

FOREIGN PRIVATE INVESTMENT IN NIGERIA 1971-73

This paper presents the results of the 1971-73 annual enquiries of foreign private investment in Nigeria. The enquiry was conducted by means of mailed questionnaires sent to companies¹ which had at least 50 per cent foreign equity participation.

The questionnaires sought detailed information on the flow of foreign private capital by country of origin, distribution of investment by sectors, the relative use of long- and short-term investment capital, investment in fixed assets by foreign owned/controlled companies, and the ownership and form of capital of the companies in the various sectors.

Flow of Foreign Private Capital

Analysis of foreign private capital flows by country or region of origin is presented in Table 1. The upward trend in the inflow of foreign private capital which began in 1969 continued up to 1971, declined in 1972 and again picked up in 1973. At ₦489.1 million in 1971, the inflow was 95.1 per cent higher than the level in 1970. It declined by 11.6 per cent to ₦432.8 million in 1972 and increased by 33.5 per cent to ₦577.8 million in 1973. The increased inflow of foreign private capital up to 1971 continued to reflect the post-civil-war economic boom but by 1972 there was an apparent moderation in the level of economic activities, due to exhaustion of the high pent-up demand generated by the war. There was also deceleration of activity in the petroleum sector in that year culminating in the low level of inflow from the United States of America. In 1973, the upward movement in the inflow was observed again, reflecting increase in economic activities and the higher prices of imported commodities such as merchandise and capital goods.

In 1971, the increase in inflow was shared by all sources of foreign private capital but in 1972, the sharp decline in inflow to the United States companies more than offset the continued increased inflow from all the other sources. In 1973, increased inflow was also recorded from all sources except to companies of West European origin. There was a remarkable increase (from ₦17 million in 1972 to ₦174.3 million in 1973) of inflow to companies of the United States origin in 1973.

Total outflow of foreign private capital rose by 31.4 and 8.4 per cent to 170.0 and ₦184.0 million in 1971 and 1972, respectively. At ₦385.2 million in 1973 it was more than double the level in 1974. The continued increase in outflow was a reflection of the progressive

¹ A total of 567, 599 and 639 companies were contacted in 1971, 1972 and 1973, respectively. The response rates for the three respective years were 64.2, 69.0 and 67.5 per cent. Response from the large companies (those with paid-up capital of more than ₦500,000) was quite high averaging 94 per cent for the three years, while response rate for smaller companies continued to be poor. On the basis of the response rates, coverage adjustments were, however, made.

relaxation of foreign exchange regulations. The sharp increase in outflow in 1973 was due mainly to the exceedingly high rate of repatriation of funds by companies under the ownership of the United Kingdom and the United States of America.

The net inflow of foreign private capital was 319.6, 248.3 and ₦192.6 million in the three respective years. These figures indicate a consistent decline in the level of net inflow of foreign private capital into Nigeria between 1971 and 1973. Out of the overall net inflow, companies

TABLE 1
FLOW OF FOREIGN PRIVATE CAPITAL BY COUNTRY
OR REGION OF ORIGIN

(₦ million)			
Country/Region of origin	Inflow ¹ (1)	Outflow (2)	Net flow (inflow minus outflow) i.e. (1) minus (2)
United Kingdom			
1967.....	33.4	41.6	-8.2
1968.....	68.0	27.2	+40.8
1969.....	36.2	46.0	-9.8
1970.....	94.6	47.2	+47.4
1971.....	207.2	59.6	+147.6
1972.....	236.0	58.3	+177.7
1973.....	265.8	174.6	+91.2
United States of America			
1967.....	59.4	3.0	+56.4
1968.....	18.8	0.4	+18.4
1969.....	56.2	54.2	+2.0
1970.....	74.6	48.2	+26.4
1971.....	151.4	44.0	+107.4
1972.....	17.1	67.8	-50.7
1973.....	174.3	153.0	+21.3
Western Europe			
1967.....	9.8	10.4	+0.6
1968.....	11.6	5.8	+5.8
1969.....	39.4	14.8	+24.6
1970.....	58.0	28.4	+29.6
1971.....	92.6	56.4	+36.2
1972.....	150.9	44.9	+106.0
1973.....	91.7	43.5	+48.2
Others Unspecified			
1967.....	4.4	8.6	-4.2
1968.....	8.0	—	+8.0
1969.....	18.8	4.0	+14.8
1970.....	23.8	5.6	+18.2
1971.....	38.4	10.0	+28.4
1972.....	28.8	13.5	+15.3
1973.....	46.0	14.1	+31.9
Total			
1967.....	107.0	63.6	+43.4
1968.....	106.4	33.4	+73.0
1969.....	150.6	119.0	+31.6
1970.....	251.0	129.4	+121.6
1971.....	489.6	170.0	+319.6
1972.....	432.8	184.5	+248.3
1973.....	577.8	385.2	+192.6

¹ Excludes undistributed profits for oil prospecting companies.

of the United Kingdom origin accounted for ₦147.6 million (or 46.2 per cent) in 1971, ₦177.7 million (or 71.6 per cent) in 1972 and ₦91.2 million (or 47.4 per cent) in 1973. The United States companies accounted for ₦107.4 million (or 33.6 per cent) and ₦21.3 million (or 11.1 per cent) in 1971 and 1973, respectively. In 1972, a net outflow of ₦50.7 million was in fact recorded for companies of the United States origin. In 1971, 1972 and 1973, respectively, companies of West European origin accounted for ₦36.2 million (or 11.3 per cent),

₦106.0 million (or 42.7 per cent and ₦48.2 million (or 25.0 per cent) of the overall net position. Companies from other unspecified countries have consistently recorded net inflows, though contributing relatively small proportion of the overall level.

Components of Net Capital Flow

The components of net capital inflow analysed by country or region of origin are presented in Table 2.

TABLE 2
COMPONENTS OF NET CAPITAL FLOW BY ORIGIN
(₦ million)

Component	United Kingdom	United States	Western Europe (Excluding U.K.)	Others (Unspecified)	Total
Unremitted Profits ¹					
1967	+1.4	+1.0	+1.2	+0.8	+4.4
1968	+25.2	+0.8	+1.8	+5.2	+33.0
1969	+11.0	+2.0	+7.0	+5.0	+25.0
1970	+14.2	+6.6	+8.0	+8.8	+37.6
1971	+27.6	+9.2	+12.6	+10.2	+59.6
1972	+34.5	+6.6	+17.5	+9.6	+68.2
1973	+41.6	+9.5	+18.8	+13.6	+83.5
Changes in Foreign Share Capital (Net)					
1967	+2.8	+0.6	+0.2	—	+3.6
1968	+6.2	+0.4	+1.0	+2.0	+9.6
1969	-0.4	-1.4	+7.2	+5.8	+11.2
1970	-2.6	+0.6	+5.6	+6.2	+9.8
1971	+12.4	+5.2	+1.8	+9.0	+28.4
1972	+5.9	+4.4	+1.3	+4.7	+16.3
1973	+20.3	+4.0	+6.1	+6.3	+36.7
Trade and Suppliers Credits (Net)					
1967	+3.4	+26.0	+1.0	+0.2	+30.6
1968	+7.2	+6.0	+1.6	+0.6	+15.4
1969	+9.2	+22.0	+15.4	+4.8	+51.4
1970	+16.0	+28.6	+12.6	+5.2	+62.4
1971	+25.6	+33.0	+7.4	+1.4	+67.4
1972	+15.9	-12.9	+22.0	+1.4	+26.4
1973	+99.2	+53.9	+24.9	+5.9	+183.9
Other Foreign Liabilities (Net)					
1967	+4.8	+5.6	+1.6	-5.4	+6.6
1968	+0.6	+5.0	+0.4	—	+6.0
1969	-25.4	+29.0	-4.4	+1.8	+1.0
1970	+26.2	-25.0	-3.8	-1.0	-3.6
1971	-25.2	+23.8	-35.4	+7.8	-29.0
1972	-18.2	-28.2	+2.7	+1.7	-42.0
1973	-62.0	-145.2	+1.8	-3.1	-208.5
Liabilities to Head Office (Net)					
1967	-20.6	+23.2	-4.6	+0.2	-1.8
1968	+1.6	+6.2	+1.0	+0.2	+9.0
1969	-4.2	-49.6	-0.6	-2.6	-57.0
1970	-6.4	+15.6	+7.2	-1.0	+15.4
1971	+107.2	+36.2	+49.8	—	+193.2
1972	+139.6	-20.6	+62.5	-2.1	+179.4
1973	-7.9	+99.1	-3.4	+9.2	+97.0
Total					
1967	-8.2	+56.4	-0.6	-4.2	+43.4
1968	+40.8	+18.4	+5.8	+8.0	+73.0
1969	-9.8	+2.0	+24.6	+14.8	+31.6
1970	+47.4	+26.4	+29.6	+18.2	+121.6
1971	+147.6	+107.4	+36.2	+28.4	+319.6
1972	+177.7	-50.7	+106.0	+15.3	+248.3
1973	+91.2	+21.3	+48.2	+31.9	+192.6

¹ Excludes undistributed profits for oil prospecting companies.

Re-invested profits (excluding those of oil prospecting companies) increased by 58.5 and 14.4 per cent to 59.6 and N68.2 million in 1971 and 1972, respectively. It increased further by 22.4 per cent to N83.5 million in 1973. At 30.8, 38.0 and 43.4 per cent for the three respective years, this component constituted one of the single most important sources of foreign private capital inflow.

The increase in the level of unremitted profits by companies, despite the greatly relaxed foreign exchange regulations, reflect continued confidence in the economic prospects of the country by foreign investors. Net inflow from trade and Suppliers Credit was 67.4, 26.4 and N183.9 million in 1971, 1972 and 1973, respectively. The over six-fold increase in 1973 is attributable mainly to the high rate of inflow to companies of United Kingdom and the United States origin. The inflow of the United Kingdom companies increased from N15.9 million in 1972 to N99.2 million in 1973 while those to companies of the United States origin increased from N12.9 million in 1972 to N53.9 million in 1973.

At N28.4 million in 1971, *changes in foreign share capital* (equity capital subscriptions) showed an increase of 189.8 per cent over the level of 1970. In 1972, it declined by 42.6 per cent to N16.3 million, and again increased by 125.5 per cent to N36.7 million in 1973. Branches and subsidiaries of foreign companies were highly *indebted to their head offices* in both 1971, 1972 and 1973. In 1971, the indebtedness was shared by companies of the United Kingdom, Western Europe and the United States, but in 1972, while there was a further increase in the indebtedness of companies from the United Kingdom and Western Europe, the companies of the United States and "others" were net creditors to their head offices. In 1973 companies from the United States and "others" became indebted to their head offices, while those from the United Kingdom and Western Europe were net creditors to their head offices.

There was a net outflow of 29.0, 42.0 and N208.5 million in 1971, 1972 and 1973, respectively, under the component "*other*" *foreign liabilities*. In 1971, companies of the United Kingdom and West European origin recorded higher levels of outflow of 25.2 and N35.4 million, respectively, and which more than offset the inflow to companies of "others" and the United States origin. In 1972, companies of West European origin and those from countries classified as "others" recorded marginal net inflows on this heading, but this was far less than outflows of 18.2 and N20.6 million recorded for companies of the United Kingdom and the United States origin. In 1973, there was a higher rate of outflow by companies of the United Kingdom and the United States origin (62.0 and N145.2 million, respectively). There was also a marginal net inflow of N1.8 million to companies of West European origin.

Investment by Country of Origin

Analysis of cumulative foreign private investment by country of region of origin is given in Table 3. Cumula-

tive foreign private investment increased by 31.9 per cent to N1,322.8 million in 1971 by 18.8 per cent to N1,571.1 million in 1972 and by 13.3 per cent to N1,763.7 million in 1973.

Investment by companies of United Kingdom origin increased by 32.2 per cent to N592.0 million in 1971, by 30.0 per cent to N769.7 million in 1972 and 11.9 per cent to N860.9 million in 1973. These represented contributions of 44.8, 49.0 and 48.8 per cent to total cumulative foreign private investment from Britain in the three respective years. The companies from the United Kingdom accounted for 44.8, 49.0 and 48.8 per cent of total cumulative foreign private investment from the respective three years. The proportion of paid-up capital (including reserves) to total investment in the United Kingdom companies was 52.8, 45.9 and 48.2 per cent in 1971, 1972 and 1973, respectively.

For companies of the United States origin, cumulative foreign private investment increased from N230.0 million in 1970 to N337.4 million in 1971, but declined by 15.1 per cent to N286.6 million in 1972 and increased by 7.5 per cent to N308.0 million in 1973. As a proportion of total cumulative foreign private investment the companies of the United States origin accounted for 25.5, 18.2 and 17.5 per cent, indicating a persistently declining trend in their contribution to the cumulative investment. The proportion of paid-up capital (including reserves) to cumulative investment by United States companies was 12.0, 18.0 and 21.2 per cent in 1971, 1972 and 1973, respectively.

Cumulative investment in companies of West European origin (excluding the United Kingdom) increased, by 46.5 per cent to N261.0 million in 1971, by 40.6 per cent to N367.0 million in 1972 and by 13.1 per cent to N415.2 million in 1973. Investment by companies of West European origin accounted for 19.7, 23.4 and 23.5 per cent of total cumulative foreign private investment in the three respective years. The proportion of equity capital to total investment in companies of West European origin, declined from 45.2 per cent in 1971 to 37.2 per cent in 1972, but increased marginally to 38.5 per cent in 1973.

The level of cumulative investment by companies from other unspecified countries, was N132.4 million in 1971, N147.8 million in 1972 and N179.6 million in 1973, indicating a consistently upward trend. As a proportion of the total cumulative investment, these levels represented 10.0, 9.4 and 10.2 per cent for the respective years. The proportion of equity capital to total investment stood at 64.3 per cent in 1971, 67.3 per cent in 1972 and 66.4 per cent in 1973.

Sectoral Investment

The analysis of foreign private investment by type of activity is shown in Table 4. Cumulative foreign private investment in the *mining and quarrying sector* increased by 34.7 per cent to N694.7 million in 1972 and by 7.6 per cent to N925.3 million in 1973. Investment in this sector alone accounted for 52.5, 54.7 and 52.5 per cent for the three years, respectively. Paid-up capital constituted

TABLE 3
CUMULATIVE FOREIGN PRIVATE INVESTMENT IN NIGERIA BY COUNTRY OR REGION OF ORIGIN
(₦ million)

Country of Origin	Paid-up Capital + Reserves ¹ (1)	Other Liabilities ² (2)	Total (1) + (2) (3)	Percentage Distribution of Total (4)	Investment in Fixed Assets ³ (5)	Percentage Distribution of Total (6)
United Kingdom						
1967.....	219.0	147.0	366.0	47.1	360.6	52.9
1968.....	250.4	156.4	406.8	47.9	401.6	56.3
1969.....	261.0	136.0	397.0	45.0	476.5	56.2
1970.....	272.6	171.8	444.4	44.0	234.2	32.1
1971.....	312.6	279.4	592.0	44.8	239.1	30.6
1972.....	352.9	416.8	769.7	49.0	553.0	40.1
1973.....	414.8	446.1	860.9	48.8	581.8	44.2
United States						
1967.....	17.2	166.0	183.2	23.6	122.8	18.0
1968.....	18.4	183.2	201.6	23.7	141.6	19.8
1969.....	19.0	184.6	203.6	23.1	168.2	19.9
1970.....	26.2	203.8	230.0	22.9	289.4	39.6
1971.....	40.6	296.8	337.4	25.5	341.4	43.6
1972.....	51.6	235.0	286.6	18.2	337.4	24.5
1973.....	65.2	242.8	308.0	17.5	383.5	29.2
Western Wurope (Excluding UK)						
1967.....	72.8	92.0	164.8	21.2	171.8	25.2
1968.....	75.6	95.0	170.6	20.1	135.0	18.9
1969.....	89.8	105.4	195.2	22.2	160.4	18.9
1970.....	103.4	121.4	224.8	22.4	139.1	18.8
1971.....	117.8	143.2	261.0	19.7	151.1	19.3
1972.....	136.5	230.5	367.0	23.4	425.8	30.9
1973.....	161.4	253.8	415.2	23.5	257.7	19.6
Other (Unspecified)						
1967.....	33.2	29.8	63.0	8.1	26.8	3.9
1968.....	40.4	30.6	71.0	8.3	35.6	5.9
1969.....	51.2	34.6	85.8	9.7	42.5	5.0
1970.....	66.0	38.0	104.0	10.4	69.2	9.5
1971.....	85.2	47.2	132.4	10.0	50.9	6.5
1972.....	99.5	48.3	147.8	9.4	61.8	4.5
1973.....	119.3	60.3	179.6	10.2	91.9	7.0
Total						
1967.....	342.2	434.8	777.0	100.0	682.0	100.0
1968.....	384.8	465.2	850.0	100.0	713.8	100.0
1969.....	421.0	460.6	881.6	100.0	847.6	100.0
1970.....	468.2	535.0	1,003.2	100.0	729.9	100.0
1971.....	556.2	766.6	1,322.8	100.0	782.5	100.0
1972.....	640.5	930.6	1,571.1	100.0	1,378.0	100.0
1973.....	760.7	1,003.0	1,763.7	100.0	1,314.9	100.0

¹ Excludes unremitted profits of oil prospecting companies.

² Other liabilities include trade and suppliers credits, other Foreign liabilities and liabilities to head office.

³ This represents the book value of Fixed Assets, i.e. fixed assets at cost less cumulative depreciation.

18.1 per cent of the sectoral investment in 1971, 20.0 and 20.9 per cent in 1972 and 1973, respectively.

Cumulative investment in the *manufacturing and processing sector* increased by 68.5 per cent to ₦378.9 million in 1971, but declined by 5.9 per cent to ₦356.6 million in 1972. In 1973, it increased by 14.7 per cent to ₦409.0 million. Investment in this sector accounted for 28.6, 22.7 and 23.2 per cent of total investment in 1971, 1972 and 1973, respectively. The proportion of equity interest in total sectoral investment stood at 28.6, 22.7 and 23.2 per cent for the three years, respectively. The sharp increase in investment in this sector in 1971 reflected the continued post-civil-war economic boom and the desire on the part of the foreign investors to take advantage of

the trade restrictions which were in force. In 1972, there was slack in economic activities which would be traced to the exhaustion of the pent-up demand. There was also further relaxation of the trade restrictions which created unfavourable competition for local products. In 1973 there was another upsurge in demand for commodities and this was taken place in the face of rapid increases in the prices of imported as well as locally produced commodities.

Foreign private investment in the *agriculture, fishing and forestry sector* continued to be minimal during the three year period. In 1971 investment in this sector increased by 37.5 per cent to ₦15.4 million and declined by 39.0 per cent to 9.4 and ₦7.9 million in 1972 and

TABLE 4
CUMULATIVE FOREIGN PRIVATE INVESTMENT IN NIGERIA ANALYSED BY TYPE OF ACTIVITY
(₦ million)

Type of activity	Paid-up capital including reserves ¹ (1)	Other liabilities (2)	Total (1) + (2) (3)	Percentage distribution of total (4)	Investment in Fixed Assets (At Book Value)	
					Actual (5)	Percentage of Total
Mining and Quarrying						
1967.....	124.6	231.8	356.4	45.9	372.6	54.6
1968.....	173.8	243.4	417.2	49.1	369.0	51.7
1969.....	155.0	234.6	389.6	44.2	510.4	60.2
1970.....	173.0	342.4	515.4	51.4	304.8	41.8
1971.....	125.0	569.0	694.0	52.5	483.2	61.8
1972.....	171.9	687.8	859.7	54.7	830.1	60.2
1973.....	248.9	676.4	925.3	52.5	822.5	62.5
Manufacturing and Processing						
1967.....	105.4	67.6	173.0	22.2	170.2	25.0
1968.....	95.0	74.8	169.8	20.0	174.4	24.5
1969.....	119.4	76.6	196.0	22.2	229.8	27.0
1970.....	132.8	92.0	224.8	22.4	287.5	39.3
1971.....	177.0	101.8	378.8	28.6	201.8	25.8
1972.....	241.9	114.7	356.6	22.7	344.9	25.0
1973.....	275.6	133.4	409.0	23.2	330.1	25.2
Agriculture, Forestry & Fishing						
1967.....	6.4	3.2	9.6	1.2	15.2	2.2
1968.....	5.8	3.8	9.6	1.1	14.4	2.0
1969.....	7.2	3.8	11.0	1.3	6.6	0.8
1970.....	8.0	3.2	11.2	1.1	17.4	2.4
1971.....	13.0	2.4	15.4	1.2	12.5	1.6
1972.....	9.1	0.3	9.4	0.6	9.4	0.7
1973.....	6.4	1.5	7.9	0.4	10.6	0.8
Transport and Communications						
1967.....	6.0	2.4	8.4	1.1	9.0	1.3
1968.....	6.6	3.0	9.6	1.1	9.6	1.3
1969.....	8.4	3.0	11.4	1.3	7.8	0.9
1970.....	9.2	4.6	13.8	1.4	6.4	0.9
1971.....	8.2	3.8	12.0	0.9	6.4	0.8
1972.....	8.8	3.4	12.2	0.8	19.2	1.4
1973.....	6.3	5.3	11.6	0.6	9.4	0.7
Building and Construction						
1967.....	7.2	11.8	19.0	2.5	10.4	1.5
1968.....	6.4	13.4	19.8	2.4	12.2	1.7
1969.....	8.2	14.0	22.2	2.5	5.8	0.7
1970.....	9.0	4.8	13.8	1.4	12.3	1.7
1971.....	8.2	7.2	15.4	1.2	8.7	1.1
1972.....	21.7	12.6	34.3	2.2	22.1	1.6
1973.....	28.8	16.2	45.0	2.6	32.4	2.5
Trading & Business Services						
1967.....	86.8	105.8	192.6	24.8	91.8	13.5
1968.....	90.6	115.0	205.8	24.2	120.0	16.8
1969.....	114.2	116.8	231.0	26.2	76.4	9.0
1970.....	127.0	79.6	206.6	20.6	75.2	10.3
1971.....	113.6	73.6	187.2	14.1	56.6	7.2
1972.....	142.4	100.3	242.7	15.4	108.7	7.8
1973.....	139.5	155.2	294.7	16.7	93.6	7.1
Miscellaneous						
1967.....	5.8	12.2	18.0	2.3	12.8	1.9
1968.....	6.6	11.6	28.2	2.1	14.2	2.0
1969.....	8.6	11.8	20.4	2.3	11.8	1.4
1970.....	9.2	8.4	17.6	1.7	26.3	3.6
1971.....	11.2	8.8	20.0	1.5	13.3	1.7
1972.....	44.7	11.5	56.2	3.6	43.5	3.3
1973.....	55.2	15.0	70.2	4.0	16.3	1.2
Total						
1967.....	342.2	434.8	777.0	100.0	682.0	100.0
1968.....	384.8	465.2	850.0	100.0	713.8	100.0
1969.....	421.0	460.6	881.6	100.0	847.6	100.0
1970.....	468.2	535.0	1,003.2	100.0	729.9	100.0
1971.....	556.2	766.6	1,322.8	100.0	782.5	100.0
1972.....	640.5	930.6	1,571.1	100.0	1,378.0	100.0
1973.....	760.7	1,003.0	1,763.7	100.0	1,314.9	100.0

¹ Excludes unremitted profits of oil prospecting companies.

1973, respectively. Its share of the total foreign private investment was 1.2, 0.6 and 0.4 per cent for the three respective years.

Investment in the *transport and communication sector* declined from N13.8 million in 1970 to N12.0 million in 1971. It increased marginally by 1.7 per cent to N12.2 million in 1972, but declined by 4.9 per cent to N11.6 million in 1973. As was the case with the agriculture, fishing and forestry sector, investment in this sector constituted a paucity proportion of 0.9, 0.8 and 0.6 per cent of total foreign private investment in the three years. Cumulative investment in the *building and construction sector* increased by 11.5 per cent to N15.4 million in 1971, rose sharply by 122.7 per cent to N34.5 million in 1972, and by 31.2 per cent to N45.0 million in 1973. Investment in this sector constituted 1.2, 2.2 and 2.6 per cent of total foreign private investment in the economy in 1971, 1972 and 1973, respectively.

The total investment in the *trading and business services sector* was estimated at N187.2 million in 1971, a decline of 1.7 per cent from the previous year's level. In 1972, investment in the sector increased by 29.7 per cent to N242.7 million and in 1973 it increased further by 21.4 per cent to N294.7 million. Foreign private investment in this sector accounted for 14.1, 15.4 and 16.7 per cent of the total investment in the economy for the respective years.

Cumulative investment in the miscellaneous activities increased by 13.6 per cent to N20.0 million in respect of 1971. It also increased by 181.1 per cent to N56.2 million in 1972 and further increased by 24.9 per cent to N70.2 million in 1973. Investment in this sector accounted for 1.5, 3.6 and 4.0 per cent of total foreign private investment for the three respective years.

Short and Long-term Investment (excluding paid-up Capital and Reserves)

The other liabilities component of total investment contained in Tables 3 and 4 has been further disaggregated into their short- and long-term components in Table 5.

There has been a considerable increase in the use of the "other liabilities" components of investment by foreign companies during the three years. The cumulative short- and long-term investment for all sectors and for all countries increased by 43.3 per cent to N766.6 million in 1971, by 21.4 per cent to N930.6 million in 1972 and by 7.8 per cent to N1,003.0 million in 1973. The short-term component declined by 1.6 per cent to N135.8 million in 1971 but increased by 23.7 per cent to N168.0 million in 1972. In 1973, it further increased by 68.3 per cent to N630.8 million in 1971 and by 20.9 per cent to N762.6 million in 1972. In 1973, the long-term component declined by 5.6 per cent to N720.3 million.

On a sectoral basis the *mining and quarrying sector* recorded an increase in the use of long-term liabilities and a decline in the use of short-term funds up to 1972. Long-term investments increased by 71.7 per cent from

N318.5 million in 1970 to N546.9 million in 1971. It further increased by 28.8 per cent to N671.4 million in 1972. For the same period, short-term investment declined from N24.0 million in 1970 to 22.2 and N16.4 million in 1971 and 1972, respectively. For the first time since 1969, the long-term liabilities component of investment in this sector recorded a decline in 1973. It decreased by 9.2 per cent from N671.4 in 1972 to N609.7 million in 1973. The decline in the long-term liabilities is due to the actual fall in the use of this source of capital by companies of United States and Western Europe (excluding the United Kingdom). There were, on the other hand, sharp increases in the use of short-term investment funds by companies of the two countries. There was also a sharp decline in the use of short-term liabilities by companies of United Kingdom origin, a continuation of a trend noticed since 1970.

In the *manufacturing and processing sector* both components continued to contribute to the rise in the "other liabilities" for the three years covered in this report. Total "other liabilities" increased by 10.6 per cent to N101.8 million in 1971, by 12.7 per cent to N114.7 million in 1972, and by 16.4 per cent to N133.5 million in 1973. The short-term liabilities increased by 6.6 and 9.4 per cent to 52.7 and N57.7 million while the long-term liabilities increased by 15.3 and 16.1 per cent to 49.1 and N57.0 million in 1971 and 1972, respectively. In 1973, the short-term liabilities increased by 30.5 per cent to N75.3 million while the long-term liabilities increased by only 2.0 per cent to N58.2 million. In the period, therefore, there were increases in the use of both long- and short-term liabilities in this sector. The proportion of short-term funds to total liabilities declined from 53.7 per cent in 1970 to 51.7 and 50.3 per cent in 1971 and 1972, respectively. In 1973, the proportion increased to 56.4 per cent. In the manufacturing and processing sector, companies from all countries appear to rely more on short-term liabilities than in the mining and quarrying sector.

The declining trend in the total "other liabilities" in *Agriculture fishing and forestry sector* which began in 1969 continued up to 1972. It declined from N3.3 million in 1970, to 2.2 and N0.3 million in 1971 and 1972, respectively. In 1973 it increased to N1.5 million. The proportion of short-term liabilities to total "other liabilities" declined also from 90.4 per cent in 1970 to 68.0 and 30.3 per cent in 1971 and 1972, respectively. In 1973 the proportion increased to 80.0 per cent. As usual, the greater part of foreign private investment in this sector came from companies of United Kingdom origin.

The total "other liabilities" in the *transport and communications sector* recorded a decline in 1971 and 1972, but increased in 1973. From N4.6 million in 1970, it declined by 17.3 and 10.4 per cent to 3.8 and N3.4 million in the two years. In 1973, the "other liabilities" component in this sector increased by 57.1 per cent to N5.3 million. In 1971 and 1972, the short-term component accounted for the decline, but in 1973, both the short- and long-term component increased substantially.

Investment funds through "other liabilities" in the *trading and business services sector* declined from ₦79.5 million in 1970 to ₦73.7 million in 1971. In 1972 and 1973, it increased by as much as 36.1 and 54.8 per cent to attain the levels of 100.3 and ₦155.2 million, respectively. The proportion of short-term liabilities to total "other liabilities" for the respective years was 73.3, 80.9 and 82.8 per cent.

The "other liabilities" component of investment in the *building and construction sector* increased by 46.7, 74.9 and 28.0 per cent to 7.2, 12.6 and ₦16.2 million, respectively. The short-term liabilities as a proportion of total "other liabilities" stood at 19.6, 49.4 and 39.4 per cent for 1971, 1972 and 1973, respectively.

Investment in the Manufacturing Sector

A further break-down in the cumulative investment in the *manufacturing and processing sector* by type of industry is made in Table 6. The table also provides information on details of investment in fixed assets in the manufacturing sector also by type of industry. The cumulative foreign private investment in the manufacturing and processing sector was ₦378.9 million in 1971. In 1972, the level of investment had declined by 5.9 per cent to ₦356.6 million, but increased by 14.7 per cent to ₦409.1 million in 1973. The increase recorded for 1973 was shared by all the 20 industrial sub-groups except in the transport equipment and industries where a decline was recorded.

The value of fixed assets (at book value) of the foreign companies in the manufacturing and processing sector stood at ₦201.8 million in 1971. It increased by 10.9 per cent to ₦344.9 million in 1972 and declined by 4.3 per cent to ₦330.1 million in 1973.

Substantial increases in fixed assets were recorded in the Food, Textiles, Paper and Paper products, Rubber Products, Chemicals, non-Metallic mineral, and transport equipment industries during the period.

Investment in Fixed Assets

A detailed break-down of investment in fixed assets at cost and at book value are shown in Table 7. The table also shows the amount of reserves set aside for depreciation analysed by type of assets and by economic activities. Total fixed assets at cost at ₦1,036.6 million in 1971 was 13.6 per cent less than the value at the end of the previous year. This decline in value of investment in fixed assets was probably due to the high rate of write-offs of those assets abandoned in the war-affected areas. Also, this high write-off may have reflected the excessive use of equipment particularly plant and machinery to meet the increased demand for industrial goods. In 1972, however, the value of fixed assets (at cost) increased by 83.9 per cent to ₦1,906.5 million and by 6.0 per cent to ₦2,021 million in 1973.

Fixed assets (at book value) have been disaggregated into investment in real estate, machinery and equipment,

furniture and fixtures and motor vehicles. The break-down shows that investment in real estate constituted 31.8, 37.6 and 41.3 per cent of total investment in fixed assets in the three years. Machinery and equipment constituted 63.0, 58.8 and 47.2 per cent for 1971, 1972 and 1973, respectively. Investment in furniture and fixtures constituted 3.4, 1.8, and 5.4 per cent while investment in motor vehicles constituted 1.7 per cent for both 1971 and 1972 and 6.0 per cent in 1973.

In 1971, investment in fixed assets (at book value) increased in only the mining and quarrying sector while all other sectors recorded declines in that year. In 1972, however, the value of fixed assets (at book value) increased in the mining and quarrying, manufacturing and processing, transport and communication, building and construction and trading and business services sectors. The value declined in the agriculture, fishing and forestry sectors. In 1973, the value decline for the mining and quarrying, manufacturing and processing, transport and communication and trading and business services sectors but increased in the agriculture, fishing and forestry, and building and construction sectors.

Investment in fixed assets continued to be concentrated in the mining and quarrying, manufacturing and processing and the trading and business services sectors. The three sectors, respectively, accounted for 61.8, 25.8 and 7.1 per cent in 1971; 60.2, 25.0 and 7.9 per cent in 1972; and 62.5, 25.1 and 7.0 per cent in 1973. (See Table 7, columns 5 and 6).

Aggregate cumulative depreciation as a percentage of total investment in fixed assets (at cost) was 23.6, 27.7 and 34.9 per cent in 1971, 1972 and 1973, respectively.

The reserves for current depreciation as a percentage of value of fixed assets (at cost) increased for real estate and motor vehicles, but declined for machinery and equipment and furniture and fixtures in 1971. The proportion, however, declined for real estates and motor vehicles and increased for machinery and equipment, furniture and fixtures in 1972. Increases were recorded for real estate, machinery and equipment, and motor vehicles while the proportion of current reserves declined for furniture and fixtures in 1973. (See Table 7, column 5).

Investment in fixed assets (at book value) analysed by geographical area of origin is provided in Table 3, column 5. In 1971, investment in fixed assets (at book value) increased for companies of United Kingdom, United States and West European origin, while it declined for companies from countries classified as "others." In 1972, investment in fixed assets for companies of United Kingdom, Western Europe and "others" increased, while they declined for companies of United States origin. In 1973, investment in fixed assets by companies of United Kingdom, United States and "Others" increased, but there was a decline for companies from Western Europe.

Companies of United Kingdom origin contributed 30.6, 40.1 and 44.2 per cent of total investment in fixed assets (at book value) by foreign companies while those

TABLE 5
FOREIGN LIABILITIES (EXCLUDING PAID UP CAPITAL AND RESERVES) CURRENT AND LONG-TERM BY TYPE OF ECONOMIC ACTIVITY AND COUNTRY OR REGION OF ORIGIN
 (₤ thousand)

Type of Activity	United Kingdom				United States				Western Europe				Others				Total For All Countries			
	Current Liability (1)	Long-term Liability (2)	Total Liability (1) + (2)	Current and % of Total	Current Liability (3)	Long-Term Liability (4)	Total Liability (3) + (4)	Current as % of Total	Current Liability (5)	Long-term Liability (6)	Total Liability (5) + (6)	Current as % of Total	Current Liability (7)	Long-term Liability (8)	Total Liability (7) + (8)	Current as % of Total	Current Liability 1+3+5+7 (9)	Long-Term Liability 2+4+6+8 (10)	Total Liability (9) + (10)	Current as % of Total
Mining and Quarries																				
1967.....	15,198	26,448	41,646	36.5	43,854	100,986	144,840	30.3	6,386	38,884	45,270	14.1	—	—	—	—	65,438	166,318	231,756	28.2
1968.....	7,270	24,728	31,998	22.7	49,934	103,240	153,174	32.6	7,332	51,008	58,340	12.6	—	—	—	—	64,536	178,976	243,412	26.5
1969.....	7,000	23,810	30,810	22.7	48,080	99,404	147,484	32.6	7,060	49,112	56,172	12.6	—	—	—	—	62,140	172,326	234,466	26.5
1970.....	912	108,696	109,603	0.8	13,650	151,876	165,526	8.2	9,414	67,918	77,332	13.9	—	—	—	—	23,976	518,490	342,466	7.0
1971.....	702	193,416	194,118	0.4	9,504	264,982	274,486	3.5	11,998	88,492	100,490	11.9	—	—	—	—	22,204	546,890	569,094	3.9
1972.....	846	313,616	314,462	0.3	5,766	205,114	210,880	2.7	9,756	52,694	62,450	6.0	—	—	—	—	16,368	671,424	687,792	2.4
1973.....	175	325,048	325,223	0.1	45,129	177,229	222,358	20.3	21,400	206,724	128,124	16.7	13	671	684	1.9	66,717	609,672	676,389	9.9
Manufacturing & Processing																				
1967.....	25,780	21,032	46,812	55.1	1,264	1,148	2,412	52.4	2,794	3,936	6,730	41.5	14,840	6,842	11,682	41.5	34,678	32,958	67,636	51.2
1968.....	28,500	28,408	56,908	50.1	1,328	1,204	2,532	52.4	2,000	2,820	4,820	41.5	14,416	6,246	40,662	41.5	36,244	38,678	74,922	48.4
1969.....	29,174	29,084	58,258	50.1	1,362	1,230	2,592	52.5	12,050	2,884	4,934	41.5	14,520	6,392	10,912	41.5	37,106	39,590	76,696	48.4
1970.....	12,758	6,808	19,566	65.2	6,474	7,172	13,646	47.4	10,600	14,226	24,826	42.7	19,606	14,410	34,016	57.6	49,438	42,616	92,054	53.7
1971.....	25,224	17,208	42,432	59.4	4,184	4,944	9,128	45.8	5,564	15,614	21,178	26.3	17,708	11,364	29,072	60.9	52,680	49,130	101,810	51.7
1972.....	27,080	21,008	48,088	56.3	4,020	4,430	8,450	47.6	5,126	11,860	16,986	30.2	21,424	19,748	41,172	52.0	57,650	57,046	114,696	50.3
1973.....	23,806	16,392	40,198	59.2	2,819	1,032	3,851	73.2	26,725	22,605	49,330	54.2	21,906	18,166	40,074	54.7	75,256	58,197	133,453	56.4
Agriculture, Forestry & Fishing																				
1967.....	82	2,316	2,398	3.4	—	—	—	—	228	—	228	100.0	622	—	622	100.0	932	2,316	3,248	28.7
1968.....	100	3,000	3,100	3.4	—	—	—	—	160	—	160	100.0	544	—	544	100.0	804	3,000	3,904	21.1
1969.....	100	2,970	3,070	3.2	—	—	—	—	158	—	158	100.0	538	—	538	100.0	796	2,970	3,766	21.1
1970.....	1,616	290	1,906	84.5	160	—	160	100.0	6	22	28	21.4	1,160	—	1,160	100.0	2,942	312	3,254	90.4
1971.....	596	560	1,156	51.6	640	166	806	79.4	—	—	—	—	304	—	304	100.0	1,540	726	2,266	68.0
1972.....	22	98	120	18.3	—	—	—	—	—	—	—	—	66	104	170	38.8	88	202	290	30.3
1973.....	1,227	306	1,533	80.0	—	—	—	—	—	—	—	—	—	—	—	—	1,227	306	1,533	80.0

Transport and Communications																					
1967	838	—	838	100.0	312	294	606	51.5	18	674	692	2.7	216	—	216	100.0	1,384	968	2,352	58.8	
1968	1,340	—	1,340	100.0	404	390	794	50.8	16	590	606	2.7	244	—	244	100.0	2,004	980	2,984	67.2	
1969	1,338	—	1,338	100.0	402	392	794	50.6	20	586	606	3.3	246	—	246	100.0	2,006	578	2,584	67.2	
1970	636	—	636	100.0	1,946	—	1,946	100.0	1,056	916	1,972	53.5	—	—	—	—	3,638	916	4,554	79.9	
1971	1,670	518	2,188	76.3	500	—	684	73.1	144	752	896	16.1	—	—	—	—	2,314	1,454	3,768	61.4	
1972	658	—	658	100.0	492	102	594	82.8	392	546	934	41.8	258	922	1,180	21.9	1,800	1,570	3,370	53.4	
1973	1,308	21	1,329	98.4	242	743	985	24.6	647	2,334	2,981	21.7	—	—	—	—	2,197	3,098	5,285	41.5	
Building and Construction																					
1967	2,030	3,148	5,178	39.2	—	234	234	—	422	2,250	6,472	65.2	—	—	—	—	6,250	5,632	11,882	52.6	
1968	2,502	4,014	6,516	38.4	—	1,124	1,124	—	3,482	2,292	5,774	60.3	—	—	—	—	5,984	7,430	13,414	44.6	
1969	2,608	4,184	6,792	38.4	—	1,170	1,170	—	3,628	2,390	6,018	60.3	—	—	—	—	6,236	7,744	13,980	44.6	
1970	—	56	56	—	—	—	—	—	3,320	1,318	4,638	28.4	14	212	226	12.4	3,334	1,586	4,920	67.8	
1971	678	3,686	4,364	15.5	—	—	—	—	688	72	760	90.5	48	2,046	2,094	2.3	1,414	5,804	7,218	19.6	
1972	274	1,456	1,730	15.8	588	3,576	4,164	14.1	3,946	618	4,564	86.4	1,426	738	2,164	65.9	6,234	6,388	12,622	49.4	
1973	1,417	5,095	6,512	21.8	214	363	577	37.1	4,715	4,288	9,003	52.4	23	42	65	35.4	6,367	9,788	16,157	39.4	
Trading and Business Services																					
1967	31,498	17,640	49,138	64.1	5,354	2,870	4,224	63.8	17,704	16,488	34,192	51.8	13,624	648	14,272	95.4	68,180	37,645	105,826	64.4	
1968	27,980	15,598	43,578	64.2	10,434	15,544	25,978	40.1	16,958	13,596	30,554	55.5	14,314	684	14,998	95.4	69,686	45,422	115,108	60.5	
1969	28,360	15,842	44,202	64.2	10,598	15,788	26,386	40.2	17,224	13,810	31,034	55.5	14,538	700	15,238	95.4	70,738	46,140	116,878	60.5	
1970	4,898	13,894	18,792	26.1	7,826	—	7,826	100.0	29,316	12,720	42,036	69.6	9,302	1,574	10,876	85.5	51,342	28,188	79,530	64.6	
1971	21,058	10,950	32,008	65.8	7,124	2,356	9,480	75.1	13,504	6,022	19,526	69.2	12,318	358	12,676	97.2	54,004	19,686	73,690	73.3	
1972	39,154	7,110	46,264	84.6	6,852	1,624	8,476	80.8	62,586	10,162	42,748	76.2	2,526	264	2,790	90.5	81,118	19,160	100,278	80.9	
1973	64,664	4,104	68,768	94.0	6,195	2,158	8,353	74.2	42,430	16,850	59,280	71.6	15,270	3,511	18,781	81.3	128,559	26,623	155,182	82.8	
Miscellaneous Activities																					
1967	1,168	812	1,978	58.9	2,460	5,110	7,566	32.6	1,390	120	1,510	92.1	766	266	1,032	74.3	5,788	6,300	12,088	47.9	
1968	818	796	1,614	50.7	1,188	3,830	5,018	23.7	456	186	642	70.9	3,092	1,082	4,174	79.1	5,554	5,894	11,448	48.5	
1969	844	824	1,668	50.7	1,232	3,970	5,202	23.7	476	194	670	71.0	3,208	1,124	4,332	74.1	5,760	6,112	11,872	48.5	
1970	266	1,826	2,092	12.7	3,116	1,836	4,952	62.9	—	70	70	—	—	1,014	1,014	—	3,382	4,746	8,128	41.6	
1971	606	2,528	3,134	19.3	484	1,732	2,216	21.8	—	350	350	—	546	2,508	3,054	17.9	1,636	7,118	8,754	18.7	
1972	1,308	4,164	5,472	23.9	2,114	334	2,448	86.4	514	2,308	2,822	18.2	800	—	800	100.0	4,736	6,806	11,542	41.0	
1973	694	1,874	2,568	27.0	377	6,283	6,660	94.2	942	4,124	5,066	18.6	397	317	714	55.6	2,410	12,598	15,008	16.1	
Total																					
1967	76,592	71,396	147,988	51.6	53,250	110,632	163,882	32.4	32,742	62,352	95,094	34.2	20,068	7,756	27,824	73.1	182,652	252,138	434,790	41.6	
1968	68,510	76,544	145,054	46.9	63,288	125,332	188,620	33.4	30,404	70,492	100,896	30.8	22,610	8,012	30,622	75.2	184,812	280,380	465,192	39.4	
1969	69,442	76,714	146,156	47.5	61,674	121,954	183,628	33.4	30,616	68,976	99,592	31.1	23,050	8,216	31,266	75.1	184,782	275,860	460,642	40.1	
1970	21,086	131,570	152,656	13.8	33,172	160,884	194,056	17.1	53,712	87,090	140,902	17.1	30,082	17,210	47,292	46.1	138,052	596,854	734,906	25.8	
1971	50,534	228,866	279,400	18.1	22,436	274,364	296,800	7.6	61,898	111,302	143,200	22.3	30,924	16,276	47,200	65.5	135,792	630,808	766,600	17.7	
1972	69,342	347,452	416,794	16.6	19,832	215,180	235,012	8.4	52,320	178,188	230,508	22.7	26,500	21,776	48,276	54.9	167,994	762,596	930,590	18.1	
1973	93,291	352,840	446,131	20.9	54,976	187,808	242,784	20.1	96,859	156,925	253,784	33.2	37,609	22,709	60,318	62.4	282,735	720,282	1,003,017	28.2	

TABLE 6

FOREIGN PRIVATE INVESTMENT (CUMULATIVE) IN THE MANUFACTURING SECTOR ANALYSED BY TYPE OF INDUSTRY

(N thousand)

Type of Activity	1968			1969			1970			1971			1972			1973			Fixed Assets					
	Paid-Up Capital (1)	Other Liabilities (2)	Total (1) + (2)	Paid-Up Capital (3)	Other Liabilities (4)	Total (3) + (4)	Paid-Up Capital (5)	Other Liabilities (6)	Total (5) + (6)	Paid-Up Capital (7)	Other Liabilities (8)	Total (7) + (8)	Paid-Up Capital (9)	Other Liabilities (10)	Total (9) + (10)	Paid-Up Capital (11)	Other Liabilities (12)	Total (11) + (12)	1968 (13)	1969 (14)	1970 (15)	1971 (16)	1972 (17)	1973 (18)
Food	11,682	7,690	19,372	14,640	9,902	22,542	12,930	6,352	19,282	36,432	7,242	43,674	32,502	10,969	43,471	36,970	11,520	48,490	24,812	32,568	59,054	33,706	55,630	43,393
Beverages	7,336	7,604	14,940	9,194	7,726	16,920	10,382	9,098	19,480	17,246	12,220	29,466	11,718	13,218	24,936	19,340	13,478	32,818	19,122	25,098	32,072	18,522	28,610	37,448
Tobacco	13,854	5,634	19,488	17,364	5,898	23,262	20,348	8,302	28,650	31,206	8,118	39,324	11,334	2,684	14,018	22,581	4,033	26,614	11,750	15,423	14,980	9,538	4,600	15,302
Textiles	13,154	8,526	21,680	16,486	8,766	25,252	20,912	19,036	39,948	50,326	13,746	64,072	49,198	17,900	67,098	51,773	16,731	68,504	32,304	42,403	54,572	46,742	72,764	70,532
Footwear and Wearing Apparel Etc.	850	664	1,514	1,066	678	1,744	1,030	960	1,990	1,840	692	2,532	3,908	1,238	5,146	4,066	2,989	7,055	2,388	2,850	4,874	2,723	4,818	9,364
Wood and Cork	268	172	440	336	178	514	234	138	372	1,098	116	1,214	1,146	440	1,586	1,483	543	2,026	258	336	338	240	1,234	311
Furniture and Fixtures	1,172	798	1,970	1,468	818	2,286	1,638	1,304	2,942	6,404	1,916	8,320	12,058	1,444	13,502	13,055	1,660	14,715	1,364	1,790	3,604	3,876	8,962	8,753
Paper and Paper Products	1,922	1,394	3,316	2,408	1,430	3,838	5,768	5,354	11,122	12,120	5,130	17,250	6,796	3,746	10,542	11,586	4,854	16,440	3,636	4,770	17,708	13,558	19,718	20,501
Printing and Publishing	1,620	1,402	3,022	2,032	1,428	3,460	948	678	1,626	782	8	790	3,923	1,838	5,766	4,803	1,960	6,763	3,818	5,009	2,178	44	5,318	1,019
Leather and Leather Products	192	142	334	242	144	386	990	608	1,598	1,442	614	2,056	1,920	582	2,502	2,129	538	2,667	252	331	950	564	1,590	2,070
Rubber Products	3,136	2,746	5,882	3,932	2,798	6,730	2,688	1,388	4,076	9,988	3,450	13,438	11,058	5,084	16,142	12,087	7,997	20,084	8,088	10,615	8,092	4,402	17,500	10,519
Chemicals	10,264	11,270	21,534	12,866	11,436	24,302	9,114	8,896	18,010	20,246	7,472	27,718	20,098	8,214	28,312	25,252	10,832	36,084	12,578	16,509	18,902	8,868	9,796	35,811
Products of Petroleum and Coal	10,274	4,926	15,200	12,876	5,118	17,994	12,278	5,952	18,230	14,080	6,210	20,290	6,518	3,910	10,428	7,412	6,767	14,179	16,518	21,682	17,694	7,902	7,426	5,896
Non-Metallic Mineral Products	8,178	10,616	18,794	10,250	10,742	20,992	13,990	6,404	20,394	41,108	3,378	44,486	27,496	7,386	34,882	30,279	8,485	38,764	22,208	29,198	38,436	33,414	66,998	37,892
Basic Metal (Iron and Steel)	1,592	1,380	2,972	1,968	1,434	3,402	1,724	1,956	3,680	8,552	6,308	14,860	6,606	1,526	8,132	8,067	4,977	13,044	3,104	4,071	2,528	4,530	5,082	4,486
Metal Products	5,178	6,278	11,456	6,490	6,360	12,850	4,886	4,270	9,156	7,018	3,356	10,374	20,718	3,944	14,662	6,008	4,621	10,629	5,838	7,662	8,814	1,886	3,688	7,720
Machinery (Except Electrical)	94	192	286	118	194	312	342	574	916	1,708	3,710	5,418	802	564	1,366	1,052	3,184	4,236	156	205	302	502	376	4,699
Electrical Machinery	898	604	1,502	1,124	622	1,746	806	714	1,520	1,330	1,000	2,330	98	1,200	1,298	1,600	1,293	2,893	848	1,111	1,088	1,024	1,060	234
Transport Equipment	2,492	2,576	5,068	3,122	2,620	5,742	4,920	4,132	9,052	4,254	7,360	11,614	17,988	17,792	35,780	8,717	3,944	22,661	6,038	6,612	6,098	1,188	10,704	685
Miscellaneous	752	308	1,060	1,364	404	1,768	6,906	5,938	12,844	9,892	9,764	19,656	5,988	11,290	17,278	7,337	3,048	20,385	250	605	9,228	8,602	19,066	13,462
Total	94,908	74,922	169,830	119,346	76,696	196,042	132,834	92,054	224,888	277,072	104,810	378,882	241,878	114,696	356,574	275,597	133,454	409,051	174,330	228,848	281,512	201,836	344,990	330,097

This represents the book value of fixed assets i.e. fixed assets valued at cost less cumulative depreciation.
Fixed assets are not disaggregated into foreign and Nigerian Components while other data are exclusively foreign.

of United States origin accounted for 43.6, 24.5 and 29.2 per cent in 1971, 1972 and 1973, respectively. Companies of West European origin accounted for 19.0, 30.9 and 19.6 per cent for the three respective years.

Ownership and Form of Capital

Ownership of capital analysed by type of economic activities is analysed in Table 8. In 1971, the equity shares of the foreign owned/controlled companies in the mining and quarrying sector were still wholly owned by foreigners. In 1972, the foreign share, however, fell to 98.0 per cent. In 1973, the foreign portion of equity shares had further declined to 65.0 per cent. Nigerian participation in the equity ownership in the manufacturing and processing sector which had steadily increased since 1969, declined to 34.2 per cent in 1971 from 42.7 in 1971. It increased again in 1972 to 43.0 and marginally dropped again to 41.6 per cent in 1973.

Nigerian shareholding in foreign owned/controlled companies in the agriculture, fishing and forestry sector in 1971, 1972 and 1973 was 18.4, 17.2 and 18.3 per cent of the total equity interest. In the building and construction sector, the proportions were 4.3, 8.7 in 1971 and 1972, respectively, but increased significantly to 29.2 per cent in 1973. In the transport and communication sector, indigenous participation was 31.8, 26.8 and 41.9 per cent for the three respective years. In the trading and business services sector, the proportions were 8.7 for both 1971 and 1972, and 14.0 per cent in 1973.

On the aggregate, Nigerian participation in the equity shares of foreign owned/controlled companies declined from 18.8 per cent in 1970 to 16.6 per cent in 1971. It increased to 24.5 and 31.5 per cent in 1972 and 1973, respectively. Portfolio investment by non-residents accounted for 7.7, 8.2 and 18.4 per cent of total equity capital in 1971, 1972 and 1973, respectively. Affiliate parent companies held 75.7, 67.3 and 55.9 per cent of equity capital in the three respective years covered by the report.

Summary

The upward trend in the level of inflow of foreign private capital in Nigeria was interrupted in 1971 and

1972, and resumed in 1973 with the general economic trend in the country. In 1972, the decline in inflow was due to a sharp decline in the flow of funds to companies of United States origin. There was a continued high rate of outflow of funds by all companies, and this can be attributed to the relaxed foreign exchange regulations. Because of this, the net inflow of foreign capital had consistently declined during the period.

In 1971 and 1972, liabilities to head offices (net) was the major source of foreign private capital, followed by re-invested profits; but in 1973, foreign companies relied more on trade and suppliers' credit for a greater part of their investment. For each year, the net of re-invested profit was quite substantial. There was continued net outflow on account of "other foreign liabilities", particularly by companies of the United Kingdom and the United States origin.

Companies of the United Kingdom origin continued to maintain their lead as the major source of foreign private investment in Nigeria during the period, accounting for an annual average of 47.5 per cent of the total investment, followed by the United States companies, which accounted for 22.2 per cent.

For the three years, cumulative foreign private investment for all sectors except agriculture, fishing and forestry, recorded general increases; but such increases were consistently upward in the mining and quarrying, trading and business services and the building and construction sectors. In the agriculture, fishing and forestry sector, after an increase in 1971, cumulative investment declined in 1972 and 1973.

Investment in fixed assets increased in 1971 and 1972. There was a sharp increase between 1971 and 1972, which probably reflected the relatively higher rate of replacement of capital equipment after increased write-offs in 1971.

There was a continued improvement in the level of indigenous participation in the foreign owned/controlled enterprises in Nigeria. After a decline in the level of indigenous participation in 1971, the proportion increased to 24.5 and 31.5 per cent in 1972 and 1973, respectively. There was a marked increase in the level of indigenous participation in the oil prospecting companies in 1973—thus wholly reflecting the level of government interest in such companies.

TABLE 7
RESERVES FOR DEPRECIATION
(₦ thousand)

Type of Activity	Fixed Assets (at Cost) (1)					Cumulative Reserves for Depreciation (2)					Book Value of Assets (Fixed Assets at Cost Less Cumulative Depreciation) (3)					Reserves for Depreciation During Reporting Period (4)					Percentage of Current Reserves To Fixed Assets Cost (5)					
	R/E	M/E	F/F	M/V	Total	R/E	M/E	F/F	M/V	Total	R/E	M/E	F/F	M/V	Total	R/E	M/E	F/F	M/V	Total	R/E	M/E	F/F	M/V	Total	
Mining and Quarrying																										
1967.....	401,294	89,048	1,294	1,298	492,934	87,728	31,362	542	802	120,434	313,566	57,686	752	57,496	372,500	12,086	9,464	136	228	21,914	3.0	10.6	10.5	17.6	4.1	
1968.....	410,232	93,574	1,436	1,282	506,524	84,278	51,688	610	904	137,480	324,954	41,886	826	378	369,044	6,142	14,154	76	712	21,084	1.5	15.1	5.3	55.5	4.2	
1969.....	429,006	164,928	1,624	3,514	599,072	52,414	33,552	646	1,968	88,580	376,592	131,376	978	1,546	510,492	13,050	15,054	168	940	29,212	3.0	9.1	10.3	26.8	4.9	
1970.....	97,548	413,390	2,868	14,524	528,330	11,460	199,942	1,982	10,140	223,524	86,088	213,448	886	4,384	304,806	1,413	27,986	1,144	1,436	31,880	1.3	6.8	39.9	9.9	16.0	
1971.....	111,106	433,134	3,970	14,826	563,036	18,234	53,070	1,250	7,290	79,844	92,872	380,064	2,720	7,536	483,192	4,042	19,500	366	4,958	28,866	3.6	4.5	9.2	33.4	5.1	
1972.....	245,578	755,354	6,294	18,714	1,025,940	10,134	175,772	1,606	8,294	195,806	235,444	579,582	4,688	10,420	830,134	872	58,046	316	7,510	66,744	0.4	7.7	5.0	10.1	6.5	
1973.....	510,703	637,244	24,666	61,498	1,234,111	167,140	220,578	4,309	19,617	411,644	343,563	416,666	20,357	41,881	822,467	46,209	77,677	1,048	2,825	127,759	9.0	12.2	4.2	4.5	10.4	
Manufacturing and Processing																										
1967.....	90,146	108,014	7,596	7,220	212,976	11,020	25,702	2,976	3,124	36,822	79,126	82,312	4,620	4,096	170,154	2,020	7,520	606	606	10,752	2.2	7.0	8.0	8.4	5.2	
1968.....	87,900	113,260	8,208	7,678	217,046	4,358	31,466	3,326	3,566	42,716	83,542	81,794	4,882	4,112	174,330	2,760	9,580	762	1,074	14,176	3.1	8.5	9.3	14.0	6.5	
1969.....	107,694	165,880	12,502	9,264	295,340	18,916	37,224	4,850	5,492	66,492	88,778	128,656	7,642	3,772	228,848	3,690	12,100	1,256	1,238	18,254	3.4	7.3	10.1	13.4	6.2	
1970.....	147,318	236,686	10,172	11,388	405,564	24,932	84,230	3,526	5,364	118,052	122,386	152,456	6,646	6,024	281,512	3,792	17,204	1,990	1,806	24,792	2.6	7.3	19.6	15.9	5.1	
1971.....	111,898	154,380	14,428	10,580	291,286	16,980	61,256	4,282	6,932	89,450	94,918	95,124	10,146	3,648	201,836	2,788	11,782	812	1,652	17,034	2.5	7.6	5.6	15.6	5.9	
1972.....	191,352	290,722	14,894	17,748	514,716	29,544	113,000	11,396	15,836	169,776	161,808	177,722	3,498	1,912	344,940	5,234	20,194	2,408	5,196	33,032	2.7	6.9	16.2	29.3	6.4	
1973.....	163,214	276,651	40,759	22,044	502,668	33,953	110,879	14,866	12,873	172,571	129,261	165,772	25,893	9,171	330,097	6,909	21,035	4,764	4,572	37,280	4.2	7.6	11.7	20.7	7.4	
Agric. Forestry and Fishing																										
1967.....	9,598	7,916	196	2,578	20,288	1,062	2,594	136	1,404	5,196	8,536	5,322	60	1,174	15,092	316	334	12	150	812	3.3	4.2	6.1	5.8	4.0	
1968.....	8,756	8,108	122	2,742	19,728	1,366	2,726	42	1,292	5,426	7,390	5,382	80	1,450	14,302	290	300	12	130	732	3.3	3.7	9.8	4.7	3.7	
1969.....	5,228	5,538	2,576	2,078	15,420	3,482	1,350	2,306	1,722	8,860	1,746	4,188	270	356	6,560	172	64	94	74	404	3.3	1.2	3.6	3.6	2.6	
1970.....	13,050	6,506	7,948	1,838	29,342	7,686	3,204	140	974	1,200	5,364	3,302	7,808	864	17,338	518	818	20	106	1,662	4.0	12.6	0.3	16.6	5.7	
1971.....	11,534	2,556	5,236	1,450	20,776	5,822	2,113	94	1,015	8,244	6,512	443	5,142	435	12,532	206	260	12	72	550	1.8	10.2	0.2	5.0	2.6	
1972.....	8,116	6,830	1,568	4,642	21,156	3,768	3,202	230	4,518	11,718	4,348	3,628	1,338	124	9,438	112	246	72	358	788	1.4	3.6	4.6	7.7	3.7	
1973.....	843	5,876	3,082	1,579	11,380	60	308	335	60	763	783	5,568	2,747	1,519	10,617	25	462	92	19	598	3.0	7.1	3.0	1.2	5.3	

TABLE 8
COMPONENTS OF CAPITAL¹ ANALYSED BY TYPE OF ECONOMIC ACTIVITIES
(N thousand)

Type of Economic activity	Common Stock Held Overseas			Preferred Stock Held Overseas			Capital (Total 1 & 2) Held Overseas			Grand total Nigerians/foreigners	Foreign Capital as % of total	Non-resident % total overseas
	Held by Nigerians	Affiliate parent (1)	Non-residents	Held by Nigerians	Affiliate parent (2)	Non-residents	Held by Nigerians	Affiliate parent	Non-residents			
Mining and Quarrying												
1967.....	—	99,148	2,228	—	—	—	—	99,148	2,228	101,376	100.0	2.2
1968.....	—	100,994	2,030	—	—	—	—	100,994	2,030	103,024	100.0	2.0
1969.....	—	101,118	1,900	—	—	—	—	101,118	1,900	103,018	100.0	1.8
1970.....	—	108,444	172	—	—	—	—	108,444	172	108,616	100.0	0.2
1971.....	—	107,040	—	—	800	—	—	107,840	—	107,840	100.0	—
1972.....	1,934	109,892	—	—	834	—	1,934	110,726	—	112,660	98.3	—
1973.....	43,979	80,755	98	—	920	—	43,979	81,675	98	125,752	65.0	0.1
Manufacturing & Processing												
1967.....	12,524	38,266	17,736	1,640	306	398	14,164	38,572	18,134	70,870	80.0	32.0
1968.....	13,226	49,462	16,694	2,530	770	350	15,756	50,232	17,044	83,032	81.0	25.3
1969.....	42,204	49,452	21,140	10,382	1,902	4,096	52,586	51,354	25,236	129,176	59.3	32.9
1970.....	43,734	52,020	12,956	6,208	1,302	638	49,942	52,322	13,594	116,858	57.3	20.3
1971.....	43,334	73,092	16,542	4,376	818	862	47,710	73,910	17,404	139,024	65.7	19.1
1972.....	68,498	78,908	17,742	5,874	956	888	74,372	79,864	18,630	172,866	57.0	18.9
1973.....	69,856	81,099	19,676	2,474	463	96	72,330	81,562	19,772	173,664	58.4	19.5
Agriculture Forestry and Fishing												
1967.....	1,302	5,312	120	1,080	396	—	2,382	5,708	120	8,210	71.0	2.1
1968.....	1,430	2,978	106	1,050	368	—	2,480	3,346	106	5,826	59.3	3.1
1969.....	1,324	4,358	28	—	—	—	1,324	4,358	28	5,710	76.8	0.6
1970.....	2,514	4,070	166	898	168	198	3,412	4,238	364	8,014	57.4	7.9
1971.....	1,320	6,552	—	196	172	—	1,516	6,724	—	8,240	81.6	—
1972.....	1,168	6,732	—	270	178	—	1,438	6,910	—	8,348	82.8	—
1973.....	1,841	7,031	1,210	—	—	—	1,841	7,031	1,210	10,082	81.7	14.7
Transport & Communication												
1967.....	1,040	236	14	—	—	—	1,040	236	14	1,290	19.4	5.6
1968.....	1,674	240	12	—	—	—	1,674	240	12	1,926	13.1	4.8
1969.....	2,110	1,782	70	72	—	—	2,182	1,782	70	4,034	45.9	3.8
1970.....	1,360	1,372	—	—	—	—	1,360	1,372	—	2,732	50.2	—
1971.....	1,518	2,646	266	232	—	844	1,750	2,646	1,110	5,506	68.2	29.6
1972.....	1,486	2,766	290	—	—	1,006	1,486	2,766	1,296	5,548	73.2	31.9
1973.....	1,929	2,403	270	—	—	—	1,929	2,403	270	4,602	58.1	10.1

Building & Construction

1967.....	558	2,620	200	—	—	—	558	2,620	200	3,378	83.5	7.1
1968.....	588	3,024	300	—	—	—	588	3,024	300	3,912	85.0	9.0
1969.....	294	3,106	1,454	—	—	—	294	3,202	1,454	4,950	94.1	31.2
1970.....	356	2,568	1,732	—	—	100	356	2,668	1,732	4,756	92.5	39.4
1971.....	218	3,868	850	—	—	100	218	3,968	850	5,036	95.7	17.6
1972.....	506	4,230	1,098	—	—	—	506	4,230	1,098	5,834	91.3	20.6
1973.....	3,792	6,161	1,643	—	—	689	3,792	6,850	2,356	12,998	70.8	25.6

Trading & Business Services

1967.....	646	51,314	6,046	—	—	200	148	646	51,514	6,194	58,354	98.9	10.7
1968.....	820	50,718	5,180	8	—	474	—	828	51,192	5,180	57,200	98.6	9.2
1969.....	2,220	45,512	6,330	84	—	2,954	12	2,304	48,466	6,342	57,112	96.0	11.6
1970.....	3,782	66,706	2,366	480	—	578	26	4,262	67,284	2,392	73,938	94.2	3.4
1971.....	5,868	61,824	2,180	354	—	1,698	72	6,222	63,522	2,252	71,996	91.4	3.4
1972.....	6,410	64,982	3,248	238	—	1,784	118	6,648	66,766	3,366	76,780	91.3	4.8
1973.....	14,411	82,124	6,359	580	—	925	2,389	14,991	83,049	8,748	106,788	86.0	9.5

Miscellaneous Activities

1967.....	3,382	3,004	1,454	—	—	—	—	3,382	3,004	1,454	7,840	56.9	32.6
1968.....	3,436	4,070	972	—	—	—	—	3,436	4,070	972	8,478	59.5	19.3
1969.....	456	3,912	688	—	—	28	—	456	3,940	688	5,084	91.0	14.9
1970.....	776	3,400	532	—	—	222	—	776	3,622	532	4,930	84.3	12.8
1971.....	10	4,506	516	—	—	2,684	—	10	7,190	516	7,716	99.9	6.7
1972.....	12,294	5,232	542	—	—	2,832	—	12,284	8,064	542	20,890	41.2	6.3
1973.....	17,514	15,041	30,087	—	—	307	—	17,514	15,348	30,087	62,949	72.2	66.2

Total

1967.....	19,452	199,900	27,798	2,720	902	546	22,172	200,802	28,344	251,318	91.2	12.4
1968.....	21,174	211,486	25,294	3,588	1,612	350	24,762	213,098	25,644	263,504	90.6	10.7
1969.....	48,608	209,240	31,610	10,538	4,980	4,108	59,146	214,220	35,718	309,084	80.9	14.3
1970.....	52,522	238,580	17,924	7,586	2,370	662	60,108	240,950	18,786	319,844	81.2	7.2
1971.....	52,268	250,528	20,354	5,158	6,272	1,778	57,426	265,800	22,132	345,358	83.4	7.7
1972.....	92,286	272,742	22,920	6,382	6,584	2,012	98,668	279,326	24,432	402,926	75.5	8.2
1973.....	153,322	274,614	59,343	3,054	3,304	3,198	156,376	277,918	62,541	496,835	68.5	18.4

¹ This represents paid-up capital excluding reserves in all foreign owned (wholly and jointly) companies in Nigeria.

— — Figure negligible

1967-1968 Figures revised to exclude debentures which are loan capital and reserves.