

12-1984

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Recommended Citation

Central Bank of Nigeria (1984). Foreign Exchange Flows through the Central Bank during the Fourth Quarter of 1984. CBN Economic and Financial Review, 22(4), 10-11.

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FOREIGN EXCHANGE FLOWS THROUGH THE CENTRAL BANK DURING THE FOURTH QUARTER OF 1984

Movements in foreign exchange during the fourth quarter of 1984 showed that total inflow was higher than total disbursement, resulting in a net inflow of ₦219.8 million as against the net outflow of ₦114.0 million recorded during the preceding quarter (see table 2). Consequently, official holdings of external reserves increased from the end-September 1984 level of ₦877.0 million to ₦1096.8 million at the end of December. Even so, the reserves could finance barely two months of Nigeria's import bills at the prevailing rate of disbursement.

Inflow

The inflow of foreign exchange during the fourth quarter amounted to ₦2489.0 million representing an increase of ₦264.1 million or 11.9 per cent and ₦190.4 million or 8.3 per cent over the levels during the third quarter of 1984 and the corresponding period of 1983, respectively.

Total merchandise export proceeds during the quarter, at ₦2317.3 million, represented an increase of ₦226.6 million over the level in the preceding quarter. Of this amount earnings from oil accounted for ₦2285.9 million which was ₦229.2 million more than the earnings in the preceding quarter and ₦204.3 million above the level recorded a year earlier. On the other hand, non-oil export proceeds declined slightly from the preceding quarter's level by ₦2.6 million to ₦31.3 million. At this level, the proceeds represented barely 50.5 per cent of the earnings recorded in the corresponding period of 1983. While capital inflow at ₦90.3 million increased more than threefold over the level in the preceding quarter, inflow on the services account dropped from ₦108.6 million during the third quarter to ₦81.5 million.

Cumulative inflow in 1984 amounted to ₦9263.6 million, higher by ₦813.9 million or 9.7 per cent than the level in 1983. Oil revenue accounted for ₦8,418.9 million or 90.9 per cent of the total with the non-oil exports aggregating ₦206.9

million or 2.2 per cent. During the year, foreign exchange receipts through services amounted to ₦382.4 million with drawings on external loans totalling ₦255.4 million.

Outflow

Foreign exchange outpayments during the fourth quarter aggregated ₦2,269.2 million, lower by ₦69.7 million or 3.0 per cent and ₦89.6 million or 3.8 per cent compared with the levels during the previous quarter and the corresponding period of 1983, respectively. All items of outflow except services recorded declines from their respective levels in the preceding quarter.

Payments for imports of goods stood at ₦1,325.1 million, ₦33.4 million lower than in the third quarter while those for services increased marginally from the preceding quarter's level of ₦239.7 million to ₦241.0 million. Repayments of external loans and interest payments amounted to 496.8 and ₦206.3 million, respectively showing decreases of 17.8 and ₦19.8 million from their respective levels in the preceding quarter.

Cumulative outflow during the year amounted to ₦8,908.8 million, higher by ₦157.8 million or 1.8 per cent than the level in 1983. A breakdown showed that payments for merchandise imports amounted to ₦5,609.6 million, representing 63.0 per cent of total outflow while those for services totalled ₦997.8 million. External debt servicing accounted for ₦2,301.4 million or 25.8 per cent of total outflow. Principal repayment alone amounted to ₦1,587.2 million, while interest payments stood at ₦714.2 million or 8.0 per cent, of total outflow (see table 2).

BALANCE OF PAYMENTS OFFICE
INTERNATIONAL FINANCE DIVISION

Table 1

**INFLOW AND OUTFLOW OF FOREIGN EXCHANGE DURING THE
FOURTH QUARTER 1984¹**

(N million)

Item	October	November	December	Total
<i>Inflow</i>				
1. Merchandise	819.6	636.7	860.9	2,317.2
Oil	(804.0)	(630.8)	(851.1)	(2,285.9)
Non-Oil	(15.6)	(5.9)	(9.8)	(31.3)
2. Capital	19.1	28.3	42.9	90.3
3. Services	40.9	8.6	32.0	81.5
Total	879.6	673.6	935.8	2,489.0
<i>Outflow</i>				
1. Import of Goods	370.7	589.2	365.2	1,325.1
2. Services	65.4	103.9	71.7	241.0
3. Capital	139.3	166.3	191.2	496.8
4. Interest	78.5	61.5	66.3	206.3
Total	653.9	920.9	694.4	2,269.2
Net Flow	+225.7	-247.3	+241.4	+219.8

¹ Provisional

Table 2

QUARTERLY FOREIGN EXCHANGE FLOWS THROUGH CENTRAL BANK

(N million)

	Oct.-Dec. ¹ 1983	Jan.-Dec. ¹ 1983	July-Sept. ¹ 1984	Oct.-Dec. ¹ 1984	Jan.-Dec. ¹ 1984
<i>Inflow</i>					
1. Merchandise	2,143.6	7,649.0	2,090.6	2,317.2	8,625.8
Oil	(2,081.6)	(7,374.1)	(2,056.7)	(2,285.9)	(8,418.9)
Non-Oil	(62.0)	274.9	(33.9)	(31.3)	(206.9)
2. Capital	52.2	374.7	25.7	90.3	255.4
3. Services	102.8	426.0	108.6	81.5	382.4
Total	2,298.6	8,449.7	2,224.9	2,489.0	9,263.6
<i>Outflow</i>					
1. Import of Goods	1,613.8	5,601.2	1,358.5	1,325.1	5,609.6
2. Services	403.4	1,757.7	239.7	241.0	997.8
3. Capital	242.1	956.1	514.6	496.8	1,587.2
4. Interest	99.5	436.0	226.1	206.3	714.2
Total	2,358.8	8,751	2,338.9	2,269.2	8,908.8
Net Flow	-60.2	-301.3	-114.0	+219.8	+354.8

¹ Provisional

Table 3

NIGERIA'S EXTERNAL ASSETS¹

(N million)

Holder	December 1983	September 1984	December 1984
Official	742.0	877.0	1,096.8
(i) Central Bank ²	(725.2)	(860.2)	(1,080.0)
(ii) Federal Government	(16.8)	(16.8)	(16.8)
Semi-Official Institutions with			
State Governments	5.7	5.8	5.8
Commercial Banks (Net)	+81.0	+227.2	+319.5
Total	828.7	1,110.0	1,388.5

¹ Revised² Excludes attached assets