# THE SECURITY OF INVESTMENTS AND THE RULES GOVERNING REPATRIATION OF DIVIDENDS UNDER THE STRUCTURAL ADJUSTMENT PROGRAMME

BY

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**Abstract**

This paper is designed to reassure Nigeria's present and potential investors and the world financial community that their investment is protected at all times and, in particular, under the on-going economic structural revolution which began since the present Military Administration. The paper drew from the past experiences to show that foreign investors had not, in the past, been restricted from repatriating their capital and dividends. More importantly, during the period of indigenisation government policies and measures encouraged free repatriation of capital and dividends. Under the current economic structural revolution such measures have been improved upon and it is now much easier to repatriate capital and dividends. The paper also highlights the investment opportunities which abound in Nigeria, the various measures to encourage inflow of capital and, finally, special advantages to foreign investors of the present Structural Adjustment Programme.

**Introduction**

Under the Structural Adjustment Programme (SAP) introduced by the present Military Administration in July 1986, Nigeria expects a moderate but a firm level of capital inflow from the world financial community to ease her debt service burden and to close financing gap required to support a minimum level of imports that will ensure the success of the adjustment process. Thus, as reciprocal to their full cooperation in terms of providing the necessary capital and technical assistance, Nigeria has to ensure all her present and potential investors that she has the right investment environment and that their investment will be well protected.

This paper, therefore, is essentially addressed to the world financial community and all potential investors in Nigeria. It highlights government policies and the various measures adopted to encourage inflow of foreign capital as well as protect foreign investment in Nigeria; acquaint all potential investors of investment opportunities which abound in Nigeria and assure all investors that their freedom to repatriate their dividends is guaranteed at all times under the on-going SAP and beyond.

Based on the above objectives, the paper is organised into six parts as follows: Part I briefly explains the circumstances leading to the SAP and highlights its main features. Part II presents the advantages of the introduction of the SAP to foreign investors. Part III reviews the varous measures, particularly the recent ones, introduced by the government to encourage and safeguard foreign investors. Part IV examines the rules governing repatriation of dividends under SAP. Part V highlights investment opportunities in Nigeria and the role of foreign investors, while Part VI contains the summary and conclusions.

## PART I: BACKGROUND TO AND THE MAIN FEATURES OF THE STRUCTURAL ADJUSTMENT PROGRAMME (SAP)

The 1970s were generally regarded as an era of oil boom in Nigeria. During the period there were a number of fundamental changes in the economy. The economy became heavily dependent on crude oil to the extent that by 1980, the oil sector accounted for 22% of the Gross Domestic Product (GDP) as against 9.3 in 1980; 81% of government revenue compared with 24.0% in 1970 and 96% of total export earnings compared with 57.6% in 1970. The boom affected the pattern of production and consumption. The pattern of investment shifted to petroleum, construction and services industries. Agriculture was neglected and this resulted in drastic fall in food production and consequent high prices of food-stuffs as well as sharp decline in agricultural exports. The large inflow of oil money encouraged large-scale importation of consumer as well as producer goods to the extent that Nigeria became highly import dependent.

The oil glut of 1981 brought into focus an economy that had become increasingly dependent on a single export commodity and on imports. The sharp reduction in crude oil production and a more drastic fall in world oil price resulted in deterioration in government finances and foreign exchange earnings. External reserves fell sharply, and as imports were not correspondingly reduced, the country started to default in settling her import bills which subsequently resulted in large trade arrears.

As the country plunged into deeper recession, the initial policy response was the adoption of stringent austerity measures in 1982. Stricter measures were imposed in the subsequent three years as the economic situation worsened. The measures relied largely on complex administrative controls which brought in their wake additional social costs such as fraudulent malpractices and corruption. As the foreign exchange problem worsened, it became increasingly difficult to produce raw materials and spare parts, thus resulting in extensive plant closures, drop in capacity utilisation, fall in industrial production and increased unemployment. Severe shortages of essential commodities in the market also led to higher prices. Further decline in oil prices brought about substantial decline in government revenue.

Faced with these problems, the present military administration, in July 1986, launched a Structural Adjustment Programme (SAP) for the period July 1986 to June 1988. This is regarded as the boldest economic policy decision ever taken by any administration in this country. The SAP aims at altering and re-aligning aggregate domestic expenditure and production patterns so as to

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minimise dependence on imports, enhance the non-oil exports base and bring the economy back on the path of steady and balanced growth. Specifically, the major objectives of the programme are:

(i) to restructure and diversify the productive base of the economy in order to reduce dependence on the oil sector and on imports;
(ii) to achieve fiscal and balance of payments viability over the period;
(iii) to lay the basis for a sustainable non-inflationary or minimal inflationary growth;
(iv) to lessen the dominance of unproductive investments in the public sector, improve the sector's efficiency and intensify the growth potential of the private sector.

Although there is a tendency to associate the SAP mainly with the present exchange rate adjustment, the SAP, however, has the following elements:

(i) strengthening of the hitherto strong demand management policies;
(ii) adoption of measures to stimulate domestic production and broaden the supply base of the economy;
(iii) adoption of a realistic exchange rate policy;
(iv) further rationalisation and restructuring of the tariffs in order to aid the promotion of industrial diversification;
(v) move towards improved trade and payments liberalisation;
(vi) reduction of complex administrative controls simultaneously with a greater reliance on market forces;
(vii) adoption of appropriate pricing policies, especially for petroleum products and public enterprises; and
(viii) encouragement to rationalisation and privatisation of public sector enterprises.

Within the context of the SAP, the Government introduced the Second-Tier Foreign Exchange Market (SFEM) on September 26, 1986. However, the SFEM converged with the First Tier Exchange Rate in July 1987 and since then Foreign Exchange Market (FEM) has been in vogue. The SFEM/FEM is regarded as the core element of the Programme. It had been argued that the failure to pursue optimal exchange rate policy and consequent maintenance of an overvalued currency in the past had created serious distortions and problems for the country. The exchange rate and changes therein have far reaching implications for resource allocation, correction of balance of payments and appropriate pricing of goods and services.

The objective of the SFEM was therefore to generate realistic exchange rate for the Naira – the Nigerian currency – through the interaction of demand for and supply of foreign exchange. The underlying factor in the excessive demand for foreign exchange which had overburdened the balance of payments was the overvaluation inherent in the administratively determined exchange rates before the SFEM was introduced. The SFEM is envisaged to correct the overvaluation and the resulting exchange rate distortions. This implies that market determined rates generated by the SFEM are expected to perform the allocative function formerly entrusted to the mechanical foreign exchange rationing technique based on exchange control and import licensing. The advantages of SAP to foreign investors are highlighted in Part II below.

## PART II: ADVANTAGES OF SAP TO FOREIGN INVESTORS

The first visible effects of the introduction of the SAP were the disappearances of import licensing, exchange and other administrative controls as policy measures in the management of the country's foreign exchange earnings. These were abrogated by the SFEM Decree[1]. Consequently, the long queues of businessmen desirious of processing foreign exchange applications in fulfilment of regulations associated with these controls became a thing of the past. Also, the adoption of the SAP was expected to reduce the incidénce, if not complete elimination, of corruption, lobbying and grafting which were associated with over-regulatory techniques of foreign exchange in the past management. The removal of these bottle-necks was not only expected to produce substantial improvement in the economy, it would also encourage foreign investors. Business executives could devote more time to their busy schedules instead of pursuing applications for foreign exchange and import licences. Given these favourable factors, operating costs of investment projects were expected to decline due to the elimination of the controls in the private sector, while improved allocative efficiency in terms of use of foreign exchange would greatly reduce the costs of public sector projects.

More specifically, the SFEM/FEM was expected to correct the overvaluation of the naira exchange rate. This over-valuation had tended to under-value foreign exchange inflow in terms of the local currency. The implication of this for investment is that prior to the introduction of the SFEM, foreign firms required a higher amount of foreign exchange to finance their local operations. However, the removal of the over-valuation through the introduction of the SFEM implies that foreign investors now require smaller amount of foreign exchange to finance their local activities. This substantial economic benefit of the SFEM should, no doubt, encourage foreign investors to increase their investment in the country.

Further, under the SAP, companies in Nigeria will be able to bring in urgently needed raw materials and spare parts. Many of the factors making for increases in costs such as procurement of import licences, excessive confirmation charges of letters of credit, overloading of invoices by importers are now things of the past. Manufacturing companies and establishments are now adopting appropriate and realistic pricing policies for their products.

1 Decree No. 23, Second-Tier Foreign Exchange Market Decree, 1986.

Through the high depreciation in the naira exchange rate, the SFEM/FEM has the effect of switching consumer expenditures from imports to locally produced goods and non-tradeables. While this advantage is already manifesting itself in increase in production of those commodities, the capital goods required for their production are either non-existent or are available in insufficient quantities. This should create considerable incentive to willing foreign private investors to invest in Nigeria in the production of the commodities.

The sharp depreciation of the naira under the SAP is promoting substantial increase in agricultural production particularly in the agricultural export sector. This, in turn, has led to increase in local raw materials for the processing and manufacturing industries. It is expected that within a short to medium-term, Nigeria's investors will be able to obtain the needed raw materials cheaply from local sources. Thus, a sustainable production will be guaranteed once the production process is given the initial impetus.

Under the SAP, the Government is realising substantial increases in revenue as a result of converting petro-dollar to depreciating naira at FEM. The resultant increases in revenue have enabled the government to clear the huge amount of debt owed to contractors by the preceding government. It has also engendered in huge investment in rural roads and other infrastructure – thus facilitating integration and revamping of the rural sector.

## PART III: MEASURES TO ENCOURAGE FOREIGN INVESTMENT AND SAFEGUARD FOREIGN INVESTORS

This section reviews various incentives and measures introduced by Government to encourage and protect foreign investors. These include tax concessions, tariff protection, joint venture arrangements and removal of excessive bureaucracy in the administration of industrial regulations and incentives.

### (i) Tax Incentives and Concessions

The Aid to Pioneer Industries Ordinance 1952 was the first step taken by the Federal Government to encourage Pioneer Industries. Currently, a pioneer status entitled a company, under a recent decree, to be exempted from profit tax during the first five years of its operation and seven years if established in a disadvantaged area.

Company profit tax is determined by the provisions of the Companies Income Tax Act 1961 (and subsequent amendments). In computing a company's profits tax for any year of assessment, the government currently allows the following generous capital allowances, concessions and reliefs. The initial allowances allowed for the following expenditures are industrial building 15%, plant, vehicles, machinery and mining 20%, and 25% for plantation facilities. Annual allowances allocated on the declining basis are 10% on industrial building, 10% on other buildings, 10% on plant, machinery and mining facilities and 15% on plantation. In addition to the above allowances, there is an investment allowance of 25% on the qualifying expenditure. Companies could claim tax rebates in respect of losses up to four years after which unabsorbed losses will lapse for manufacturing. Indefinite carry-forward of losses, however continues to be allowed for agriculture.

The security of investments under the SAP is further reinforced by some policy measures introduced by the Federal Government in the 1987 budget. The measures were designed specifically to enable investors take full advantages of the SFEM These measures include: (i) Tax Free Dividends; (ii) Reduction in Companies' Income Tax; and (iii) Export Promotion through Duty Drawback/Suspension.

With regard to Tax Free Dividends, qualifying individuals or companies will enjoy tax-free dividends for 3 years if:

(a) the company paying the dividends is incorporated in Nigeria;

(b) the equity participation is imported into the country between 1st January, 1987 and 31st December, 1992; and

(c) the recipient's equity in the company constitutes at least 10 per cent of the share capital of the company.

In addition to (a), (b) and (c) above, if the company paying the dividends is engaged in agricultural production within Nigeria or processing of such Nigerian agricultural products produced within Nigeria or the production of petro-chemicals or Liquefied Natural Gas (LNG), the tax-free period shall be 5 years.

These policy measures are also accompanied by reductions in marginal tax rate from 45 to 40 per cent for big companies while for small- and medium-sized companies with turn-over of ₦500,000 or below in the year of assessment, the current rate of tax is 20 per cent. The capital allowances have also been revised upwards to encourage expenditure in research and development. The government is also working towards the introduction of a new package of industrial policy which is expected to grant more favourable conditions to foreign private investors. Appropriate import duty rates designed to guarantee adequate protection to investment projects established in the country was released in the second half of 1987. These are evidences of genuine concern by the government to further enhance the security of investments under the SAP.

The policy to promote exports through duty drawback/suspension was adopted in order to further encourage manufacturing for the export market. Export producers can import raw materials and intermediate products for use in the manufacture of export products free of import duty and other indirect taxes and charges. The policy is designed to obviate the adverse effect of these taxes on production costs and to foster competitiveness in the international market.

Special income tax and other concessions are designed to encourage investors to locate their activities in disadvantaged area. These include seven years income tax concession under the Pioneer Status Scheme and special fiscal concessions by relevant state governments and additional 5% above capital depreciation allowance under Company Income Tax Act (Accelerated Capital Depreciation).

### (ii) Tariff Protection

The successive Nigerian Governments have shown willingness to erect tariff walls to promote the growth of infant and key industries. The tariff structure is at present undergoing a comprehensive review. Meanwhile the government has made some adjustment aimed at according effective protection to the domestic manufacturing sector.

### (iii) Joint Ventures (Experience of Indigenisation)

The policy of Indigenisation which Nigeria pursued since 1972 outlines guidelines on joint ventures. The joint venture approach offers the foreign investor the best guarantee of the safety of his investments the needed goodwill and support of the government and the best safeguard against the unavailability of complementary local resources.

The Nigerian experience also shows that 'local contacts' which joint ventures confer have proved of immense advantage to the foreign investors, and rather than go it alone many new investors prefer joining with indigenes who knew their way around and who can get into places otherwise inaccessible to the foreign investor and this helps the joint venture to win more contracts or favours from powers that are"[2].

Contrary to the expectation that Nigeria's indigenisation policy would be a hostile policy towards foreign investment, it is now clear that after more than a decade of experiment, no backdoor nationalization is being contemplated. The absolute safety of foreign capital is clearly demonstrated by the objectiveness in which the indigenisation programme was implemented. Apart from ensuring that fair and reasonable prices were paid for the indigenised enterprises, there was a relatively unrestricted repatriation of the funds realised by the foreign investors affected by the Indigenisation Acts.

### (iv) Introduction of Comprehensive Export Incentive Scheme

The Government has recently approved a package of export incentive scheme. The aim is to stimulate non-oil exports. Some of the important aspects of the scheme include: the refinancing and rediscounting facility of export bill by the Central Bank which will assist banks to provide pre- and post-shipment finance for exporters as an incentive to stimulate non-oil export items, currently, retention scheme which allows any exporter to keep 100% of his export proceeds in foreign currency in a Domicilliary Account; and export credit guarantee and insurance scheme which will guarantee bank lending to exporters and provide credit insurance facilities against the risk of default by foreign buyers. In addition to these incentives, there is a provision of capital allowance of 5% on plant and equipment for export-oriented industries.

### (v) Measures to Remove Impediments to Foreign Investors

Recent measures introduced to remove impediments to foreign investors include liberalising the procedures for registering new industrial enterprises by increasing the powers of the Industrial Development Coordinating Committee (IDCC) to make it the focal point for all the necessary permits and approval for establishing new enterprises. This Committee is expected to eliminate excess bureaucracy.

Further, a detailed study is being conducted on industrial policy and the incentive system, while a Policy Analysis Department has been set up in the Ministry of Industries in collaboration with the World Bank to implement and keep under constant review the industrial policy and incentive system.

## PART IV: RULES GOVERNING REPATRIATION OF DIVIDENDS UNDER THE SAP

Under the SAP, the processes for repatriating the profits and dividends derived from foreign investments are well articulated in Section 14 of the SFEM Decree[3]. Subject to the provisions of the Nigerian Enterprises Promotion Act 1977, any person may invest in an appropriate enterprise any foreign currency imported into Nigeria. The value of such investment may be converted to local currency at the SFEM exchange rate. The investor, acting through his/her bank, shall obtain a Certificate of Importation from the Central Bank of Nigeria within 14 days the capital is imported.

Provided approval is obtained from the Federal Ministry of Finance, both the capital and the profits or dividends derived from it could be repatriated at the option of the importer through the SFEM. The conditions for approving such applications are:–

(a) the application relates to a **bona fide** current transactions and
(b) where the application relates to a transfer of capital abroad, that it is not such as to destabilize or prejudice the orderly operation of the SFEM.

These conditions still apply to the transactions in the current Foreign Exchange Market (FEM).

The major difference between the present arrangement and the previous one is in the method of obtaining the foreign exchange counterpart of the amount to be repatriated. While under the former arrangement the application was subjected to rigours of exchange control procedures before release of foreign exchange was made, under the present procedure, equivalent amount of foreign exchange could be purchased in the market once approval is obtained from the Federal Ministry of Finance. Thus under the SAP, repatriation of capital and dividends are much easier than before SAP.

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[2] Prof. G. O. Nwankwo, "Joint Ventures and Direct Investment", in a paper presented at International Financing of Economic Development, Second World Scientific Banking Meeting, Yugoslavia, May 26–31, 1980.

[3] As in footnote [1].

## PART V: INVESTMENT OPPORTUNITIES AND THE ROLE EXPECTED OF FOREIGN PRIVATE INVESTORS

With an estimated average population growth of 2½ per cent per annum, Nigeria has a fast growing population which my mid 1988 was estimated to be 104 million people. This represents a very large market that cannot escape the attention of foreign investors. The Nigeria's rapidly growing population has also been accompanied by a high level of domestic consumption. This development is most adequately reflected by supply shortages of various consumer items. The unsatisfied consumption – 'consumption gap', and the high level of effective demand clearly augur well for foreign investors. This is possibly one of the factors which explains why return to capital is relatively high in Nigeria.

Compared to other third world countries, Nigeria is well endowed with rich mineral and agricultural resources as well as diversified economy. These vast potential resources clearly offer attractive prospects for foreign investors.

Political stability and good government at home are important safeguard for foreign capital. Nigeria experience had shown that, except for the brief period of the civil war, July 1967 to January 1970, the military takeover of government had not hindered our economic development. Indeed, the military administration introduced and executed three Development Plans – 1970–74, 1975–80 and 1981–85 – and successive Nigerian governments had honoured their international obligations with regard to both foreign governments and foreign private investors and they had also created and promoted healthy international relations.

Nigeria is fully aware of the prominent role foreign private investment could play in the transformation of her vast resources. This is why packages of incentives were prepared from time to time to encourage the inflow of this foreign resource.

The most important areas where foreign private investment is most urgently needed consist the production of industrial inputs, further processing of the petro-chemical waste of the refineries, agricultural production and processing of agricultural products, liquified natural gas (LNG) and mining. The industrial inputs that should be locally produced to sustain productive activities comprise simple machine tools suitable for agricultural production. The importation of these goods for industrial uses is a guarantee that the domestic market for them is bouyant. Also, in order to lay solid foundation for their local production the government has invested heavily in the local production of basic inputs such as iron and steel, petro-chemicals, electric generation and infrastructural services. For example, the first phase of the petro-chemical plant will soon be commissioned; while work on the construction of a fourth petroleum refinery plant has begun. In addition to the creation of greater capacity for internal generation of electricity, all the levels of government in the country are involved in the distribution of the electricity generated. Furthermore, the output of the Delta Steel Plant which has been producing for the steel rolling mills in the country, will be largely boosted by the Ajaokuta Steel Complex. The construction of the railway is nearly completed. The country is naturally endowed with natural gas which is produced in large quantity when the petroleum is mined. Abundant market exists both at home and abroad for interested investors.

There are also immense opportunities for foreign participation in agriculture and processing of agricultural products into industrial raw materials. Nigeria is very much endowed with a lot of resources from which the semi-manufactured and intermediate raw materials now being required in Nigeria's industrial sector could be produced at reasonable costs and with quick and high rate of return to investment.

## PART VI: CONCLUSIONS

The paper highlights some of the investment opportunities which abound in Nigeria. These include her immense natural resources, large potential market, high level of domestic consumption, relative political stability and liberal foreign investment incentives were further reinforced by the provision for tax-free dividends, reduction in the marginal rate of Companies' Income Tax from 45 to 40 per cent for large companies and 20 per cent for small- and medium-size companies and the upward revision of capital allowances to encourage expenditure in research and development. The government is currently proposing a new package of industrial policy which is expected to grant more favourable conditions to foreign private investors.

The paper noted that the indigenisation policy of 1970s ensured absolute safety of foreign capital. Contrary to the expectation that such policy would lead to backdoor nationalisation, foreign investors were not restricted from repatriating funds which they realised from the sales of indigenised enterprises. Further, the policy encouraged joint ventures. Ths approach offered the foreign investor the best guarantee of safety of his investment, the needed goodwill and support of the government and the certainty of knowing the areas in which he could, and the extent to which he could participate. This joint venture approach is now highly encouraged under the SAP.

Repatriation of dividends and capital is much easier under SAP. While under the former arrangment, the application was subjected to the rigours of exchange control procedures and official bureaucracy before the release of foreign exchange was made, under the present procedure, equivalent amount of foreign exchange could be purchased in the market once approval is obtained from the Federal Ministry of Finance.

Under the SFEM which is a major element of the SAP, a reasonable and sustainable exchange rate of the Naira is gradually being achieved through the substitution of the "collective wisdom" of the market for the discretion of the bureaucracy. Therefore, through SFEM/FEM:

(i) Smuggling has been gradually reduced if not eliminated;

(ii) Many of the factors making for increases in costs such as procurement of import licences, excess confirmation charges of letters of credit, over-loading of invoices by importers are now things of the past. Similarly, distortions to the economy as a result of the above factors have been greatly reduced if not eliminated;

(iii) A large number of manufacturers are now able to bring in urgently needed raw materials and spare parts;

(iv) Boost given to agricultural production by the depreciating naira has also led to substantial increase in local raw materials. This is likely to save subtantial amount of foreign exchange.

Finally, the success so far achieved under the SAP has facilitated new lines of credit and reopening old ones. Thus, it has ensured moderate but firm level of capital inflow. There has also been a substantial success in our debt rescheduling. These recent developments will no doubt promote the growth of the economy and once more foreign investors are assured that Nigeria's large domestic market will guarantee a relatively high return to their investment.

Table 1

**NATIONALITY OF FOREIGN PRIVATE PAID-UP CAPITAL, RESERVES AND OTHER LIABILITIES IN NIGERIA: 1979–1986**
**(₦' million)**

| Sources of Foreign Capital | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 |
|---|---|---|---|---|---|---|---|---|
| United Kingdom | 1,103.6 | 1,421.8 | 1,429.2 | 1,993.8 | 2,608.8 | 3,109.4 | 3,594.2 | 5,073.9 |
| United States | 565.8 | 566.2 | 438.6 | 1,171.6 | 971.0 | 964.9 | 870.2 | 1,381.5 |
| Western Europe | 976.0 | 1,107.2 | 1,350.0 | 1,557.6 | 1,684.2 | 1,659.1 | 1,601.1 | 1,828.9 |
| Others | 507.7 | 524.9 | 540.1 | 659.8 | 685.5 | 750.9 | 748.5 | 1,029.3 |
| Total | 3,153.1 | 3,620.1 | 3,757.9 | 5,382.8 | 5,949.5 | 6,484.3 | 6,814.0 | 9,313.6 |
| **PERCENTAGE DISTRIBUTION: 1979–1986** | | | | | | | | |
| United Kingdom | 35.0 | 39.3 | 38.0 | 37.0 | 43.9 | 47.9 | 52.7 | 54.5 |
| United States | 17.9 | 15.6 | 11.7 | 21.8 | 16.3 | 14.9 | 12.8 | 14.8 |
| Western Europe | 31.0 | 30.6 | 35.6 | 28.9 | 28.3 | 25.6 | 23.5 | 19.6 |
| Others | 16.1 | 14.5 | 14.4 | 12.3 | 11.5 | 11.6 | 11.0 | 11.1 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Central Bank of Nigeria

Table 2

**CUMULATIVE SECTORAL DISTRIBUTION OF FOREIGN PRIVATE CAPITAL (i.e. PAID-UP CAPITAL PLUS RESERVES AND OTHER LIABILITIES) 1979–1986.**
**(₦'million)**

| Sectors | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 |
|---|---|---|---|---|---|---|---|---|
| Mining and Quarrying | 466.8 | 667.4 | 526.0 | 974.0 | 511.2 | 702.8 | 744.8 | 2,510.4 |
| Manufacturing and Processing | 1,402.5 | 1,503.9 | 1,705.7 | 1,922.5 | 2,128.1 | 2,109.3 | 2,288.1 | 2,810.2 |
| Agriculture, Forestry and Fishing | 120.8 | 120.5 | 120.5 | 120.5 | 127.8 | 128.5 | 126.0 | 128.2 |
| Transport and Communication | 60.5 | 62.2 | 60.8 | 68.9 | 77.3 | 80.6 | 85.9 | 80.4 |
| Building and Construction | 294.3 | 307.8 | 325.9 | 422.5 | 443.9 | 439.0 | 453.2 | 501.6 |
| Trading and Business Services | 550.5 | 693.2 | 767.2 | 1,483.6 | 2,274.9 | 2,622.5 | 2,697.9 | 2,753.0 |
| Miscellaneous | 257.7 | 255.1 | 251.8 | 390.8 | 386.3 | 401.6 | 418.9 | 529.8 |
| Total | 3,153.1 | 3,620.1 | 3,757.9 | 5,382.8 | 5,949.5 | 6,484.3 | 6,814.0 | 9,313.6 |

Source: Central Bank of Nigeria

Table 3

**CUMULATIVE SECTORAL DISTRIBUTION OF FOREIGN PRIVATE INVESTMENT IN FIXED ASSETS AT BOOK VALUE IN NIGERIA: 1979–1986**

**(₦' million)**

| Sectors | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 |
|---|---|---|---|---|---|---|---|---|
| Mining and Quarrying | 756.5 | 767.3 | 859.3 | 678.7 | 857.5 | 826.6 | 810.2 | 766.6 |
| Manufacturing and Processing | 939.2 | 840.9 | 772.4 | 1,175.3 | 1,037.1 | 1,047.2 | 1,061.3 | 1,160.5 |
| Agriculture, Forestry and Fishing | 11.6 | 4.1 | 17.4 | 5.5 | 26.1 | 26.1 | 26.2 | 27.4 |
| Transport and Communication | 38.4 | 28.8 | 26.5 | 25.2 | 34.5 | 37.1 | 40.4 | 45.1 |
| Building and Construction | 456.9 | 654.9 | 331.5 | 507.0 | 197.9 | 210.6 | 194.7 | 180.9 |
| Trading and Business Services | 354.4 | 340.5 | 503.0 | 473.8 | 513.6 | 772.0 | 791.5 | 821.2 |
| Miscellaneous | 38.8 | 20.0 | 26.8 | 82.1 | 61.3 | 75.1 | 110.1 | 110.7 |
| Total | 2,595.8 | 2,656.5 | 2,537.0 | 2,950.6 | 2,728.0 | 2,994.7 | 3,034.4 | 3,112.4 |

Source: Central Bank of Lagos

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