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NIGERIA'S EXTERNAL TRADE IN THE FIRST QUARTER OF 1966

Nigeria's external trade recorded a marked improvement in the first quarter of 1966 over the positions attained in the comparable periods of the past six years. This improvement was maintained in each of the three months of the quarter. There was thus a trade surplus of £4.8 million during the quarter in contrast to deficits of £6.0 million and £8.9 million in the first quarters of 1964 and 1965, respectively (see Table 1). The trade surplus achieved during the quarter was a result of a £7.9 million (or 13 per cent) increase in exports and a £5.8 million (or 8 per cent) decline in imports compared with their aggregate values in the first quarter of 1965.

Both imports and exports were running at a monthly average of £22 million and £23 million respectively compared with £23 million and £20 million in the corresponding period of 1965.

TABLE 1

NIGERIA'S EXTERNAL TRADE

January-March

(f's millions)

| Items | | | | 1 96 3 | 1 96 4 | 1 965 | 1966• |
|---|---|-----|-----|-----------------------------|-----------------------|-----------------------|-----------------------|
| Imports (c.i.f.) Exports and re-exports (f.o.b.) Balance of trade |) | • • | ••• | 47.7 4 5.9 1.8 | 60.1 54.1 - 6.0 | 70.8 61.9 - 8.9 | 65.0 69.8 + 4.8 |

• Provisional.

Source: Office of Statistics.

TABLE 2

NIGERIA'S IMPORTS BY S.I.T.C. SECTIONS

January-March

| | | ŧ | E's million | us | Percentage of Total | | | | |
|-----------------------------------|-----|------|-------------|-------|---------------------|-------|-------------|--|--|
| S.I.T.C. SECTIONS | | 1964 | 1965 | 1966• | 1964 | 1965 | 1966• | | |
| Food | | 5.3 | 5.5 | 5.5 | 8.8 | 7.8 | 8.5 | | |
| Beverages and tobacco | | 0.7 | 0.4 | 0.4 | 1.2 | 0.6 | 0. 6 | | |
| Crude materials | | 0.9 | 1. 6 | 1.5 | 1.5 | 2.3 | 2.3 | | |
| Mineral fuels | | 4.1 | 4.4 | 1.1 | 6.8 | 6.2 | 1.7 | | |
| Animal and vegetable oil | | · | 0.1 | 0.1 | | 0.1 | 0.2 | | |
| • Chemicals | | 4.3 | 5.6 | 5.1 | 7.2 | 7.9 | 7.8 | | |
| Manufactured goods | | 22.3 | 23.8 | 21.8 | 37.1 | 33.6 | 33.5 | | |
| Machinery and transport equipment | | 15.0 | 23.3 | 24.2 | 24.9 | 32.9 | 37.2 | | |
| Miscellaneous manufactured goods | | 6.8 | 5.5 | 4.8 | 11.3 | 7.8 | 7.4 | | |
| Miscellaneous transactions | • • | 0.7 | 0. 6 | 0.5 | 1.2 | 0.8 | 0.8 | | |
| TOTAL | | 60.1 | 70.8 | 65.0 | 100.0 | 100.0 | 100.0 | | |

Provisional.

- Negligible.

Source: Office of Statistics.

Imports

The significant features of imports during the quarter compared with the corresponding period of 1965 were a marked reduction in the values of mineral fuels and manufactured goods and a rise in the value of machinery and transport equipment (see Table 2). The imports of mineral fuels declined by 75 per cent from the level of last year as the local refinery has started to supply, since the end of last year, various grades of mineral fuel which were hitherto imported. The absolute and relative decline in the imports of manufactured goods (mostly consumer goods) is attributable to the increased availability of local substitutes. Increased inflow of private foreign investment and a greater utilization of official external loans were evident from the rise in the imports of machinery and transport equipment (mostly capital goods). A classification of imports by major groups (see Table 3) shows that the imports of consumer goods declined both absolutely and relatively while those of capital goods and raw materials increased.

Exports

There was a decline in the total value of agricultural exports during the quarter compared with the corresponding period of 1965 (see Table 4). Exports of agricultural produce amounted to £38.3 million (or 54.9 per cent of total export receipts) compared with £39.2 million (or 63.3 per cent) in the corresponding period of 1965. Apart from cocoa which recorded an increase of £1.3 million (owing to a rise in quantity and an improvement in prices), no other commodity within this group showed any substantial increase. The export values of groundnuts and raw cotton declined substantially owing mainly to the diversion of some of these commodities to local industries.

The largest contribution to the improvement in export receipts during the quarter, compared with the corresponding period of 1965, was made by minerals and mineral products whose value rose by £5.6 million compared with an increase of £7.9 million in the total export receipts. Crude petroleum exports alone accounted for £5.3 million out of the £7.9 million increase.

End mers

TABLE 3

IMPORTS BY MAJOR GROUPS

January-March

| | | | 1.00 | | £'s million | ns | Percentage of Total | | | |
|-------------------|-----|-----------|------|------|-------------|--------|---------------------|-------|--------|--|
| | | | | 1964 | 1965 | 1966 * | 1964 | 1965 | 1966 • | |
| Consumer Goods | | | | 31.0 | 33.4 | 24.0 | 51.6 | 47.2 | 36.9 | |
| Non-durables | | | | 26.1 | 27.5 | 19.4 | 43.4 | 38.8 | 29.8 | |
| Durables | | | | 4.9 | 5.9 | 4.6 | 8.2 | 8.4 | 7.1 | |
| Capital Goods and | Raw | Materials | | 28.3 | 36.7 | 40.5 | 47.1 | 51.8 | 62.3 | |
| Capital goods | | | | 13.8 | 21.6 | 23.9 | 23.0 | 30.5 | 36.8 | |
| Raw materials | | | | 14.5 | 15.1 | 16.6 | 24.1 | 21.3 | 25.5 | |
| Miscellaneous | | - L.] | | 0.8 | 0.7 | 0.5 | 1.3 | 1.0 | 0.8 | |
| TOTAL | | | | 60.1 | 70.8 | 65.0 | 100.0 | 100.0 | 100.0 | |

* Provisional.

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TABLE4

NIGERIA'S EXPORTS OF MAJOR COMMODITIES BY ECONOMIC SECTORS

January-March

| | | | Qua | ntity ('000 | tons) | | £'s millior | IS | Percentage of Total | | | |
|---------------------------|-------------|-------|-------|-------------|------------------|-----------------------|-------------|--------------|---------------------|--------------|--------------|--|
| | | | 1964 | 1965 | 1966• | 1964 | 1965 | 1966• | 19 6 4 | 1965 | 1966• | |
| Agricultural (Including . | | lucts | 58.4 | 45.5 | <u>.</u> 91.3 | 3 9 .5 13.0 | 39.2 8.8 | 38.3 10.1 | 72.9 24.0 | 63.3 14.2 | 54.9 14.5 | |
| Groundnuts | | | 142.8 | 183.0 | 113.2 | 8.9 | 10.8 | 8.6 | 16.5 | 17.4 | 12.3 | |
| Groundnut oil | | | 17.9 | 24.2 | 24.3 | 1.7 | 2.9 | 2.2 | 3.1 | 4.7 | 3.2 | |
| Groundnut cake | | | 38.1 | 41.2 | 26.5 | 1.2 | 1.6 | 0.9 | 2.2 | 2.6 | 1.3 | |
| Palm-kernels | | | 80.9 | 87.9 | 91.6 | 4.6 | 5.2 | 5.8 | 8.5 | 8.4 | 8.3 | |
| Palm-oil | | | 22.8 | 30.6 | 39.3 | 1.9 | 2.7 | 3.5 | 3.5 | 4.4 | 5.0 | |
| Natural rubber . | | • • | 18.5 | 18.3 | 21.4 | 3.2 | 3.1 | 3.5 | 5.9 | 5.0 | 5.0 | |
| Raw cotton | | | 5.6 | 4.3 | 2.1 | 1.3 | 1.0 | 0.5 | 2.4 | 1.6 | 0.7 | |
| Timber | | | | I _ | | 2.5 | 2.0 | 2.0 | 4.6 | 3.2 | 2.9 | |
| Hides and skins | | | 1.9 | 2.0 | 2.0 | 1.2 | 1.1 | 1.2 | 2.2 | 1.8 | 1.7 | |
| Minerals and Mineral | Products | | | | | 8.5 | 17.4 | 23.0 | 15.7 | 28.2 | 32.9 | |
| Crude petroleum | | | 1,037 | 2,510 | 3,920 | 5.7 | 13.9 | 19.2 | 10.5 | 22.5 | 27.5 | |
| Tin metal | | | 2.7 | 2.8 | 3.0 | 2.8 | 3.5 | 3.8 | 5.2 | 5.7 | 5.4 | |
| Manufactures and Sem | i-Manufactu | ires | — | | | 0.7 | 0.6 | 0.7 | 1.3 | 1.0 | 1.0 | |
| Other Exports | | | _ | | | 4.3 | 3.5 | 6.0 | 7.9 | 5.7 | 8.6 | |
| Total Domestic Export | <i>s</i> | | | - | | 53.0 | 60.7 | 68.0 | 98.0 | 98.2 | 97.4 | |
| Re-Exports | | | — | - | - | 1.1 | 1.2 | 1.8 | 2.0 | 1.8 | 2.6 | |
| TOTAL EXPORTS | | | | | | 54.1 | 61.9 | 69 .8 | 100.0 | 100.0 | 100.0 | |

• Provisional.

Source: Office of Statistics.

This increase might have been higher but for the damage to one of the Shell-BP pipe-lines in March. Exports of crude petroleum were further reduced by the sale of £1.8 million worth of crude petroleum for local refinement during the quarter. This diversion, however, contributed to a drop of £3.3 million in the imports of mineral fuels during the quarter compared with the first quarter of 1965.

Direction of Trade

The United Kingdom continued to be the largest, though relatively declining market for both Nigeria's imports and exports during the quarter (see Table 5). She supplied 30.9 per cent of the imports compared with 33.8 per cent in the corresponding period of 1965. Her share of Nigeria's exports was 39.4 per cent compared with 40.9 per cent in 1965. The favourable trade balance of \pounds 7.4 million with the United Kingdom was the highest with any trade partner during the quarter.

The E.E.C. countries are next to Britain in importance as Nigeria's trading partner. During the period under review, they supplied 28.9 per cent of Nigeria's imports compared with 26.5 per cent in the corresponding period of 1965. During the period, 30.8 per cent of Nigeria's exports went to these countries, compared with 32.6 per cent in the first quarter of 1965.

Nigeria's trade with the United States continued to show an unfavourable balance, although total trade rose markedly during the period compared with the corresponding period of the previous year. Exports to the U.S. amounted to $\pounds7.3$ million, more than double the value in the first quarter of 1965. Nigeria's imports from the U.S. amounted to $\pounds7.7$ million compared with $\pounds4.4$ million in 1965.

The unfavourable trade balance with Japan and Hong Kong, although of lesser magnitude than in the same period of 1965, persisted during the quarter. The fall in the magnitude of the imbalance was a result of the recent policy of trade restriction adopted by the government, which led to a drastic reduction of imports from the two countries.



TABLE 5

DIRECTION OF EXTERNAL TRADE

January - March*

| | | | 11 | PORTS | | | 1 | EXPORTS [†] | | | | | Bala | unce of I | Trade |
|--------------------------------|------|----------|------|---------------------|-------|--------------|------|----------------------|---------------------|-------|-------|----------------|-------|-----------|-------|
| | £ | s millio | ns | Percentage of Total | | £'s millions | | | Percentage of Total | | | (£'s millions) | | | |
| | 1964 | 1965 | 1966 | 1964 | 1965 | 1966 | 1964 | 1965 | 1966 | 1964 | 1965 | 1966 | 1964 | 1965 | 1966 |
| Commonwealth Countries | 22.6 | 26.0 | 24.4 | 37.6 | 36.7 | 37.5 | 22.1 | 26.7 | 29.6 | 40.9 | 43.1 | 42.4 | - 0.5 | + 0.7 | + 5.2 |
| United Kingdom | 20.6 | 23.9 | 20.1 | 34.3 | 33.8 | 30.9 | 19.9 | 25.3 | 27.5 | 36.8 | 40.9 | 39.4 | - 0.7 | + 1.4 | + 7.4 |
| Other Commonwealth countries ‡ | 2.0 | 2.1 | 4.3 | 3.3 | 2.9 | 6.6 | 2.2 | 1.4 | 2.1 | 4.1 | 2.2 | 3.0 | + 0.2 | - 0.7 | 2.2 |
| The E.E.C | 13.3 | 18.8 | 18.8 | 22.1 | 26.5 | 28.9 | 21.3 | 20.2 | 21.5 | 39.4 | 32.6 | 30.8 | + 8.0 | + 1.4 | + 2.7 |
| West Germany | 4.9 | 7.5 | 8.9 | 8.2 | 10.6 | 13.7 | 8.7 | 6.6 | 6.4 | 16.1 | 10.7 | 9.2 | + 3.8 | - 0.9 | - 2.5 |
| Italy | 3.0 | 4.2 | 3.3 | 5.0 | 5.9 | 5.1 | 2.8 | 2.5 | 2.9 | 5.2 | 4.0 | 4.2 | - 0.2 | - 1.7 | - 0.4 |
| France | 2.0 | 3.4 | 3.4 | 3.3 | 4.8 | 5.2 | 1.9 | 3.2 | 3.8 | 3.5 | 5.2 | 5.4 | - 0.1 | - 0.2 | + 0.4 |
| Belgium and Luxemburg | 0.8 | 0.8 | 0.8 | 1.3 | 1.1 | 1.2 | 1.2 | 1.1 | 0.7 | 2.2 | 1.8 | 1.0 | + 0.4 | + 0.3 | - 0.1 |
| Netherlands | 2.6 | 2.9 | 2.4 | 4.3 | 4.1 | 3.7 | 6.7 | 6.8 | 7.7 | 12.4 | 10.9 | 11.0 | + 4.1 | + 3.9 | + 5.3 |
| United States | 4.3 | 4.4 | 7.7 | 7.2 | 6.2 | 11.9 | 3.8 | 3.1 | 7.3 | 7.0 | 5.0 | 10.5 | - 0.5 | - 1.3 | - 0.4 |
| Japan | 8.5 | 8.3 | 4.8 | 14.1 | 11.7 | 7.4 | 0.6 | 0.7 | 0.8 | 1.1 | 1.1 | 1.1 | - 7.9 | - 7.6 | - 4.0 |
| Hong Kong | 1.4 | 1.4 | 0.3 | 2.3 | 2.0 | 0.5 | 0.1 | 0.02 | 0.03 | 0.2 | 0.03 | 0.04 | - 1.3 | - 1.4 | - 0.3 |
| Eastern Europe | 2.1 | 2.3 | 1.9 | 3.5 | 3.3 | 2.9 | 1.4 | 4.8 | 1.4 | 2.6 | 7.8 | 2.0 | - 0.7 | + 2.5 | - 0.5 |
| Others | 7.9 | 9.6 | 7.1 | 13.2 | 13.6 | 10.9 | 4.8 | 6.4 | 9.2 | 8.8 | 10.4 | 13.2 | - 3.1 | - 3.2 | + 2.1 |
| TOTAL | 60.1 | 70.8 | 65.0 | 100.0 | 100.0 | 100.0 | 54.1 | 61.9 | 69.8 | 100.0 | 100.0 | 100.0 | - 6.0 | - 8.9 | + 4.8 |

Source: Office of Statistics. • Data for 1966 are provisional. † Including Re-exports. ‡ Excluding Hong Kong.