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FOREIGN INVESTMENTS AND NIGERIA'S ECONOMIC RECOVERY: ISSUES AND PROSPECTS

BY

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Abstract

The ability of the policy measures in Nigeria's Structural Adjustment Programme to stimulate aggregate output in the country depends strictly on the size, composition and quality of foreign investment the country can attract in the medium term. This is because of the persistence of the problem of foreign exchange scarcity; and the lack of technology and other investment pre–requisites on the part of indigenous entrepreneurs for the production of the industrial inputs on which the revival of activities in the productive sector of the economy depends crucially. In order to be in a positon to stimulate the inflow of foreign investment, large domestic investment in the establishment of industrial infrastructural projects for the production of some basic industrial raw materials needed by some small and medium scale enterprises should be made. Other measures include a comprehensive review of some regulatory measures. This is required to permit the country attract the requisite investors possessing the technology that is appropriate to the country's needs.

Introduction

In aid of her economic recovery from a prolonged and severe recession, Nigeria introduced a Structural Adjustment Programme (SAP) comprising a package of economic policy measures. While many of these policies have been implemented some are still at the proposal stage. At the current level of foreign exchange earnings, the success of the policies at stimulating the productive sector of the Nigerian economy depends on her ability to attract unprecedentedly high amounts of foreign investment comprising capital, managerial and technological resources to boost the available production capabilities.

The much needed direct foreign investment must not only flow in within the medium term but should be in the required magnitudes for its advantages to be realised. However, available data on the flow of foreign private capital indicate that, since 1982, when net capital inflow attained a peak of ₦1,624.9 million, persistent declines in net inflow have been recorded (see Tables 1 and 2). The declines were due largely to net capital out–flows recorded on account of the transfers of multi–national corporations from their affiliates in Nigeria to their parent companies (see Table 2). The transfers represented payments in respect of patents and other industrial property rights, loans, management and technical fees, etc. Except in 1982, capital flows through the companies originating from the United States for example, resulted in large net capital outflows while the flows through those from the United Kingdom, which used to be responsible for the bulk of the net capital inflow, started to decline in 1984 (see Table 1). When the aggregate net capital inflows are adjusted for price and exchange rate changes, in order to determine their real contribution to aggregate investment, the annual real net capital inflow remains low and appears much less than the country's requirement. Thus, for the country to receive foreign investments commensurate with her needs a great deal of efforts seem to be necessary. The period of the flow is also important because other developments may reverse the trend of some key variables considered favourable to the success of the policies.

This paper examines the issues and prospects surrounding Nigeria's ability to attract adequate amount of foreign investments within the medium term. Part I of the paper is devoted to a brief review of the policies constituting the Structural Adjustment Programme and the opportunities which the policies confer on investment in general. The nature and characteristics of direct foreign investment are discussed in Part II with a view to examining the extent to which direct foreign investments possess the advantages Nigeria hopes to derive. Issues affecting the regulatory measures adopted towards foreign investments are discussed in this part as well. Much also depends on strategy adopted to attract foreign investment. The incentive strategy adopted is discussed in Part III. Furthermore, given the size and structure of the current level of external debt, the servicing of which has seriously impaired the country's ability to meet external liabilities, it is thought that further escalation of the debt through interest bearing capital inflow could over–burden the economy. The extent to which Nigeria could finance the desired type of projects depends on her ability to substitute foreign investment for other capital inflow. In Part IV of this paper, the possibility of Nigeria to substitute foreign investment for other forms of capital inflow is considered. The paper then ends with a concluding remark in part V.

PART 1: THE STRUCTURAL ADJUSTMENT PROGRAMME AND NIGERIA'S NEED FOR FOREIGN INVESTMENT

Following the collapse of the international market for crude petroleum, Nigeria's mono–export, total foreign exchange earnings declined persistently, creating acute shortage in the country's ability to finance its high import bills. The persistence of this situation led to an accumulation of huge trade arrears which are still being financed with borrowing from international commercial banks and promissory notes. Consequently, external debt has risen by leaps and bounds as more reconciled trade bills are financed through issues of promissory notes, which have to be paid in principal and interest, some of which have been falling due. Continuation of the regime of controls on trade and payments did not seem appropriate as further tightening of the screws on the economy proved counter–productive and made economic environment unsuitable for investment. In order to deal with the situation, the Federal Government, in July 1986, introduced a Structural Adjustment Programme (SAP) with a view to creating a suitable climate for growth and investment within the economy.

The centrepiece of the SAP is a trade and exchange reform reinforced by monetary and fiscal measures. The programme consists of an expenditure–switching device designed to diversify the mono–export base by stimulating the domestic production of those non–oil exportables which the country is naturally endowed to produce as well as discourage the use of impored inputs for local production. These are to be achieved through price incentives involving the introduction of a foreign exchange market for determining the exchange rate applicable to the country's foreign transactions. Other measures include interest rate deregulation, and changes in institutional arrangements.

The supply side of the package seeks to stimulate aggregate output with special emphasis on agriculture and manufacturing sectors for which specific policy measures are designed. The exchange rate depreciation together with the abolition of the Commodity Boards that used to finance the exportation of agricultural commodities was expected to stimulate the production of these commodities through the incentives the high local prices provide the farmers. This is expected to encourage investment in agriculture in the medium term. The liberalisation of trade and exchange controls is designed to remove bottlenecks for investment in industry. Furthermore, the government is conducting a review of financial incentives for promoting investments purposely with a view to increasing the attractiveness of the incentives to all categories of investors. The tariff policy has also been reviewed in conformity with SAP with a view to guaranteeing a measure of protection to investment projects operating in the country.

The implementation of some of the measures in the package is expected to bring about some improvements in iinvestments in the economy. The sharp exchange rate depreciation is expected to discourage importation and make multi–nationals that have profited, through export trade, from the former over–valuation of the naira to prefer investment in the domestic economy if they were to maintain their established trade link. A lot will, however, depend on the production conditions of the products of such corporations. Factors like the share of labour in production costs, the ratios of imported inputs in the materials for production, and those other costs which are not affected by the exchange rates are significant determinants of profitability of investing locally for the production of manufactured products. The higher the ratio of imported inputs in production, the more expensive locally produced goods become. On the other–hand, investors utilising high proportion of local inputs — labour and raw materials — stand to gain by establishing local production units. However, there is likely to be a tendency of weighting the benefits derived in local production with the decline in the foreign exchange counterpart of the amount of repatriatable profit. The higher the exchange rate the lower the foreign exchange counterpart of local earnings.

Another expected impact of the implemented policies of the SAP on investment is the higher prices of tradables whose profitability rates have been enhanced through the substantial depreciation of the naira. This is likely to shift investment expenditures towards the production of such goods. Exportable agricultural products will benefit most (and some are already enjoying the benefit) while manufactured products relying largely on imported inputs will gain least. Profitability rates decline as the import content increases. Even if the local market cannot absorb the outputs of the new companies, excess production can be exported. Exportation of their products will be greatly facilitated by the exchange rate which has improved the competitiveness of many Nigerian made goods.

Nigeria's other foreign investment needs are manifested in the structure of her imports. This borders on the need to internalise the large component of the input demands of the existing companies whose establishment has been fostered by the policy of import substitution. The lack of local industries producing intermediate raw materials required by existing companies is a pointer to a large group of investment opportunities to produce the inputs needed by these companies. Companies in the motor, radio and electronics assembly as well as textiles are examples of those that will readily utilise the outputs of the new companies. Considering the available production capabilities in the Nigerian economy, the amount of investment goods and other resources required to exploit the opportunities opened up by the SAP are so vast that a large component of foreign investment is needed

PART II: NATURE AND CHARACTERISTICS OF DIRECT FOREIGN INVESTMENTS

Direct foreign investment consists of foreign equity capital, the share of re–invested earnings of existing joint venture companies between foreign and indigenous investors, and net liabilities of these joint venture companies to their parent companies or other corporations. Direct foreign investment is usually made with the sole purpose of the investor being able to exercise control on the operations of the enterprise that is established through the flow of the investment resources as well as participate in the sharing of the returns on the investment.

The resources accompanying the flow of direct foreign investment include technology, management and marketing expertise in addition to capital. The direct inflow of these important resources to an economy represents significant addition to those available in the host country and are capable of raising the production capabilities of the recipient country. More importantly, because direct foreign investment companies borrow from the local financial markets in the host countries and contract loans from external third parties, their operations affect a much larger share of resources than the capital they bring into their host countries. The most popular direct investors are multi–national corporations either establishing or expanding a subsidiary in their host countries.

Direct foreign investment is industry–specific in that it represents a flow of resources from a specific industry in the source country to the corresponding industry in the host country. The reason for the flow of foreign investment could be to enable the investor operate the same line of business in the host country as in the source country. Example of this horizontal type of expansion is the establishment of a subsidiary company mainly for trading or extremely light manufacturing purposes. Import–substituting industries, relying heavily on imported inputs are popular examples. Companies established for such purposes, although mobilising large resources, may not contribute much to development objectives of the host countries. In terms of their balance of payments impact, such companies worsen, rather than improve it. However, it is not all horizontal type of foreign investment that possess this characteristic. Foreign investment may flow to establish the same type of plan as is operated in the source country especially when the host country is judged to be a viable market for the product of such plant. Companies of this type can contribute immensely to the development objectives of the recipient countries. The reason for the flow could be vertical, either for backward or forward integration, to establish raw material production units in the case of backward integration or distribution and sales outpost in the case of forward integration. The more beneficial to a developing country in terms of contribution to development and balance of payments objectives is the backward integration case.

The above summary shows that the composition of the foreign investments received by a country is an important determinant of the benefits derived from the investments. If the bulk of the investments consists of the light assembly import–substituting type the combined impacts of the operation of the companies established from the investment may not only retard growth, but may create incessant balance of payments problems. Nigeria's present requirement of foreign investment is the group of intermediate raw material and export manufacturers. It is also possible to deduce from the above summary the extent to which Nigeria's regulatory policies are accommodating to foreign investment and whether the continued pursuit of some of these regulations in their present form could permit the country to attract the appropriate foreign investors. A discussion of the aspect of strategy adopted is postponed to Part III of this paper.

Industrial Infrastructural Development and the Composition of Foreign Investment

A high proportion (more than 75 per cent[1] of the foreign equity capital invested in Nigeria originate from multi–national companies whose corporate policies are not only private but are pursued as if the parent companies and their affiliates are one company. In this circumstance the only policies promoted are those that are likely to raise the level of the net returns to their investment. They will expand a subsidiary or an affiliate to produce an input only when they do not find it profitable to import the input from any other affiliate. This provides an important explanation to the present import dependence of Nigerian companies and the general unwillingness, inspite of hard times, to integrate backwards. The prospects for survival of these companies and also of breaking the import dependence lie in Nigeria's ability to attract foreign investors, other than the parents of these companies, that could produce some of the inputs the companies utilise for production or to internal efforts by Nigerians themselves.

In this connection, the current efforts by the government to complete the industrial infrastructural projects already started should be stepped up as the successful completion of the projects could ensure the survival of many of the existing companies. Such projects include the paper mills, petro–chemicals, and iron and steel projects. Moreover, in order to take full advantage of the iron and steel project, the proposed metal alloy, machine tools and aluminium smelting projects should be established without delay. These will make the establishment of small and medium scale enterprises that are capable of turning the outputs of these projects into spare parts and machine components feasible. Apart from consolidating the industrial base of the economy, infrastructure of this type will also encourage foreign investors, as the possibility to obtain their products locally increases the viability of many private projects.

The other aspects of the domestic production of industrial inputs involve the production of primary raw materials (agricultural products), and the intermediate raw materials like cocoa powder and butter, vegetable oil, etc. Domestic production of primary raw materials should take into account local consumption, industrial usage and exports. With consumption rising by the factor of increase in population, there seems to be little left for exports and industry. Production of these commodities must be expanded. The review of the Nigerian Enterprises Promotion Decree (NEPD) to permit more foreign investment in agriculture seems to be a step in the right direction but the continued retention of the Land Use Decree in its present form may thwart government efforts to encourage foreign participation in the agricultural sector.

There is also a need to screen foreign investments. Attention should be paid to the nature of activity the foreign investment project will undertake so as to tailor the composition of what is received to what is required. New projects should not only possess the techniques that are already available, they should also demonstrate ability to add to existing techniques. They should utilise a stated percentage of local inputs in their production process. Intending export producers should show evidence that their returns in foreign exchange will exceed the values of their raw materials imports. The method to be used for selection should be based not only on the possession of the basic information necessary to produce a product or service, product specification, technological know–how, engineering designs, and basic production techniques for the product, but should include following up to ensure that the production process finally installed includes the use of these industrial properties. These conditions are necessary if the mistakes of the past are to be avoided. While this may reduce the amount of foreign investments which the country could receive it will ensure that the types received are desirable. This is an important way to ensure that direct foreign investment projects contribute positively to growth and balance of payments objectives.

PART III: NIGERIA'S INCENTIVE AND REGULATORY STRATEGY

The strategies adopted towards foreign private investment comprise a combination of investment incentives designed to promote capital inflow and regulatory measures aimed at maximising the country's net benefits from the capital inflow. Some of the regulatory strategy have been discussed above. The efficacy of the incentive strategy, which is also adopted by other developing countries, depends on the relative impact which the elements of the incentives jointly produce on the estimated level of profits of direct investment projects. Foreign investors do considerable inter–country comparison before deciding in which country to invest. Below is a list of Nigeria's incentive measures.

Tax Concessions

(i) Tax Relief for Research and Development
(ii) Pioneer Status
(iii) Companies' Income Tax
(iv) Tax Free Dividend
(v) Investment in Economically Disadvantaged Areas.

Tariff Consession

The incentives in this category have the nature of confering on local industries some measures of effective and nominal protection by ensuring that domestically produced goods enjoy a price advantage over their imported counterparts in the domestic market. Under the SAP importation of products whose local production are considered to be adequate is prohibited; while imported commodities which have local counterparts attract excise duty in order to reinforce the tariff protection confered on local products.

Customs Duties (Dumped and Subsidized Goods) Act

Under this Act, the Nigerian Government will impose a special duty on any goods which are dumped in Nigeria or subsidized by any Government or authority outside Nigeria. A permanent machinery for dealing with legitimate cases of dumping based on a revised version of this Act will be set up by the Government.

Financial and Export Promotion Incentive

The incentive in this group consists of measures introduced to encourage non-oil exports in general. While some of the incentives are directed towards stimulating local production of exports and making the products competitive in the international market, the purely financial ones are aimed at increasing the convenience of financing the country's export trade. The incentives under this group are:

(i) The Customs (Duty Drawback) Regulations;
(ii) Retention of Foreign Exchange Earnings by Exporters.

On the other hand, the regulatory measures adopted include the introduction of:

(i) the Nigerian Enterprises Promotion Decree (NEPD) which sets a limit on the extent of foreign equity participation in joint venture projects between foreigners and Nigerians and effectively prohibits complete ownership of any industrial project by a foreign investor;
(ii) control over employment in foreign investment projects in Nigeria (expatriate quota); and
(iii) other measures affecting profit repatriation.

The regulatory measures tend to retard foreign investment inflow since investors group them as disincentives by discounting their estimated profits by an imputed factor deemed to reflect their effects. However, Government is reviewing both the incentive and regulatory measures with a view to increasing their attractiveness to foreign investors. With respect to the incentive, it appears necessary to suggest that no matter how rich the structure of incentives may be it is still necessary to publicise them. Deliberate efforts should be made to organise campaign for foreign investment at home and abroad. Such campaigns should mention the sectors in which foreign investments are welcomed as well as intimate investors with the on-going government efforts to encourage their inflow.

Nigerian Enterprises Promotion Decree

The appropriateness and adequacy of the foreign investment attracted to the country depend largely on the regulatory policies adopted. It was mentioned above that direct foreign investments are made with a view to controlling the enterprise and sharing in its profits. The more dominant the proportion of such enterprises in a country's structure of industries the greater the tendency to feel concerned about possible loss of autonomy in the control of the economy.

The approach adopted by Nigeria in tackling this problem is demonstrated in the promulgation, first in 1972 and then in 1977, of the Nigerian Enterprise Promotion Decree (NEPD).[2] The aim of the Decree is to prevent foreigners from controlling the "commanding heights" of the Nigerian economy. It confines participation by foreigners in any business incorporated in Nigeria to joint ventures between the foreigner and Nigerian entrepreneurs and precludes full ownership by any foreigners of any business in Nigeria. In effect therefore, it confines the amount of foreign investment inflow to what could be earned from the group of foreign investors that are interested in joint ventures alone. It must be stressed however that the most important and the most effective group of direct foreign investors that possess the technology that Nigeria requires for meaningful development at the present stage of industrialisation are those foreign investors whose global policies preclude joint participation.

The aim of the Decree to reduce the ability of foreigners from controlling "commanding heights" of the Nigerian economy has not been realised as foreigners continue to have their ways in any projects they participate in, irrespective of their ownership proportion. Also, the urgently required expansion of the Nigerian economy does not appear achieveable from the trickle of investment resources emanating from indigenous sources. As long as the external sector remains the only significant source of supply of capital goods, limitation of foreign participation through regulatory measure in some highly technical areas seems to confine the country to negligible growth. Furthermore, the recovery of the Nigeria economy largely depends on the extent to which desirable foreign capital and other investment resources are made available in the economy. This is however considerably restricted by the NEPD. Many other disadvantages of the Decree could be pointed out. In fact, indications are that foreign investors seem to be anticipating the next step to this Decree, which is outright nationalisation.

In the light of the above, it appears that the NEPD requires substantial modification to permit increased foreign participation in many industrial sub-sectors where high technical know-how is required. It should therefore be possible to exclude some sectors from the coverage of the Decree. If it is feared that such exemption may jeopardise national security or create monopolies (as some people have argued), consideration should be given to permitting a reasonable number of companies that are fully foreign-owned to operated in each of the sectors exempted from the Decree.

The NEPD focuses narrowly on limiting foreign interests in the Nigerian economy to the detriment of other laudable development objectives, such as increasing the proportion Nigerian enterprises producing for exports, making foreign investment projects employ a given number of indigenous personnel spread over a range of professional cadres; and ensuring that foreign investment projects attain a given level of value-added within stated periods. Foreign participation could be related to any of the above variables in order to maximise the country's net benefits from foreign investments rather than pursuing a policy that restricts the capital and investment resources which the country lacks. This approach may provide greater flexibility and eliminate misgivings in the minds of investors.

In addition to the role foreign investments could play in the recovery process, the need to review our regulatory policies in favour of attracting foreign investors is also reinforced by the global strategy foreign investors have been adopting in the 80's towards developing countries as a whole. Direct foreign investment have tended to decline sharply in those countries undergoing economic recession. The growing indebtedness of these countries, coupled with low foreign exchange earnings has caused investors to speculate that the debt service burden of the countries could have adverse consequences on their balance of payment which may lead them to take measures that could jeopardise profit and dividend repatriation. Other related factors detering inflow of foreign investments into developing countries in the 80's are instability of exchange rates of their currencies and persistent poor external markets for primary commodities which constitute the bulk of exports of developing countries. If Nigeria is to compete effectively among the group of developing countries for foreign investments it should review any regulation considered to be an obstacle to their inflow.

PART IV: SUBSTITUTION OF DIRECT FOREIGN INVESTMENT FOR INTEREST-BEARING CAPITAL: POSSIBILITIES AND PROSPECTS

One of the three core policies of the SAP is to "relieve the debt burden and attract a net inflow of foreign capital, while keeping a lead on foreign loans"[3]. The policy indicates Nigeria's high preference for foreign direct investment as against any other type of foreign capital inflow for financing development programmes. While it may be desirable for a country to achieve a balance between external liabilities due to loans on one part, and direct investment projects on the other, many reasons may be propounded for Nigeria's current preference for foreign investment. It may be that, in recognition of her technological and managerial deficiency, the country wants to take advantage of the presence of these crucial factors of production in foreign direct investment. The factors are either lacking or have to be arranged at extra cost in the case of other types of capital inflow. Another reason could be the low income payments on account of foreign investments during periods of adverse developments in the external sector of the economy. although the local currency transfers in favour of direct investment project may increase during such period depreciation in the exchange rates will ensure that the foreign exchange counterpart of transfers are reduced. However, transfer on account of loans are fixed in foreign exchange and the need for regular servicing intensifies external payments difficulties. Lastly, another plausible reason could be that a foreign investment project generates external liabilities only when it starts making profits while loans have to be paid irrespective of the fate of the projects they are used to finance. This last reason, which has been adduced by many, assumes that profits and dividend repatriation are the only sources of the external liabilities generated by foreign investment projects. However, there are usually payments for patents, loan refunds, management and technical fees etc. which have to be paid, the fate of the investment project notwithstanding. Whatever benefits are inherent in foreign investments, they have to be weighed against the fact that the external liabilities deriving from foreign investments are perpetual whereas the complete repayment of a loan puts an end to further external commitments on the project a loan is used to finance.

The external debt issue is very crucial in view of the fact that the present level of debt has created considerable external payments difficulties which have occasioned defaults in the servicing of the debt. Also, the level of the debt is still rising due to fresh borrowing from international commercial banks either as a result of non-payment of interest as it falls due, or the financing of reconciled trade arrears on the involuntary imports of the past. Also, the SAP has necessiated some types of financing in the public sector for which direct foreign investment are not suitable and therefore interest-bearing borrowing from international financial institutions have to be negotiated. Lastly, the precarious situation in the international market for crude petroleum persists, resulting in continued low foreign exchange earnings. Consequently, the level of external debt, rather than declining, has increased persistently without a matching increase in direct foreign investment. These factors, making for higher level of external debt, demonstrate that the policy of curtailing foreign borrowing and substituting direct foreign investments in the financing of long-term investment projects has very slim chance of success.

However, there does not appear to be anything intrinsically bad in borrowing especially if it is the only option left for the financing of viable long-term development projects. What Nigeria should therefore ensure is that new loans are invested in key projects that could ensure the survival of industry. Some of such projects have been mentioned in this paper when discussing industrial infrastructural development. These projects are so urgent that their establishment in Nigeria should not be further postponed if the past and future industrialisation efforts are to be fruitful. Their development cannot be left to private initiatives because they require lumpy investments to be established.

PART V: CONCLUDING REMARKS

The policies of the SAP have resulted in opening up many viable investment opportunities in the agricultural and manufacturing sectors, the exploitation of which requires the combined resources of foreign and indigenous entrepreneurs. These opportunities abound largely in production for exports as well as manufacture of intermediate raw materials required by domestic industries. Agricultural commodities for use in industry and human consumption are also included.

Considering the amount and the type of domestically available investment resources, capital inflows in the form of direct foreign investment, a significant part of which comprises technological and managerial resources, are more preferred in the task of exploitation of the investment opportunities opened up by SAP. However, if one is to judge from available data on past net aggregate capital inflows, the values of which have been declining for the past three consecutive years (1983 - 1985), it seems valid to infer that drastic efforts are needed to ensure that net aggregate direct investment inflow is stimulated and adequate and appropriate amounts are received.

An important obstacle to the inflow of direct foreign investment is the absence of some key industrial infrastructural projects whose establishment cannot be left to the private sector because of the large size of the investment involved. Examples of these projects are metal alloy foundries, machine tools, etc. The products of these projects are required for fabrication of spare parts and components by small and medium scale enterprises for use by the motor and electrical products assembly plants.The funds required for setting up these projects could come from the proceeds of sales of government equity holdings in privatised companies or external borrowing even if this leads to higher level of the debt. The establishment of the projects may increase Nigeria's prospects of receiving the right type of foreign investment.

Furthermore, substantial modifications in the Nigerian Enterprises Promotion Decree (NEPD) and the Land Use Act along the lines suggested in this paper appear necessary in order to permit the required types of foreign investments to flow into the country.It is also necessary to screen new foreign investment with a view to preventing trading and extremely light manufacturing that retard the rate of growth and worsen balance of payments. While this may limit inflow, it will ensure that the investment received is the appropriate type.

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Table 1

FLOW OF FOREIGN PRIVATE CAPITAL[1] BY COUNTRY/REGION OF ORIGIN 1980-1985
(₦ Million)

Country/Region Origin	Year	Inflow (1)	Outflow (2)	Net Flow (1)-(2) (3)
United Kingdom	1980	365.0	46.8	+318.2
	1981	128.0	120.6	+7.4
	1982	776.2	211.6	+564.6
	1983	1,058.3	443.3	+615.0
	1984	714.0	213.4	+500.6
	1985	635.7	150.9	+484.8
United States of America	1980	159.1	158.7	+0.4
	1981	103.9	231.5	−127.6
	1982	854.5	121.5	+733.0
	1983	150.7	351.3	−200.6
	1984	321.1	327.2	−6.1
	1985	390.1	484.8	−94.7
Western Europe (Excluding U.K.)	1980	225.9	94.7	+131.2
	1981	325.3	82.5	+242.8
	1982	401.9	194.3	+207.6
	1983	310.6	194.0	+126.6
	1984	229.5	254.6	−25.1
	1985	316.8	374.8	−58.0
Others (Unspecified)	1980	36.4	19.2	+17.2
	1981	27.7	12.5	+15.2
	1982	160.6	41.1	+119.5
	1983	154.0	128.3	+25.7
	1984	120.7	55.3	+65.4
	1985	80.9	83.3	−2.4
TOTAL	1980	786.4	319.4	+467.0
	1981	584.9	447.1	+137.8
	1982	2,193.4	568.5	+1,624.9
	1983	1,673.4	1,106.9	+566.7
	1984	1,385.3	850.5	+534.8
	1985	1,423.5	1,093.8	+329.7

[1] Excluding unremitted profit of oil prospecting companies.

COMPONENTS OF NET CAPITAL FLOW[1] (INFLOW MINUS OUTLOW) BY COUNTRY/REGION OF ORIGIN 1980-1985
(₦, Million)

Region Components	Year	United Kingdom	United States	Western Europe (Excluding UK)	Others (Unspecified)	TOTAL
Unremitted Profit	1980	+27.9	+43.9	+26.5	+6.2	+104.5
	1981	+55.0	+43.5	+51.0	+10.0	+159.5
	1982	+269.8	+28.5	+76.5	+38.5	+413.5
	1983	+127.0	+32.1	+35.5	+34.2	+228.8
	1984	+178.2	+36.1	+48.7	+66.9	+329.9
	1985	+198.5	+36.7	+49.8	+32.1	+317.1
Changes in Foreign Share Capital	1980	+20.8	+8.7	+18.0	+3.0	+50.5
	1981	+30.6	+2.3	+7.3	+1.4	+41.6
	1982	+17.3	+10.3	+35.1	+3.9	+66.6
	1983	+57.8	+15.5	+14.5	+1.7	+89.5
	1984	+13.6	+24.8	+6.7	+8.3	+53.4
	1985	+12.0	+3.4	+42.1	+1.2	+58.7
Trade & Suppliers' Credit	1980	−3.2	+29.9	+47.6	+6.3	+80.6
	1981	+15.4	+3.7	+180.2	+5.1	+204.4
	1982	+75.8	−13.6	+126.3	+49.9	+238.4
	1983	+603.5	+4.6	+68.8	−12.6	+664.3
	1984	+52.1	+5.5	−98.7	−17.8	−58.9
	1985	+8.2	+218.3	+86.7	−21.4	+291.8
Other Foreign Liabilities	1980	+269.4	−122.9	+54.1	+1.1	+201.7
	1981	−87.9	−200.2	+7.5	−1.5	−282.1
	1982	+219.1	+739.2	−32.8	+29.6	+955.1
	1983	−68.1	−251.5	+25.3	−0.3	−294.6
	1984	+182.8	−15.3	+63.4	+2.4	+233.3
	1985	+164.8	−294.6	−250.3	−15.1	−395.2
Liabilities to Head Office	1980	+3.3	+40.8	−15.0	+0.6	+29.7
	1981	−5.7	+23.1	−3.2	+0.2	+14.4
	1982	−17.4	−31.4	+2.5	−2.2	−48.5
	1983	−105.2	−1.3	−17.5	+2.7	−121.3
	1984	+73.9	−57.2	−45.2	+5.6	−22.9
	1985	+101.3	−58.5	+13.7	+0.8	+57.3
TOTAL	1930	+318.2	+0.4	+131.2	+17.2	+467.0
	1981	+7.4	−127.6	+242.8	+15.2	+137.8
	1982	+564.6	+733.0	+207.6	+119.7	+1,624.9
	1983	+615.0	−200.6	+126.6	+25.7	+566.7
	1984	+500.6	−6.1	−25.1	+65.4	+534.8
	1985	+484.8	−94.7	−58.0	−2.4	+329.7

[1] Excluding unremitted profit of oil prospecting companies.