dedicated accounts. Between 1988 and 1994, an estimated US\$12.4 billion was allocated outside the budget process. In a major effort to improve transparency in budgetary operations, beginning in 1995, the Government closed the dedicated accounts and included all oil revenue and related dedicated account projects in the budget.

In addition to the statutory allocations from the Federation Account, state governments receive revenue from income taxes, grants, the stabilization account, and other fees. They also finance expenditure with foreign project-related borrowing and domestic bank borrowing. Federation account resources are allocated to state and local governments, after deductions for debt service, based on a formula including equality (40 percent), population (30 percent), social development (10 percent), land mass/terrain (10 percent) and internal revenue (10 percent) indicators.

b. The Federal Government's budget

The overall fiscal position of the Federal Government deteriorated substantially in recent years, with the deficit increasing from 2.9 to 18.1 percent of GDP during the 1990-93 period. It widened largely as a result of a decline in revenue buoyancy, resulting primarily from the terms of trade decline, and a rapid increase in nondebt expenditure (Chart 3).

^{1/} The Federal Government's share was increased to 40 percent in 1995.

The Federal Government's budget for 1994 aimed at a tight stance of fiscal and monetary policies, with a view to lowering inflation, stimulating economic activity, and reducing pressures on the exchange rate. The budget entailed a sharp reduction in the overall fiscal deficit, from ₦ 126 billion (18.1 percent of GDP) in 1993 to ₦ 56 billion (5 percent of GDP) in 1994, and targeted an improvement in the primary fiscal balance, to a surplus equivalent to 1.9 percent of GDP, from a deficit of 6.3 percent in 1993. In an effort to broaden the tax base and reduce its reliance on oil receipts, the Government introduced a value-added tax in 1994, which covered domestic consumption, including imports, but exempted basic food items. The value added tax replaced the state sales tax, which had a significantly narrower base. The Federal Government retained 20 percent of total VAT revenue (estimated at ₦8.6 billion), with the remainder going to the state governments. Under the 1994 budget, the Federal Government's access to central bank credit was to be limited to the temporary settlement of "contingent" expenditure, and outstanding balances in ways and means advances were to be liquidated at the end of each quarter, leaving the Federal Government's net position vis-à-vis the Central Bank of Nigeria (CBN) at the level reached at the end of 1993.

The estimated fiscal outcome for 1994 deviated substantially from the budget plan. The overall fiscal deficit reached some ₦ 79 billion (8.8 percent of GDP), which was largely financed by central bank credit. The primary fiscal balance improved much less than envisaged, and recorded an estimated deficit of one percent of GDP.

Selected Fiscal Indicators, 1990-94

(In percent of GDP)

	1990	1991	1992	1993	1994 Est.
<u>Federal Government.</u>					
Federally collected revenue	35.9	31.2	31.1	27.6	18.3
Of which: petroleum revenue	(30.6)	(25.9)	(26.1)	(22.8)	(13.7)
Federally retained revenue	21.5	17.9	17.8	15.3	10.9
Total expenditure and net lending	24.5	24.7	25.6	33.3	19.6
Recurrent expenditure	(15.9)	(14.5)	(14.7)	(17.7)	(13.5)
Capital expenditure	(4.9)	(5.2)	(3.8)	(4.4)	(5.8)
Extrabudgetary outlays	(4.1)	(5.3)	(8.2)	(11.5)	(0.6)
Primary fiscal balance	8.9	3.9	3.9	-6.3	-1.0
Overall fiscal balance	-2.9	-6.8	-7.9	-18.1	-8.8
<u>State and local governments</u>					
Revenue	13.7	12.6	12.5	10.8	8.5
Expenditure and net lending	13.1	9.9	11.6	10.1	8.2
Overall fiscal balance	0.6	2.7	0.9	0.7	0.3

Sources: Data provided by Nigeria authorities; and staff estimates.

Box 4. Oil Revenue in Nigeria

Nigeria's fiscal operations rely heavily on oil sector receipts. This reliance has continued unabated since the mid-1970s despite numerous efforts by the authorities to diversify the revenue base, most notably during the 1986-90 structural adjustment program period. Oil revenue has increased as a share of total revenue in recent years, increasing from 82 percent in 1986-89 to 84 percent in 1990-93, before dropping to 75 percent in 1994, largely on account of the fall in oil export prices and the introduction of the value-added tax. More importantly for 1994, the substantially overvalued official exchange rate affected oil revenue (in naira terms) significantly. For example, had a market exchange rate of ₦ 60 per US\$ been used to convert the oil revenue to naira, fiscal oil revenue would have increased almost three fold.

Oil revenues derive from two sources: the operations of the Nigerian National Petroleum Company (NNPC), and its joint venture partners. The joint venture partners pay a royalty to the Federal Government of 19.6 percent of total exports and a profit tax of 85 percent. The joint venture partners are permitted to withhold certain amounts from their net export proceeds in the form of "notional" costs and guaranteed profits, both of which are denominated in U.S. dollars per barrel. The partner companies settle their actual tax liability to the Federal Government at the end of each company's fiscal year.

Through the end of 1994, the NNPC was permitted to sell a specified number of barrels each day to cover its dollar-denominated costs ("dollar cash calls") and to help finance its capital budget ("dedicated oil"). A certain number of barrels per day were also sold on behalf of the Federal Government, which accrued directly to an off-shore account. The NNPC's net export proceeds (excluding dollar cash calls and all dedicated oil) were deposited in the Central Bank's account at the Federal Reserve Bank of New York and the naira counterpart was deposited into the Federal Government's "Royalty Account" at the Central Bank. The NNPC deposited the proceeds from domestic oil sales into this account as well, and withdrew funds to cover its naira-denominated costs.

The system for collecting oil revenue was modified substantially in 1995, when the Federal Government closed the off-budget dedicated accounts and began depositing the total amount of NNPC export proceeds directly into a Federal Reserve Bank account. From this account, the Government's share of specific operating costs for the oil industry ("first charges" against the budget) are then deducted. This new process has improved both the budget coverage and transparency of oil revenue collection.

In addition to dollar export proceeds, the NNPC generates revenue from the domestic retail sales of petroleum products and is expected to pay the Federal Government both a notional cost for the crude oil it uses for domestic refining (at a transfer price in 1994 of ₦183 per barrel) and operational profits. In recent years, the NNPC has operated its domestic operations at a loss, as a result of the low retail prices set by the Government. It has not paid the Federal Government for crude oil in recent years. In October 1994, the retail price of gasoline was raised substantially (from ₦ 3.25 to ₦ 11 per liter), and the NNPC has since been able to pay a higher transfer price (US\$17 per barrel) to the Federal Government. In addition, profits from domestic sales have been deposited into a newly created Petroleum Trust Fund account at the Central Bank, which is to be used for priority infrastructure and social sector projects.

Federally collected revenues were broadly in line with budget provisions, largely as a result of higher oil export prices (US\$16 per barrel) than had been assumed in the budget (US\$14 per barrel), which more than offset the shortfall in oil production (see Box 4 for a discussion of oil revenue in Nigeria). Federally retained revenue reached ₦ 98 billion, compared with ₦ 114 billion envisaged in the budget. The revenue shortfall can be attributed to the larger than anticipated allocation of federally collected revenue to the Federation Account, as well as lower independent revenue.

On October 5, 1994, the Federal Government raised domestic petroleum prices by an average of more than 200 percent, which helped considerably in reducing distortions in the domestic petroleum market. 1/ The fiscal impact of this measure was minimal, however, as the increased revenue resulting from the price changes was not transferred to the Federal Treasury.

Total expenditure of the Federal Government in 1994 is estimated at ₦ 176 billion, slightly in excess of the ₦ 170 billion provided by the budget. The relatively small departure from budget reflects, however, significant overruns in nondebt recurrent expenditure, which exceeded budgetary provisions by ₦ 14 billion (15 percent), mainly reflecting supplementary and extrabudgetary provisions, while domestic interest payments were some ₦ 11 billion below budget. 2/ The federal government deficit in 1994 was largely financed by recourse to credit from the banking system, totaling some ₦ 50 billion, equivalent to 5.5 percent of GDP, with the remainder financed through net foreign borrowing (₦ 16 billion), and nonbank domestic financing (₦ 13 billion).

c. State and local government finances

Information on state and local government finances is extremely limited and based largely on preliminary budget estimates and financing data, as reflected in the monetary accounts. The overall fiscal position of the state and local governments deteriorated in recent years, with the overall surplus falling from an estimated 2.7 percent of GDP in 1991 to some 0.3 percent in 1994, reflecting mostly diminishing revenue. The weakening of the fiscal positions of state and local governments has reduced considerably the ability of the Federal Government to borrow from the state and local government's stabilization accounts (Box 5).

1/ The retail price of premium gasoline was raised from ₦ 3.25 per liter to ₦ 11 per liter, diesel fuel from ₦ 3 per liter to ₦ 9 per liter, household kerosene from ₦ 2.75 per liter to ₦ 6 per liter, and fuel oil from ₦ 2.5 per liter to ₦ 7 per liter.

2/ It should be noted that the fiscal results are reported on a cash basis. No systematic information is available on a commitment or transaction basis, and by implication it is not known whether domestic payments arrears have developed during 1994.

Box 5. Stabilization Accounts

Part of the funds in the Federation Account are allocated to the Federation Stabilization Account, which was created in 1989 to sterilize windfall oil revenues. Based on partial financing data, it is believed that some US\$13 billion was allocated to the stabilization account during the 1989-94 period. The Federation Stabilization Account has been used by the Federal Government to finance supplementary and extrabudgetary spending, while distributions from this account to the state and local governments have been made on an ad hoc basis. As a matter of accounting, the Federal Government's share is included as federally-retained revenue, while the amount allocated but not distributed to state and local governments is included as nonbank borrowing of the Federal Government.

5. Money and banking

a. Monetary developments

The Central Bank's monetary and credit policy guidelines for 1994 targeted broad money growth at 15 percent, consistent with a programmed increase in domestic bank credit of 9 percent and a strengthening of the net foreign assets position of the Central Bank. Control of domestic credit expansion was to be effected primarily through the use of open market operations (OMO) of the CBN, with the supporting use of reserve requirements and operations at the CBN's discount window. The issuance of mandatory stabilization securities by the CBN, though suspended under the guidelines, was retained as a fall-back instrument should the functioning of the OMO proved inadequate. ^{1/} The guidelines also introduced interest rate controls, with a maximum lending rate of 21 percent, minimum deposit rates within a range of 12 percent to 15 percent, and credit allocation guidelines for commercial and merchant banks.

In the event, monetary developments for 1994 differed sharply from the targets set under the policy guidelines. Broad money is estimated to have grown by 38 percent during the year, reflecting fully the expansion in net domestic assets with a broadly unchanged net foreign assets position. Credit to the Federal Government rose sharply, accounting for nearly two thirds of the total increase in credit, while credit to the private sector expanded by 33 percent.

^{1/} Mandatory stabilization securities are issued by the Central Bank of Nigeria by debiting the accounts of banks in exchange for 90-day nontransferable and nonnegotiable securities at an interest rate equivalent to the prevailing Treasury bill rate plus a small margin.

Box 6. Monetary Policy Targets and Outcomes

The Central Bank set targets for money growth, total domestic credit and credit to the private sector, based on the Federal Government's budget and external sector policies. As shown below, outcomes have deviated significantly from targets in recent years. The growth of money, narrowly defined, exceeded target by an average 26.5 percentage points over 1991-94 and domestic credit grew by an average 59.8 percent, against average target growth of 12.7 percent. While targeted growth in net credit to the Federal Government has ranged between 0 and 14.5 percent, the expansion in banking system credit averaged 71.9 percent between 1991 and 1994.

	(Percentage change)							
	1991		1992		1993		1994	
	Target	Outcome	Target	Outcome	Target	Outcome	Target	Outcome
Narrow Money	14.6	31.5	24.3	57.1	20.0	51.3	21.4	46.5
Broad money	...	32.3	26.8	51.3	18.0	48.0	14.8	38.4
Net domestic credit	10.6	37.3	13.2	81.2	17.5	91.3	9.4	29.4
Credit to Government (net)	-	61.0	7.7	138.3	14.5	121.6	-	27.8
Credit to private sector	16.0	24.1	17.7	37.0	20.0	51.1	32.6	32.8

Sources: Central Bank of Nigeria; and staff estimates.

While the growth in broad money was similar during the first and second half of 1994, increasing by 18 percent and 17 percent, respectively, the underlying factors differed significantly. During the first half of the year, demand deposits increased by ₦ 15 billion (7.8 percent of beginning of period broad money) and time and savings deposits increased by ₦ 21 billion; part of these deposits were counterpart funds to back demand for official foreign exchange at the CBN. Currency in circulation was roughly unchanged during this period. During the second half of 1994, however, currency in circulation increased by 62 percent, reflecting primarily the worsening of the net federal government position vis-à-vis the Central Bank.

Contributions to the Growth of Broad Money, 1994

(In percent of beginning-of-period broad money)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net foreign assets	-2.4	-4.0	-14.1	-
Net domestic assets	11.0	22.3	36.4	38.3
Net domestic credit	(11.8)	(21.1)	(30.5)	(40.9)
Net credit to the Federal Government	(3.6)	(10.0)	(12.5)	(25.7)

Source: Central Bank of Nigeria.

The fixing of interest rates below market clearing levels severely hampered the Central Bank's ability to control credit developments in 1994

and the scale of open market operations was inadequate to significantly reduce the liquidity of commercial banks and, thereby, limit the expansion of domestic credit.

Box 7. Sectoral Credit Allocation Guidelines

With the objective of promoting activity in priority sectors, the Government prescribes part of the distribution of total credit expansion. During 1992-93, commercial banks were required to allocate 15 percent of credit to agriculture and 35 percent to manufacturing, while merchant banks were required to allocate 10 percent of credit to agriculture and 40 percent to manufacturing. Beginning in 1994, the export sector was included in the credit allocation scheme and the overall share of credit subject to minimum allocation guidelines rose from 50 percent to 70 percent.

Banks that fail to adhere to the guidelines are required to deposit an amount equivalent to the shortfall, for each subsector, with the Central Bank. These deposits earn interest, but do not count toward the minimum cash and/or liquidity reserve requirements.

On aggregate, neither commercial nor merchant banks adhered to the established distribution, with commercial bank credit to earmarked sectors 6.7 percentage points and merchant bank credit 2.7 percentage points below the limit, respectively.

	1992-93		1994	
	(Percentage distribution)			
	Merchant banks	Commercial banks	Merchant banks	Commercial banks
Agriculture	10	15	13	18
Manufacturing	40	35	45	42
Subtotal	50	50	58	60
Exports	—	—	12	10
Other sectors (maximum)	50	50	30	30

Source: Central Bank of Nigeria.

b. Interest rates

The capping of lending rates at 21 percent and the limitation of deposit rates to a range of 12 percent to 15 percent, led to a significant change in the structure of interest rates. The spread between the prime lending rate and savings deposit rates narrowed from an average of 15 percentage points in 1993 to 8 percentage points in 1994. Thus, the change in interest rate policy reduced the profitability of financial intermediation. In real terms, both lending and deposit rates became

increasingly negative during 1994. ^{1/} The average real prime lending rate fell from -15.6 percent at end-1993 to -32.0 percent at end-1994, while the real rate of return on treasury bills fell from -20.6 percent to -36.4 percent in the same period.

c. Distressed financial institutions

By end-1994 the number of technically insolvent commercial and merchant banks had risen to 34 and an additional 8 banks were deemed illiquid. Combined, these distressed banks accounted for ₦ 17 billion (10 percent) of the deposit liabilities of the banking system and ₦ 16 billion (15 percent) of the outstanding loans and advances. More than two thirds of the aggregate loans and advances extended by these banks were non-performing and their adjusted net worth totaled - ₦ 5 billion.

Box 8. Financial Savings in Nigeria

At end-1994 there were 66 commercial banks with 2,397 branches, 54 merchant banks with 144 branches, and 970 community banks operating in Nigeria. Other savings institutions included the National Provident Fund (NPF), over 279 primary mortgage institutions, and some 103 active insurance companies.

Commercial and merchant banks are, by far, the most important of the savings institutions, accounting for 94.1 percent of bank and non-bank financial savings at end-1994, with the other institutions having specialized roles in financial intermediation.

The NPF is the statutory recipient of obligatory pension contributions from businesses operating in Nigeria. At end-1994, deposits held by the NPF totaled some ₦ 758 million, less than 1 percent of total deposits.

Of the 279 primary mortgage institutions, with deposits of ₦ 1.1 billion, 150 have been declared to be distressed. In response to the distress in the sector, the Federal Mortgage Bank of Nigeria, charged with surveillance of these institutions, has raised the minimum capital requirement for entrants, and set deadlines for existing institutions to recapitalize in line with the new minimum set at ₦ 20 million.

^{1/} Real interest rates are evaluated by adjusting nominal interest rates for consumer price inflation over the preceding 12-month period. While forward looking price expectations might yield a more appropriate measure of real interest rates, the analysis of forward looking rates is difficult given the significant variability of inflation during the period under review.

Financial Savings at Bank and Nonbank Financial Institutions, 1989-94

	1989	1990	1991	1992	1993	1994
Savings and time deposits						
Commercial banks	17,813.3	23,137.1	30,359.7	42,438.8	59,786.1	76,128.0
Merchant banks	3,970.7	4,349.4	5,007.0	8,342.5	23,572.2	23,731.3
National Provident Fund	699.1	723.5	650.0	719.8	766.8	757.7
Mortgage institutions	213.2	304.6	433.7	729.4	819.5	1,135.8
Life insurance funds	1,067.4	1,136.6	1,242.2	1,411.3	1,569.9	1,392.7
Other depository institutions			45.6	341.8	1,679.0	2,988.9
Total	23,763.7	29,651.2	37,738.2	53,983.6	88,193.5	106,134.4

Source: Central Bank of Nigeria.

Distress in commercial and merchant banking has been traced, in part, to the rapid expansion in the sector following liberalization of the sector in the late 1980s. Audits of the distressed banks by the Nigeria Deposit Insurance Corporation and the CBN have identified management weaknesses and/or malfeasance as a critical factor in the banks' poor performance. In response to this, the Federal Government issued a decree in 1994, supporting the investigation of banking abuse and providing penalties for malpractice in banking. ^{1/}

Box 9. Supervision of the Banking System

Nigerian banks operate under the Central Bank of Nigeria Decree of 1991 (CBN 1991) and the Nigeria Deposit Insurance Corporation Decree of 1988 (NDIC 1988), which provide regulators with broad ranging powers. Under CBN 1991, the Central Bank has discretionary authority to determine capital requirements and issue banking licenses. Accounting standards for financial institutions are issued by the Nigerian Accounting Standards Board (NASB) which includes, among others: the CBN, the Federal Ministry of Finance, the Nigerian Stock Exchange, and the Securities and Exchange Commission. The accounting standards are consistent with internationally recognized accounting practices for banks and other types of financial institutions. In addition, in 1994, the Financial Services Regulation Coordinating Committee, including the previously noted member of the NASB, was established to coordinate and harmonize standards for the various financial services institutions.

The "Prudential Guidelines for Licensed Banks," issued by the CBN in November 1990, provide criteria for the classification of credit facilities, require that audited financial statements disclose the performance status of outstanding credits, and mandate provisioning for nonperforming credits. In assuring conformance with the Prudential Guidelines, the Central Bank is authorized to specify acceptable external bank auditors.

While the NDIC is responsible by law for conducting bank examinations and initiating corrective actions. In practice, NDIC works in tandem with CBN in carrying out bank supervision. The supervision system includes both extensive off-site examination of periodic reports submitted to the CBN, including balance sheets, income statements and supplementary schedules, and joint on-site special examinations of problem banks. In 1994, 152 off-site examinations were conducted on 35 commercial banks and 24 merchant banks. Thirteen special examinations into six commercial banks and seven merchant banks were also undertaken.

^{1/} Decree Number 18, "Failed Banks (Recovery of Debts) and Financial Malpractices in Banks," November 9, 1994.

Nigeria: Structure of Interest Rates, 1992-94

(In percent, unless otherwise indicated)

	1992				1993				1994			
	March	June	Sept.	Dec.	March	June	Sept.	Dec.	March	June	Sept.	Dec.
Commercial bank rates												
Lending												
Prime	23.0	24.1	25.9	29.8	28.1	29.0	37.8	36.1	20.7	20.4	20.5	20.2
Maximum	25.2	25.9	27.6	31.2	29.6	30.8	45.3	39.1	21.0	21.0	21.0	21.0
Deposit rates												
Savings	14.9	15.5	15.5	16.1	17.2	16.9	19.2	16.7	12.2	12.2	12.4	12.3
One month	15.9	16.8	17.8	20.1	18.9	23.2	25.0	22.4	12.6	12.5	12.6	13.0
Twelve months	17.7	19.0	20.3	22.1	24.4	24.8	28.8	24.0	13.5	13.4	13.3	14.1
Government securities												
Treasury bills	17.3	17.3	18.8	21.0	23.0	25.0	26.0	28.0	12.5	12.5	12.5	12.5
Treasury certificates (1 year)	17.3	17.3	20.0	22.0	22.5	23.5	26.5	28.3	13.0	13.0	13.0	13.0
Federal Government bonds												
4-8 years maturity	18.0	18.0	18.0	18.0	23.4	26.5	26.5	26.5	14.0	14.0	14.0	14.0
9-14 years maturity	18.4	18.4	18.4	18.4	23.9	27.0	27.0	27.0	14.4	14.4	14.4	14.4
Real interest rates 1/												
Prime rate	-7.2	-16.4	-18.7	-12.8	-17.8	-17.5	-13.0	-15.6	-19.9	-15.0	-24.8	-32.0
Treasury bills	-11.5	-21.0	-23.3	-18.7	-21.1	-20.0	-20.4	-20.6	-25.4	-20.5	-29.8	-36.4
Twelve month savings	-11.2	-19.8	-22.3	-17.9	-20.2	-20.2	-18.7	-23.1	-24.7	-19.9	-29.3	-35.4
Memorandum items:												
Change in CPI over previous quarter	12.0	22.7	5.9	2.2	17.3	23.1	7.3	4.0	9.7	15.7	21.4	14.8
Annualized current inflation	57.6	126.9	25.9	8.9	89.6	129.8	32.5	17.1	44.6	78.9	117.1	73.7
Inflation over previous year	32.5	48.5	54.9	48.8	55.9	56.3	58.3	61.3	50.7	41.6	60.2	76.8

Source: Central Bank of Nigeria.

1/ Nominal interest rate adjusted for changes in inflation over previous year.

6. External sector

a. Balance of payments

The external current account deficit widened slightly in 1994 to 2.9 percent of GDP, reflecting the impact of broad-based administrative controls and the deterioration of the terms of trade. Oil exports are estimated to have fallen by 16 percent, due to both a drop in the price (by 10 percent) and volume (by 7 percent) of oil. Non-oil exports fell sharply as well (by about 15 percent), largely reflecting a fall in cocoa and rubber exports. The impact of the decline in export revenue on the current account balance was largely offset by an 18 percent drop in imports which reflected foreign exchange shortages (Chart 4).

Selected External Indicators, 1990-94

(In percent of GDP, unless otherwise indicated) 1/

	1990	1991	1992	1993	1994 Est.
Current account balance	9.8	0.1	-1.9	-2.8	-2.9
Overall balance 2/	-2.3	-7.8	-24.2	-10.0	-7.3
Gross official reserves 3/	5.3	4.8	0.9	0.8	1.3
Debt service ratio 4/					
Before rescheduling	47.2	45.8	69.9	43.3	47.7
After rescheduling	36.3	25.8	48.8	43.3	47.7
External debt outstanding	130.3	115.5	90.7	89.7	90.6

Sources: Data provided by the Nigeria authorities; and staff estimates.

1/ Dollar GDP calculated on the basis of changes in real GDP, adjusted for the U.S. GDP deflator.

2/ Includes impact of 1992 commercial bank debt reduction operation.

3/ In months of imports of goods and nonfactor services.

4/ In percent of exports of goods and nonfactor services.

The deficit on the capital account is estimated to have declined by US\$0.5 billion, to US\$1.7 billion, in 1994, largely as a result of lower amortization obligations and smaller short-term capital outflows. Official disbursements and private capital inflows remained low in 1994. As a result, the overall balance of payments deficit is estimated to have decreased from 10 percent of GDP (US\$3.3 billion) in 1993 to 7 percent (US\$2.5 billion) in 1994, which was financed by an accumulation of external payment arrears of US\$2.7 billion.

b. External debt

Following the reduction in the stock of debt of about US\$4.9 billion in 1992, Nigeria's public and publicly-guaranteed debt has steadily increased, to US\$31.2 billion at end-1994, including arrears. Bilateral official

creditors, including some US\$1.7 billion owed to mainly to Russia, India and Singapore, account for nearly 70 percent of the total debt stock at end-1994. The remaining debt was owed to multilateral creditors (14.1 percent), London Club banks (6.6 percent), and holders of promissory notes (9.8 percent). The latter notes, issued to refinance the outstanding trade arrears during 1984-87 owed to uninsured creditors, were rescheduled in 1988.

Since the 1991 Paris Club rescheduling, Nigeria's external payments arrears have continued to increase, amounting to US\$9.1 billion at the end of 1994. Arrears to Paris Club creditors and other official creditors are estimated at US\$7.9 billion and US\$1.1 billion, respectively. It is estimated that post-cutoff-date arrears totaled some US\$580 million. Nigeria is current with commercial and multilateral creditors.

Scheduled debt service totaled US\$4.6 billion in 1994, of which US\$1.9 billion represented interest obligation. The largest part of debt service (70 percent) was due to the Paris Club creditors. In terms of exports of goods and nonfactor services, the debt service ratio remained high, at nearly 48 percent. It is estimated that Nigeria made nearly US\$1.9 billion in cash payments in 1994.

c. Exchange rate developments

In the last few years, Nigeria's exchange system was frequently changed (see Box 10), and in 1994 the authorities took a more drastic step by eliminating the free market for foreign exchange and pegging the exchange rate at a highly overvalued rate (US\$1 = N 22). As a result, pressures in the official foreign exchange market increased considerably. The demand for foreign exchange at the official rate was a multiple of the official supply, which declined from roughly US\$3 billion in 1993 to US\$2 billion in 1994, prompting the authorities to reduce the frequency of the allocation sessions from every fortnight to every three weeks. Measures in midyear to divert part of the demand to the foreign exchange bureaus by allowing them a margin of 10 percent above the official rate did not have its intended results, and mounting pressures translated into a widening of the spread between the official and parallel market exchange rates. By the end of 1994, the spread between the official and parallel rates was around 300 percent, compared with 100 percent at the beginning of the year. In real effective terms, the exchange rate appreciated by 150 percent in 1994.

Box 10. Changes in the Exchange System, 1989-93

After the introduction of foreign exchange bureaus in August 1989, there were virtually two separate legal markets for foreign exchange in Nigeria. The foreign exchange bureaus--where the exchange rate was close to the parallel rate for much of the period--were allowed to deal in foreign currency notes and, to a limited extent, in travelers' checks, but they were prohibited from opening demand deposit accounts and from sourcing foreign exchange from the banking system within Nigeria. Most of the country's foreign currency receipts, including oil export earnings, were allocated by the Central Bank to the banking system. Initially the allocation was based on the relative size of banks measured in terms of paid-in capital. In mid-December 1990 the guaranteed quota were removed and a "Dutch auction" system was instituted.

During 1991 and early 1992, as inflationary pressures mounted, the spread between the official and foreign exchange bureau rates widened, from 16 percent in December 1990 to 78 percent in February 1992. The official exchange rate vis-à-vis the U.S. dollar depreciated by 17 percent, whereas the bureau rate depreciated by 80 percent over the same period.

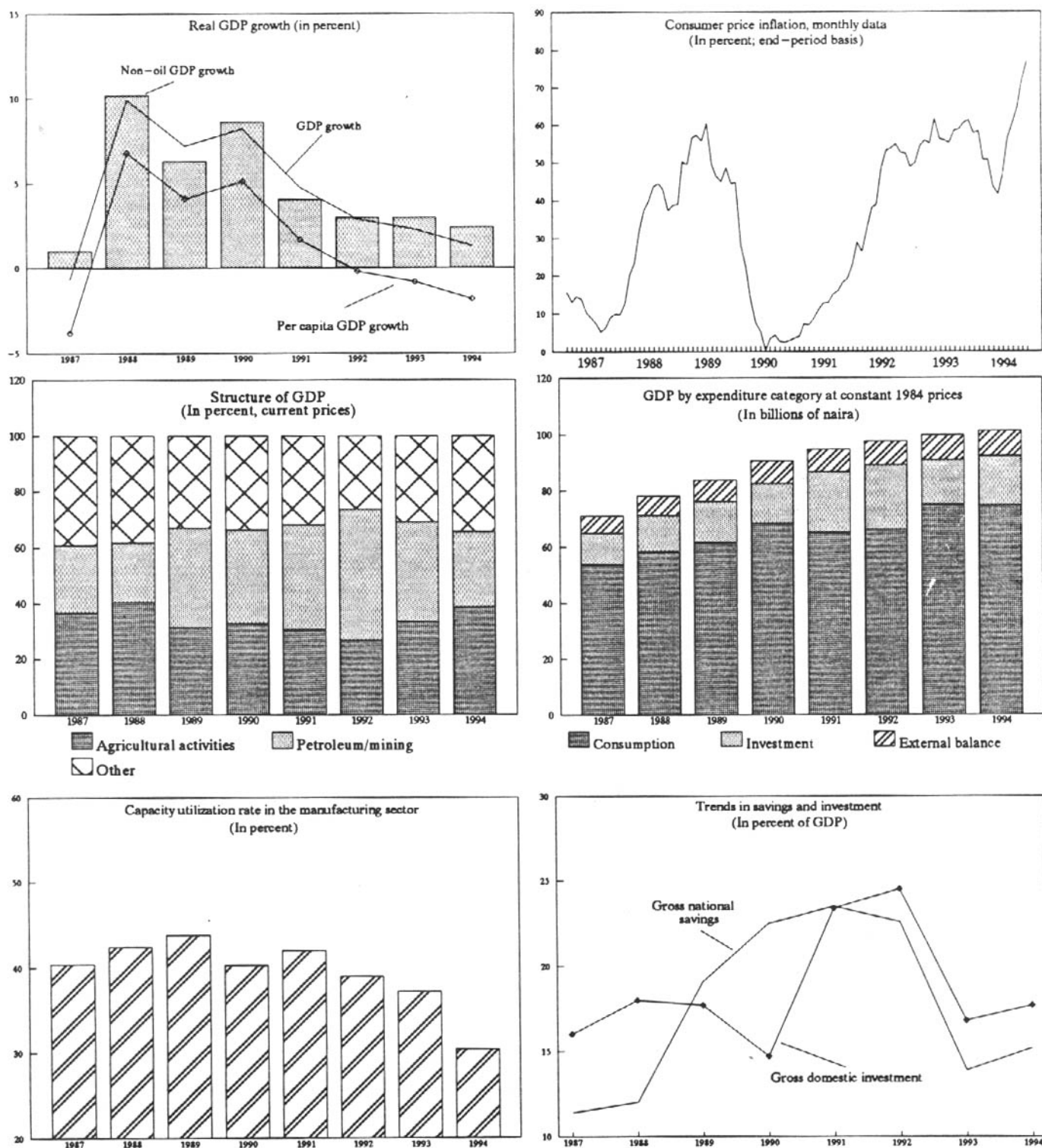
On March 5, 1992 the foreign exchange auction system was replaced by an interbank system, under which the official exchange rate of the naira was freely determined in the interbank market. Consequently, the official exchange rate depreciated by some 57 percent, from ₦ 10.56 to ₦ 18.48 per U.S. dollar. The spread between the official and bureau exchange rates narrowed from 83 percent at the beginning of March to less than 5 percent immediately thereafter. With heavy intervention by the Central Bank, the official exchange rate remained stable through end-August, but depreciated subsequently to ₦ 19.75 per U.S. dollar at end-December 1992. The spread between the official and bureau rates widened to around 15 percent in December.

Following several interruptions of foreign exchange sales owing to the inability to meet demand, the Central Bank reintroduced a Dutch auction system for the allocation of foreign exchange to authorized dealers in February 1993. The exchange rate depreciated by 22 percent to ₦ 24.9 per U.S. dollar for the first auction, and further to ₦ 30 in the second. The rapid depreciation of the currency prompted the Central Bank to peg the exchange rate, initially at ₦ 24.9 per U.S. dollar, and to allocate foreign exchange on a pro rata basis. The rate was subsequently revalued to ₦ 21.9 per U.S. dollar in April 1993. The pegging of the exchange rate in the face of rising inflation caused the spread between the official and foreign exchange bureau rates to increase to 112 percent by the end of 1993, from 20 percent a year earlier.

CHART 1

NIGERIA

DEVELOPMENTS IN THE REAL SECTOR, 1987-94



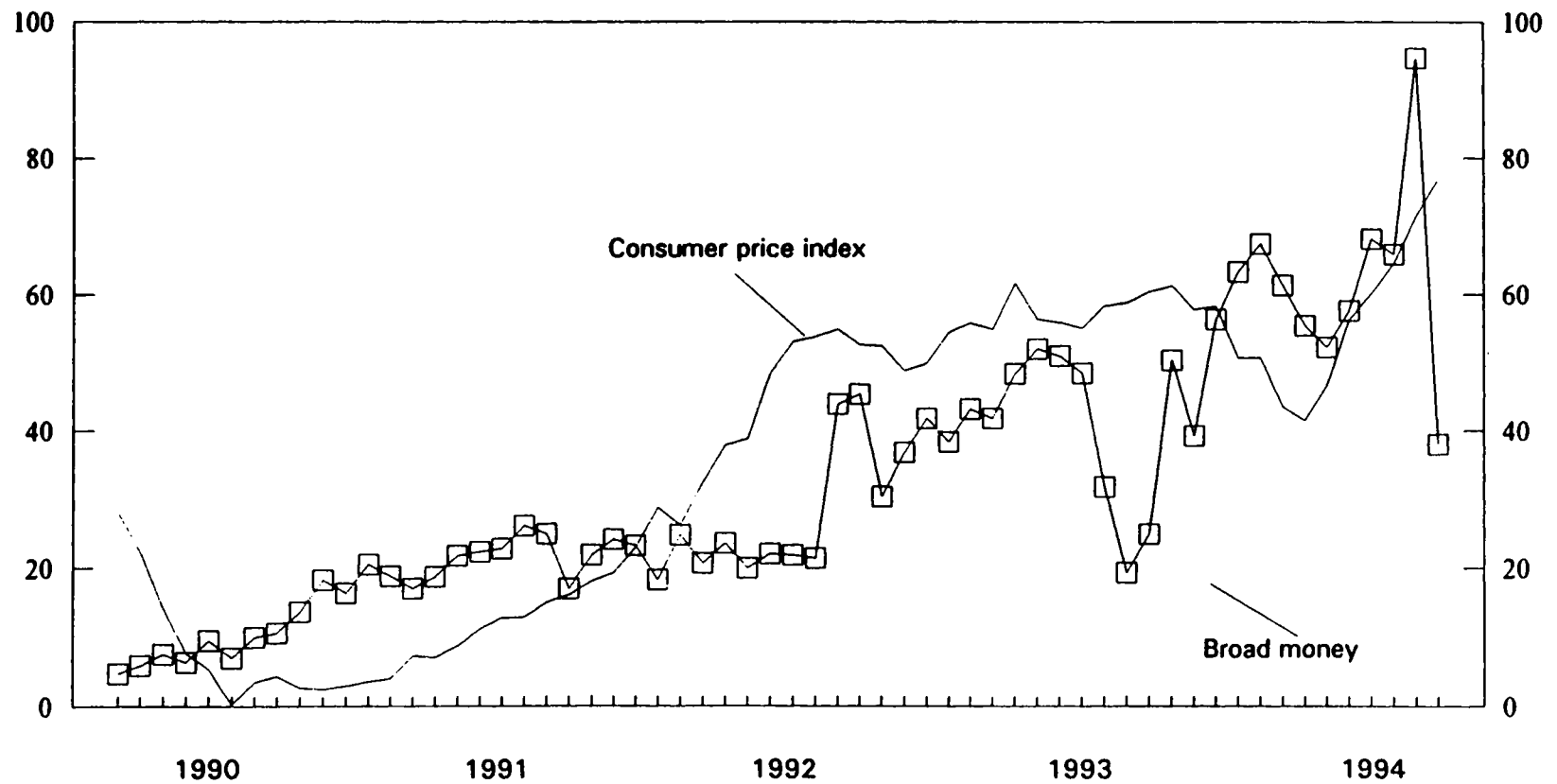
Sources: Data provided by the Nigeria authorities; and staff estimates.

CHART 2

NIGERIA

BROAD MONEY GROWTH AND INFLATION, JANUARY 1990-DECEMBER 1994

(Annual percentage change)

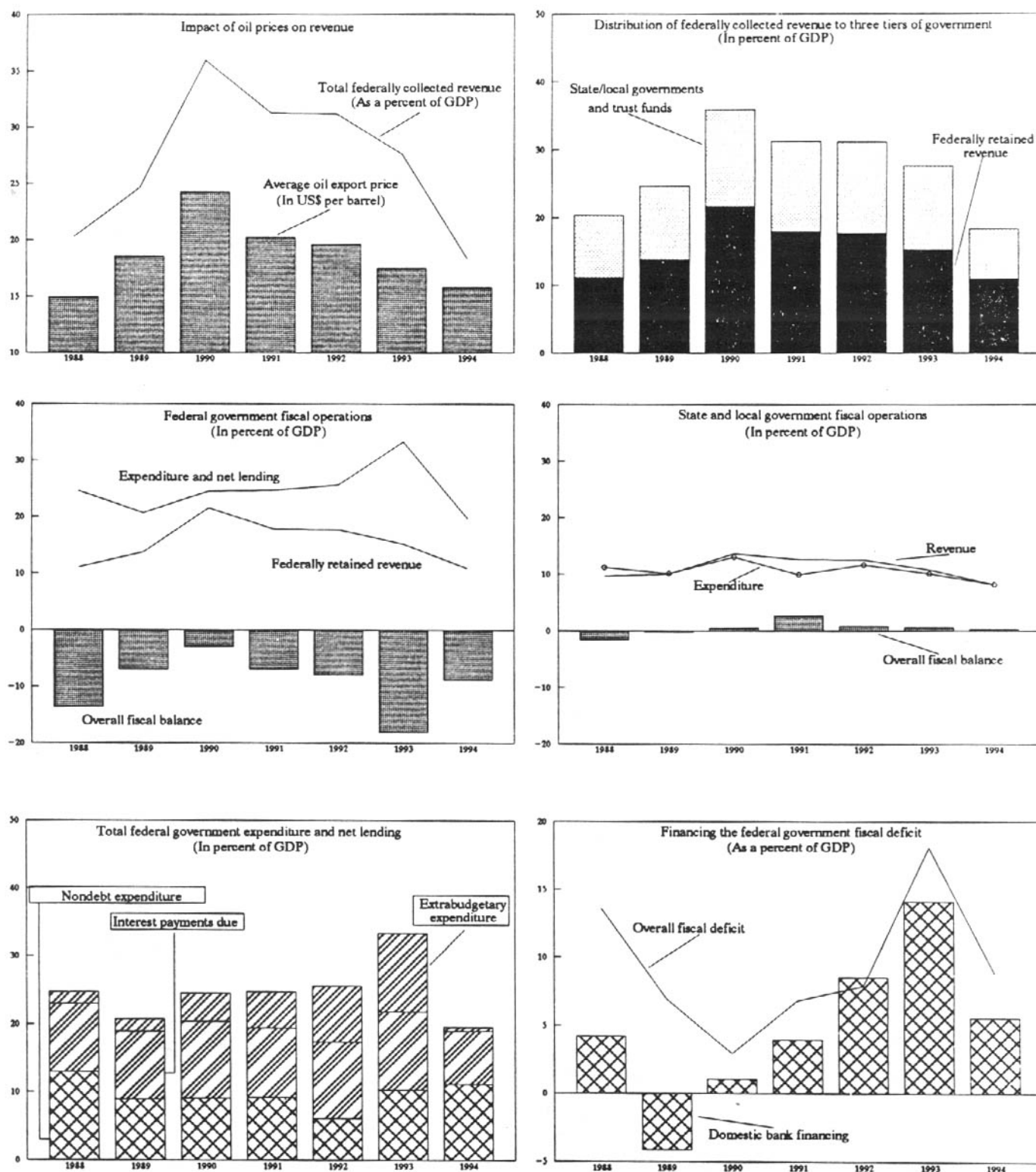


Sources: Data provided by the Nigerian authorities; and staff estimates.

CHART 3

NIGERIA

FISCAL SECTOR DEVELOPMENTS, 1988-94

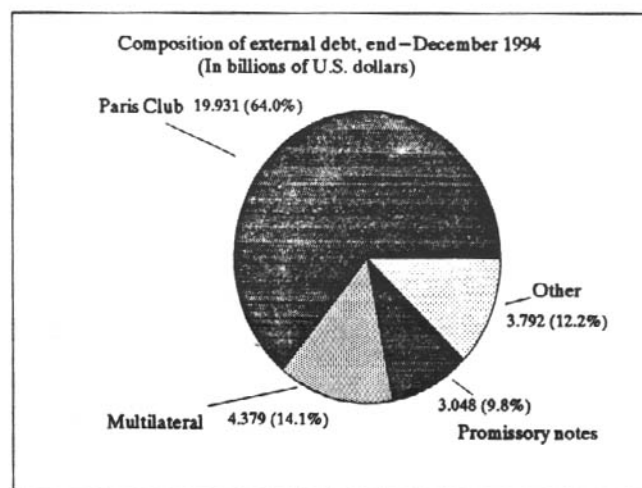
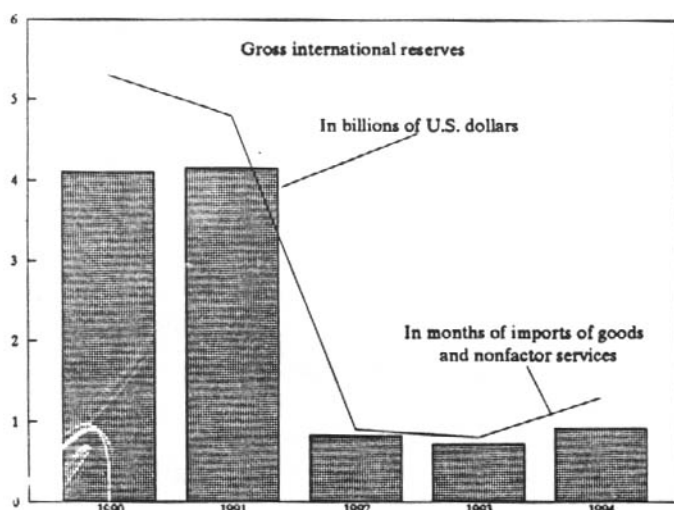
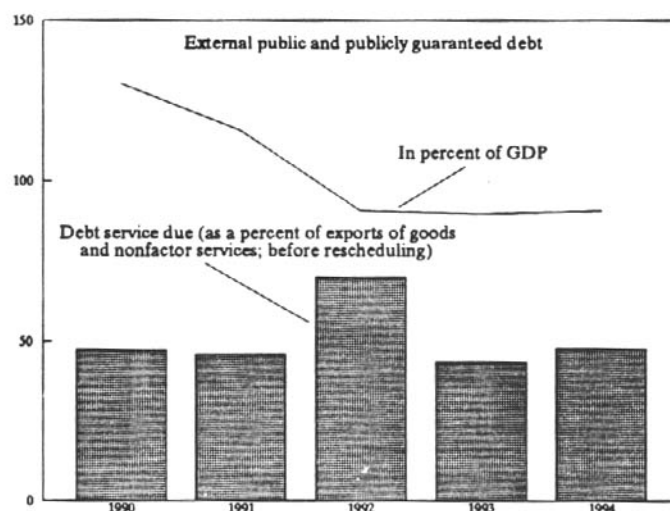
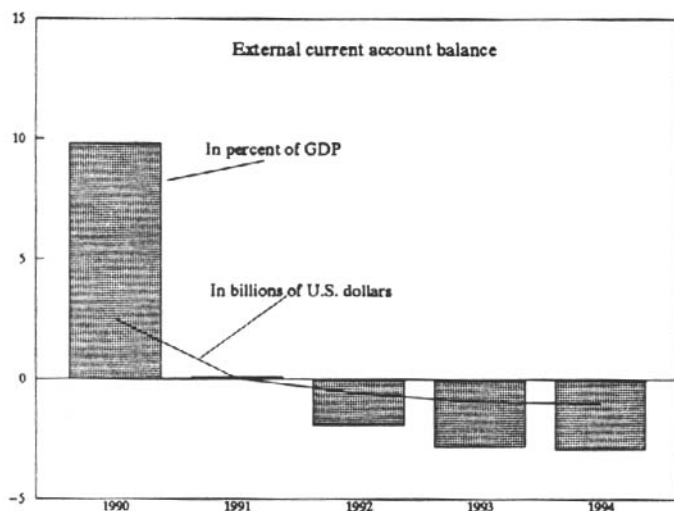
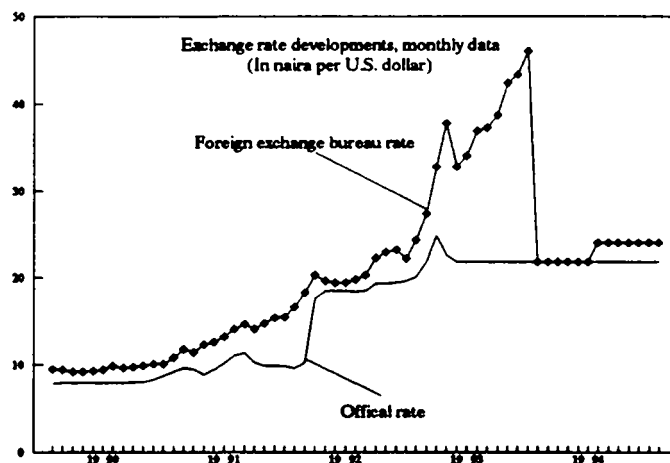
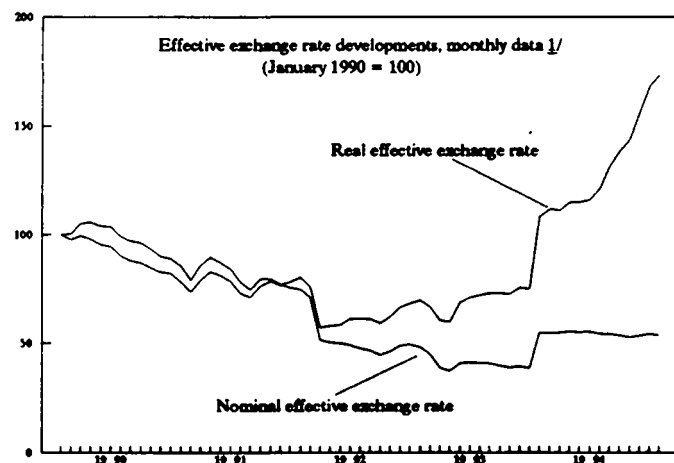


Sources: Data provided by the Nigerian authorities; and staff estimates.

CHART 4

NIGERIA

EXTERNAL SECTOR DEVELOPMENTS, 1990-94



Sources: Data provided by the Nigerian authorities; and staff estimates.

1/ Based on the weighted average of official (65 percent) and foreign exchange bureau rates (35 percent).

II. The Impact of the Uruguay Round on Nigeria

The Uruguay Round presents both opportunities and challenges for Nigeria. In the short-term, its impact could be somewhat negative as a result of the terms of trade effect and the erosion of trade preferences. In the longer term, however, the impact will be policy driven. If stabilization and structural reform policies are not implemented to address Nigeria's deep-rooted economic problems in an environment of price stability, the benefits of multilateral trade liberalization would be negligible. On the other hand, Nigeria's broad resource base, educated labor force, and strong entrepreneurial class stands to gain substantially from the Uruguay Round provided that the right market signals are present.

1. Introduction

The Uruguay Round (UR) is the first multilateral trade negotiation in which many developing countries were major participants. Nigeria considered the Round as offering an important opportunity to promote and diversify exports, thereby reducing the current excessive dependence on petroleum; it was interested in improving market access to trading partners in such areas as agriculture, tropical products, and natural resource products (like pearls and precious stones).

By providing more liberalized markets, clearer trading rules and integrating new areas such as agriculture, services and intellectual property, as well as textiles and clothing, into the multilateral trading system, the UR offers new challenges and opportunities for trading countries. Most estimates of the static gains from the market access part of the UR package suggest about a 1 percent annual increase in world income over the next 10 years, with estimates ranging from US\$200 billion to US\$300 billion per year in 1992 dollars. The developing countries' share of this gain is estimated at about one-third. ^{1/} However, there is considerable uncertainty regarding the distribution of these benefits, as some countries may experience adverse terms of trade effects because of trade liberalization in the agricultural sector and some may lose market share through the phasing out of trade preferences.

This paper provides a preliminary assessment of the economic implications of the Uruguay Round for Nigeria. It is organized as follows. Section 2 reviews Nigeria's trade regime; the effects of the Round on Nigeria's external trade and services are discussed in section 3; and concluding observations are made in section 4.

^{1/} Moreover, all models show that the predicted welfare gains are sensitive to the liberalization efforts of the beneficiaries themselves. For example, one estimate (OECD, 1993) is that if only industrial countries and not developing countries were to liberalize, the developing countries' gain would fall from some US\$86 billion to only US\$30 billion.

2. The structure of external trade

Nigeria is the second biggest exporter and importer in sub-Saharan Africa (after South Africa). The structure of Nigeria's exports differs significantly from that of other sub-Saharan African (SSA) countries, which rely heavily on exports of food and agricultural raw materials (around 30 percent for SSA). In contrast, Nigeria's major export is crude petroleum (more than 90 percent of total exports), while non-oil exports consist of cocoa beans and butter, rubber, leather, hides and skins, and fertilizers. Like other SSA countries, however, manufactured exports are well below the average for developing countries as a whole (Tables 1 and 2).

Machinery and transport equipment have in recent years accounted for about 40 percent of imports. The other major imports are "other manufactured goods" (around 30 percent of total imports), and chemicals (around 20 percent of total imports). Food imports constituted roughly 10 percent of total imports in recent years (Tables 3 and 4).

In terms of direction of trade, the largest share of Nigeria's trade is with industrial countries. About 80 percent of its exports (and over 90 percent of petroleum exports) are to the United States and the European Union (E.U.). Sources of imports are more diversified, but about 50 percent of imports are from the E.U. and about 15 percent are from the United States (Table 5).

While Nigeria's major trading partners are industrial countries, initiatives have been taken in recent years to increase trade with other developing countries. Nigeria has participated in the Global System of Trade Preferences (GSTP) among developing countries, ^{1/} and is one of the founding members of the Economic Community of West African States' (ECOWAS) trade liberalization scheme. However, formal trade among ECOWAS has thus far been limited.

The structure of international trade taxes in Nigeria is compact as it is composed only of a customs duty and a surcharge. However, the base is reduced by exemptions and deductions. A new tariff structure, which includes a narrower and lower range of customs duty rates, was introduced in March 1995. The dispersion in import duty rates was reduced from 0-300 percent to 5-100 percent, with most rates clustering between 10-40 percent compared to the previous range between 25-75 percent. The unweighted average tariff, including landing charges but excluding surcharges, is around 35 percent. In addition, three import duty surcharges apply: a 7 percent port development surcharge; a 5 percent levy on imported sugar; and a 2 percent surcharge on automobiles.

^{1/} The GSTP agreement, which was signed in 1988, provides for lower import tariffs among the participating (developing) countries for a certain number of products.

Under the new tariff structure, 16 product items/groups are prohibited from import. 1/ Import prohibitions largely affect key agricultural and industrial enterprises, for which the Government wants to promote domestic production. In addition, nine items are prohibited from exports. 2/

3. The impact of the Uruguay Round on external trade

Notwithstanding its support for the UR, 3/ the Nigerian authorities have expressed concern that the outcome of the Round would entail short-term losses. They emphasized the need for mechanisms to ensure that developing countries would not suffer from food shortages. 4/

Generally, there are three aspects of the UR that may affect exports of developing countries. First, there is the Multifiber Arrangement (MFA), which will expand market access for quota-constrained suppliers to industrial countries, thereby potentially crowding out access for countries with preferential arrangements under the MFA. Second, most favored nation (MFN) tariff cuts by trading partners could result in an increase in exports. Finally, MFN tariff cuts may also result in preference erosion in some cases. The first aspect, which is primarily related to textiles and clothing, is not relevant in the case of Nigeria. 5/ Box 1 provides a summary of the main results of the UR.

a. Trade in agricultural products

(1) Export markets

The table below shows Nigeria's main non-oil exports, and the simple average tariff concessions of the E.U. and the U.S.A. These commodities account for all but 1 percent of Nigeria's total non-oil exports. As shown, the tariffs for these commodities are expected to decline, but the reduction is limited.

There are several ways of estimating the impact of MFN tariff cuts on exports. For example, numerous studies have utilized multi-country applied

1/ Including poultry, wheat flour, used tires, some textile fabrics, maize, and used vehicles.

2/ Beans, rice, cassava, maize, yam, timber, raw hides, scrap metals, and unprocessed rubber.

3/ Nigeria formally approved the Final Act in December 1994.

4/ The Net Food Importers' Group (which has as core members Egypt, Jamaica, Mexico, Morocco, Nigeria, and Peru, and as associate members China, India, and South Korea) have requested special treatment to alleviate the burden of increased prices on the balance of payments of food-importing countries and assistance for enhancing the productive capacity of their own farmers.

5/ This study concentrates on non-oil trade in assessing the changes in market access.

Simple Average Tariff Concessions in the Uruguay Round

Commodity	E.U.		U.S.	
	Base duty rate ad valorem 1/	Bound duty rate ad valorem 2/	Base Duty Rate ad valorem 1/	Bound Duty Rate ad valorem 2/
Cocoa	11.62	7.70	6.87	5.92
Natural rubber, gum	3.15	1.82	3.05	1.64
Leather	6.95	4.80	9.26	7.87
Pearls, precious stones	2.23	0.41	6.14	3.08
Fertilizers	5.01	4.31	0	0
Fish	13.35	11.47	1.34	0.95
Hides, skins	2.69	2.20	3.09	1.99
Fruit, nuts	11.62	8.66	8.48	5.69
Feeding material for animals	0.64	0.24	1.73	0.55

Source: GATT.

1/ The base duty rate refers to the pre-Uruguay Round tariff rate.

2/ The bound duty rate refers to the maximum post Uruguay Round tariff rate.

Box 11: The Main Results of the Uruguay Round

The Final Act of the Uruguay Round agreement was signed in April 1994 and becomes effective in 1995 after ratification by national legislatures. The Round reduces tariff and nontariff trade barriers in many sectors, strengthens multilateral disciplines and extends them to new areas, and establishes the World Trade Organization (WTO). The main achievements are as follows:

• Industrial countries will cut tariffs on industrial products on average by some 40 percent in five equal annual reductions. Tariffs will be eliminated in ten major sectors, increasing the share of duty-free imports from 20 percent to 43 percent. A major breakthrough is the virtual prohibition of "gray area measures", such as voluntary export restraints and orderly marketing agreements, which will in general be phased out within four years. Developing countries will substantially increase the scope of their tariff "bindings"—commitments not to raise a tariff without compensating trading partners—and will reduce the level of these bindings, thereby locking in recent reforms.

• As to agricultural products, nontariff barriers (with a few exceptions) will be converted into tariffs. Industrial countries will reduce tariffs over a six-year time span by an average 36 percent from levels in the 1986-88 period; they will also reduce export subsidies by the same amount in value. The volume of subsidized exports will have to decline by 21 percent, and domestic support (production subsidies, for example) must decrease by 20 percent. For developing countries, reductions in tariffs, domestic support, and export subsidies are generally set at two-thirds of those of the industrial countries, and implementation is spread over ten years. Least developed countries are effectively exempt from all reduction commitments.

• The textiles and clothing sectors will be integrated into the WTO in four stages, with the bulk of products (49 percent in terms of 1990 values) to be liberalized at the end of a ten-year period. The order in which products are integrated will be determined by the importing countries.

• As regards trade in services, the General Agreement on Trade in Services (GATS) institutes a multilateral framework for this large segment of world trade (about 20-25 percent), including such aspects as most-favored-nation (MFN) treatment and transparency. Many initial commitments involve binding existing levels of market access, thereby preventing slippages from the status quo.

• In the area of intellectual property rights, the agreement establishes standards of protection and provisions for their reinforcement under national law and for multilateral dispute settlement.

• The Uruguay Round also provides for a clarification or strengthening of rules with respect to the use of specific trade policy instruments, notably safeguards, antidumping, and countervailing measures.

Source: IMF (1994a) "World Economic Outlook", May 1994.

general equilibrium models. These models simultaneously perform detailed calculations of the effects arising from changes in relative prices and on supply and income for each sector. Data limitation preclude a direct application of this technique for Nigeria's exports. Instead, the magnitude of tariff reductions can be roughly estimated under a partial equilibrium approach. 1/

Although reliable estimates of the elasticity of import demand and the elasticity of export supply responses are not available on a commodity specific basis for Nigeria's major exports, existing studies support the hypothesis that the elasticities of import demand for most of the products in question are likely to be in the range of -1.5 to -0.5. At the same time, given the small order of expected prices rises, as estimated in various applied general equilibrium studies, the required global supply adjustment in response to tariff reductions is expected to be small relative to current production levels. A very elastic supply response, $E_x = -99$, has been assumed in light of current production capacities for the commodities in question. The equation was calculated under different assumptions of the elasticity of import demand ($E_m = -1.5$; $E_m = -1$; and $E_m = -0.5$) in order to assess its sensitivity. Market access to Nigeria's trading partners

1/ A simple approach to assessing the effects of trade liberalization by industrial countries on the exports of developing economies is to estimate the change in price required to reestablish the demand-supply equilibrium following a change in tariffs, dt , by the importing countries. Generally, for commodity j , if importing countries have elasticity, E_{mj} , and the global supply elasticity is given by, E_{xj} , the required price change, dp , needed to reestablish equilibrium following a small change in the importing country tariff, t , is given by equation (1). Simple, algebraic manipulation of equation (1) [shown in equations (2)- (4)] provides an expression of the percentage change in imports (trade in good j) as a function of the equilibrating prices (in terms of the change in tariff and import and export elasticities) [equation (4)]:

$$(1) \quad E_{mj} \left(\frac{dt}{1+t} + \frac{dp}{p} \right) = E_{xj} \left(\frac{dp}{p} \right)$$

$$(2) \quad (E_{xj} - E_{mj}) \frac{dp}{p} + E_{mj} \left(\frac{dt}{1+t} \right) = 0$$

$$(3) \quad E_{mj} = \frac{(E_{mj} - E_{xj}) \left(\frac{dp}{p} \right)}{\frac{dt}{1+t}}$$

$$(4) \quad \frac{dM_j}{M_j} = \frac{1}{\left(M_j \left(\frac{dt}{1+t} \right) \left(-\frac{E_m}{1 - \frac{E_m}{E_x}} \right) \right)}$$

Assuming that exporters maintain their market shares (which is equivalent to assuming that there is a homogenous supply response), the percentage change in Nigerian exports of commodity j to importing area i can be estimated by:

$$\frac{dM_{ij}}{M_{ij}} = E_m \frac{dt_{ij}}{(1+t_{ij}) \left[1 - \frac{E_m}{E_x} \right]}$$

increases as E_m becomes more elastic. However, even under the unlikely assumption of an elastic import demand (i.e. $E_m = -1.5$), the impact of trade liberalization on Nigeria's major exports would remain limited.

Assuming that Nigeria maintains its market share for its major non-oil export commodities, its exports to industrial countries can be expected to increase modestly as a result of trade liberalization. The gain for the eight largest non-oil (agricultural and well as other) exports, assuming $E_m = -1.5$, is estimated at less than US\$8 million. This modest gain is due to the limited nature of the liberalization commitments by the major producers, and may even overestimate market access gains, as the elasticity of import demand for these commodities may be lower than assumed here. Moreover, to the extent that these commodities benefit from trade preferences, the gain would be even smaller.

Increase in Nigerian Exports as a Result of Trade Liberalization by
Industrial Countries in Selected Agricultural and Manufactured Goods

Commodity	Market Access (In percent)		Value
	to the E.U.	to the U.S.	(In millions of U.S. dollars)
Cocoa	5.0	1.3	3.3
Fruit	4.0	3.9	0.3
Feeding material for animals	0.6	1.7	0.1
Natural rubber, gum	1.9	2.0	1.3
Leather	3.0	1.9	1.3
Pearls, precious stones	2.6	4.0	1.4
Fertilizers	0.9	0.0	0.1
Hides	0.7	1.5	0.1

(2) Agricultural prices

Nigeria is a net food importer, and has relatively low self-sufficiency ratios in a number of key agricultural commodities. Numerous studies, some undertaken prior to the conclusion of the Round, have looked at the impact of trade reform in industrial countries on the world price of various food commodities. ^{1/} A reduction in the rate of protection in OECD countries is expected to lead to a reduction in production in many of these countries, where the problem has been overproduction, and a rise in world prices. Although the magnitude of the estimated price effects differ, many studies show relative price increases for a limited number of heavily protected commodities, notably wheat, meat, and sugar, which figure importantly among Nigeria's imports.

^{1/} See, for example, Brando and Martin (1993), Goldin, Knudsen, and van der Mensbrugghe (1993) and Page and Davenport (1994).

Goldin and van der Mensbrugghe (1995) have analyzed the impact of trade liberalization on agricultural prices on the basis of actual Uruguay Round commitments. The results of this study indicate that the world price is expected to rise for some major agricultural commodities by the year 2002 from a base simulation. For example, the price of wheat is expected to increase by 1.2 percent to 3.8 percent. There are several exceptions to these trends, including rice and cotton, for which price decreases are anticipated. The simulations also project a decrease in world cocoa prices, ranging from 1.3 percent to 0.7 percent, relative to the base scenario. This projection reflects the distinctive characteristics of the cocoa market and runs counter to the trade reaction predicted in the partial equilibrium analysis. Relative to average 1991-93 cocoa export levels, the order of magnitude of the loss associated with this price change can be estimated to be in the range of US\$1-2 million per annum.

Nigeria's net agriculture, fish and forestry imports, which averaged US\$1.17 billion in 1991-93, is only a small fraction of total imports (around 14 percent). Assuming that the ratio of imports of temperate crops to total imports remains constant, and using projected price changes estimated by Goldin and van der Mensbrugghe, total food imports in the year 2002 would be around US\$13 million higher than they would otherwise have been. The estimated deterioration in the terms of trade would be smaller when the possibility of substitution between the various food products is taken into account.

(3) Nigeria's commitments in agriculture

As regards Nigeria's commitments under the Round, it made an important contribution to the security of market access by binding 100 percent of agricultural product tariff lines. 1/ Ideally, the bound tariff should be equal to the applied tariff, which would enhance the locking-in effect of tariff bindings. However, Nigeria bound its tariffs at a level significantly higher than the average applied rate: the average rate of tariff binding in agriculture is 230 percent, 2/ which is substantially above the applied rate of 47 percent. 3/ Accordingly, the direct impact of the UR agreement on access to Nigeria's agricultural market is expected to remain very limited in the short run.

1/ Bindings entail a commitment by a member not to raise the level of its tariffs--without consulting and/or compensating its trading partners--beyond the "bound" level. A binding contributes to greater predictability of trade policies and hence to greater certainty in trade and investment decisions.

2/ Includes customs duty and other duties and charges (ODC).

3/ The applied rate refers to the 1994 tariff regime.

Nigeria: Self Sufficiency Ratios (1985) and
Expected Price Changes for Major Agricultural, Fish, and Forestry Imports

	Self-Sufficiency Ratio 1/	1991-93 Average Imports	Percentage change in world prices		Impact on imports	
			Simulation I 2/	Simulation II 3/	Simulation I 2/	Simulation II 3/
			(In millions of U.S. dollars)			
Wheat and wheat flour	0.0	153.0	1.2	3.8	1.8	5.8
Rice	0.7	90.7	-1.5	-0.9	-1.4	-0.8
Sugar	0.3	161.7	-1.0	1.8	-1.6	2.9
Milk	0.5	61.2	-1.3	1.2	-0.8	0.7
Palm oil	0.9	50.2	-0.6	-0.3	-0.3	-0.2
Other food and animals	...	211.3	-0.5	0.8	-1.1	1.7
Cotton fibers	0.4	29.7	-1.3	-1.2	-0.4	-0.4
Fish	...	194.0	-0.7 4/	0.7 4/	-1.4	1.4
Forestry products	...	83.1	-0.7 4/	0.7 4/	-0.6	0.6
Other, unspecified	...	134.1	-0.7 4/	0.7 4/	-0.9	0.9
	...					
Total	...	1,168.8	...	...	-6.6	12.7

Sources: FAO, 1994 and Goldin and van der Mensbrugghe (1995).

1/ The rate of self sufficiency is defined as total domestic output divided by total domestic absorption.

A ratio greater than 1 indicates a positive net trade position.

2/ Estimates based on simulation assuming levels of protection for the period 1994-2002 are equivalent to 1982-93 averages.

3/ Estimates based on simulation assuming levels of protection for the period 1994-2002 are equivalent to 1991-93 averages.

4/ Simple average of elasticities on other identified items.

b. Trade in manufactures

(1) Export markets

Under the Round, industrial countries will reduce import-weighted average bound tariffs on industrial products from 6 percent to 3.6 percent at the end of the five-year implementation period. However, as noted in IMF (1994b), applied rates are lower than bound rates in the base period for many industrial countries, and they provide a better indicator of actual liberalization. Taking applied rates as a point of departure, import-weighted average tariffs on industrial imports will decline from 5 percent to 3.6 percent. Since tariff levels in the industrial countries' markets are already low, actual income gains from the reduction in manufacturing tariffs alone are relatively small. The lower is the tariff rate from which the change takes place, the lower will be the effect on industrial country domestic prices and, hence, on trade.

Tariff reductions have been uneven across sectors. Above-average tariff cuts are taking place in seven product groups: metals; mineral products; electric machinery; wood and wood products; non-electric machinery; chemicals; and "other" manufacturing articles. Below-average cuts are made in four product groups: textiles and apparel; leather, rubber, footwear and travel goods; fish and fish products; and transport equipment (see below). Nigeria's main non-oil exports consist of agricultural products and raw materials, and trade liberalization is expected to have a limited impact on its manufacturing exports in the short-term.

Industrial-Country Tariffs

Product category	Pre-Uruguay Round	Offer	Percent Reduction	Absolute Reduction
All industrial products	6.3	3.8	40	2.5
Textiles/clothing	15.5	12.1	22	3.4
Metals	3.7	1.4	62	2.3
Minerals/Precious stones	2.6	1.1	58	1.5
Electrical machinery	6.6	3.6	45	3.0
Leather, rubber, and footwear	8.9	7.1	20	1.8
Wood, pulp, paper, and furniture	3.5	1.5	57	2.0
Other manufacturing	5.4	2.7	50	2.7
Fish and fish products	6.1	4.8	21	1.3
Non-electric machinery	4.8	2.3	52	2.5
Chemical and photo supplies	6.7	3.8	43	2.9
Transport equipment	7.4	5.8	22	1.6

Source: GATT

(2) Nigeria's commitment in manufactures

Over the past decade, Nigeria's trade system experienced profound changes. Substantial trade liberalization was carried out, beginning in September 1986, with the implementation of the Structural Adjustment Program (SAP). Since 1989, however, the record has been mixed. Prior to the UR, Nigeria had been reluctant to bind lower tariffs under GATT. As a result of this failure to lock in reforms and the changes in trade policy, a high degree of uncertainty continued to exist about the country's future tariff policies. This situation should improve slightly with the implementation of the UR agreement as Nigeria has undertaken to bind 7 percent of tariff lines in manufacturing. This will result in increased predictability of its trade regime, but will not lead to actual trade liberalization as rates were bound at levels well in excess of applied rates. It has chosen to bind at an average rate of 128 percent, 1/ more than triple the average applied rate of 36 percent. 2/ The bound rates will obviously not be applied in practice.

c. Trade preferences

It is widely believed that trade liberalization will lead to an erosion of preferences that beneficiaries currently enjoy under schemes such as the Generalized System of Preferences (GSP) and the Lomé Convention--both of which Nigeria is a member. 3/ Preferential access takes the form of goods usually being allowed to enter duty free or at lower-than-MFN rates. MFN tariff reductions will erode the margins of preferences that beneficiaries receive and cause their competitive position to deteriorate vis-à-vis other suppliers.

However, the impact for sub-Saharan African countries is expected to be small as the composition of their exports is weighted in favor of commodities that already have low MFN tariffs. For example, Yeats (1994) calculates that the simple average preference margins granted to sub-Saharan African countries range from 0.9 percent to 4.4 percent, with Nigeria's preference margins being the lowest (see below).

1/ Includes customs duty and other duties and charges (ODC).

2/ The applied rate refers to the 1994 tariff regime.

3/ For a discussion of the GSP and the Lomé Convention see IMF (1994b).

Industrial Country Tariff Preferences for Non-oil
Imports from Sub-Saharan African Countries 1/

(In percent)

Exporting country	OECD average	
	Preferential tariff	Preference margin 2/
Nigeria	2.7	-0.9
Ethiopia	0.7	-1.3
Congo	0.1	-1.4
Angola	0.2	-1.5
Sudan	0.1	-1.5
Liberia	0.6	-1.7
Zambia	0.3	-1.7
Gabon	0.6	-2.0
Madagascar	0.5	-2.0
Zaire	0.3	-2.1
Central African Republic	0.2	-2.2
Ghana	1.0	-2.2
Guinea	0.6	-2.3
Mauritania	1.7	-2.3
Tanzania	0.1	-2.3
Malawi	1.1	-2.4
Uganda	0.9	-2.4
Cameroon	0.4	-2.5
Zimbabwe	0.9	-2.5
Chad	0.4	-2.7
Botswana	0.3	-2.8
Togo	0.3	-2.8
Niger	0.1	-3.0
Côte d'Ivoire	0.7	-3.1
Mauritius	1.3	-3.1
Sierra Leone	0.5	-3.1
Kenya	0.5	-3.3
Senegal	0.5	-3.3
Mali	0.4	-3.4
Swaziland	0.8	-4.4

Source: Yeats (1994).

1/ Tariffs are simple (unweighted) averages of nominal duties levied on the country's exports.

2/ The preference margin is the difference between the simple average tariff on the African country's exports and the simple average tariff on other exporters of the same products.

Thus, on its non-oil exports to the OECD, Nigeria faced tariffs averaging 2.7 percent, 0.9 percentage points below the average duty facing other exporters. The country's preference margin, particularly compared with other SSA countries, is relatively small, and the loss of market access as a result of preference erosion should be minimal.

d. Reduction in nontariff barriers

The results of the UR with respect to the removal of NTBs are significant. However, the benefits will most likely be unevenly spread, with large gains to some and none to others. According to Harrold (1995), sub-Saharan African exports facing barriers are expected to decline from 10.8 percent to only 3.3 percent, excluding petroleum, and from 13.1 percent to 8.0 percent, including petroleum. However, for Nigeria, the results of the UR with respect to the removal of NTBs are expected to be marginal, as shown below.

Pre- and Post-Uruguay Round Coverage of NTBs on Nigeria's Exports

OECD nontariff measure coverage ratio							
1992 OECD imports (\$ million)		All goods			All non-oil goods		
All goods	All non-oil goods	Pre-UR	Post-UR	Change	Pre-UR	Post-UR	Change
11,379	497	14.4	14.4	0	1.0	0.9	-0.1

Sources: Trade data from United Nations comtrade records; nontariff barrier information from the World Bank-UNCTAD SMART Data Base (See Harrold (1995)).

e. Other areas covered by the Round

The Uruguay Round brought two new areas of world trade within the scope of the trading system, namely services and intellectual property. With respect to the General Agreement on Services (GATS), the parties agreed on a definition of services and the establishment of a framework based on nondiscrimination and transparency. Nigeria has made commitments in more than 10 percent of its services sectors. These commitments relate to trade liberalization and to the binding of existing market access opportunities with respect to four sectors, namely communication, finance, tourism, and transportation.

With respect to the Agreement on Trade-Related Intellectual Property Rights (TRIPs), Nigeria has made a commitment to apply the general provisions within the transitional period of ten years. The main elements of the TRIPs are (1) the basic application of MFN principles; (2) an agreement to accord high standards of protection for all types of intellectual property such as copyrights, trademarks, industrial designs patents; and (3) provide procedures and remedies enforcement under national law of intellectual property rights. Patent protection is to be provided for 20 years on almost all inventions. Negotiations on some of these new areas are still ongoing. Accordingly, the impact of liberalizations in services and intellectual properties remain uncertain.

4. Concluding observations

An important policy objective in Nigeria is to reduce dependence on oil and encourage agricultural and industrial production. The country was once a leading exporter of palm produce and the second largest exporter of natural rubber. It was also self sufficient in food. Non-oil exports, which primarily consist of agricultural commodities, diminished from 40 percent of total exports in 1970 to less than 5 percent today. Undoubtedly the oil boom, accompanied by the relocation of resources away from non-oil traded goods, and weak agricultural prices explain part of the poor performance in the agricultural sector since the 1970s. However domestic policies have also adversely affected the sector (see, for example, Oyejide (1986)).

In order for Nigeria to minimize the possible negative short-term impact and, perhaps more importantly, to benefit from multilateral trade liberalization, policies conducive to the promotion of domestic production would need to be implemented. This would require reforms in the exchange and trade regime, and allowing full pass-through of prices in order to promote an efficient allocation of resources. Unless policies are implemented to reduce the disincentives currently affecting non-oil exports, Nigeria's objective of promoting agriculture and industry will continue to be elusive.

The probable increase in the world price for cereals and other main temperate products could, of course, stimulate production in Nigeria if a range of policy measures are taken. These include: (i) passing on the rise in world agricultural prices to domestic farmers; and (ii) improving yields by enhancing technologies, distribution, and infrastructure. In such a situation, the negative impact of higher world price on food-deficit countries, such as Nigeria, could be dampened as it could lead to a reduction in food imports because of expanded domestic production.

As regards Nigeria's own commitments under the Round, extensive studies by the World Bank (see Thomas and Nash, 1991), for example, document the important economic gains that can result from trade reform. These studies show that a liberalization of a country's own trade barriers, when accompanied with a correction of an overvalued exchange rate and improved price incentives, can expand production and trade. In short, the best response to any possible initial adverse effects would appear to be an aggressive liberalization of Nigeria's own trade barriers. As noted above, however, Nigeria's commitments under the Round have thus far been limited.

Table 1. Structure of Exports for Nigeria
and a Selected Group of Countries in 1990 1/

	Nigeria	Sub- Saharan Africa	All developing countries
Value of exports (in billions of U.S. dollars)	13.6	53.7	708.9
Structure of exports, by main product category (in percent) <u>2/</u>			
All foods	1.8	18.5	11.4
Agricultural materials	1.5	8.3	3.3
Fuels	93.6	36.3	26.0
Ores and metals	0.7	16.6	4.2
Manufactures	2.1	18.8	53.9
Of which:			
Chemicals	0.3	3.0	3.8
Other manufactures	1.6	13.8	29.9
machinery and transport	0.2	2.0	17.4
Unallocated trade	0.3	1.5	1.2

1/ Data compiled from United Nations COMTRADE records and UNCTAD, Handbook of International Trade and Development Statistics, 1992.

2/ In terms of the SITC (Revision 1) classification. The product groups shown in this table are defined as follows: all foods and feeds (SITC 0+1+22+4); agricultural raw materials (SITC 2-22-27-28); fuels (SITC 3); ores, minerals, and metals (SITC 27+28+68); manufactures (SITC 5+6+7+8-68); chemicals (SITC 5); other manufactures (SITC 6-68); machinery and transport (SITC 7).

Table 2. Nigeria: Structure of Exports by Commodity, 1990-91

		In percent	In value (millions of U.S. dollars)
<u>SITC category</u>	<u>All commodities</u>	100.00	12,588.5
333	Crude petroleum	94.90	11,949.9
334	Petroleum products	1.30	163.4
072	Cocoa	0.88	111.4
232	Natural rubber, gums	0.55	68.7
611	Leather	0.42	53.4
667	Pearl, precious stones	0.36	44.8
562	Fertilizers, manufactured	0.21	25.9
036	Shell fish fresh, frozen	0.17	21.3
081	Feeding stuff for animals	0.09	11.2
211	Hides, skins, excluding furs	0.07	8.4
057	Fruit, nuts, fresh, dried	0.07	8.2
	Other	0.98	121.9

Source: UNCTAD: Handbook of International Trade and Development Statistics, 1994.

Table 3. Nigeria: Structure of Imports by Main Categories 1/

(In percent)

Total	100.0
All food items (0+1+22+4)	11.2
Agricultural raw materials (2-22-27-28)	1.6
Fuels (3)	0.4
Ores and metals (27+28+68)	3.5
Manufactured goods (5+6+7-8-68)	83.2
Of which:	
Chemicals (5)	(16.9)
Other manufactured goods (6+8-68)	(28.1)
Machinery and equipment (7)	(38.2)
Unallocated	(0.1)

Source: UNCTAD: Handbook of International Trade and Development Statistics, 1993.

1/ SITC classification is in parenthesis.

Table 4. Nigeria: Imports of Agricultural, Fish, and Forestry Products, 1991-93
(In millions of U.S. dollars)

	1991	1992	1993	<u>1991-93</u> Average
Agriculture, fish, forestry	1,041.2	1,232.5	1,232.7	1,168.8
Of which:				
Food and animals	604.8	795.4	786.7	729.0
Cereals	178.0	263.0	292.8	244.6
wheat and wheat flour	(93.0) 1/	(165.0)	(201.0)	(153.0)
rice	(85.0) 2/	(96.0)	(91.0)	(90.7)
Sugar	122.0 1/	196.0	167.0	161.7
Milk	53.4 1/	64.6	65.7	61.2
Palm oil	30.0 1/	52.0	68.5	50.2
Cotton fibers	32.0 2/	30.0	27.0	29.7
Fish	191.5 2/	198.9	191.5	194.0
Forestry products	97.6	75.8	75.8	83.1

Source: FAO Trade Yearbook, 1993

1/ Unofficial estimate, FAO.

2/ FAO estimate.

Table 5. Nigeria: Direction of Trade in 1993

(Percent distribution)

	Exports	Imports
Industrial countries	81.9	75.5
Of which: United States	(44.1)	(13.1)
European Union	(29.7)	(50.1)
Japan	(--)	(7.3)
Developing countries	18.1	24.3
Of which: Africa	(7.0)	(0.9)
Asia	(6.6)	(16.8)

Source: Direction of Trade Statistics Yearbook (1994), International Monetary Fund.

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III. Summary of the Tax System as of June 1995

(All amounts in naira)

Tax	Nature of Tax	Exemption and Deductions	Rates
<u>Tax on net income and profits</u>			
1 <u>Company income tax</u> (Companies Income Tax Act of 1979 as amended to date).	Annual tax on profits of companies, except those engaged in exploration, drilling, and extraction of petroleum and natural gas. Total profits are defined as assessable profits from all sources after adjusting for balancing charges, losses, investment, and capital allowances. Losses may be carried forward against future profits for four years.	<p>Exempt are:</p> <ul style="list-style-type: none"> - nonprofit organizations, including religious and educational institutions; - companies with pioneer status have a tax holiday of between three to five years; - interest on public loans; - dividends paid out by companies with pioneer status. <p>Deductions include expenditure incurred in the earning of income. Apart from the usual expenses, those include: contributions to pension funds, Industrial Training Fund contributions, royalty payments up to a maximum of 1 percent of sales, donations out of profits to a maximum of 10 percent of total profits, and reserves made out of profits for research and development, up to a maximum of 10 percent of total profits. Dividends received from investments in export-oriented companies are exempt. Dividends from small companies in the manufacturing sectors in the first five years of operation are exempt.</p> <p>Instead of a depreciation provision, there is a system of capital allowances for prescribed assets. These allowances consist of a straight-line method of spreading annual allowances over the specified period of write-off. The annual claim for capital allowances by companies (except manufacturing, agro-allied and agricultural trade or business) are limited to $62 \frac{2}{3}$ percent of prescribed assets. An additional 5 percent initial allowance is granted for certain expenditure items. Agro-allied companies receive in addition an investment allowance of 10 percent.</p> <p>Export processing in bonded export zone will be entitled to 100 percent first year capital allowance on their qualifying expenditure.</p>	<p>35 percent of taxable income; 20 percent if engaged in manufacturing and the turnover is ₦ 1 million or less for the first five years of operation. There is, however, a minimum tax base of:</p> <ul style="list-style-type: none"> - 0.5 percent of gross profits, or - 0.5 percent of net assets, or - 0.25 percent of paid up capital, or - 0.25 percent of turnover, whichever is the highest, for turnover of ₦ 500,000 or less. For turnover of more than ₦ 500,000, the minimum tax on turnover up to ₦ 500,000 plus 0.125 percent of the turnover in excess of ₦ 500,000.

III. Summary of the Tax System as of June 1995 (continued)

(All amounts in naira)

Tax	Nature of Tax	Exemption and Deductions	Rates																					
1.2 <u>Petroleum profit tax</u> (Petroleum Profit Tax Act of 1959 as amended in 1979 and 1986).	Annual tax on profits of companies engaged in exploration, drilling, and extraction of petroleum and natural gas. Income generated by a petroleum company not related to its petroleum operations is subject to the company income tax. Tax payments are spread over 12 monthly installments. In determining profits, exports of crude oil are valued at a posted price, which is determined by the Government, while domestic sales are valued at the actual price.	<p>Deductions include any current expenditure incurred in the earning of income, and royalties and duties to the Federal Government or local authorities. All capital expenditure can be amortized in five equal annual installments; 1 percent of the initial cost of each asset has to be retained on the books.</p> <p>An investment tax credit in the year of such expenditure is provided in the following cases:</p> <ul style="list-style-type: none">- operations on land, 5 percent;- operations on offshore areas of water depth up to 100 meters, 10 percent;- operations on offshore areas of water depth between 100-200 meters, 15 percent;- operations on offshore areas of water depth beyond 200 meters, 20 percent. <p>Profits in the form of dividends derived from manufacturing companies in petrochemical and liquefied natural gas subsection are tax exempt.</p>	<p>68.75 percent for the first five accounting years, and 85 percent thereafter. The rate is never less than 15 percent of profits before capital allowances. In practice, the posted price is adjusted to guarantee producers a profit margin ranging between US\$2 per barrel when oil prices are US\$23 per barrel and below, and US\$3 per barrel for oil priced at US\$30 per barrel or above.</p> <p>The royalty rate, which is levied only on exports, is graduated as follows:</p> <ul style="list-style-type: none">- operations on land, 20 percent;- operations on offshore areas up to 100-meter water depth, 18 1/2 percent- beyond 100 meters, 16 2/3 percent.																					
1.3 <u>Personal income tax</u> (Income Tax Management Act of 1961 as amended to date).	Progressive tax on chargeable income arrived at after deducting personal allowances, and exempted categories of income. Taxes on rents, dividends, royalties, and interest are withheld at source at a rate of 10 percent. For nonresidents, the withholding is the final tax.	<p>Exempted income:</p> <ul style="list-style-type: none">- investment income of any pension fund;- death gratuity and compensation for death, or injuries;- the value of transport and rent subsidy paid by an employer to an employee up to ₦ 2,436 and 28 percent of annual basic salary subject to a maximum of ₦ 10,000 per annum respectively;- gratuities not exceeding ₦ 100,000;- compensation for loss of office, with a ceiling of ₦ 10,000. <p>Deductions and allowances:</p> <ul style="list-style-type: none">- personal allowance of ₦ 3,000 plus 15 percent of earned income;- child allowance of ₦ 1,000 per child, with a maximum of four children under 16 years of age. Full-time students over 16 years remain eligible for allowance; wife allowance is no longer applicable;	<table><thead><tr><th></th><th><u>Taxable income</u></th><th><u>Rate</u> (percent)</th></tr></thead><tbody><tr><td>First</td><td>₦ 10,000</td><td>5</td></tr><tr><td>Next</td><td>₦ 10,000</td><td>10</td></tr><tr><td>Next</td><td>₦ 10,000</td><td>15</td></tr><tr><td>Next</td><td>₦ 10,000</td><td>20</td></tr><tr><td>Next</td><td>₦ 20,000</td><td>25</td></tr><tr><td>After</td><td>₦ 60,000</td><td>30</td></tr></tbody></table> <p>Those earning annual income below ₦ 7,500 are tax exempt.</p>		<u>Taxable income</u>	<u>Rate</u> (percent)	First	₦ 10,000	5	Next	₦ 10,000	10	Next	₦ 10,000	15	Next	₦ 10,000	20	Next	₦ 20,000	25	After	₦ 60,000	30
	<u>Taxable income</u>	<u>Rate</u> (percent)																						
First	₦ 10,000	5																						
Next	₦ 10,000	10																						
Next	₦ 10,000	15																						
Next	₦ 10,000	20																						
Next	₦ 20,000	25																						
After	₦ 60,000	30																						

III. Summary of the Tax System as of June 1995 (continued)

(All amounts in naira)

Tax	Nature of Tax	Exemption and Deductions	Rates	
		<ul style="list-style-type: none">- dependent relative allowance of ₦ 1,000; disabled person additional earned income of ₦ 2,000 or 10 percent of his/her earned income, whichever is lower. Life insurance allowance of 10 percent of assured capital sum or premium paid, whichever is less, subject to a maximum of 20 percent of total income;- interest on loans for owner-occupied house;- contributions to pension, provident, or other retirement benefit funds;- losses incurred in trade or business, profession, or vocations;- equity shareholding in company floated exclusively for research and development on 25 percent of chargeable income in year of assessment;- tax exempt dividends for three years, if:<ul style="list-style-type: none">• company incorporated in Nigeria;• equity participation imported into country between January 1, 1987 and December 11, 1992;• recipient's equity in company constitutes at least 10 percent of the company's share capital;- tax exemption extended to five years, if company is engaged in agricultural production, petrochemical or liquefied natural gas production.		
1.4	<u>Capital gains tax</u> (Capital Gains Tax Act of 1967).	<p>A tax levied on capital gains by individuals or companies accruing and derived from the sale, lease, or transfer of property rights in chargeable assets in or outside Nigeria. Capital losses cannot be offset against capital gains. Chargeable assets consist of loans, buildings, movable assets (such as motor vehicles), stocks, and shares in Nigerian companies.</p>	<p>Exempted institutions include charitable, religious, and educational organizations, pension funds, and trade unions, provided that the gain is not derived in connection with trade or business carried out by the institution. Exempted items include the main private residence of an individual, life insurance policies, Nigerian government securities, gifts, and Nigerian currency.</p>	20 percent

III. Summary of the Tax System as of June 1995 (continued)

(All amounts in naira)

Tax	Nature of Tax	Exemption and Deductions	Rates
2. <u>Taxes on property</u>			
2.1 <u>Capital transfer tax</u> (Capital Transfer Tax Act of 1979).	A progressive inheritance tax, and tax on gifts during lifetime.	<u>Exemptions:</u> - the family house; - the first ₦ 100,000 of the transfer; - property outside Nigeria; - works of art donated to specified institutions; and - scientific collections bequeathed to a museum.	<u>Net value of the taxable property</u> First ₦ 100,000 - Next ₦ 150,000 10 Next ₦ 150,000 20 Next ₦ 250,000 30 Next ₦ 500,000 40 Next ₦ 1,000,000 50 Thereafter, 60
3. <u>Payroll tax</u>			
3.1 <u>Industrial Training Fund levy</u>	An obligatory contribution to the Industrial Training Fund by employers in industry and commerce.	<u>Exemptions:</u> Employers with fewer than 25 employees.	1 percent of annual payroll.
3.2 <u>National Provident Fund levy</u>	An obligatory contribution to the National Provident Fund.	<u>Exemptions:</u> Employers with fewer than 10 employees.	Employers contribute 6 percent of employees' salary to the National Provident Fund. Theoretically, employees make a similar contribution. However, in practice, the maximum monthly contribution per employee is ₦ 4.
3.3 <u>Education levy</u>	An obligatory contribution for primary and secondary education.	<u>Exemptions:</u>	2 percent of annual salary
4. <u>Taxes on goods and services</u>			
4.1 Value-added tax (Decree 102 of 1993).	VAT replaces the sales tax and covers all items not on the exclusion list. Effective January 1, 1994.	Exempted items include: <u>Goods</u> (a) medical and pharmaceutical products; (b) basic food items: beans, yam tuber, cassava, maize, millet, rice, milk, meat, fish, and infant food; (c) books and educational materials, including exercise books, laboratory equipment, school fees, PTA levies, etc.; (d) newspapers and magazines;	The tax carries a flat rate of 5 percent. However, exports are zero rated.

III. Summary of the Tax System as of June 1995 (*continued*)

(*All amounts in naira*)

Tax	Nature of Tax	Exemption and Deductions	Rates	
		(e) baby products, including feeding bottles, carriages, clothes, napkins, baby cream and powder, soap, toys, and baby dresses; (f) commercial vehicles and their spare parts; and (g) agricultural equipment and products, fertilizer and veterinary medicine.		
		<u>Services</u> (a) medical services; (b) services by community banks, peoples banks, and mortgage institutions; and (c) plays and performances conducted by educational institutions as part of learning. Educational goods and services incidental to education by an educational institution are also exempt.		
4.2	<u>Excise tax</u> (Excise Tariff Consolidation Decree of 1973, as amended in 1974, 1989, 1993, 1994, and 1995).	Excise duties are levied at ad valorem rates on selected goods manufactured or produced in Nigeria.	Exempt from excise duties are all goods other than alcohol, tobacco, refined petroleum products, liquefied gas, structures and other products fabricated from metal, soft drinks, aerated water, sweets, cosmetics, soaps, plastics, fabrics, footwear, enamelwares, air-conditioners, and refrigerators and freezers.	Various rates, ranging from 5 to 40 percent.
5.	<u>Taxes on international transactions</u>			
5.1	<u>Import duties</u> (Customs Tariff Consolidation Act of 1973, as amended in 1984, 1989, 1993, 1994 and 1995).	A tax on merchandise imports.	Exemptions include: Aircraft equipment used by foreign airlines; films for educational, scientific or cultural character imported by the United Nations or its agencies or an approved educational or scientific organization; fuel, lubricants, etc., used exclusively for operation of military equipment	A new tariff structure, which includes a narrower and lower range of customs duty rates, was effected in March 1995. The dispersion in import duty rates was reduced from 0-300 percent to 5-100 percent, with most rates clustering between 10-40 percent compared to the previous structure of 25-75 percent.

III. Summary of the Tax System as of June 1995 (concluded)

(All amounts in naira)

Tax	Nature of Tax	Exemption and Deductions	Rates
		or aircraft; government imports by internationally recognized nonprofit organizations or by the Head of State, consular offices, or under diplomatic privilege, or for other technical assistance purposes; and life-saving appliances; medicinal preparations; military hardware and uniforms; arms and ammunition imported by the Nigerian police.	<p>Rate 1/ (<u>in percent</u>)</p> <p>Raw materials 5- 25</p> <p>Components 5- 50</p> <p>Clothing 55</p> <p>Luxury consumer goods (except automobiles) 30-50</p> <p>Paper products 10-45</p> <p>Vehicles 5-50</p> <p>Soya meal, soya cake and groundnut cake 35</p> <p>Refined petroleum products 10</p> <p>Wheat 60</p> <p>With effect from January 1, 1987, an advanced payment of 25 percent of the assessed duty is required.</p>
5.2	<u>Import surcharges</u>	A tax on merchandise imports. Same as above.	Three import duty surcharges apply: - a 5 percent Port Development Surcharge; - a 1 percent Raw Materials and Development Council Surcharge; and - a 0.02 percent Freight Rate Stabilization Surcharge earmarked for the Nigerian Shippers Council.
6.	<u>Other taxes</u>		
6.1	<u>Stamp duties</u>	A tax imposed on most legal documents.	The rates vary with the type of document. The highest rates of duty relate to transfers of real estate (0.75 percent), leases (4 to 6 percent), and share capital (1.25 percent).
6.2	<u>Company pre-operation levy</u>	A tax on registered companies which after six months of incorporation fail to commence business. The tax is imposed on an annual basis for as long as the company remains dormant, and before a tax clearance certificate is issued to such company.	N 500 for the first year of obtaining a tax clearance certificate; N 400 in each of the subsequent years.

1/ These rates apply to the 1995 tariff regime.

Table 1. Nigeria: Gross Domestic Product by Sector of Origin at Current Prices, 1984-94

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994 Prov.
(In millions of naira)											
Primary sector	33,955	39,164	37,958	64,914	88,167	149,092	171,198	218,313	401,002	478,623	585,490
Agricultural activities	23,799	26,625	27,887	39,204	57,924	69,713	84,345	97,464	145,225	231,833	345,010
Agriculture	16,920	19,729	20,442	31,214	48,679	56,577	68,417	80,002	120,720	196,134	293,329
Livestock	4,475	4,842	4,995	5,660	6,009	7,970	9,562	10,529	15,566	24,724	36,258
Forestry	1,264	1,344	1,440	1,456	1,704	1,992	2,149	2,232	2,740	3,633	5,469
Fishing	1,141	710	1,011	874	1,532	3,173	4,217	4,701	6,199	7,342	9,953
Mining and quarrying	10,155	12,539	10,071	25,709	30,243	79,379	86,854	120,849	255,777	246,791	240,480
Of which: crude petroleum and gas	9,569	12,110	9,828	25,423	29,919	78,788	86,188	120,103	254,854	245,582	238,987
Secondary sector	7,347	8,289	8,684	9,896	13,742	16,696	19,825	25,090	33,863	48,051	68,865
Manufacturing	4,926	6,238	6,296	7,224	10,727	11,775	14,297	18,892	26,349	38,431	57,195
Utilities	515	519	467	496	547	1,067	1,178	1,297	1,405	1,601	1,758
Building and construction	1,906	1,532	1,920	2,175	2,467	3,854	4,351	4,900	6,110	8,019	9,912
Tertiary sector	21,705	23,915	25,486	32,074	40,769	56,669	66,849	76,845	109,465	164,934	237,435
Transport	2,640	3,613	3,758	4,004	4,312	4,567	5,255	5,939	8,752	14,574	27,641
Communication	257	291	303	321	343	356	407	449	551	723	738
Wholesale and retail trade	8,597	9,187	9,491	14,816	20,748	32,368	35,838	41,792	62,296	100,849	144,019
Hotel and restaurants	492	474	489	490	495	522	552	593	756	1,217	1,989
Finance and insurance	2,390	2,698	3,310	3,887	5,003	7,318	11,642	12,980	15,125	16,276	20,555
Real estate	214	226	250	276	313	347	397	468	578	696	921
Housing	1,874	1,998	2,209	2,250	2,373	3,372	3,872	4,751	5,923	9,275	16,046
Community and other services	635	593	651	716	768	832	932	1,072	1,314	2,194	3,477
Government services	4,606	4,836	5,027	5,314	6,414	6,987	7,953	8,800	14,169	19,130	22,051
Gross domestic product at factor cost	63,006	71,368	72,128	106,883	142,678	222,458	257,873	320,247	544,331	691,608	891,790
Oil	9,569	12,110	9,828	25,423	29,919	78,788	86,188	120,103	254,854	245,582	238,987
Non-oil	53,437	59,258	62,300	81,460	112,759	143,670	171,685	200,144	289,477	446,027	652,802
Total indirect taxes (net)	1,052	1,332	1,383	2,329	3,147	2,770	3,220	4,271	5,762	5,689	5,901
Subsidies	450	344	449	327	582	431	456	508	284	202	192
Gross domestic product at market prices	63,608	72,355	73,062	108,885	145,243	224,797	260,637	324,010	549,809	697,095	897,498
Memorandum items:	(In percent of GDP at factor cost)										
Agricultural activities	37.8	37.3	38.7	36.7	40.6	31.3	32.7	30.4	26.7	33.5	38.7
Mining and quarrying	16.1	17.6	14.0	24.1	21.2	35.7	33.7	37.7	47.0	35.7	27.0
Manufacturing	7.8	8.7	8.7	6.8	7.5	5.3	5.5	5.9	4.8	5.6	6.4
Building and construction	3.0	2.1	2.7	2.0	1.7	1.7	1.7	1.5	1.1	1.2	1.1

Sources: Federal Office of Statistics; National Planning Commission; and staff estimates.

Table 2. Nigeria: Gross Domestic Product by Sector of Origin at Constant 1984 Prices, 1984-94

(In millions of naira)

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994 Prov.
Primary sector	<u>33,955</u>	<u>38,537</u>	<u>40,386</u>	<u>38,476</u>	<u>42,101</u>	<u>45,134</u>	<u>47,188</u>	<u>49,515</u>	<u>50,617</u>	<u>50,798</u>	<u>50,953</u>
Agricultural activities	23,799	27,794	30,357	29,389	32,273	33,845	35,277	36,523	37,273	37,781	38,690
Agriculture	16,920	20,977	23,345	22,411	24,831	26,073	27,207	28,431	29,284	30,133	31,037
Livestock	4,475	4,793	4,720	4,853	4,974	5,073	5,175	5,092	5,138	5,169	5,220
Forestry	1,264	1,287	1,427	1,444	1,465	1,109	1,197	1,233	1,261	1,286	1,317
Fishing	1,141	738	864	682	1,003	1,590	1,699	1,767	1,590	1,193	1,115
Mining and quarrying	10,155	10,743	10,029	9,088	9,828	11,289	11,911	12,992	13,344	13,017	12,263
Of which: crude petroleum and gas	9,569	10,379	9,835	8,872	9,591	11,034	11,646	12,717	13,061	12,721	11,958
Secondary sector	<u>7,347</u>	<u>7,689</u>	<u>7,352</u>	<u>7,785</u>	<u>8,724</u>	<u>8,935</u>	<u>9,589</u>	<u>10,352</u>	<u>10,079</u>	<u>9,881</u>	<u>9,607</u>
Manufacturing	4,926	5,904	5,674	5,963	6,729	6,840	7,361	8,046	7,657	7,341	6,974
Utilities	515	473	367	389	415	450	501	510	556	580	615
Building and construction	1,906	1,313	1,311	1,433	1,579	1,645	1,727	1,796	1,866	1,959	2,018
Tertiary sector	<u>21,705</u>	<u>22,689</u>	<u>23,338</u>	<u>24,479</u>	<u>26,927</u>	<u>29,425</u>	<u>33,565</u>	<u>34,748</u>	<u>36,736</u>	<u>38,971</u>	<u>40,423</u>
Transport	2,640	3,164	2,768	2,767	2,794	2,798	2,854	2,950	3,084	3,216	3,242
Communication	257	241	242	244	247	251	256	241	269	279	281
Wholesale and retail trade	8,597	8,937	9,251	9,831	10,725	11,154	11,489	11,856	12,224	12,591	12,593
Hotel and restaurants	492	454	461	468	468	473	478	483	492	500	502
Finance and insurance	2,390	2,324	2,806	3,035	3,720	5,186	7,885	8,200	8,524	8,845	9,109
Real estate	214	231	245	248	251	254	259	263	271	282	291
Housing	1,874	1,894	1,914	1,934	1,952	1,981	2,080	2,164	2,248	2,342	2,412
Community and other services	635	606	631	638	644	654	668	678	723	795	874
Government services	4,606	4,838	5,020	5,314	6,126	6,674	7,596	7,913	8,901	10,121	11,117
Gross domestic product at factor cost	<u>63,006</u>	<u>68,916</u>	<u>71,076</u>	<u>70,741</u>	<u>77,752</u>	<u>83,495</u>	<u>90,342</u>	<u>94,615</u>	<u>97,431</u>	<u>99,649</u>	<u>100,982</u>
Oil	9,569	10,379	9,835	8,872	9,591	11,034	11,646	12,717	13,061	12,721	11,958
Non-oil	53,437	58,537	61,241	61,869	68,161	72,461	78,696	81,898	84,371	86,928	89,025
Total indirect taxes (net)	1,052	1,166	681	341	384	227	238	269	197	244	244
Subsidies	450	302	221	48	71	35	34	32	9	6	4
Gross domestic product at market prices	<u>63,608</u>	<u>69,781</u>	<u>71,535</u>	<u>71,034</u>	<u>78,066</u>	<u>83,687</u>	<u>90,546</u>	<u>94,852</u>	<u>97,619</u>	<u>99,887</u>	<u>101,222</u>

Sources: Federal Office of Statistics; National Planning Commission; and staff estimates.

Table 3. Nigeria: Gross Domestic Product by Expenditure Category at Current Prices, 1987-94

	1987	1988	1989	1990	1991	1992	1993	1994 Prov.
(In millions of naira)								
External balance	<u>4,289</u>	<u>1,591</u>	<u>16,946</u>	<u>38,109</u>	<u>19,297</u>	<u>25,557</u>	<u>24,138</u>	<u>21,155</u>
Exports of goods and nonfactor services	31,152	33,583	73,496	113,197	122,114	214,909	251,597	210,790
Imports of goods and nonfactor services	26,863	31,992	56,550	75,088	102,817	189,353	227,459	189,635
Domestic demand	<u>104,596</u>	<u>143,652</u>	<u>207,851</u>	<u>222,528</u>	<u>304,713</u>	<u>524,251</u>	<u>672,957</u>	<u>876,343</u>
Consumption	87,195	117,498	168,004	184,124	228,873	389,628	555,576	717,739
Government	12,121	18,988	23,459	39,346	39,921	71,947	124,326	101,389
Private	75,074	98,509	144,544	144,778	188,952	317,682	431,251	616,350
Gross investment	17,401	26,154	39,847	38,404	75,840	134,623	117,381	158,604
Stock changes	-1,056	-1,903	10	500	200	300	450	315
Gross fixed investment	18,457	28,057	39,837	37,904	75,640	134,323	116,931	158,289
Government fixed investment	10,498	17,558	21,135	28,118	37,478	67,982	94,935	79,270
Private fixed investment	7,959	10,497	18,703	9,786	38,162	66,341	21,996	79,020
Gross domestic product at market prices	<u>108,885</u>	<u>145,243</u>	<u>224,797</u>	<u>260,637</u>	<u>324,010</u>	<u>549,808</u>	<u>697,095</u>	<u>897,498</u>
Net factor income from abroad	-11,124	-13,172	-19,652	-26,415	-29,419	-48,421	-57,930	-53,921
Gross national product at market prices	<u>97,761</u>	<u>132,072</u>	<u>205,145</u>	<u>234,222</u>	<u>294,591</u>	<u>501,387</u>	<u>639,166</u>	<u>843,577</u>
Net transfers from abroad	1,843	2,872	5,741	8,653	10,395	12,665	13,346	10,999
National disposable income	<u>99,604</u>	<u>134,944</u>	<u>210,886</u>	<u>242,874</u>	<u>304,986</u>	<u>514,052</u>	<u>652,511</u>	<u>854,576</u>
National savings 1/	12,409	17,451	42,882	58,751	76,113	124,423	96,935	136,838
Gross domestic savings 2/	21,690	27,751	56,793	76,513	95,137	160,180	141,519	179,760
(In percent of GDP)								
Memorandum items:								
Gross national savings	11.4	12.0	19.1	22.5	23.5	22.6	13.9	15.2
Gross domestic investment	16.0	18.0	17.7	14.7	23.4	24.5	16.8	17.7

Sources: Federal Office of Statistics; National Planning Commission; and staff estimates.

1/ National disposable income minus consumption.

2/ Domestic disposable income minus consumption.

Table 4. Nigeria: Gross Domestic Product by Expenditure Category at Constant 1984 Prices, 1987-94

	1987	1988	1989	1990	1991	1992	1993	1994 Prov.
(In millions of naira)								
External balance	<u>6,111</u>	<u>6,816</u>	<u>7,554</u>	<u>8,119</u>	<u>8,177</u>	<u>8,507</u>	<u>9,031</u>	<u>8,933</u>
Exports of goods and nonfactor services	10,145	10,796	11,896	12,943	13,530	13,980	14,387	13,318
Imports of goods and nonfactor services	4,034	3,980	4,342	4,824	5,353	5,472	5,356	4,385
Domestic demand	<u>64,923</u>	<u>67,990</u>	<u>76,133</u>	<u>82,427</u>	<u>86,675</u>	<u>89,113</u>	<u>90,856</u>	<u>92,289</u>
Consumption	53,780	58,322	61,652	68,186	65,103	66,193	74,980	74,608
Government	7,523	9,418	8,706	14,444	11,355	12,230	16,785	13,701
Private	46,257	48,905	52,946	53,742	53,748	53,964	58,195	60,907
Gross investment	11,142	12,927	14,481	14,242	21,572	22,919	15,876	17,681
Stock changes	-314	-989	2	71	56	87	89	33
Gross fixed investment	11,456	13,916	14,479	14,171	21,516	22,832	15,787	17,648
Government	6,516	8,710	7,809	10,360	10,660	11,556	12,817	10,228
Private	4,940	5,206	6,670	3,810	10,855	11,277	2,970	7,420
Gross domestic product at market prices	<u>71,034</u>	<u>78,066</u>	<u>83,687</u>	<u>90,546</u>	<u>94,852</u>	<u>97,620</u>	<u>99,887</u>	<u>101,222</u>
Net factor income from abroad	-7,257	-7,079	-7,316	-9,177	-8,612	-8,597	-8,301	-6,081
Gross national product at market prices	<u>63,777</u>	<u>70,986</u>	<u>76,371</u>	<u>81,370</u>	<u>86,240</u>	<u>89,023</u>	<u>91,586</u>	<u>95,141</u>
Net transfers from abroad	1,203	1,544	2,137	3,006	3,043	2,249	1,912	1,240
National disposable income	<u>64,979</u>	<u>72,530</u>	<u>78,508</u>	<u>84,376</u>	<u>89,283</u>	<u>91,271</u>	<u>93,499</u>	<u>96,381</u>
National savings 1/	11,199	14,207	16,856	16,190	24,180	25,078	18,518	21,773
Gross domestic savings 2/	17,254	19,743	22,035	22,361	29,749	31,427	24,907	26,614
Memorandum items:	(In percent of GDP)							
Gross national savings	15.8	18.2	20.1	17.9	25.5	25.7	18.5	21.5
Gross domestic investment	15.7	16.6	17.3	15.7	22.7	23.5	15.9	17.5

Sources: Federal Office of Statistics; National Planning Commission; and staff estimates.

1/ National disposable income minus consumption.

2/ Domestic disposable income minus consumption.

Table 5. Nigeria: Selected Petroleum Statistics, 1988-94

	1988	1989	1990	1991	1992	1993	1994
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	(In millions of barrels per day)						
Production and Exports							
Production 1/	1.445	1.721	1.812	1.894	1.959	2.038	2.007
Domestic consumption	0.261	0.296	0.282	0.302	0.291	0.303	0.276
Stock Changes	—	0.034	0.004	0.016	-0.012	—	0.004
Exports 2/	1.185	1.391	1.526	1.576	1.678	1.735	1.727
	<hr/>						
	(In U.S. dollars per barrel)						
Unit value of exports	14.94	18.54	24.26	20.26	19.71	17.40	15.76
U.K. Brent, average price	14.97	18.14	23.68	19.97	19.30	17.00	15.81
	<hr/>						
	(In millions of U.S. dollars)						
Export values 2/	6,477	9,642	13,510	11,655	12,026	11,022	9,302
	<hr/>						
	(In naira per liter, unless otherwise indicated)						
Domestic petroleum product prices							
Crude oil (naira/barrel)	11.75	11.75	14.80	20.00	20.00	20.00	183.00
Premium motor spirits	0.42	0.60	0.60	0.70	0.70	3.25	11.00
Kerosene	0.16	0.16	0.40	0.50	0.50	0.50	6.00
Gas oil/diesel	0.35	0.35	0.50	0.55	0.55	0.55	9.00
Fuel oil 3/	0.30	0.30	0.40	0.50	0.50	0.50	7.00
Liquefied petroleum gas (naira/kg)	0.40	0.40	0.80	2.00	2.00	2.00	2.00
Aviation spirit	1.00	1.00	1.00	1.05	1.05	1.05	8.00
	<hr/>						
	(In thousands of metric tons)						
Domestic consumption of petroleum products							
Premium motor spirits	3,101.1	3,256.4	4,796.2	4,445.0	4,595.0	5,282.0	4,231.5
Kerosene	1,554.4	1,583.5	2,036.3	1,658.0	1,957.0	1,764.0	1,231.0
Gas oil/diesel	1,574.0	1,496.6	3,606.5	2,285.0	2,234.0	2,961.0	2,170.5
Fuel oil (high and low pour)	1,362.6	954.0	163.2	846.0	1,012.0	868.0	705.7
Liquefied petroleum gas	74.5	64.5	109.5	100.0	100.0	115.0	53.4
Aviation spirit	0.5	...	...	343.0	406.0	430.0	409.5

Sources: Central Bank of Nigeria; Nigerian National Petroleum Corporation; and staff estimates.

1/ Includes condensates.

2/ Balance of payments basis, including exports of condensate.

3/ Average price of high pour and low pour fuel oil.

Table 6. Nigeria: Selected Indicators of Agricultural Production and Prices, 1988-94

	1988	1989	1990	1991	1992	1993	1994 Prov.
(In thousands of metric tons)							
Food crops							
Millet	5,136	4,770	5,136	4,109	4,234	4,602	4,671
Sorghum	5,182	7,162	4,185	4,346	4,437	6,051	6,233
Maize	5,268	5,008	5,768	5,810	6,346	6,291	6,417
Rice (paddy)	2,081	3,303	2,500	3,185	3,500	2,365	2,412
Yams	9,132	9,609	13,624	16,956	19,305	21,633	23,025
Cassava	15,540	17,404	19,043	20,339	21,320	22,365	23,250
Export crops							
Cocoa	253	256	244	268	292	306	320
Groundnuts	1,016	1,017	1,166	1,361	1,297	1,416	1,448
Palm kernels	545	939	1,190	1,203	1,321	1,450	1,622
Cotton	194	187	276	309	346	192	205
Sheanuts	109	252	289	326	331	336	362
Rubber	211	132	147	215	220	225	260
(In naira per metric ton)							
Average prices for food crops							
Millet	1,621	2,096	1,707	2,365	5,681	8,674	7,831
Sorghum	1,030	2,017	1,703	3,648	4,678	6,620	6,833
Maize	1,520	2,735	2,061	3,318	5,514	6,606	6,315
Rice	3,787	6,322	6,300	7,544	12,606	18,184	21,999
Yams	2,288	2,430	2,301	...	5,942	10,404	9,100
Cassava	899	1,434	1,240	1,430	2,001	4,960	6,388
Average prices for export crops							
Cocoa	8,375	10,100	8,500	10,158	12,745	25,278	61,180
Groundnuts	1,619	4,795	4,320	6,280	6,843	12,958	13,500
Palm kernels	888	1,800	2,000	2,525	5,692	10,567	14,374
Cotton	4,125	2,433	2,600	4,163	3,778	...	...
Sheanuts	...	...	...	...	...	...	...
Rubber	1,125	2,000	1,395	5,300	12,520	24,091	34,400

Sources: Federal Office of Statistics; and Central Bank of Nigeria.

Table 7. Nigeria: Index of Industrial Production, 1987-94

	1987	1988	1989	1990	1991	1992	1993	1994 Prov.
	(1985 = 100)							
Total industrial production	103.8	108.8	125.0	130.6	138.8	136.2	129.4	122.8
Manufacturing	130.8	135.2	154.3	162.9	178.1	169.5	145.5	132.8
Sugar confectionary	136.0	190.1	97.4	93.7	129.1	176.7	134.4	104.8
Soft drinks	128.1	185.5	222.5	364.4	243.5	186.5	159.7	147.8
Beer and stout	83.4	76.0	101.6	97.8	100.7	104.5	99.0	95.0
Cotton textiles	120.6	123.6	104.1	118.0	147.5	151.1	106.4	92.1
Synthetic fabrics	1,125.7	1,318.6	1,309.3	1,501.6	1,921.1	1,891.6	1,229.0	1,023.0
Footwear	93.9	73.8	41.5	45.8	85.9	92.0	88.0	59.0
Paints	89.1	98.7	82.7	62.7	98.0	99.7	110.6	94.4
Refined petroleum	74.0	84.6	110.1	108.8	116.0	113.7	112.0	109.7
Cement	92.0	119.9	126.2	88.7	98.7	100.5	104.1	95.0
Roofing sheets	54.7	50.6	149.0	79.6	57.9	41.2	39.3	30.8
Vehicle assembly	27.0	4.4	15.7	24.1	17.1	18.3	18.9	17.4
Soap and detergent	135.5	104.6	157.8	153.1	153.9	154.1	164.0	153.0
Radio and televisions	45.8	14.7	12.5	12.2	11.8	11.6	10.1	8.9
Mineral production	90.1	94.6	109.2	115.1	120.1	119.9	124.9	123.2
Petroleum	90.7	93.0	109.9	115.0	121.0	124.3	125.7	124.8
Gas	89.9	106.9	132.4	145.8	176.6	170.2	172.3	171.0
Cassiterite	13.0	14.6	23.5	19.9	16.2	6.6	10.7	11.0
Columbite	22.1	78.4	139.3	69.4	55.9	59.7	25.8	20.4
Coal	71.6	66.1	65.8	102.7	61.0	70.8	38.5	44.8
Limestone	81.1	50.0	40.5	51.2	57.1	2.6	1.7	0.8
Electricity production	118.9	125.1	165.2	124.8	125.3	139.2	142.2	145.4
	(In thousands of megawatts)							
Electricity consumption	7,470.6	7,864.7	7,556.3	7,870.0	8,079.8	8,716.1	8,860.0	10,463.1
Industrial	2,576.4	2,676.3	1,258.8	2,034.4	2,234.5	2,183.0	2,203.0	2,146.7
Commercial and street lighting	789.2	1,129.6	1,710.7	1,887.1	2,073.6	2,163.0	2,207.0	2,690.0
Residential	4,105.1	5,047.7	4,586.8	3,948.5	3,771.7	4,370.1	4,450.0	5,626.4

Source: Central Bank of Nigeria.

Table 8. Nigeria: National Consumer Price Indices, 1985-94

(September 1985 = 100)

	All items	Food	Beverages, tobacco, and kola	Clothing and footwear	Accommodation, fuel, and light	Household goods	Medical care and health	Transport	Recreation and education services	Other services
Weights	1,000.0	690.9	47.4	46.9	118.7	35.8	11.0	23.5	13.7	12.1
1985 average	99.7	92.0	91.4	111.9	85.6	101.3	...	93.8	...	67.9
1986 average	105.7	92.1	118.1	132.3	144.0	146.4	...	114.6	...	106.5
1987 average	117.3	100.7	137.5	150.1	150.5	179.3	...	132.1	...	136.2
1988 average	181.2	195.3	137.6	162.5	138.7	179.2	154.7	151.2	165.7	142.5
1989 average	272.7	298.1	212.1	243.2	181.0	290.9	192.5	247.4	228.2	193.9
March	251.4	274.8	188.2	217.6	170.1	283.8	170.2	217.0	213.0	178.8
June	297.3	331.0	218.1	243.7	189.1	295.9	188.4	255.1	241.0	192.5
September	286.6	312.5	226.2	262.4	189.6	301.3	202.8	269.0	244.2	203.9
December	285.0	304.3	249.4	280.2	201.1	307.1	219.3	277.8	246.5	215.1
1990 average	292.8	308.5	267.4	305.5	211.8	328.3	240.2	291.3	263.1	231.5
March	286.7	302.7	257.2	288.6	214.4	318.9	227.4	291.3	243.2	221.6
June	298.1	315.6	269.6	304.7	218.2	324.6	234.3	292.5	263.6	233.4
September	294.6	309.1	272.3	314.8	207.8	335.9	251.3	288.0	275.6	240.3
December	295.1	307.6	284.7	327.6	208.4	344.1	266.1	298.8	276.1	243.4
1991 average	330.9	345.9	305.3	376.4	226.3	411.4	290.3	314.5	307.1	287.2
March	307.0	319.2	294.2	355.9	211.4	380.2	269.3	306.6	280.1	266.2
June	336.3	355.2	303.7	375.2	221.6	408.1	283.9	311.0	307.4	285.2
September	341.5	356.6	307.9	390.7	235.5	430.6	300.2	316.4	319.0	313.2
December	363.1	376.8	331.5	428.3	254.0	457.9	326.2	356.5	345.4	318.2
1992 average	478.4	506.8	460.2	498.1	298.3	617.9	443.6	440.7	405.9	412.2
March	406.8	421.6	394.6	469.6	275.9	553.6	371.2	384.6	357.8	361.4
June	499.3	537.9	460.0	505.1	287.3	631.6	457.8	431.3	406.9	404.5
September	528.9	567.4	504.0	515.4	317.3	655.3	493.5	477.6	438.5	437.2
December	540.3	567.7	555.5	555.7	343.9	692.3	517.7	523.5	456.9	517.7
1993 average	751.9	800.2	746.0	723.1	474.8	938.8	662.9	706.3	654.7	628.7
March	634.0	672.0	634.7	645.9	392.0	805.2	594.4	571.0	525.2	603.5
June	780.6	855.6	732.9	716.5	430.4	907.8	616.1	653.4	619.9	620.4
September	837.5	894.2	813.8	780.9	547.3	1,032.6	732.9	753.4	704.4	644.9
December	871.3	892.1	933.9	873.0	633.5	1,149.5	836.6	1,021.2	908.9	719.3
1994 average	1,180.7	1,174.6	1,195.4	1,107.4	1,056.7	1,583.6	1,188.5	1,532.0	1,236.2	1,114.9
March	955.5	975.7	1,000.2	942.0	705.4	1,284.4	972.9	1,101.2	1,033.2	866.9
June	1,105.1	1,115.1	1,177.7	1,053.1	916.2	1,401.7	1,101.2	1,267.5	1,142.8	1,156.3
September	1,341.5	1,320.9	1,321.7	1,183.3	1,322.3	1,735.9	1,285.7	1,904.9	1,379.0	1,243.7
December	1,540.1	1,490.4	1,531.7	1,470.4	1,519.0	2,361.1	1,650.0	2,026.6	1,623.8	1,369.1

Sources: Central Bank of Nigeria, and Federal Office of Statistics

Table 9. Nigeria: Urban Consumer Price Indices, 1988-94

(September 1985 = 100)

	All items	Food	Beverages, tobacco, and kola	Clothing and footwear	Accommodation, fuel, and light	Household goods	Medical care and health	Transport	Recreation and education services	Other services
Weights	1,000.0	654.2	36.2	42.8	139.6	33.9	12.3	49.5	19.0	12.5
1988 average	176.5	191.0	144.3	147.7	138.0	160.4	160.3	166.9	167.1	144.2
1989 average	270.2	293.8	247.0	216.8	175.6	269.7	212.0	320.3	255.5	225.7
March	250.8	274.4	218.7	196.7	165.3	249.8	190.8	274.8	253.6	211.3
June	286.0	316.5	254.5	221.2	176.9	277.3	220.8	319.5	257.3	221.3
September	281.3	310.9	262.9	231.0	185.4	288.3	221.3	363.6	268.9	234.8
December	284.2	303.0	275.5	243.2	192.3	300.0	235.3	358.8	266.9	240.6
1990 average	291.9	303.9	297.3	289.3	203.6	316.0	265.0	381.2	299.6	249.9
March	280.5	290.7	286.2	260.2	200.7	307.0	250.9	388.5	274.8	239.1
June	296.4	308.4	294.5	294.6	215.2	311.1	250.2	384.9	295.4	250.9
September	294.6	308.2	297.6	303.6	195.8	323.5	287.2	368.6	319.6	256.5
December	300.3	309.5	323.5	317.2	207.0	329.1	304.3	396.8	319.5	264.6
1991 average	343.9	358.6	360.1	351.1	232.3	380.0	348.2	415.9	377.0	315.0
March	314.8	324.2	342.1	333.8	218.4	344.2	325.8	402.5	331.1	304.0
June	351.8	372.8	359.8	353.7	225.6	373.1	351.5	409.9	368.4	319.5
September	356.5	372.8	357.6	358.7	241.9	399.0	353.7	416.8	406.2	340.7
December	384.4	397.1	406.3	389.6	261.6	423.9	419.5	497.1	442.2	341.2
1992 average	514.3	546.3	570.1	487.6	302.6	569.3	622.4	624.2	542.1	431.7
March	430.0	443.4	495.9	439.0	291.6	504.1	483.6	526.7	473.0	370.7
June	527.2	567.0	582.6	494.4	296.9	571.6	683.4	594.5	543.9	421.0
September	566.0	606.8	628.9	524.9	309.2	630.1	709.6	692.8	591.8	445.5
December	604.6	643.2	676.8	546.1	343.3	650.9	729.8	768.6	604.3	644.5
1993 average	830.2	882.5	977.9	716.3	493.9	853.7	880.2	1,049.7	950.9	735.2
March	695.7	743.4	775.7	643.4	412.1	742.3	759.6	819.6	708.5	680.3
June	846.5	921.0	1,021.3	727.8	466.2	854.1	804.6	951.8	915.8	704.1
September	916.1	976.2	1,063.0	765.5	559.9	915.4	972.3	1,143.8	1,058.1	774.7
December	989.6	1,007.9	1,248.2	861.6	635.7	1,020.7	1,111.9	1,543.8	1,347.0	848.0
1994 average	1,317.1	1,282.4	1,492.7	1,108.8	1,077.0	1,371.4	1,526.0	2,274.1	1,792.2	1,263.0
March	1,108.9	1,108.7	1,365.8	932.9	849.6	1,175.4	1,304.1	1,630.1	1,535.1	902.5
June	1,232.3	1,218.0	1,450.2	1,086.7	980.7	1,288.3	1,496.5	1,839.4	1,658.2	1,278.6
September	1,504.3	1,427.8	1,598.8	1,171.0	1,462.0	1,411.7	1,554.6	2,802.2	1,912.7	1,405.0
December	1,617.0	1,550.2	1,796.2	1,417.9	1,374.2	1,856.5	1,974.7	2,750.2	2,357.6	1,470.4

Sources: Central Bank of Nigeria, and Federal Office of Statistics

Table 10. Nigeria: Rural Consumer Price Indices, 1988-94

(September 1985 = 100)

	All items	Food	Beverages, tobacco, and kola	Clothing and footwear	Accommodation, fuel, and light	Household goods	Medical care and health	Transport	Recreation and education services	Other services
Weights	1,000.0	698.5	49.6	47.7	114.5	36.1	10.8	18.3	12.5	12.0
1988 average	182.2	196.2	136.1	164.6	139.1	182.0	154.8	142.7	165.5	182.2
1989 average	273.3	299.0	206.9	248.0	182.2	294.7	188.2	207.8	219.8	187.1
March	251.5	274.9	183.7	221.4	171.2	290.2	165.5	185.6	200.6	172.0
June	300.2	335.1	212.5	248.1	190.4	298.0	182.7	220.7	235.7	185.6
September	287.6	314.5	220.8	268.1	190.6	303.8	198.6	217.5	236.6	197.4
December	285.1	304.5	245.6	286.9	203.2	308.5	215.7	233.8	240.3	209.8
1990 average	293.0	310.2	263.0	308.4	214.0	330.6	234.5	242.4	251.9	227.6
March	288.4	305.0	252.9	293.7	217.7	321.1	222.0	238.4	233.6	217.6
June	298.9	317.0	265.9	306.5	218.9	327.2	230.6	242.2	253.9	229.8
September	294.1	307.8	268.6	316.8	210.7	338.2	243.1	244.2	262.1	236.9
December	294.1	305.2	279.0	329.5	208.8	347.0	257.4	245.4	262.6	238.9
1991 average	328.3	343.5	297.2	381.0	224.8	417.2	276.8	258.9	285.8	281.5
March	305.5	318.2	287.2	359.8	209.7	387.1	256.4	254.4	264.5	258.3
June	333.3	351.9	295.4	379.1	220.6	414.7	268.4	257.1	288.8	277.9
September	338.5	353.5	300.5	396.5	234.0	436.5	287.9	261.8	292.3	307.4
December	358.9	373.0	320.5	435.3	252.1	464.3	304.9	280.0	315.9	313.4
1992 average	471.4	499.4	444.0	500.4	296.9	627.0	402.7	340.8	364.1	408.0
March	402.3	417.5	379.7	475.2	272.0	562.9	345.5	307.2	322.6	359.5
June	493.8	532.4	442.0	507.1	284.9	643.0	406.2	342.4	364.9	401.1
September	521.6	560.0	485.6	513.8	319.3	660.1	444.0	360.4	391.6	435.4
December	527.8	553.5	537.6	557.4	344.0	700.1	469.2	390.1	411.8	491.0
1993 average	736.7	784.6	711.9	724.3	470.1	954.8	613.1	519.3	564.1	606.3
March	622.0	658.5	613.9	646.4	387.1	817.0	556.6	435.6	469.1	587.3
June	767.7	843.2	690.4	714.5	421.6	918.0	572.9	491.0	529.4	602.8
September	822.2	878.8	777.1	783.7	544.3	1,054.7	678.1	540.8	596.2	617.6
December	848.4	870.3	887.6	875.0	633.0	1,173.8	773.6	736.8	774.9	692.2
1994 average	1,154.2	1,154.2	1,151.6	1,107.2	1,051.7	1,623.7	1,111.2	1,127.9	1,066.2	1,083.8
March	925.7	950.6	946.4	943.6	669.9	1,305.0	897.0	813.3	879.7	859.4
June	1,080.4	1,095.6	1,137.5	1,047.0	900.3	1,423.1	1,010.7	956.1	985.2	1,125.4
September	1,309.9	1,300.7	1,280.8	1,185.5	1,288.0	1,797.1	1,224.1	1,416.4	1,215.7	1,209.7
December	1,525.1	1,479.1	1,479.1	1,479.9	1,554.6	2,456.4	1,575.7	1,632.7	1,399.3	1,347.8

Sources: Central Bank of Nigeria, and Federal Office of Statistics

Table 11. Nigeria: National Unemployment Rates, June 1985 - June 1994

Surveys	Composite	Urban	Rural
(In percent)			
1985			
June	4.2	8.7	3.0
December	6.1	9.8	5.2
1986			
March	6.3	9.1	5.6
June	6.1	11.0	4.9
September	5.3	10.0	4.1
December	5.3	9.1	4.6
1987			
March	4.5	8.7	3.5
June	6.0	8.6	4.9
September	7.4	12.2	6.2
December	7.0	9.8	6.1
1988			
March	5.1	7.3	4.6
June	4.5	7.2	3.9
September	4.1	10.0	3.8
December	5.3	7.8	4.8
1989			
March	4.4	8.7	3.5
June	4.1	9.2	3.0
September	4.5	8.1	3.7
December	4.0	7.5	3.2
1990			
March	3.7	6.9	3.0
June	3.1	5.3	2.6
September	3.2	4.8	2.8
December	3.5	5.9	3.0
1991			
March	4.1	5.9	3.6
June	4.2	5.5	3.9
September	2.9	4.4	2.6
December	3.1	4.9	2.7
1992			
March	3.4	4.7	3.1
June	3.2	4.2	3.0
September	4.0	5.8	2.6
December	3.4	4.6	3.2
1993			
March	4.0	4.2	4.0
June	...	...	...
September	3.4	4.1	3.2
December	2.7	3.8	2.4
1994 1/			
March	2.2	2.9	2.0
June	2.1	2.5	2.0

Sources: Central Bank of Nigeria; and Federal Office of Statistics.

1/ Provisional data.

Table 12. Nigeria: Federal Government Fiscal Operations, 1988-94 1/

(In millions of naira)

	1988	1989	1990	1991	1992	1993	1994 Est.
Federally collected revenue	29,455	55,408	93,655	101,248	171,243	192,274	164,011
Petroleum revenue	23,642	46,740	79,821	83,883	143,534	159,007	122,735
Federation Account	21,414	38,760	55,366	60,316	103,785	106,051	85,128
NNPC proceeds	13,393	23,395	27,207	22,582	56,006	41,845	33,026
Foreign company proceeds	8,019	15,359	27,004	37,636	47,775	64,202	52,022
Penalties and fees	1	6	1,154	98	4	4	81
Other 2/	2,229	7,980	24,456	23,567	39,749	52,957	37,607
Inland revenue	1,479	1,914	2,847	3,828	5,416	9,401	12,275
Customs and excise taxes	3,793	5,816	8,641	11,457	16,055	15,745	18,295
Independent revenue 3/	541	938	2,345	2,080	6,239	8,121	2,106
VAT	--	--	--	--	--	--	8,600
Federation Account revenue	26,686	46,490	66,854	75,601	125,256	131,196	115,698
Petroleum	21,414	38,760	55,366	60,316	103,785	106,051	85,128
Non-petroleum	5,272	7,730	11,488	15,285	21,471	25,146	30,570
Gross transfers to the Federation Stabilization Account	--	13,838	20,238	21,674	47,456	24,396	5,057
Federation Account distributed	26,686	32,652	46,616	53,927	77,800	106,800	110,641
Federally retained revenue	16,075	30,980	56,164	57,916	97,598	106,433	97,547
Federation Account revenue	14,768	17,958	23,675	27,000	38,240	51,798	53,661
Other oil revenue 4/	767	4,473	19,866	17,984	29,794	34,681	37,607
Independent revenue 3/	541	938	2,345	2,080	6,239	8,121	2,106
Federation Stabilization Account	--	7,611	10,278	10,852	23,325	11,832	2,453
VAT	--	--	--	--	--	--	1,720
Recurrent expenditure	22,461	32,119	41,387	47,092	80,638	123,290	120,869
Wages and salaries	2,776	3,394	5,120	5,665	7,056	18,199	22,153
Overheads	4,115	4,386	5,316	6,669	8,562	20,500	25,486
Interest payments due	14,571	22,434	29,461	33,091	62,366	80,251	69,564
Domestic	4,204	6,015	8,461	10,500	26,338	38,703	28,479
Foreign	10,367	16,419	21,000	22,591	36,028	41,548	41,085
Exchange rate guarantees	998	1,905	1,489	1,668	2,655	1,740	--
Other	--	--	--	--	--	2,600	3,667
Capital expenditure and net lending	10,904	11,019	12,855	16,775	21,111	30,527	52,310
Domestically financed	8,558	5,597	7,425	9,690	11,976	18,558	39,000
Foreign financed	2,346	5,422	5,430	7,085	9,136	11,969	13,310
Net lending to state governments	-55	-482	-1,174	-1,114	-5,933	-1,400	-2,565
Supplementary and extrabudgetary outlays	2,500	3,964	10,756	17,258	45,177	80,052	5,721
Total expenditure	35,810	46,620	63,823	80,011	140,994	232,469	176,335
Overall balance	-19,734	-15,640	-7,659	-22,095	-43,396	-126,037	-78,788
Financing	19,734	15,640	7,659	22,095	43,396	126,037	78,788
Foreign (net)	5,430	8,230	-251	-463	-9,019	19,204	16,071
Balance of payments support	569	4,009	2,407	297	--	--	--
Project loans	2,346	5,422	5,430	7,085	9,136	11,969	13,310
Amortization due 5/	-17,950	-25,456	-33,010	-31,057	-83,685	-58,408	-58,838
Debt relief 6/	--	23,392	12,390	24,425	26,632	--	--
Change in arrears	20,465	863	12,531	-1,213	38,898	65,643	61,600
Domestic (net)	14,304	7,410	7,911	22,557	52,415	106,833	62,717
Banking system	6,131	-9,276	2,768	12,828	46,847	98,131	49,790
Non-bank	8,173	16,686	5,143	9,729	5,568	8,702	12,927
Net transfers from state and local governments 7/	--	--	1,778	8,724	5,295	5,036	3,017
Other	8,173	16,686	3,365	1,005	273	3,666	9,910

Sources: Data provided by Nigerian authorities; and staff estimates.

1/ The historical series have been slightly revised and now reflect transactions on a cash basis, with the exception of foreign interest and amortization payments.

2/ Staff estimate. Excludes NNPC cash calls, but includes all dedicated oil revenues and withholdings at source for fertilizer subsidy.

3/ Excludes recoveries at source for debt obligations of state governments.

4/ Staff estimate. Includes for 1994 only, NNPC dedication account revenues. Excludes NNPC cash calls.

5/ Includes face value of commercial debt equivalent to to 32.2 billion naira associated with the 1992 debt reduction operation.

6/ Includes 19.3 billion naira debt reduction through the debt buy-back operation with London Club creditors, and 7.3 billion naira debt rescheduling with bilateral official creditors.

7/ Net transfers from state and local governments and special funds via the Federation Stabilization Account.

Table 13. Nigeria: Federal Government Fiscal Operations, 1988-94 1/

(In percent of GDP)

	1988	1989	1990	1991	1992	1993	1994 Est.
Federally collected revenue	20.3	24.6	35.9	31.2	31.1	27.6	18.3
Petroleum revenue	16.3	20.8	30.6	25.9	26.1	22.8	13.7
Federation Account	14.7	17.2	21.2	18.6	18.9	15.2	9.5
NNPC proceeds	9.2	10.4	10.4	7.0	10.2	6.0	3.7
Foreign company proceeds	5.5	6.8	10.4	11.6	8.7	9.2	5.8
Penalties and fees	0.0	0.0	0.4	0.0	0.0	0.0	0.0
Other 2/	1.5	3.5	9.4	7.3	7.2	7.6	4.2
Inland revenue	1.0	0.9	1.1	1.2	1.0	1.3	1.4
Customs and excise taxes	2.6	2.6	3.3	3.5	2.9	2.3	2.0
Independent revenue 3/	0.4	0.4	0.9	0.6	1.1	1.2	0.2
VAT	--	--	--	--	--	--	1.0
Federation Account revenue	18.4	20.7	25.7	23.3	22.8	18.8	12.9
Petroleum	14.7	17.2	21.2	18.6	18.9	15.2	9.5
Non-petroleum	3.6	3.4	4.4	4.7	3.9	3.6	3.4
Gross transfers to the Federation Stabilization Account	--	6.2	7.8	6.7	8.6	3.5	0.6
Federation Account distributed	18.4	14.5	17.9	16.6	14.2	15.3	12.3
Federally retained revenue	11.1	13.8	21.5	17.9	17.8	15.3	10.9
Federation Account revenue	10.2	8.0	9.1	8.3	7.0	7.4	6.0
Other oil revenue 4/	0.5	2.0	7.6	5.6	5.4	5.0	4.2
Independent revenue 3/	0.4	0.4	0.9	0.6	1.1	1.2	0.2
Federation Stabilization Account	--	3.4	3.9	3.3	4.2	1.7	0.3
VAT	--	--	--	--	--	--	0.2
Recurrent expenditure	15.5	14.3	15.9	14.5	14.7	17.7	13.5
Wages and salaries	1.9	1.5	2.0	1.7	1.3	2.6	2.5
Overheads	2.8	2.0	2.0	2.1	1.6	2.9	2.8
Interest payments due	10.0	10.0	11.3	10.2	11.3	11.5	7.8
Domestic	2.9	2.7	3.2	3.2	4.8	5.6	3.2
Foreign	7.1	7.3	8.1	7.0	6.6	6.0	4.6
Exchange rate guarantees	0.7	0.8	0.6	0.5	0.5	0.2	--
Other	--	--	--	--	--	0.4	0.4
Capital expenditure and net lending	7.5	4.9	4.9	5.2	3.8	4.4	5.8
Domestically financed	5.9	2.5	2.8	3.0	2.2	2.7	4.3
Foreign financed	1.6	2.4	2.1	2.2	1.7	1.7	1.5
Net lending to state governments	--	-0.2	-0.5	-0.3	-1.1	-0.2	-0.3
Supplementary and extrabudgetary outlays	1.7	1.8	4.1	5.3	8.2	11.5	0.6
Total expenditure	24.7	20.7	24.5	24.7	25.6	33.3	19.6
Overall balance	-13.6	-7.0	-2.9	-6.8	-7.9	-18.1	-8.8
Financing	13.6	7.0	2.9	6.8	7.9	18.1	8.8
Foreign (net)	3.7	3.7	-0.1	-0.1	-1.6	2.8	1.8
Balance of payments support	0.4	1.8	0.9	0.1	--	--	--
Project loans	1.6	2.4	2.1	2.2	1.7	1.7	1.5
Amortization due 5/	-12.4	-11.3	-12.7	-9.6	-15.2	-8.4	-6.6
Debt relief 6/	--	10.4	4.8	7.5	4.8	--	--
Change in arrears	14.1	0.4	4.8	-0.4	7.1	9.4	6.9
Domestic (net)	9.8	3.3	3.0	7.0	9.5	15.3	7.0
Banking system	4.2	-4.1	1.1	4.0	8.5	14.1	5.5
Non-bank	5.6	7.4	2.0	3.0	1.0	1.2	1.4
Net transfers from state and local governments 7/	--	--	0.7	2.7	1.0	0.7	0.3
Other	5.6	7.4	1.3	0.3	0.0	0.5	1.1

Sources: Data provided by Nigerian authorities; and staff estimates.

1/ The historical series have been slightly revised and now reflect transactions on a cash basis, with the exception of foreign interest and amortization payments.

2/ Staff estimate. Excludes NNPC cash calls, but includes all dedicated oil revenues and withholdings at source for fertilizer subsidy.

3/ Excludes recoveries at source for debt obligations of state governments.

4/ Staff estimate. Includes for 1994 only, NNPC dedication account revenues. Excludes NNPC cash calls.

5/ Includes face value of commercial debt equivalent to 32.2 billion naira associated with the 1992 debt reduction operation.

6/ Includes 19.3 billion naira debt reduction through the debt buy-back operation with London Club creditors, and 7.3 billion naira debt rescheduling with bilateral official creditors.

7/ Net transfers from state and local governments and special funds via the Federation Stabilization Account.

Table 14. Nigeria: Recurrent Expenditure of the Federal Government
by Functional Classification, 1988-94 1/

	1988	1989	1990	1991	1992	1993	1994 Est.
(In millions of naira)							
Administration	5,778	6,271	6,540	6,954	8,855	18,366	20,535
General administration	3,559	3,718	3,369	3,610	3,553	10,409	11,934
Defense	1,340	1,681	1,761	1,834	2,754	4,645	4,205
Internal security	878	872	1,411	1,510	2,548	3,313	4,396
Economic services	1,221	1,419	1,614	1,303	3,140	4,656	3,910
Agriculture	83	152	258	209	465	1,084	1,183
Construction	694	491	634	407	1,163	1,396	1,144
Transport and communications	227	295	288	239	563	1,218	446
Others	217	481	434	449	949	959	1,137
Social and community services	2,114	4,230	3,396	2,677	3,665	8,807	10,086
Education	1,459	3,012	2,403	1,256	1,907	5,336	7,383
Health	423	575	501	618	1,390	2,326	2,094
Others	233	643	493	802	368	1,145	609
Transfers	16,210	24,980	31,797	35,654	66,431	137,627	76,156
Interest due	14,571	22,434	29,461	33,091	62,366	80,251	69,564
Domestic	4,204	6,015	8,461	10,500	26,338	38,703	28,479
External	10,367	16,419	21,000	22,591	36,028	41,548	41,085
Others 2/	1,639	2,546	2,336	2,563	4,066	57,376	6,592
Total	26,962	39,446	45,684	49,151	86,157	226,832	117,278
(In percent of total)							
Administration	21.4	15.9	14.3	14.1	10.3	8.1	17.5
General administration	13.2	9.4	7.4	7.3	4.1	4.6	10.2
Defense	5.0	4.3	3.9	3.7	3.2	2.0	3.6
Internal security	3.3	2.2	3.1	3.1	3.0	1.5	3.7
Economic services	4.5	3.6	3.5	2.7	3.6	2.1	3.3
Agriculture and water	0.3	0.4	0.6	0.4	0.5	0.5	1.0
Construction	2.6	1.2	1.4	0.8	1.4	0.6	1.0
Transport and communications	0.8	0.7	0.6	0.5	0.7	0.5	0.4
Others	0.8	1.2	0.9	0.9	1.1	0.4	1.0
Social and community services	7.8	10.7	7.4	5.4	4.3	3.9	8.6
Education	5.4	7.6	5.3	2.6	2.2	2.4	6.3
Health	1.6	1.5	1.1	1.3	1.6	1.0	1.8
Others	0.9	1.6	1.1	1.6	0.4	0.5	0.5
Transfers	60.1	63.3	69.6	72.5	77.1	60.7	64.9
Interest due	54.0	56.9	64.5	67.3	72.4	35.4	59.3
Domestic	15.6	15.2	18.5	21.4	30.6	17.1	24.3
External	38.4	41.6	46.0	46.0	41.8	18.3	35.0
Others 2/	6.1	6.5	5.1	5.2	4.7	25.3	5.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Sources: Central Bank of Nigeria; and staff estimates.

1/ Figures are based on budgetary data and exclude extrabudgetary expenditures, except for 1993 and 1994 which include the authorities' estimate of extrabudgetary expenditure.

2/ Includes pensions, gratuities, grants, subventions and exchange rate losses.

Table 15. Nigeria: Capital Expenditure of the Federal Government
by Functional Classification, 1988-94 1/

	1988	1989	1990	1991	1992	1993	1994 Est.
(In millions of naira)							
Administration	1,899	2,618	2,920	3,345	5,119	8,082	8,785
General administration	1,196	1,868	2,152	2,107	1,724	5,807	5,219
Defense	380	539	525	878	2,068	1,737	2,403
Internal security	323	211	243	360	1,327	538	1,164
Economic services	2,129	3,906	3,486	3,145	2,337	4,975	7,276
Agriculture and water resources	660	1,733	1,598	1,219	941	1,824	2,179
Manufacturing, mining, and quarrying	766	835	904	628	540	2,224	3,321
Transport and communications	468	533	427	452	349	803	1,070
Special projects	--	488	108	565	...	...	...
Others	234	317	448	282	506	124	707
Social and community services	1,726	1,845	2,096	1,492	2,133	3,575	4,994
Education	328	387	416	297	507	995	2,052
Health	155	222	323	153	244	242	749
Housing	777	1,206	1,305	912	1,164	1,980	1,836
Others	466	30	52	129	218	359	357
Transfers	480	611	705	1,678	1,329	3	4,374
Outstanding domestic liabilities	480	100	258	1,515	1,311	--	4,354
Other	--	511	447	163	19	3	20
Total	6,233	8,980	9,207	9,660	10,917	16,635	25,430
(In percent of total)							
Administration	30.5	29.1	31.7	34.6	46.9	48.6	34.5
General administration	19.2	20.8	23.4	21.8	15.8	34.9	20.5
Defense	6.1	6.0	5.7	9.1	18.9	10.4	9.4
Internal security							
Economic services	34.2	43.5	37.9	32.6	21.4	29.9	28.6
Agriculture and water resources	10.6	19.3	17.4	12.6	8.6	11.0	8.6
Manufacturing, mining, and quarrying	12.3	9.3	9.8	6.5	4.9	13.4	13.1
Transport and communications	7.5	5.9	4.6	4.7	3.2	4.8	4.2
Special projects	--	5.4	1.2	5.8	--	--	--
Others	3.8	3.5	4.9	2.9	4.6	0.7	2.8
Social and community services	27.7	20.5	22.8	15.4	19.5	21.5	19.6
Education	5.3	4.3	4.5	3.1	4.6	6.0	8.1
Health	2.5	2.5	3.5	1.6	2.2	1.5	2.9
Housing	12.5	13.4	14.2	9.4	10.7	11.9	7.2
Others	7.5	0.3	0.6	1.3	2.0	2.2	1.4
Transfers	7.7	6.8	7.7	17.4	12.2	--	17.2
Outstanding domestic liabilities	7.7	1.1	2.8	15.7	12.0	--	17.1
Other	--	5.7	4.9	1.7	0.2	--	0.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Sources: Central Bank of Nigeria; and staff estimates.

1/ Figures are based on budgetary data and exclude extrabudgetary expenditures.

Table 16. Nigeria: Federal Government Lending to Public Corporations, 1988-94

(In millions of naira)

	1988	1989	1990	1991	1992	1993	1994 Est.
Agriculture and mining	31	8	13	9	222	311	268
Nigerian Agricultural Cooperative Bank	5	2	--	--	200	--	...
Nigerian Coal corporation	24	5	10	7	9	6	6
Nigerian Mining Corporation	2	1	3	2	3	8	12
Nigerian Iron Ore Mining Corporation	--	--	--	--	10	297	250
Manufacturing	177	190	166	431	8,218	1,681	2,137
Savannah Sugar Company	--	--	--	134	41	21	185
Sunti Sugar Company Ltd.	2	4	--	1	5	17	57
Nigerian Sugar Company Ltd.	--	--	--	--	71	119	165
Lafiagi Sugar Company Ltd.	--	--	1	1	7	19	24
National Paper Company	--	--	--	--	--	--	...
Nigerian National Paper Company	--	--	--	--	244	92	400
Nigerian Newsprint Manufacturing Company	10	--	--	--	--	293	35
Nigerian Paper Mill	--	--	--	...	...	...	...
Delta Steel	18	90	34	43	45	300	148
Ajaokuta Steel Company	41	67	86	35	111	102	300
Katsina Steel Rolling Mill	2	2	--	--	--	12	40
Oshogbo Steel Rolling Mill	1	2	--	--	6	12	40
Jos Steel Rolling Mill	10	7	1	5	4	12	41
Nigerian Machine Tool Company	21	17	40	50	42	542	125
National Fertilizer Company	70	--	--	145	--	--	--
Federal Superphosphate Fertilizer Company	--	--	3	17	57	57	301
Aluminium Smelter Company Ltd.	--	--	--	--	7,585	82	278
Others	962	241	657	115	933	1,564	774
Nigerian Electric Power Authority	--	15	15	7	44	383	263
Nigerian Railways Corporation	129	75	460	47	128	165	60
Nigerian Ports Authority	--	--	--	--	--	--	--
Nigerian Airways Ltd.	34	--	--	--	568	186	13
Nigerian Airport Authority	19	10	30	42	192	160	438
Nigerian Post and Telecommunications	393	58	32	19	2	--	--
Federal Mortgage Bank	--	--	--	--	--	--	...
Nigerian Bank for Commerce and Industry	--	--	--	--	--	--	...
Nigerian Industrial Development Bank	--	--	--	--	--	--	...
Federal Savings Bank	--	--	40	--	--	--	...
Nigerian National Shipping Line	--	--	--	--	--	660	--
Export Processing Zones	--	--	--	--	--	10	...
Other	388	83	80	--	--	--	...
Total	1,170	439	835	555	9,373	3,555	3,179

Source: Federal Ministry of Finance.

Table 17. Nigeria: Federal Government Debt Outstanding, 1988-94

	1988	1989	1990	1991	1992	1993	1994 Est.
(In millions of naira)							
Domestic debt	47,031	57,051	84,093	116,200	161,900	261,094	341,814
Treasury bills	35,476	34,126	25,476	57,763	103,327	103,327	103,327
Treasury bonds	--	11,350	20,000	20,000	19,007	117,140	197,795
Treasury certificates	6,795	6,945	34,215	34,215	35,241	36,584	37,343
Development stock	4,759	4,629	4,401	4,221	3,961	3,732	3,350
Other	2	2	2	2	365	311	--
(In millions of U.S. dollars)							
Total external public and publicly-guaranteed debt	30,092	31,427	33,722	33,745	28,835	29,791	31,151
Paris Club	13,768	15,801	17,713	17,788	17,805	18,714	19,931
London Club	6,135	5,849	5,878	5,963	2,118	2,055	2,049
Multilateral	2,838	3,171	3,853	4,008	4,090	4,216	4,379
Other	7,352	6,606	6,278	5,986	4,823	4,807	4,793
(In percent of GDP)							
Internal debt	32.4	25.4	32.3	35.9	29.4	37.5	38.1
External debt ^{1/}	148.7	136.1	130.3	115.5	90.7	89.7	90.6
Memorandum items:							
Effective rate of interest on domestic debt	10.0	11.6	12.0	10.5	18.9	18.3	9.4
LIBOR	8.1	9.3	8.4	6.1	3.9	3.4	5.1

Sources: Central Bank of Nigeria; and staff estimates.

^{1/} Dollar GDP calculated on the basis of changes in real GDP, adjusted for the U.S. GDP deflator (base year = 1992).

Table 18. Nigeria: Gross Statutory Allocations of the Federation Account, 1988-94

(In percent of total)

	1988	1989	1990	1991	1992 1/	1993	1994
Total Federation Account	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Federal Government	55.0	55.0	50.0	50.0	48.5	48.5	48.5
State governments	32.5	32.5	30.0	30.0	24.0	24.0	24.0
Local governments	10.0	10.0	15.0	15.0	20.0	20.0	20.0
Special funds and residual balance	2.5	2.5	5.0	5.0	7.5	7.5	7.5
Federal Capital Territory	--	--	1.0	1.0	1.0	1.0	1.0
General Ecology	1.0	1.0	1.0	1.0	2.0	2.0	2.0
Stabilization	--	--	0.5	0.5	0.5	0.5	0.5
Derivation 2/	--	--	1.0	1.0	1.0	1.0	1.0
Development of Mineral Producing Areas 2/	1.5	1.5	1.5	1.5	3.0	3.0	3.0

Source: Central Bank of Nigeria

1/ Change in allocation became effective on June 1, 1992.

2/ Share of petroleum revenue only.

Table 19. Nigeria: Summary of Budgetary Operations of State and Local Governments and Special Funds, 1988-94 1/

(In millions of naira)

	1988	1989	1990	1991	1992	1993	1994 Est.
Revenue	14,096	22,523	35,627	40,896	68,902	75,193	76,487
Statutory share of Federation Account (gross)	11,917	14,693	22,941	26,927	39,560	55,002	56,980
Statutory share of Federation Stabilization Account (gross)	--	6,227	9,960	10,822	24,130	12,564	2,604
Independent and VAT revenue 2/	2,179	1,602	2,726	3,147	5,212	7,627	16,902
Expenditure and net lending	16,308	22,806	34,089	32,146	63,955	70,438	73,887
Recurrent	10,847	14,006	23,179	18,958	33,740	45,487	47,222
Capital	5,406	8,317	9,737	12,073	24,282	23,551	24,099
Net lending to Federal Government	55	482	1,174	1,114	5,933	1,400	2,565
Balance (deficit -)	-2,212	-283	1,537	8,750	4,948	4,755	2,600
Financing	2,212	283	-1,537	-8,750	-4,948	-4,755	-2,600
Foreign (net)	--	--	--	--	--	--	--
Domestic (net)	2,212	283	-1,537	-8,750	-4,948	-4,755	-2,600
Banking system	2,212	283	241	-26	348	281	417
Nonbank 3/	--	--	-1,778	-8,724	-5,295	-5,036	-3,017

Sources: Data provided by Nigerian authorities; and staff estimates.

1/ These data, which are based on limited budgetary information and staff estimates, should be viewed only as illustrative of general budgetary trends.

2/ State government only.

3/ Lending to the Federal Government via the Federal Stabilization Account.

Table 20. Nigeria: Consolidated Government Fiscal Operations, 1988-94 1/

(In millions of naira)

	1988	1989	1990	1991	1992	1993	1994 Est.
Revenue 2/	30,172	53,503	91,791	98,813	166,500	181,626	174,033
Federation Account 3/	26,686	46,490	66,854	75,601	125,256	131,196	115,698
Other	3,486	7,013	24,937	23,212	41,245	50,429	58,335
Federal government	1,307	5,411	22,211	20,065	36,033	42,802	41,433
Other petroleum revenue 2/	767	4,473	19,866	17,984	29,794	34,681	37,607
Independent revenue	541	938	2,345	2,080	6,239	8,121	3,826
State governments	2,179	1,602	2,726	3,147	5,212	7,627	16,902
Expenditure	52,118	69,426	97,913	112,157	204,949	302,908	250,222
Recurrent	34,558	48,107	69,943	74,680	136,967	208,803	170,952
Capital	17,560	21,318	27,970	37,478	67,982	94,105	79,270
Overall balance (deficit -)	-21,946	-15,923	-6,122	-13,345	-38,448	-121,282	-76,188
Financing	21,946	15,923	6,122	13,345	38,448	121,282	76,188
Foreign	5,430	8,230	-251	-463	-9,019	19,204	16,071
Domestic	16,516	7,693	6,373	13,807	47,468	102,078	60,117
Banking system	8,343	-8,993	3,009	12,802	47,195	98,412	50,207
Nonbank	8,173	16,686	3,365	1,005	273	3,666	9,910

Sources: Data provided by Nigerian authorities; and staff estimates.

1/ These data, which are based on limited budgetary information and staff estimates, should be viewed only as illustrative of general budgetary trends.

2/ Excludes NNPC dedicated oil revenues and cash calls.

3/ Includes transfers to the Federation Stabilization Account.

Table 21. Nigeria: Fixed Capital Formation under the Rolling Plan
by Source of Financing, 1993-95 and 1994-96

	1993-95		1994-96	
	In billions of naira	In percent	In billions of naira	In percent
Public sector	330.8	76.4	361.6	82.8
Federal Government	75.7	17.5	97.6	22.4
State governments	26.3	6.1	45.1	10.3
Local governments	20.4	4.7	35.1	8.0
Subtotal	122.4	28.3	177.8	40.7
Special funds	12.8	3.0	25.0	5.7
Parastatals	68.1	15.7	28.1	6.4
Joint ventures	90.6	20.9	90.4	20.7
External loans	36.9	8.5	40.3	9.2
Contingency	--	--	--	--
Subtotal	208.4	48.1	183.8	42.1
Private Sector	102.4	23.6	74.9	17.2
Total	433.2	100.0	436.5	100.0

Source: Ministry of National Planning.

Table 22. Nigeria: Fixed Capital Formation by Sector under the Rolling Plan I/, 1992-94, 1993-95 and 1994-96

(In millions of naira)

	Federal Government			State governments			Local governments			Total		
	1992-94	1993-95	1994-96	1992-94	1993-95	1994-96	1992-94	1993-95	1994-96	1992-94	1993-95	1994-96
Economic sector	<u>11,934</u>	<u>24,157</u>	<u>22,807</u>	<u>2,720</u>	<u>8,098</u>	<u>9,571</u>	<u>146</u>	<u>387</u>	<u>=</u>	<u>14,800</u>	<u>32,642</u>	<u>32,378</u>
Agriculture	5,868	8,323	8,198	813	2,735	1,492	...	67	...	6,681	11,125	9,690
Manufacturing	1,756	2,898	3,441	242	1,043	1,357	146	...	...	2,143	3,941	4,798
Transport	2,822	4,719	3,597	1,019	3,676	5,784	...	...	...	3,840	8,395	9,381
Others	1,490	8,217	7,572	646	644	938	...	321	...	2,136	9,181	8,510
Social sector	<u>3,225</u>	<u>7,994</u>	<u>15,547</u>	<u>1,843</u>	<u>4,690</u>	<u>8,486</u>	<u>3,498</u>	<u>610</u>	<u>1,350</u>	<u>8,566</u>	<u>13,294</u>	<u>24,034</u>
Education	945	6,048	7,287	774	2,777	4,298	2,734	610	...	4,453	9,435	11,584
Health	743	145	4,626	562	1,445	3,705	550	...	...	1,854	1,590	8,331
Others	1,537	1,801	3,634	508	468	484	214	...	...	2,259	2,269	4,119
Regional and environmental development	<u>1,967</u>	<u>2,474</u>	<u>3,515</u>	<u>1,472</u>	<u>4,360</u>	<u>4,028</u>	<u>74</u>	<u>490</u>	<u>151</u>	<u>3,512</u>	<u>7,324</u>	<u>7,694</u>
Water supply	10	223	121	350	3,069	3,249	33	396	151	392	3,688	3,520
Urban and regional planning	1,698	1,341	3,114	233	819	230	5	...	...	1,935	2,160	3,344
Others	260	910	280	889	472	550	36	95	...	1,185	1,477	830
Adminsitration	<u>7,835</u>	<u>20,047</u>	<u>20,990</u>	<u>1,024</u>	...	...	...	...	...	<u>8,858</u>	<u>20,047</u>	<u>20,990</u>
Defense and security	4,217	9,918	12,524	...	...	...	...	...	...	4,217	9,918	12,524
General administration	3,618	10,129	8,466	1,024	...	...	...	...	...	4,642	10,129	8,466
Total	24,961	54,672	62,859	7,058	17,148	22,086	3,718	1,488	1,501	35,736	73,308	85,096

Source: Ministry of National Planning.

I/ Figures relate only to the treasury component of the government investment program; the project loan component, parastatal investment and joint venture cash calls are not included.

Table 23. Nigeria: Monetary Survey, 1988-94 1/

	1988	1989	1990	1991	1992	1993	1994 Est.
(In millions of naira; end of period)							
Net foreign assets	10,220	23,120	44,790	58,753	38,815	57,224	57,291
Central Bank of Nigeria (net)	3,242	13,407	34,928	44,223	13,238	27,623	34,702
Foreign assets	3,290	13,451	34,970	44,266	14,009	29,110	36,305
Foreign liabilities	-47	-44	-42	-43	-771	-1,487	-1,603
Commercial and merchant banks (net)	6,978	9,713	9,862	14,529	25,576	29,602	22,589
Foreign assets	7,580	11,127	10,361	15,619	27,969	31,354	25,449
Foreign liabilities	-603	-1,414	-499	-1,090	-2,393	-1,753	-2,859
Net domestic assets	34,053	22,784	22,219	30,007	131,896	136,310	210,468
Net domestic credit	55,673	47,635	56,436	77,505	140,445	268,647	347,729
Federal Government (net)	27,553	18,277	21,044	33,873	80,720	178,850	228,640
State governments	508	752	1,011	893	1,155	1,391	1,860
Local governments	66	105	87	178	264	309	257
Claims on private sector 2/	27,547	28,502	34,294	42,561	58,306	88,096	116,972
Other items (net)	-21,620	-24,852	-34,216	-47,498	-8,549	-132,337	-137,261
Broad money	42,809	45,894	65,296	86,380	130,722	193,493	267,760
Narrow money	21,178	25,421	37,577	49,403	77,606	117,424	172,005
Quasi-money	21,632	20,472	27,719	36,977	53,115	76,069	95,755
Valuation account 3/	-283	10	1,714	2,380	39,989	41	-1
Memorandum items	(Annual percentage change, unless otherwise indicated)						
Net domestic assets	20.3	-33.1	-2.5	35.0	339.5	3.3	54.4
Net domestic credit	33.0	-14.4	18.5	37.3	81.2	91.3	29.4
Of which:							
Net credit to the Federal Government	(28.6)	(-33.7)	(15.1)	(61.0)	(138.3)	(121.6)	(27.8)
Claims on private sector		(3.5)	(20.3)	(24.1)	(37.0)	(51.1)	(32.8)
Broad money	43.3	7.2	42.3	32.3	51.3	48.0	38.4
Narrow money	55.5	20.0	47.8	31.5	57.1	51.3	46.5
Quasi-money	33.0	-5.4	35.4	33.4	43.6	43.2	25.9
Velocity (non-oil GDP/broad money)	...	3.2	3.2	2.7	2.7	2.7	2.9
Contribution to the growth of M2							
Net foreign assets	30.4	30.1	47.2	21.4	-23.1	14.1	--
Net domestic assets	19.2	-26.3	-1.2	11.9	118.0	3.4	38.3
Net domestic credit	46.2	-18.8	19.2	32.3	72.9	98.1	40.9
Net credit to the Federal Government	20.5	-21.7	6.0	19.6	54.2	75.1	25.7

Sources: Central Bank of Nigeria; and staff estimates.

1/ Consolidated accounts of the Central Bank, commercial banks, and merchant banks.

2/ Claims on the private sector for December 1993 have been revised upwards by the Central Bank.

3/ Refers to the revaluation account of the Central Bank.

Table 24. Nigeria: Summary Accounts of the Central Bank, 1988-94

(in millions of naira, end-of-period)

	1988	1989	1990	1991	1992	1993	1994 Est.
Net foreign assets	3,242	13,407	34,928	44,223	13,238	27,623	34,702
Short term foreign assets	3,290	13,451	34,970	44,266	14,009	29,110	36,305
Short term foreign liabilities	-47	-44	-42	-43	-771	-1,487	-1,603
Net domestic credit	24,290	19,005	13,873	28,446	82,206	149,367	187,877
Federal Government (net)	21,767	15,190	13,653	27,308	78,556	140,940	182,483
Claims	28,087	28,482	48,879	83,102	124,538	189,773	251,843
Deposits	-6,319	-13,293	-25,885	-25,457	-34,330	-48,834	-69,359
Stabilization account	--	--	--	-13,327	-11,652	--	--
Oil surplus	--	--	-9,340	-17,010	--	--	--
State governments (net)	-7	-501	-1,712	-1,349	-2,125	-1,656	-1,974
Local governments (net)	--	--	-47	-23	-75	-12	-5
Private sector (gross)	2,448	1,220	1,770	2,330	5,616	5,693	5,307
Claims on commercial banks	83	594	96	79	102	3,510	1,193
Claims on merchant banks	--	787	113	101	132	892	872
Liabilities to commercial banks	2,851	2,596	4,802	13,367	27,930	38,255	32,786
Currency in vault	797	986	1,261	2,211	2,946	4,707	5,547
Bankers deposits	1,530	1,084	2,128	4,077	10,006	9,601	5,041
Loan shortfall deposits	86	159	104	69	104	121	399
Excess credit penalty deposits	438	366	276	447	157	78	78
Stabilization securities	--	--	1,032	6,563	14,718	23,750	21,720
Liabilities to merchant banks	521	297	605	1,994	4,567	6,203	3,788
Currency in vault	1	4	10	12	23	13	18
Bankers deposits	297	105	393	464	1,436	3,022	520
Loan shortfall deposits	4	5	0	8	56	95	200
Excess credit penalty deposits	219	183	138	224	79	39	39
Stabilization securities	--	--	63	1,286	2,972	3,034	3,010
Currency and deposit liabilities	11,288	15,183	21,749	26,678	45,528	66,042	104,677
Currency outside banks	9,412	11,664	14,941	23,108	36,766	56,261	90,492
Private sector demand deposits	1,876	3,518	6,809	3,570	8,763	9,781	14,185
Other items (net)	12,871	14,336	21,646	30,631	17,418	66,490	81,419
Import deposits	51	206	236	935	585	1,210	1,093
Revaluation account	-283	10	1,714	2,380	39,989	41	-1
Capital and reserves (including SDR allocation)	1,466	2,023	2,660	4,211	7,399	9,830	10,955
Stabilization security float	--	--	97	213	280	2,592	207
Other	11,637	12,097	16,939	22,892	-30,835	52,816	69,164

Source: Central Bank of Nigeria

Table 25. Consolidated Accounts of the Commercial Banks, 1988-94

(in millions of naira, end-of-period)

	1988	1989	1990	1991	1992	1993	1994 Est.
Net foreign assets	4,469	6,485	6,302	9,538	18,135	22,450	17,254
Foreign assets	4,814	7,338	6,550	10,370	19,387	23,112	17,865
Foreign liabilities	-345	-853	-248	-832	-1,252	-662	-610
Reserves	2,152	3,416	3,735	7,173	12,425	16,238	16,955
Currency	797	986	1,261	2,211	2,946	4,707	5,547
Deposits at Central Bank	1,355	2,431	2,474	4,963	9,479	11,531	11,408
Loan shortfall deposits	86	159	104	69	104	121	399
Excess credit penalty deposits	438	366	276	447	157	78	18
Net domestic credit	26,467	25,386	33,198	37,199	44,024	93,618	131,239
Federal Government	5,729	3,027	7,026	5,884	1,470	28,458	37,886
Claims	7,973	3,777	9,107	7,030	5,881	30,412	39,446
Deposits	-2,244	-749	-2,081	-1,147	-4,411	-1,954	-1,560
State governments (gross)	479	650	855	809	1,073	1,205	1,631
Deposits	-2,321	-538	-596	-1,053	-3,238	-1,489	-1,458
Demand	-789	-304	-382	-708	-1,214	-927	-950
Time and savings	-1,533	-234	-214	-345	-2,024	-563	-508
Local governments (gross)	66	105	80	128	180	296	252
Deposits	-506	-572	-778	-1,053	-1,302	-1,048	-798
Demand	-293	-291	-519	-708	-909	-805	-592
Time and savings	-214	-281	-259	-345	-393	-243	-206
Private sector (gross)	20,193	21,604	25,236	30,378	41,300	63,658	91,469
Stabilization securities	--	--	1,032	6,563	14,718	23,750	21,720
Deposit liabilities 1/	26,821	26,432	36,695	51,262	71,662	109,135	140,839
Demand deposit	9,882	9,738	14,069	21,354	29,878	49,715	65,349
Time and savings deposits	16,939	16,694	22,625	29,909	41,784	59,420	75,490
Other items (net)	5,044	9,381	7,952	9,727	17,900	47,119	46,746
Central Bank borrowing	83	1,262	96	79	102	3,510	1,193
Deposits for private external arrears	812	367	51	230	1,311	1,311	1,311
Revaluation account	1,372	3,150	4,146	4,559	13,052	15,100	15,118
Capital and reserves	1,932	2,692	3,713	4,301	8,157	7,647	6,669
Other	845	1,909	-53	559	-4,723	19,551	22,455

Source: Central Bank of Nigeria.

1/ Includes deposits of state and local governments.

Table 26. Nigeria: Consolidated Accounts of the Merchant Banks, 1988-94

(in millions of naira, end-of-period)

	1988	1989	1990	1991	1992	1993	1994 Est.
Net foreign assets	2,508	3,228	3,560	4,992	7,441	7,152	5,335
Foreign assets	2,766	3,789	3,811	5,250	8,582	8,242	7,584
Foreign liabilities	-258	-561	-251	-258	-1,140	-1,091	-2,249
Reserves	298	662	714	1,059	2,026	1,966	3,295
Currency	1	4	10	12	23	13	18
Deposits at Central Bank	297	658	703	1,047	2,003	1,953	3,276
Loan shortfall deposits	4	5	0	8	56	95	200
Excess credit penalty deposits	219	183	138	224	79	39	9
Net domestic credit	4,992	5,840	7,815	10,668	12,249	28,396	28,700
Federal Government	57	60	365	681	693	9,452	8,271
Claims	182	91	365	681	1,027	9,553	8,645
Deposits	-125	-31	--	--	-334	-101	-374
State governments (gross)	29	102	156	84	81	186	229
Time and savings deposits	-96	-28	--	-43	-164	-217	-280
Local governments (gross)	--	--	6	50	84	13	5
Time and savings deposits	--	-0	-2	-4	--	-425	-28
Private sector (gross)	4,906	5,678	7,288	9,853	11,390	18,745	20,195
Stabilization securities	--	--	63	1,286	2,972	3,034	3,010
Deposit liabilities 1/	4,693	3,778	5,093	7,068	11,331	16,649	20,265
Demand deposits	--	--	--	--	--	--	--
Time and savings deposits	4,693	3,778	5,093	7,068	11,331	16,649	20,265
Other items (net)	3,329	6,140	7,197	11,169	13,493	24,032	20,284
Central Bank borrowing	--	1,834	113	101	132	892	872
Deposits for private external arrears	--	--	226	736	736	736	736
Revaluation account	884	1,877	2,420	2,748	6,988	7,631	7,631
Capital and reserves	471	889	1,519	2,289	3,652	3,581	2,870
Other	1,974	1,540	2,920	5,295	1,986	11,192	8,175

Source: Central Bank of Nigeria.

1/ Includes deposits of state and local governments.

Table 27. Nigeria: Liquidity of Commercial Banks, 1988-94

	1988	1989	1990	1991	1992	1993	1994 Est
(In millions of naira: end of period)							
Total liquid assets	13,230	10,966	18,531	21,213	25,252	50,281	67,251
Cash in vault	797	986	1,261	2,211	2,946	4,707	5,547
Balances with Central Bank 1/	1,355	2,431	2,474	4,963	9,479	11,531	11,408
Of which:							
Excess credit growth penalty deposits	(438)	(366)	(276)	(447)	(157)	(78)	(18)
Loan shortfall deposits	(86)	(159)	(104)	(69)	(104)	(121)	(399)
Cash reserve requirement	(618)	(794)	(1,112)	(1,497)	(3,350)	(7,112)	(8,804)
Net interbank balances plus net call money	2,956	3,317	5,363	7,110	7,321	3,980	11,133
Treasury bills	5,274	2,535	7,666	6,254	5,181	29,738	38,287
Treasury certificates	2,036	1,096	1,036	559	325	325	614
Other liquid assets 2/	785	601	731	116	--	--	--
Total liquid assets less penalty and cash reserve requirements	12,088	9,646	17,039	19,201	21,641	42,970	58,029
Total deposit liabilities	29,065	27,181	38,776	52,409	76,074	120,278	147,007
Of which: demand deposits	(10,668)	(10,217)	(15,587)	(22,049)	(33,640)	(51,303)	(66,271)
(In percent)							
Liquidity reserve ratios 3/							
Actual	42	35	44	37	28	36	39
Required		28	30	30	30	30	30
Cash reserves (deposits at the CBN)							
In percent of demand deposits	13	24	16	23	28	22	17
In percent of total deposit liabilities	5	9	6	9	12	10	8
Required 4/	...	...	...	3	6	6	6

Source: Central Bank of Nigeria.

1/ As reported by the commercial banks.

2/ Comprising certificates of deposit, eligible development stocks, and bill discounted.

3/ Total liquid assets less penalty and cash reserve requirements as a percent of total deposit liabilities.

4/ Range depending on size of banks' total deposit liabilities. Requirement was changed to 3 percent of total deposit liabilities, effective January 1991. This was raised to 6 percent effective September 1992. Prior to January 1991, the ratio was defined with respect to demand deposits only.

Table 28. Nigeria: Liquidity of Merchant Banks, 1988-94

	1988	1989	1990	1991	1992	1993	1994 Est
(In millions of naira: end of period)							
Total liquid assets	1,331	1,136	1,459	2,728	4,602	11,983	13,444
Cash in vault	1	4	10	12	23	13	18
Balances with Central Bank 1/	297	658	703	1,047	2,003	1,953	3,276
Of which:							
Excess credit growth penalty deposits	(219)	(183)	(138)	(224)	(79)	(39)	(9)
Loan shortfall deposits	(4)	(5)	(0)	(8)	(56)	(95)	(200)
Cash reserve requirement	--	--	(136)	(249)	(711)	(1,385)	(1,398)
Net interbank balances plus net call money	380	385	392	996	1,501	490	1,512
Treasury bills	159	85	346	673	1,005	9,477	8,637
Treasury certificates	9	--	4	--	--	51	--
Other liquid assets 2/	484	4	4	--	70	--	--
Total liquid assets less penalty and cash reserve requirements	1,107	947	1,184	2,247	3,756	10,465	11,837
Total deposit liabilities	4,818	4,440	5,966	9,371	15,239	18,091	21,479
Of which: demand deposits	(835)	(1,294)	(989)	(2,022)	(3,303)	(5,335)	(9,049)
(In percent)							
Liquidity ratios 3/							
Actual	23.0	21.3	19.9	24.0	24.6	57.8	55.1
Required	20.0	20-22.5	30.0	30.0	30.0	30.0	30.0
Cash reserves (deposits at the CBN)							
In percent of demand deposits	35.5	50.8	71.1	51.8	60.6	36.6	36.2
In percent of total deposits	6.2	14.8	11.8	11.2	13.1	10.8	15.3
Required 4/	...	...	5.0	3.0	6.0	6.0	6.0

Source: Central Bank of Nigeria.

1/ As reported by the merchant banks.

2/ Includes excess certificates of deposit issued and excess money at call held by other banks.

3/ Total liquid assets less penalty deposits and cash reserve requirements as a percent of total deposit liabilities.

4/ Prior to January 1990, a cash reserve requirement was not in effect for merchant banks. During 1990 the ratio was 5.0 percent of demand deposits, and effective January 1991, it was changed to 3 percent of total deposit liabilities. Effective September 1992 the ratio was increased to 6 percent.

Table 29. Nigeria: Sectoral Distribution of Bank Credit, 1988-94

(In percent of total)

	1988	1989	1990	1991	1992	1993	<u>1994</u> Est.
Commercial banks							
Agriculture	15.3	15.3	15.9	15.7	14.9	16.4	16.9
Manufacturing	30.1	30.7	30.3	36.9	32.5	36.8	37.8
Other	54.6	54.0	53.8	51.4	52.6	46.8	36.7
Merchant banks							
Agriculture	11.5	14.2	14.5	14.7	15.1	14.7	13.9
Manufacturing	46.3	40.5	42.8	43.4	46.2	45.0	43.1
Other	42.2	45.3	42.7	41.9	38.7	40.3	32.7

Source: Central Bank of Nigeria.

Table 30. Nigeria: Selected Interest Rates, 1988-94

(In percent; end of period)

	1988	1989	1990	1991	1992	1993	<u>1994</u> Est.
Rediscount rate (minimum)	12.8	18.5	18.5	15.5	17.5	26.0	13.5
Treasury bill rate	11.8	16.4	17.5	14.5	21.0	20.0	12.5
Treasury certificate rate (two-year maturity)	12.8	17.3	18.5	15.5	22.5	28.3	13.5
Savings deposit rate <u>1/</u>	12.4	16.5	17.8	14.0	16.1	16.7	12.3
Prime lending rate <u>2/</u>	16.3	25.5	26.0	20.2	29.8	36.1	20.2

Source: Central Bank of Nigeria.

1/ Savings deposit rate at commercial banks.

2/ Prime lending rate at commercial banks.

Table 31. Nigeria: Selected Financial Institutions, 1988-94

	1988	1989	1990	1991	1992	1993	1994 Est.
Total deposit banks	66	81	109	186	521	999	1,087
Commercial deposit banks	42	47	58	65	65	65	65
Merchant banks	24	34	49	54	54	54	51
Community banks	--	--	1	66	401	879	970
People's Bank of Nigeria	--	--	1	1	1	1	1
Foreign exchange bureaus	--	52	88	102	132	144	183
Finance companies	...	...	...	48	666	310	292
Deposit insurance corporation	--	1	1	1	1	1	1
Unit trusts	--	--	1	11	11	11	11
Stock brokers	43	61	80	110	140	140	140
Federal mortgage bank	--	--	1	1	1	1	1
Secondary mortgage banks	--	--	1	1	1	1	1
Discount houses	--	--	--	--	3	3	3
Memorandum items:							
Total number of deposit bank branches ^{1/}	<u>1,711</u>	<u>1,911</u>	<u>2,182</u>	<u>2,307</u>	<u>2,619</u>	<u>2,794</u>	<u>2,816</u>
Commercial bank branches	1,665	1,855	1,939	2,023	2,275	2,397	2,397
Rural branches	(602)	(756)	(765)	(765)	(774)	(763)	(763)
Urban branches	(1,063)	(1,099)	(1,174)	(1,258)	(1,501)	(1,634)	(1,634)
Merchant bank branches	46	56	74	84	116	126	144
People's Bank of Nigeria	...	...	169	200	228	271	275
Insurance companies	92	98	103	107	132	132	187

Source: Central Bank of Nigeria.

^{1/} Excluding community banks.

Table 32. Nigeria: Balance of Payments, 1988-94

	1988	1989	1990	1991	1992	1993	1994 Est
(In millions of U.S. dollars)							
Trade balance	1,292	3,900	6,843	4,234	3,570	3,168	2,860
Exports	7,069	9,812	13,914	12,127	12,307	11,297	9,534
Petroleum	6,456	9,411	13,508	11,655	12,026	11,022	9,302
Other	613	401	406	472	281	275	233
Imports	-5,776	-5,912	-7,070	-7,893	-8,737	-8,129	-6,675
Oil-related	...	-1,092	-1,762	-1,919	-2,210	-1,948	-1,804
Other	...	-4,820	-5,309	-5,974	-6,527	-6,181	-4,871
Services (net)	-3,845	-4,268	-5,389	-5,256	-4,892	-4,700	-4,357
Of which: interest due	(-2,370)	(-2,357)	(-2,739)	(-2,422)	(-2,150)	(-1,939)	(-1,906)
nonfactor services (net)	(-942)	(-1,599)	(-2,102)	(-2,287)	(-2,093)	(-2,073)	(-1,893)
Private transfers (net)	544	651	1,029	1,027	790	552	550
Official transfers (net)	89	128	48	22	-57	54	-48
Current account balance	-1,920	412	2,531	28	-590	-927	-995
Official capital (net)	-3,432	-2,484	-3,094	-2,566	-6,068	-2,477	-2,089
Disbursements	618	1,217	927	715	528	543	608
Amortization due 1/	-4,049	-3,701	-4,021	-3,281	-6,596	-3,020	-2,697
Private capital (net)	333	2,425	584	615	898	641	577
Direct investment	359	2,443	602	588	836	614	582
Of which: from debt conversion	(42)	(159)	(110)	(58)	(65)	(15)	(9)
Other	-26	-18	-18	27	62	27	-5
Short-term capital (net)	-428	-2,419	-1,109	-116	-1,817	-354	-160
Capital account balance	-3,527	-2,478	-3,620	-2,067	-6,986	-2,190	-1,673
Errors and omissions	547	522	496	-252	-120	-220	167
Overall balance	-4,899	-1,544	-592	-2,292	-7,695	-3,337	-2,500
Financing	4,899	1,544	592	2,292	7,695	3,337	2,500
Net reserves (increase -)	331	-1,272	-2,508	-50	3,370	60	-200
Net nonreserve foreign assets (increase -) 2/	--	--	--	--	-352	--	--
Net accumulation of arrears (decrease -) 3/	--	540	2,423	751	2,057	3,277	2,700
Rescheduling of arrears	--	-4,555	-725	-833	-208	--	--
Exceptional financing	--	7,731	1,403	2,424	2,828	--	--
Debt relief 4/	--	7,731	2,266	3,298	2,828	--	--
Remaining gap	--	--	--	--	--	--	--
(In units indicated)							
Memorandum items:							
Current account/GDP (in percent) 5/	-9.5	1.8	9.8	0.1	-1.9	-2.8	-2.9
Gross official reserves (in millions of US\$)	320	1,592	4,100	4,150	830	718	916
(In months of imports of goods and nonfactor services)	0.5	2.5	5.3	4.8	0.9	0.8	1.3
Debt service ratio (before rescheduling) 6/	86.2	59.1	47.2	45.8	69.9	43.3	47.7
Debt service ratio (after rescheduling) 7/	86.2	27.3	36.3	25.8	48.8	43.3	47.7

Sources: Data provided by the Nigerian authorities; and staff estimates.

1/ Amortization in 1992 includes US\$3.4 billion of debt to London Club creditors which was bought back at the beginning of the year.

2/ The cost of purchasing in 1992 the collateral for par exchange of about US\$2 billion debt to London Club creditors.

3/ Estimate for 1993 includes US\$0.3 billion overdue balances in open accounts. Projection for 1995 includes net payment of US\$0.6 billion on post-cut-off-date arrears.

4/ Includes in 1992 US\$2.0 billion debt reduction through the debt buy-back operation with London Club creditors, and US\$0.8 billion debt rescheduling with bilateral official creditors. Includes rescheduling of arrears.

5/ Dollar GDP calculated on the basis of changes in real GDP and U.S. GDP deflator (base year=1992).

6/ In percent of exports of goods and nonfactor services. Includes face value of commercial debt equivalent to 27.3 percent of exports of goods and nonfactor services purchased via 1992 debt reduction operation. Excludes amortization via debt conversion program.

7/ In percent of exports of goods and nonfactor services. Includes commercial bank debt cancellation equivalent to 16.4 percent of exports of goods and nonfactor services associated with 1992 debt reduction operation.

Table 33. Nigeria: Foreign Trade Indices, 1988 – 1994 ^{1/}

(1985=100)

	1988	1989	1990	1991	1992	1993	1994 Est.
Import value index	69.7	71.3	85.3	95.2	105.4	98.0	80.4
Import unit value index	135.4	135.1	148.0	148.1	152.9	147.2	151.0
Import volume index	51.5	52.8	57.6	64.3	69.0	66.6	53.3
Export value index	56.1	77.9	110.4	96.3	97.7	89.7	75.7
Oil	52.8	77.0	110.5	95.3	98.4	90.2	76.1
Non-oil	168.9	110.6	111.8	130.2	77.6	75.9	64.2
Export unit value index	56.5	69.1	89.6	75.0	73.2	65.4	59.6
Oil	55.7	69.1	90.5	75.6	73.1	65.0	58.8
Non-oil	99.0	90.9	89.2	87.3	86.3	89.3	103.5
Export volume index	99.4	112.8	123.3	128.4	133.5	137.2	127.1
Oil	94.8	111.4	122.2	126.2	134.7	138.9	129.4
Non-oil	170.7	121.7	125.4	149.2	89.8	84.9	62.0
Terms of trade	41.7	51.1	60.6	50.6	47.9	44.4	39.4

Sources: Central Bank of Nigeria; and staff estimates.

^{1/} Value and price indices measured in U.S. dollars.

Table 34. Nigeria: Composition of Exports, 1988-94

(Value in millions of U.S. dollars; indices 1985=100)

	1988	1989	1990	1991	1992	1993	1994 Est.
Oil							
Value	6,456.0	9,411.0	13,508.0	11,655.0	12,026.0	11,022.0	9,302.0
Value index	52.8	77.0	110.5	95.3	98.3	90.1	76.1
Volume index	94.8	111.4	122.2	126.2	134.5	138.7	129.3
Unit value index	55.7	69.1	90.5	75.6	73.1	65.0	58.8
Cocoa							
Value	325.0	142.0	150.0	176.2	81.5	76.0	83.0
Value index	126.2	55.0	58.3	68.4	31.6	29.5	32.2
Volume index	32.1	141.3	161.7	143.3	72.1	66.5	57.6
Unit value index	38.6	38.9	36.1	47.6	43.9	44.4	55.9
Cocoa butter							
Value	16.0	15.0	16.0	7.0	5.0	6.0	5.0
Value index	31.6	28.2	31.7	13.5	9.6	11.6	9.6
Volume index	40.1	35.6	38.7	28.0	21.6	25.6	16.9
Unit value index	78.6	79.3	81.9	48.5	44.7	45.2	57.0
Rubber							
Value	45.0	69.0	41.0	78.0	58.7	40.0	32.0
Value index	193.1	297.6	176.8	336.2	253.1	172.4	137.9
Volume index	236.8	361.8	231.9	339.4	258.2	182.5	107.7
Unit value index	81.5	82.2	76.2	100.0	98.0	94.5	128.0
Palm kernels							
Value	16.0	16.0	11.8	6.1	10.2	6.0	6.0
Value index	168.2	176.8	132.7	68.5	114.2	67.4	67.4
Volume index	340.8	355.3	203.3	80.7	147.3	90.2	64.4
Unit value index	49.3	49.7	66.7	66.7	77.5	74.7	104.6
Other non-oil							
Value	211.0	159.0	187.2	204.7	125.7	147.0	120.0
Value index	1,004.8	757.1	891.4	974.8	598.3	700.0	571.4

Sources: Central Bank of Nigeria; and staff estimates.

Table 35. Nigeria: Composition of Imports by End Use, 1988-94

	1988	1989	1990	1991	1992	1993	1994 Est.
(In percent, unless otherwise indicated)							
Import group							
Consumer goods	28.7	27.3	26.7	24.8	33.8	34.9	35.8
Durable	1.0	4.0	3.2	4.2	3.2	4.2	3.5
Nondurable	27.7	23.3	23.5	20.6	30.6	30.7	32.3
Capital goods	32.0	44.7	40.5	38.0	31.7	26.4	24.8
Raw materials	39.2	27.9	32.8	36.8	33.9	38.6	39.1
Miscellaneous	--	0.1	--	0.4	0.6	0.1	0.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
(Composition of imports by SITC categories) 1/							
Import group							
Food and live animals	7.9	6.5	8.2	7.4	8.2	8.4	10.3
Beverages and tobacco	0.4	0.5	0.4	0.2	0.2	0.3	0.5
Crude material	2.7	2.9	3.5	2.4	2.5	2.6	3.5
Mineral fuels	1.0	0.7	0.7	0.7	0.5	0.5	1.2
Animal and vegetable oils and fats	0.3	0.3	0.3	0.7	0.7	0.8	1.0
Chemicals	19.8	21.6	20.0	18.0	18.1	17.1	25.2
Manufactured goods	23.1	20.6	22.0	23.0	23.0	24.0	22.3
Machinery and transport equipment	40.2	42.8	40.7	43.0	41.8	42.4	31.2
Miscellaneous manufactured goods	4.5	4.1	4.1	4.6	4.9	3.8	4.5
Other	0.1	--	0.1	--	0.1	0.1	0.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Memorandum item:	(In millions of U.S. dollars)						
Imports, f.o.b.	5,776	5,912	7,070	7,893	8,737	8,129	6,675

Sources: Central Bank of Nigeria; Federal Office of Statistics; and staff estimates.

1/ Standard Industrial Trade Classification.

Table 36. Nigeria: Direction of Trade, 1988-94

(In percent)

	1988	1989	1990	1991	1992	1993	1994 Est.
(Petroleum exports)							
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
European Community	38.3	37.3	34.8	36.2	46.9	32.7	35.1
Belgium-Luxembourg	--	--	--	--	--	--	0.6
Denmark	--	--	--	--	--	--	--
France	7.6	5.0	2.9	4.4	3.9	6.4	12.8
Germany	6.3	2.9	5.6	4.8	19.8	1.9	0.6
Italy	6.9	4.8	2.7	3.1	6.1	2.3	2.1
Netherlands	11.6	10.0	9.0	9.8	6.0	5.6	6.1
United Kingdom	0.3	0.3	2.2	1.2	0.4	0.4	0.6
United States	50.1	53.8	56.0	54.2	39.0	46.4	45.7
Other	11.6	8.9	9.2	9.6	14.1	20.9	19.2
(Non-petroleum exports)							
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
European Community	78.2	75.6	75.0	59.2	...	...	...
Belgium-Luxembourg	1.9	2.0	1.5	4.1	...	...	...
Denmark	3.0	4.0	3.2	0.1	...	...	...
France	0.1	--	--	3.3	...	...	...
Germany	15.8	15.0	12.0	4.5	...	...	...
Ireland	0.4	0.1	0.1	0.5	...	...	...
Italy	3.8	3.5	4.0	5.0	...	...	...
Netherlands	29.4	30.4	30.0	18.8	...	...	...
United Kingdom	23.8	20.6	24.2	14.6	...	...	...
Eastern Europe	2.7	2.3	2.0	3.6	...	...	...
United States	11.2	11.3	11.0	16.5	...	...	...
Japan	1.7	2.0	2.5	0.5	...	...	...
Other	6.2	8.8	9.5	20.2	...	...	...
(Non-petroleum imports)							
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
European Community	64.0	64.6	67.0	61.1	51.5	...	...
Belgium-Luxembourg	4.0	3.0	3.2	2.8	2.5	...	...
Denmark	0.5	0.5	0.5	--	0.6	...	...
France	11.0	11.0	11.2	8.1	9.4	...	...
Germany	18.4	19.0	19.0	16.2	12.3	...	...
Ireland	0.9	0.9	0.7	0.6	0.7	...	...
Italy	5.5	5.5	5.7	5.5	6.0	...	...
Netherlands	4.6	4.6	4.6	5.5	4.8	...	...
United Kingdom	19.1	20.1	22.1	13.8	13.2	...	...
Eastern Europe	5.2	4.0	3.5	1.5	1.1	...	...
United States	12.7	8.0	12.0	10.4	12.0	...	...
Japan	9.1	10.0	10.0	7.4	6.4	...	...
Other	9.0	13.4	7.5	19.7	29.0	...	...

Sources: Central Bank of Nigeria; Federal Office of Statistics; and staff estimates.

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Table 37. Nigeria: External Public and Publicly Guaranteed Debt, 1988-94 1/

	1988	1989	1990	1991	1992	1993	1994 Est.
(In millions of U.S. dollars; end of period)							
Paris Club	13,768	15,801	17,713	17,788	17,805	18,714	19,931
Medium- and long-term debt 2/	11,063	12,740	14,714	15,354	16,058	17,558	19,394
Other 3/	2,705	3,061	2,999	2,434	1,747	1,156	537
Other official debt 4/	1,358	1,332	1,374	1,453	1,506	1,647	1,744
London Club	6,135	5,849	5,878	5,963	2,118	2,055	2,049
Medium- and long-term debt 2/	2,999	2,866	2,880	2,903	2,118	2,055	2,049
Other 3/	3,136	2,983	2,998	3,060	--	--	--
Multilateral organizations	2,838	3,171	3,853	4,008	4,090	4,216	4,379
Promissory notes	4,810	4,563	4,508	4,316	3,220	3,160	3,048
Suppliers' credits	479	418	61	22	--	--	--
Subtotal	29,386	31,134	33,388	33,550	28,738	29,791	31,151
Pre-SFEM and dedication account arrears 4/	706	293	335	195	97	--	--
Cumulative financing gap 1/ 2/	--	--	--	--	--	--	--
Total	30,092	31,427	33,722	33,745	28,835	29,791	31,151
(In percent, unless otherwise indicated)							
Debt/GDP 5/	148.7	136.1	130.3	115.5	90.7	89.7	90.6
Debt service/GDP 5/ 6/	31.7	26.2	26.1	19.5	27.5	14.9	13.4
Share in total debt							
Paris Club	45.8	50.3	52.5	52.7	61.7	62.8	64.0
London Club	20.4	18.6	17.4	17.7	7.3	6.9	6.6
Multilateral organizations	9.4	10.1	11.4	11.9	14.2	14.2	14.1
Cumulative financing gap	--	--	--	--	--	--	--
Stock of arrears (In millions of U.S. dollars) 7/	...	1,292	2,178	1,325	3,323	6,183	9,052

Sources: Central Bank of Nigeria; and staff estimates.

1/ Based on balance of payments projections in Table 32.

2/ Includes arrears, rescheduled medium- and long-term debt, and new disbursements.

3/ Includes short-term arrears, rescheduled short-term claims, and payable debt.

4/ Arrears arising from dedication accounts and exchange rate guarantees provided at the time of the introduction of the second-tier foreign exchange market.

5/ Dollar GDP calculated on the basis of changes in real GDP and U.S. GDP deflator (base year=1992).

6/ On a commitment basis; includes the cost of debt reduction operation in 1992.

7/ End of period, excluding pre-SFEM and dedication account arrears.

Table 38. Nigeria: External Debt Service Obligations, 1988-94

	1988	1989	1990	1991	1992	1993	1994 Est.
(In millions of U.S. dollars)							
Scheduled amortization	4,049	3,701	4,021	3,281	6,596	3,020	2,697
Paris Club creditors	1,345	1,212	1,895	1,746	2,097	1,982	2,010
Multilateral creditors	234	278	275	292	347	381	420
London Club banks 1/	1,834	1,490	1,305	418	3,408	27	41
Other official creditors	305	132	130	393	400	179	137
Other 2/	331	590	416	431	344	451	89
Scheduled interest	2,370	2,357	2,739	2,422	2,150	1,940	1,906
Paris Club creditors	1,247	1,063	1,430	1,380	1,281	1,202	1,216
Multilateral creditors	246	252	301	333	340	311	290
London Club banks	480	610	501	335	187	117	113
Other official creditors	186	96	91	75	72	78	85
Other 2/	211	336	416	298	270	232	202
Total debt service 1/	6,419	6,058	6,760	5,703	8,746	4,960	4,603
Accumulation of new arrears	4,487	426	2,097	591	2,857	3,005	2,700
Rescheduling of current maturities of medium- and long-term debt	--	1,896	470	1,766	425	--	--
Rescheduling of current maturities of short-term debt	--	1,281	1,072	698	161	--	--
Cash payments 1/ 3/	1,933	1,926	2,739	2,343	3,006	1,790	1,865
Memorandum items:	(In percent, unless otherwise indicated)						
Debt service/GDP 4/	31.7	26.2	26.1	19.5	27.5	14.9	13.4
Interest/GDP 4/	11.7	10.2	10.6	8.3	6.8	5.8	5.5
Debt service ratio 5/							
Before rescheduling	86.2	59.1	47.2	45.8	69.9	43.3	47.7
After rescheduling	86.2	27.3	36.3	25.8	48.8	43.3	47.7
Net resource transfers 6/							
(In millions of U.S. dollars)							
On a commitment basis	-5,801	-4,841	-5,833	-4,988	-8,218	-4,417	-3,995
On a cash basis 7/	-1,234	-1,535	-2,716	-2,601	-3,508	-1,398	-1,257
(In percent of exports of goods and nonfactor services)							
On a commitment basis	-78.4	-48.5	-41.4	-40.5	-66.1	-38.7	-41.5
On a cash basis 7/	-16.7	-15.4	-19.3	-21.1	-28.2	-12.3	-13.1

Sources: Data provided by the Nigerian authorities; and staff estimates.

1/ Figures for 1992 include the impact of the DROP (debt reduction operation with London Club creditors).

2/ Includes payments associated with pre-SFEM liabilities and the debt conversion scheme.

3/ Excludes cash payments of arrears.

4/ On a commitment basis. Dollar GDP calculated on the basis of changes in real GDP and US GDP deflator (baseyear=1992).

5/ In percent of exports of goods and nonfactor services; In 1992 includes the impact of the debt reduction operation with London Club creditors.

6/ Defined as disbursements of project loans and balance of payments support minus amortization and interest due.

7/ Includes cash payments of arrears.

Table 39. Nigeria: Composition of Authorized Dealer Sales of Foreign Exchange, Q1 1991–QIV 1994

	1991				1992				1993				1994			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
(In millions of U.S. dollars)																
Industrial sector	598.5	697.7	632.2	672.2	747.5	803.5	867.5	928.1	513.5	646.5	585.3	653.1	398.7	524.0	364.9	325.3
Raw material	327.6	389.6	341.3	363.9	388.6	457.4	492.9	532.1	281.8	377.2	357.1	386.3	235.8	349.6	220.9	230.0
Machinery and spare parts	270.9	308.1	290.9	308.3	366.9	346.1	374.6	388.0	211.7	269.8	228.2	266.8	162.9	174.4	144.0	95.3
Agricultural sector	11.3	20.3	17.8	27.3	11.6	13.5	51.6	28.8	14.2	3.8	27.6	13.1	21.7	61.7	19.1	23.2
Finished goods	236.3	301.6	240.5	255.0	291.5	330.6	387.8	403.5	259.8	334.6	297.1	299.2	126.9	138.6	99.1	87.3
Food	50.8	66.1	53.5	48.3	61.8	82.1	110.6	100.7	73.3	90.2	124.3	107.4	36.8	45.2	18.5	20.7
General merchandise	160.9	204.9	160.6	180.3	200.7	210.0	231.3	260.3	193.2	192.5	172.8	191.8	90.1	93.4	80.6	66.6
Drugs and pharmaceuticals	--	--	--	--	--	--	--	--	--	--	26.2	28.9	10.6	23.0	20.2	9.8
Books and educational materials	--	--	--	--	--	--	--	--	--	--	11.5	4.2	5.1	2.6	3.7	12.1
Other	--	--	--	--	--	--	--	--	--	--	135.1	158.7	74.4	67.8	56.7	44.7
Capital goods—aircraft																
Shipping vessels	1.0	0.2	2.5	--	1.4	1.3	1.0	0.1	0.1	0.9	--	1.4	--	--	--	--
Payments for invisibles	80.0	70.0	69.6	89.1	67.7	84.6	97.8	162.2	122.8	85.3	85.9	136.3	48.3	39.3	56.5	59.2
Profits and dividends	12.7	10.7	6.7	6.4	4.8	3.9	7.1	8.6	4.0	11.5	8.9	18.4	9.4	3.7	1.3	2.5
Other	57.0	47.9	52.7	73.3	7.4	19.9	18.1	31.3	9.8	13.1	77.0	117.9	38.9	35.6	55.2	56.7
Other sales	10.3	11.4	10.2	9.4	1.3	3.4	3.1	5.4	1.3	1.7	22.6	31.6	16.6	13.6	4.7	8.8
Total	927.1	1089.8	926.6	1043.6	1119.6	1235.6	1407.8	1520.0	911.6	1071.9	1018.5	1133.3	612.2	777.2	544.3	503.8
(In percent of total use excluding interbank sales to the Central Bank)																
Industrial sector	64.6	64.0	68.2	64.4	66.8	65.0	61.6	60.5	56.3	60.3	57.5	57.6	65.1	67.4	67.0	64.6
Raw material	35.3	35.7	36.8	34.9	34.0	37.0	35.0	35.0	30.9	35.2	35.1	34.1	38.5	45.0	40.6	45.7
Machinery and spare parts	29.2	28.3	31.4	29.5	32.8	28.0	26.6	25.5	23.2	25.2	22.4	23.5	26.6	22.4	26.5	18.9
Agricultural sector	1.2	1.9	1.9	2.6	1.0	1.1	3.7	1.9	1.6	0.4	2.7	1.2	3.5	7.9	3.5	4.6
Finished goods	25.5	27.7	26.0	24.4	26.0	26.8	27.5	26.5	28.5	31.2	29.2	26.4	20.7	17.8	18.2	17.3
Food	5.5	6.1	5.8	4.6	5.5	6.6	7.9	6.6	8.0	8.4	12.2	9.5	6.0	5.8	3.4	4.1
General merchandise	17.4	18.8	17.3	17.3	17.9	17.0	16.4	17.1	21.2	18.0	17.0	16.9	14.7	12.0	14.8	13.2
Drugs and pharmaceuticals	...	...	...	...	...	...	...	...	...	...	2.6	2.6	1.7	3.0	3.7	1.9
Books and educational materials	...	...	...	...	...	...	...	...	...	...	1.1	0.4	0.8	0.3	0.7	2.4
Other	...	...	...	...	...	...	...	...	...	...	13.3	14.0	12.2	8.7	10.4	8.9
Capital goods—aircraft																
Shipping vessels	0.1	0.0	0.3	--	0.1	0.1	0.1	0.0	0.0	0.1	--	0.1	--	--	--	--
Payments for invisibles	8.6	6.4	7.5	8.5	6.0	6.8	6.9	10.7	13.5	8.0	8.4	12.0	7.9	5.1	10.4	11.8
Profits and dividends	1.4	1.0	0.7	0.6	0.4	0.3	0.5	0.6	0.4	1.1	0.9	1.6	1.5	0.5	0.2	0.5
Other	6.1	4.4	5.7	7.0	0.7	1.6	1.3	2.1	1.1	1.2	7.6	10.4	6.4	4.6	10.1	11.3
Other sales	1.1	1.0	1.1	0.9	0.1	0.3	0.2	0.4	0.1	0.2	2.2	2.8	2.7	1.7	0.9	1.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Data provided by the Central Bank of Nigeria.

Table 40. Nigeria: Commercial and Merchant Banks' Sources of Foreign Exchange, January 1990–December 1994

(In millions of U.S. dollars, unless otherwise indicated)

	Total	CBN Auction	Non-oil exports	Invisibles	Other	CBN Auction (In percent of total)
1990	3,945.8	2,493.6	284.3	1,158.6	9.3	63.2
January	364.0	266.6	26.7	70.5	0.2	73.2
February	362.4	234.1	27.8	100.1	0.4	64.6
March	352.4	210.7	32.4	109.2	0.1	59.8
April	245.6	147.7	20.9	77.0	—	60.1
May	323.4	191.4	22.1	109.2	0.7	59.2
June	318.9	184.8	30.8	103.2	0.1	57.9
July	312.3	182.7	26.9	102.1	0.6	58.5
August	336.5	211.8	17.3	106.5	0.9	62.9
September	261.7	173.3	14.6	73.8	—	66.2
October	358.2	236.1	16.8	103.5	1.8	65.9
November	359.1	245.0	19.4	92.4	2.3	68.2
December	351.3	209.4	28.6	111.1	2.2	59.6
1991	4,423.3	2,983.2	326.7	430.1	683.3	67.4
January	375.5	261.1	38.8	28.4	47.2	69.5
February	320.8	227.9	26.2	28.4	38.3	71.0
March	501.5	388.6	29.1	31.7	52.1	77.5
April	326.1	205.3	26.0	24.9	69.9	63.0
May	402.6	279.8	26.6	33.4	62.8	69.5
June	297.3	215.1	18.7	23.9	39.6	72.4
July	409.6	284.7	31.6	35.7	57.6	69.5
August	331.1	207.1	23.1	38.1	62.8	62.5
September	360.6	219.4	23.9	37.5	79.8	60.8
October	412.2	282.4	24.0	47.8	58.0	68.5
November	288.1	172.7	21.0	42.6	51.8	59.9
December	397.9	239.1	37.7	57.7	63.4	60.1
1992	5,658.0	3,978.2	281.1	690.6	708.1	70.3
January	383.3	237.8	31.0	45.0	69.5	62.0
February	363.4	233.8	28.6	49.9	51.1	64.3
March	704.3	569.3	31.7	46.9	56.4	80.8
April	346.8	210.1	20.4	55.1	61.2	60.6
May	366.1	221.0	17.1	55.3	72.7	60.4
June	442.2	265.2	18.4	56.5	102.1	60.0
July	475.6	336.6	26.7	54.9	57.4	70.8
August	482.4	357.2	25.2	48.7	51.3	74.0
September	666.6	551.0	17.9	60.9	36.8	82.7
October	485.8	340.8	21.9	76.8	46.3	70.2
November	594.8	437.3	25.1	78.1	54.3	73.5
December	346.7	218.1	17.1	62.5	49.0	62.9
1993	4,670.0	2,943.8	231.1	1,052.8	442.3	63.0
January	495.2	322.3	33.6	71.2	68.1	65.1
February	227.9	80.8	22.3	59.1	65.7	35.5
March	458.3	330.3	21.9	62.6	43.5	72.1
April	424.6	304.2	13.2	59.5	47.7	71.6
May	370.1	248.8	18.2	65.2	37.9	67.2
June	355.1	242.5	15.3	69.7	27.6	68.3
July	437.0	291.6	15.5	84.2	45.7	66.7
August	354.0	227.7	16.0	75.4	34.9	64.3
September	426.3	296.2	15.0	77.4	37.7	69.5
October	424.7	238.3	15.8	146.0	24.6	56.1
November	328.6	180.8	16.8	126.8	4.2	55.0
December	368.2	180.3	27.5	155.7	4.7	49.0
1994	2,369.9	1,653.7	111.8	230.1	374.3	69.8
January	191.8	0.7	15.6	107.4	68.1	0.4
February	297.2	194.5	8.1	46.6	48.0	65.4
March	365.2	326.3	5.4	14.3	19.2	89.3
April	330.9	292.9	0.7	8.0	29.3	88.5
May	204.5	161.7	5.7	8.8	28.3	79.1
June	131.3	86.5	8.0	11.0	25.8	65.9
July	119.2	75.9	2.6	7.0	33.7	63.7
August	107.8	82.0	2.6	6.6	16.6	76.1
September	132.3	96.4	8.1	5.5	22.3	72.9
October	122.2	91.6	6.4	7.7	16.5	75.0
November	139.9	90.2	20.9	3.3	25.5	64.5
December	227.6	155.0	27.7	3.9	41.0	68.1

Source: Central Bank of Nigeria.

Table 41. Nigeria: Exchange Rates, January 1990–April 1995

	Period average			End period		
	Central rate 1/	Parallel rate 2/	Spread (percent)	Central rate 1/	Parallel rate 2/	Spread (percent)
(In naira per U.S. dollar)						
1990						
January	7.8621	9.4634	20.4	7.8820	9.5500	21.2
February	7.9009	9.4350	19.4	7.9225	9.3500	18.0
March	7.9388	9.2136	16.1	7.9400	9.2500	16.5
April	7.9428	9.2088	15.9	7.9400	9.1250	14.9
May	7.9428	9.2643	16.6	7.9400	9.3450	17.7
June	7.9421	9.4033	18.4	7.9465	9.6000	20.8
July	7.9523	9.8195	23.5	7.9560	9.8500	23.8
August	7.9623	9.6183	20.8	7.9671	9.5500	19.9
September	7.9743	9.7210	21.9	7.9805	9.8500	23.4
October	8.0009	9.8466	22.9	8.0549	9.9500	23.5
November	8.3280	10.0581	20.9	8.6500	10.1000	16.8
December	8.7071	10.1000	16.0	9.0001	10.2500	13.9
1991						
January	9.2121	10.8103	17.3	9.3947	11.2500	19.7
February	9.6108	11.7975	22.8	9.7585	12.1600	24.6
March	9.4521	11.4133	20.7	8.7881	12.1600	38.4
April	8.8691	12.2544	38.2	9.8866	12.5800	37.6
May	9.3700	12.5985	34.5	9.6970	12.7150	31.1
June	10.1722	13.1789	29.6	10.5051	13.3650	27.2
July	11.0474	14.0726	27.4	11.6162	14.6750	26.3
August	11.3280	14.6786	29.6	10.8681	14.0500	29.3
September	10.2416	14.0188	36.9	9.8585	14.4000	46.1
October	9.8805	14.7343	49.1	9.8611	15.1500	53.6
November	9.8651	15.3500	55.6	9.8636	15.7500	59.7
December	9.8653	15.4776	56.9	9.8662	15.6500	58.6
1992						
January	9.5627	16.6295	73.9	9.7258	17.3000	77.9
February	10.2261	18.2313	78.3	10.5564	19.4000	83.8
March	17.6107	20.2786	15.1	18.5070	20.2500	9.4
April	18.5070	19.6231	6.0	18.5070	19.6231	6.0
May	18.4598	19.4000	5.1	18.4573	19.4000	5.1
June	18.4563	19.4600	5.4	18.4374	19.6000	6.3
July	18.4379	19.8044	7.4	18.4400	19.9750	8.3
August	18.4814	20.2964	9.8	18.6217	21.2250	14.0
September	19.3497	22.3290	15.4	19.5660	23.3750	19.5
October	19.3090	22.9081	18.6	19.3704	23.3250	20.4
November	19.4396	23.2800	19.8	19.6609	22.9200	16.6
December	19.6609	22.2430	13.1	19.6609	23.6500	20.3
1993						
January	20.1166	24.3888	21.2	20.4552	24.8500	21.5
February	21.8478	27.4280	25.5	24.5651	33.2000	35.2
March	24.8651	32.7572	31.7	24.8651	39.2500	57.9
April	22.6467	37.7663	66.8	21.9960	34.8000	58.2
May	21.9960	32.7875	49.1	21.9960	31.8000	44.6
June	21.9960	34.0333	54.7	21.9960	36.1500	64.3
July	21.8861	36.9038	68.6	21.8861	36.7500	67.9
August	21.8861	37.2950	70.4	21.8861	36.9500	68.8
September	21.8861	38.7534	77.1	21.8861	40.1750	83.6
October	21.8861	42.4425	93.9	21.8861	42.4000	93.7
November	21.8861	43.3506	98.1	21.8861	44.4000	102.9
December	21.8861	46.0452	110.4	21.8861	46.4000	112.0
1994						
January	21.8861	43.6650	99.5	21.8861	58.5000	167.3
February	21.8861	47.8800	118.8	21.8861	50.2750	129.7
March	21.8861	60.9900	178.7	21.8861	48.3000	120.7
April	21.8861	48.6650	122.4	21.8861	48.6650	122.4
May	21.8861	49.5100	126.2	21.8861	49.4500	125.9
June	21.8861	50.2100	129.4	21.8861	50.7500	131.9
July	21.8861	52.7000	140.8	21.8861	52.7500	141.0
August	21.8861	54.0650	147.0	21.8861	57.0000	160.4
September	21.8861	66.5600	204.1	21.8861	70.0000	219.8
October	21.8861	81.6050	272.9	21.8861	89.7500	310.1
November	21.8861	93.2050	325.9	21.8861	88.5000	304.4
December	21.8861	80.0750	265.9	21.8861	83.7500	282.7
1995						
January	21.8861	80.3600	267.2	21.8861	78.0000	256.4
February	21.8861	80.6400	268.5	21.8861	85.0000	288.4
March	21.8861	83.4700	281.4	21.8861	81.5000	272.4
April	21.8861	82.2400	275.8	21.8861	82.5000	277.0

Source: Central Bank of Nigeria.

1/ The central rate refers to the interbank market rate after March 1992.

2/ The parallel rate refers to the bureau de change exchange rate, except in 1994 when the parallel rate is provided.