AN EVALUATION OF FOREIGN EXCHANGE MANAGEMENT IN A DEPRESSED ECONOMY (A CASE STUDY OF NIGERIA)

BY

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A Project Submitted to the Postgraduate School, Ahmadu Bello University Zarja, in Partial fulfillment of the requirements for the award of the degree of Master of Business Administration (M.B.A).

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SEPTEMBER,1998

APPROVAL

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DEDICATION

This thesis is dedicated to Hajiya Abu Yargimi and to the Glory of Almighty Allah

DECLARATION

I declare that the work done in this M.B.A thesis is wholly our effort. No thesis of this nature has been presented in any form anywhere for any other degree prior to our research. All materials used from other sources have been duly referenced.

MOHAMMED ZUBAIRU

ACKNOWLEDGMENT

Glory be to Allah, the most Gracious, most merciful it is his will that this work is a success! In view of the assistance accorded me, a number of persons were very helpful and of immense assistance both academically, financially, socially and morally. For all of them I am indebted.

First, my sincere appreciation goes to my supervisor Prof. S.A Abdullahi whose fatherly love and invaluable assistance made it possible for me to start the MBA programme last year and also encouraged me and spared plenty of his precious time in going through the manuscripts by providing constructive critisicims and very useful suggestions in the process of accomplishing this job.

My thanks also goes to the Head of Department of Business Administration Mallam A. M. Abdissamad, MBA co-ordinator Mallam Sani Abdullahi for their assistance throughout the MBA programme.

I would like thank my lecturers Dr (Mrs) J.N. Nwasike, Mallam Bashir Kurfi, Mr J.K Yere, Mr A.B Akpan, Dr P.D Bagobiri, Mallam Nasiru Maiturare, Mr Solomon Akanet in Accounting Department for the Knowledge I acquired from them and M.M. Mirza who is one of the architects of my Education.

I am grateful to Alhaji Busher Aminu Iyan Zazzan and his family. Thanks also to Alhaji Sambo Yero who were not only calling on me always to give useful advice and suggestions, but stood by me as father. My sincere gratitude and appreciation also goes to my brother Dr. M. G Halilu for his fatherly love and invaluable assistance. Thank also to my cousin Usman Aliyu Mahmud, Abdulkadir Halilu, Murtala Halilu, Fadimatu, Hamza my niece Maimunatu Halilu.

I am grateful to my friend Alhaji Abusufyan Aliyu and his family for his unending assistance throughout the programme, special thanks to Suleiman Shehu Liman Esq for his constructive critiscisims and very useful suggestions, Alhaji Naziru Idi Kano, Ibrahim Magaji Yusuf, Mallam Hamisu Adamu, Mallam Suleiman Mohamed Hussaini, Muhammed Lawal Barau, Umar Adamu, Abdulazeez Ismaila, Ibrahim Umar Sidi, Abdulrahman Okene. For their assistance one way or the other.

This thesis write up would not be complete without registraring my special thanks to my Amina Sanusi for her invaluable assistance and her friend, my mummy Rugayyatu Sambo also to Mohammed Garba Mainsara (Dr) who is one of the architects of my education.

Mustapha Sambo, Shehu Haruna Soba, Olubisi Alagbe, Isyaku Adamu, Muzammil Aminu, Aminu Saidu Iya, Stanley Electronic, Mallam Sarki Ajuji can not be forgotten for their assistance and support one way or the other..

Finally I would also like to register my profound gratitude to my Parent Mallam Zubairu Hamidu Alkali and Rugayyatu Zubairu, my sisters and brothers and most of all Hajiya Abu Yargimi whose motherly love and invaluable assistance to my entire life and to all my friends and well wishers whose names can not be mentioned here, and to Almighty Allah for seeing me through the programme.

TABLE OF CONTENTS

TITLE PAGE..... i

APPROVAL PAGE..... ii

DECLARATION..... viii

DEDICATION..... vii

ACKNOWLEDGMENT..... ix

TABLE OF CONTENT..... iv

LIST OF TABLES AND FIGURES..... vi

ABSTRACT..... xi

CHAPTER ONE

1.1 INTRODUCTION..... 1

1.2 STATEMENT OF THE PROBLEM..... 5

1.3 OBJECTIVES OF THE STUDY..... 6

1.4 SIGNIFICANCE OF THE STUDY 6

1.5 SCOPE OF THE STUDY..... 7

1.6 LIMITATIONS OF THE STUDY..... 7

FOOT-NOTES..... 9

DEFINITION OF TERMS..... 10

CHAPTER TWO: CONCEPTUAL FRAME WORK

2.0 INTRODUCTION..... 14

2.1 STRUCTURE OF NIGERIA'S FOREIGN EXCHANGE..... 16

2.2 TRADE AND EXCHANGE CONTROLS..... 18

2.3 FOREIGN EXCHANGE RATE ADMINISTRATION..... 20

2.4 EXTERNAL RESERVE DIVERSIFICATION..... 26

2.4.1 EXPORT PROMOTION 28

2.5 EXTERNAL DEBT MANAGEMENT 30

2.6 DEMAND MANAGEMENT 37

2.7 CONCLUSION 39

CHAPTER THREE :RESEARCH METHODOLOGY

3.0 INTRODUCTION 40

3.1 METHODS OF DATA COLLECTION 40

3.2 METHODS OF EVALUATION OF DATA 40

CHAPTER FOUR:DATA ANALYSIS AND PRESENTATION

4.0 INTRODUCTION 41

4.1 THE MAJOR SOURCES OF FOREIGN EXCHANGE IN NIGERIA.. 41

4.2 THE VARIOUS METHODS OF ALLOCATING FOREIGN EXCHANGE IN NIGERIA 46

4.3 CONCLUSION 50

CHAPTER FIVE:SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 SUMMARY 51

5.2 CONCLUSION 54

5.3 RECOMMENDATION 55

BIBLIOGRAPHY

APPENDIX

Kasim Ibranim Library,
Bello University.

LIST OF TABLES

TABLE 1..... 41

TABLE 2..... 43

TABLE 3..... 44

ABSTRACT

Foreign exchange in Nigeria has become a major concern for both past and present government. It therefore means that the earlier we revisit our policy frame work the better.

The work would attempt to evaluate the various foreign exchange policies of the government. These policies include trade, exchange controls, Administrative controls, foreign exchange market, export promotion, debt management and also demand management.

Effort were made to unfold the problems of these policies. To achieve the above objective, data was collected from primary and secondary sources. Some staff of the CBN were interviewed. Relevant materials from both CBN and other sources were consulted.

Based on these findings, it was recommended that government should intensify it efforts in diversifying the non-oil sectors especially agricultural, industrial and solid mineral sectors to generate more foreign exchange. Again denouncement of parallel market should be continued and support with the policing of the operators.

CHAPTER ONE

1.1 INTRODUCTION

Foreign Exchange is one of the scarce resources particularly in a developing economy[1]. Unless the policy framework and management of this scarce resources is properly articulated in terms of its revenue generation is properly articulated in terms of its revenue generation and expenditure, inflow and outflow, a country runs the risk of balance of trade or balance of payment problems. However, in order that a country may optimize the advantage; of international trade, it becomes imperative for that country to institute appropriate foreign exchange policy and managment[2]

In Nigeria, the need to conserve foreign exchange has become more urgent following the major economic problems which the country has faced since the beginning of the 1980s. Among these problems have been the rising external debt burden and the increasing inability to finance the import critical inputs for the productive sectors.[3] Gone are those good days when Nigeria generated a lot of foreign exchange due to winfall of oil boom of 1970 - 1980. It was during this period that the then Head of state openly said that Nigeria had money but the problem was how to spend it.

The huge Foreign exchange realized from the oil boom made the country to become mad in spending. For example. Nigeria decided to host the costly FESTAC which many countries were reluctant to host.

The advert of Shagari's administration 1979-1983 coincide with a dramatic, all time increase in the international price of oil from US $ 14.9 a barrel in 1978 to US $ 33 in 1979 and US $ 44.4.

In 1980[4] Because of this huge unexpected revenue from oil the government was thrown into confusion, instead of restructuring the economy in such away that it wold become more self-reliant, the economy was erroneously structured to become deeply dependent on the external sector. "For example, imports was liberalized, tariffs reduced, public expenditure increased and various Fiscal measures were approved which deepened the dependence of Nigerian industries on foreign inputs. [5] The emphasis on the importation of food at that times was to supplement local production in order to stablise prices of goods and services but this rather worsened the situation.

Babangida administration also experience unexpected huge revenue resulting from the Gulf war but unfortunately there was no adequate explanation on it.

The huge foreign exchange from oil sector made the successive governments to emphasis it at the expense of other sectors like agriculture and manufacturing which could have generated foreign exchange for the country. Before the advent of oil sector, agricultural sector was contributing about 85 percent of the total foreign exchange for the country. By 1975, the contribution of this sector had drastically fallen to only about 5 percent because of this agricultural sector has become a dying and neglected sector.

The dramatic drop in oil revenue from US $12.8 billion in 1982 and US $10 billion in 1983 seriously affected the balance of payment, public finances and the economy and society in general. [6] This development within the economy made the government of Shehu Shagari to introduce instruments of foreign Exchange management. "The principal instruments were trade and exchange

controls and export promotion. The exchange rate was administratively determined by the government with the objective of reducing external sector in balances. The controls included quantitative restrictions. In the form of import and export licensing requirements, imposition of tariffs and restrictions on certain categories of imports and exports.

The authorization of foreign exchange disbursement was shared between central Bank and the Federal ministry of finance. The central Bank was to allocate foreign exchange to private sector while the Federal ministry of finance. The central Bank was to allocate foreign exchange to private sector while the Federal Ministry of finance was responsible for public sector. The same government introduced measures to boost foreign exchange earnings. These include: liberalization of exports establishment of export guarantees and insurance scheme, concessions to exporter to return 25 percent of their export earnings and arrangement for setting up export free zone. [7] The Exchange control system did not help matter much. It led to the following problems within the economy in increased dependence on imports, depletion of eternal reserves, encouragement of parallel market activities, reduction of competitiveness in export activities and over-valuation of currency.

In July, 1986, Babagida introduced structural Adjustment programme (SAP) which has in addition to other objectives, the restructuring and diversification of the productive base of the economy in order to reduce dependence on imports and oil sector. To realize this objective, Naira was devalued to encourage the exportation on the products of non-oil sectors and also to discourage the importation of imports.

Foreign Exchange market (FEM) was conceived as a mechanism for the determination of an appropriate exchange rate for the Naira. Many method were adopted to manage this market depending on the prevailing situations. "In the area of external debt management, the policy restricting external debt acquisition to only key projects were retained [8] Real efforts were made to tackle the poor performances of the non-oil export sector. "To guide the foreign exchange market towards and appropriate exchange rate, tight monetary and fiscal policies were embarked upon by the authorities."[9] with the change of government from Babangida to Abacha, and now subsequently to Abdulsalam these measures are vigorously being pursued with some minor changes.

A look at the policy measures on foreign exchange management adopted prior to Structural Adjustment programme (SAP) and since inception of SAP and after SAP indicated that the objectives for which these policies were adopted have not been fully achieved structural Adjustment programme (SAP) was introduced in July 1986, but up till today Nigeria is still battling with the scarcity of foreign exchange. There is increasing demand for foreign exchange over supply and this has led to continuous depreciation of Naira, causing increase in the cost of production in the manufacturing sector, leading to overall increase in the prices of goods. And services[10],

The industrial sector which consumes most of the nations foreign exchange is yet to contribute significantly to contribute significantly to the nation foreign exchange earnings. The agricultural sector which should have ben developed to provide the necessary linkage with the industrial sector through a provision of raw material to stem further demands for Foreign Exchange

allocation.

The nation is still over depending on crude oil as a principal source of foreign exchange. The nation is endowed with mineral resources like coal, tin, copper, columbite, magnesium, aluminum and so on, which if fully exploited can also serve as an important source of foreign exchange earnings. It is in the light of this, that we should have a critical look at our foreign exchange management policies and explore the problems that are associated with it in order to bail out the economy from the present predicament.

1.2 STATEMENT OF THE PROBLEM

Today exchange resource from petroleum sector. About 95 percent of the nation's foreign exchange is still source from the oil sector. The experience of the oil doom of 1981 seems to have been forgotten so easily.

A developing country like Nigeria that has a paramount goal of development must design policies and pursue it vigorously to achieve the desired structural transformation of the economy from mono-cultural type to diversified type.

It is really unfortunate that after more than twelve years of the introduction of structural programme (SAP), the economy is still seriously clouded with the following problems:-

i. Increasing demand for Foreign Exchange amidst it supply.
ii. Continuous depreciation of Naira visa vis the currencies of the developed countries.
iii. Low contribution of other sectors of the economy toward total foreign

exchange earning

iv. Dominating activities of parallel market in Foreign exchange transactions

1.3 OBJECTIVES OF THE STUDY

The study would be conducted with the following objectives in mind.

1. To explore the problems associated with our Foreign exchange policies
2. To discover the various sources available for earning foreign exchange in Nigeria.
3. To determine how the nation foreign exchange is allocated and how best to do that.
4. To determine the effects of inefficiency in Foreign exchange management on the economy.
5. To make recommendations on how to improve upon the nation's foreign exchange policies.

1.4 SIGNIFICANCE OF THE STUDY

The findings of this research work will be of a great relevance the following categories of people.

a. ACADEMICIANS:- These include lecturers, Autor, teachers and students. The relevance of this work will be seen much when any of them wants to use it as source of research material.

b. Government policy makers:- The people in the government who formulate economic policies will also find the work relevant to them it can serve as a guide to them in policy making.

c. Business personnel:- The business personnel within and outside the

country will find the work relevant. The finding will help them to know about foreign exchange policies and problems in Nigeria.

d. Others:- The people who are not in the classes mentioned above can also make use of the research work.

1.5 SCOPE OF THE STUDY

The study is concerned with foreign exchange management in Nigerian only.

This research work will dwell so much on foreign exchange policies since 1980 to 1997.

The choice of 1980 as a base year is because of the fact that Nigerian economic crisis started in the mid 1980.

Comparison between Nigerian Foreign exchange policies and those of other countries will not be considered.

475713

1.6 LIMITATIONS OF THE STUDY

In this research work, the researcher was to have some minor problems with his respondents initially. These respondents are central Bank workers in research Department. They have specific time of entertaining visitors. This was to constrain author's effort in generating the necessary data for the work.

But at the end the researcher was able to get their co-operation. Secondly, the writer had some financial problems especially. In getting sufficient money to travel to source for data.

Thirdly, the author was also constrained by the time limit within which the project was to be submitted to the department. Considering the fact that the

topic is a demanding one not much information could be generated within a small time, this had to a greater extent affected the volume of work that could have been done in some days.

FOOT - NOTE

1. R. A. OLUKOLE - "Foreign Exchange policy and management". A paper presented at a two day workshop on "Treasury management " organized by ICAN, Victoria Island, February 26 & 27, 1991

2. Ismaila Usman - "Backward Integration and foreign Exchange conservation". Bullion, publication of CBN volume 15 No 1, Jan/March, 1991

4 . Yusuf Bangura - "IMF/World Bank conditionality and Nigeria SAP", world Bank; Nigeria; Macro - Economic policies for structural change, page 96.

5. Ibid., page 96

6. Ibid, page 97

7. "The foreign Exchange market and its management". CBN

8. " Foreign Exchange in Nigeria past, present and the future " CBN Economic and financial review vol 29 No1, 1991

9. Ibid, page 69

10. " The foreign Exchange market and its management in Nigeria" CBN Brief, June 1997 series, page 5.

DEFINITION OF TERMS

ADMINISTRATIVE CONTROL:- Policy measure introduced by the government to facilitate inflow and curtail out flow of foreign exchange.

AUTONOMOUS MARKET: This is market established by government to transact business in foreign exchange.

BUREAU DE CHANGE:- Market established by private individuals through licenses from the federal government to sell foreign exchange to small users.

COMPREHENSIVE IMPORT SUPERVISOR SCHEME:- Policy of the federal government whereby imports were to be inspected throughly by country's agents before importation.

DEBT CONVERSION:- A mechanism for reducing debt by changing the character of the debt.

DEBT BUY BACK:- An arrangement whereby a debtor country is offered a substantial discount in order to pay an existing debt.

DEBT FOR CASH:- An arrangement whereby a country's debt is bought locally with that country's currency.

DEBT FOR EQUITY:- A process whereby a country's debt is converted into equity participation in the domestic.

EXCHANGE RATE: This is the price of one currency in terms of another

FOREIGN EXCHANGE: This is a means of international payments it included currencies of other countries that are freely acceptable in effecting international transaction.

EXTERNAL RESERVES: These are portions of foreign exchange receipts saved by the monetary authorities for the purpose of enhancing the credit

worthiness of the economy, protecting the international of the value of the domestic currency and financing temporary shocks in the balance of payments. Reserves are held in the form of monetary gold, reserve position at the international monetary fund (I.M.F), special drawing right (SDRs) and foreign bank balances.

EXTERNAL ASSETS: These are the reserves held by the monetary authorities as well as the banking and non-bank public, in foreign countries. Thus, external assets are external reserves and private sector holding of foreign exchange.

475713

INTERNATIONAL MONETARY FUND: This is an agency of the united Nations established (IMF) by the adoption of the Articles of agreement of the Bretton wood conference of 22nd July, 1944 at New Hampshire (USA). The IMF is to promote international monetary co-operation, facilitate the expansion and balanced growth of the internal trade, promote exchange rate stability and assists countries with temporary balance of payments problems

SPECIAL DRAWING RIGHTS: These are reserve assets created by the IMF and allocated to its member countries to supplement international liquidity.

BALANCE OF PAYMENT: These are records of economic transactions between the resident of a country and the rest of the world during a given period of time. The major components of the BOP are the current account, the capital account and the office settlement balance. The current account comprises transactions arising from the sale or purchase of goods and services and unrequired transfer, while the capital account is he record aid assets and financial transactions. The official settlement account is used to equalize any in balance that may exist in

library

the current and capital accounts sum to zero.

BUREAUX DE CHANGE: Bureaux de change are financial institution licensed to buy and sell foreign exchange to small-scale users

FOREIGN EXCHANGE SPECULATORS AND ARBITRAGERS.

Foreign exchange speculators are agents in the foreign exchange market who attempt to predict the future course of exchange rate movement and influence the market accordingly. Their actions could be establishing if the mood of the market was not correctly predicted. On the other hand, foreign exchange arbitragers do not directly influence the course of exchange rate movement. They watch the market and move funds from currencies that are deceiving in value into those that are arising in value. They earn the differential in exchange rates between different currency centers.

FOREIGN EXCHANGE AND BALANCE OF BALANCE OF PAYMENTS POSITION

Foreign exchange position is the difference between foreign exchange receipts and foreign exchange disbursements. If receipts are higher than disbursements, there is a net inflow or an accretion to reserves. On the other hand, if receipts are lower, there is a net outflow and reserves would be depleted . Balance of payment position is the difference between the receipts by the resident of one economy from the rest of the world and the payments by residents to the rest of the world. An excess of receipts over payments shows a balance of payment surplus, while the reserves represents a deficit, when foreign exchange receipts and payment are adjusted for valuation changes in reserves, the net position would be identical to the balance of payments position.

TRADE WEIGHTED EXCHANGE; This is the value of a domestic currency expressed in terms of a weighted basket of currencies of its major trading partners. The weight assigned to each currency reflects the volume of trade with the country of domicile. The weight are reviewed periodically to take account of changing patterns of trade.

DUTCH AUCTION SYSTEM: This is a method of exchange rate determination through auction (DAS) where the bidders pay according to their bid rates. The ruling rate is arrived at with the last bid rate that clears the markets. Where the authorities elect to operate a single exchange rate.

DUAL EXCHANGE RATES REGIME: This situation exist when two exchange rates are in existence in an economy.

CHAPTER TWO

CONCEPTUAL FRAME WORK

2.0 INTRODUCTION

Foreign exchange is the means of payments for international transactions. It is made up of convertible currencies that are generally accepted for the settlement of international trade and other external obligations. Such currencies include those of the group of seven (G9) industrialized countries comprising the united states Dollar, British pound sterling, Deutsche mark, Japanese Yen, French France, Italian Lira and Canada Dollar.

A foreign exchange market is the medium of interaction between the sellers and buyers of foreign exchange in a bid to negotiate a mutually acceptable price for the settlement of international transactions. The objectives of such a market include the provision of an avenue for the exchange in of national currencies and the creation for an effective mechanization for the allocation of foreign exchange.

The international monetary fund (IMF) 1985:9 defines foreign exchange to include monetary authorities, claims on foreigners in the form of bank deposit, treasury bills, short term and long term government securities and other claims useable in the event of a balance of payment deficit, including non-marketable claims arising from internal-central bank and inter- governmental arrangement. without regard to whether the claims is denominated in the currency of the debtor of the creditor.

Foreign exchange management can be defined as the art of ensuring that the country's available foreign exchange resources meet the needs of the economy- the adequacy and that of foreign exchange resources are optimally deployed (Ojo, 1990).

The level of dependance of a country on international trade will to a large extent determine degree of involvement in foreign exchange management. Apart from ensuring that the value of her foreign exchange resources is secure, the country must ensure that the resource are at the level of adequacy to meet her current trade commitments. Consequently, foreign exchange management embraces policy actions relating to foreign exchange receipt, disbursement and building up of official reserves, in any country in which these policy actions are not designed well, that country is bound to face one problem of the other again, the policies could be designed well and poorly implemented.

In this situation a country will also face problem. Towards this end, the researcher intends to review the works of experts on foreign exchange management policies prior to structural adjustment programme (SAP) and during the period of the programme. The policies are: Trade and exchange controls foreign exchange rate Administration, external debt management and demand management but before that the researchers intend to review the structure of Nigeria's foreign exchange market.

2.1 STRUCTURE OF NIGERIA'S FOREIGN EXCHANGE MARKET

The Nigeria foreign exchange market is made up of three major categories, the official, antonomous (made up of the inter bank and bureaux de change) and the parallel market. The various segment of the market evolved overtime due to development in the economy that warranted their emergence or creation.

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The official foreign exchange market, the largest and predominant segment of the market has remained one, and has been in place throught out the period of trade and exchange controls when the 1962 exchange control act held away. The official foreign exchange market has also metamorphosed over the years. Since the institution of a regimes of exchange and trade liberalization in 1986, the market has witnessed tremendous changes. From the second-tier foreign exchange market in September 1986, the unified official market 1987 when the exchange rate for public sector transaction was aligned with the commercial exchange rate, up to 1995 when the autonomous foreign exchange market for the direct allocation of foreign exchange to end-users by the CBN was established, the official market has evolved from a single to a dual exchange rate system. At the moment, the market operates two exchange rate systems a fixed exchange rate for priority public sector transactions and a market-base exchange rate for private sector and other non-priority public sector transactions through the Autonomous foreign exchange market segment.

The inter-bank market for free fund or privately (automously) sources foreign exchange was not apparent when foreign exchange was centralized in the CBN through the 1962 exchange control Act however, the market came to life and became vibrant with the introduction of the second-tier foreign exchange market and the permission granted to the CBN to effect foreign exchange dealings among themselves.

The sharp practices that emanated from the system in the form of round-tripping of funds leading to persistent instability in the exchange rate informed the merger of the official foreign exchange market and the inter-bank market in 1989 into an enlarged inter-bank foreign exchange market (IFEM). Thus, the inter-bank market was outlawed with the introduction of the AFEM in 1998, the bank are once more allowed to engaged in inter-bank dealings with only privately sources foreign exchange.

The bureaux de change were established with the abolition of the inter-bank market in 1989 to accord access to small users of foreign exchange and an large the officially recongnised foreign exchange market.

Exchange rates in the bureaux de change market determined.

The parallel market for foreign exchange has been in existence from the exchange control era. The disparity in exchange rate was even greater in some of the periods before Nigeria's economic reforms.

The renewed interest in the market is found on the craze for windfall gains associated with the instability and upward pressures that the market generates occasionally. The parallel market is a residual market as in accommodates demands that cannot be met by the others sources. It has been established that scarcity in the official sector and bureaucratic procedures necessitated the growth and development of the parallel market. Although transactions through it are limited and small, it speculative tendencies when well monitored and built into the general frame work for foreign exchange and exchange rate management would result in a more effective and efficient system. In any foreign exchange management. Frame work, whether in developed or developing economic speculation, arbitrage, heading and portfolio

switching are important element gauging the health and development of the foreign exchange market and by extension the financial system.

2.2 TRADE AND EXCHANGE CONTROLS

Exchange control has been defined as mechanism by which country seeks to conserve, mobilize, centralize and rationalize its foreign exchange resources for the settlement of international transaction in accordance with the priority of the country (OLUKOLE, 1991). Trade and exchange control was introduced in Nigeria in December 1950 when the exchange control ordinance was promulgated. However, the power to administer foreign exchange transactions becomes effective following the enactment of exchange control Act of 1962. Under the provision of the Act, authority for the grant as approvals in respect of foreign exchange transactions was vested in the minister of finance. However most of the functions of the private sector transactions approving authority for the most of transactions were delegated to the central bank which in turn delegated approving authority for the most of transactions to the authorized dealers. The authorized dealers are the licensed bank. The federal ministry of finance was responsible for processing public and some private transactions such as profits and dividends, technical fees, purchase of aircrafts, fishing vessels and ships and approving direct capital investments in Nigeria. The monitoring of other private sector transactions namely, visible imports, education, medical, airline payments and other services were delegated to the central bank.

The objectives of the trade and exchange controls are as follows:-

i. To harness foreign exchange resources.

ii. To prevent disequilibrating foreign movements.

iii. To preserves the nations foreign exchange reserves.

iv And international value of the domestic currency.

These objectives were not fully realized. The trade and exchange controls led to the following situations:

I Over valuation of currency

ii. Increase dependence on imports

iii. Depletion of external reserves

iv. Encouragement of parallel market activities

vi. External sector inbalance.

The reason as describe to this situation was because the control was not applied consistently. The control is relaxed when there is improvement in balance of payment crisis. On this issue, Obaseki (1991) has emphasized that " The application of trade and exchange controls in Nigeria during the review period were based on the need to tighten them during periods crisis and loosen them during periods of relative ease" Ojo (1995) also agrees with this point when he also said that the control would be tightened during period of crisis and loosened when the condition improved.

Another problem of the exchange control was the complexity of its application. This complexity made it difficult to apply effective. As a result ,people started exploiting this loop hole to evade the policy. According to Obi (1986) " The complexity in administering exchange controls rendered the instruments highly valuable to evasion by both domestic and foreign resident. The most common evasion techniques and foreign bribery, and corruption of officials involved in the control bureaucracy, under invoicing of imports, and

illegal black market operations in foreign currency" This view was also shared by Ojo. According to Ojo (1990) " Exchange outflow, it had its social cost in the Nigeria environment. These include malpractice and evasions, bottleneck in the provision process and corruption all of which tend to dent the image of the country"

Various administrative measures have been introduced to strength trade and exchange controls.

A comprehensive import supervision scheme was introduced in 1979 to ensure that country gets value for the money spent on import through inspection and verification. From 1982 to 1983, the bank used the requirement of form 'M' registration as a supplementary but effective instrument of import control. Another type of administrative control used by the central bank was the monitoring of the utilization of import licences.

This was done to ensure that the prescribed value on the licence were not exceed and that the items correspondent with those on the import licences.

2.3 FOREIGN EXCHANGE RATE ADMINISTRATION

An exchange rates denotes nominal expression of the value of the currency of one country at any given time. It can also be defined as the price of one currency in terms of another currency (Olukole, 1992).

In 1981, the international crude oil market crashed. The country found herself in fiscal, balance of payments and foreign exchange crises. Because of this development, the monetary authorities began to weaken the naria by gradually depreciating it. Thus the foreign exchange rate gradually increase from

60 Kobo per dollar in 1981 to N1.55 per dollar in September, 1986. This meant that the naira continuously lost foreign exchange value between 1981 and 1986. But this gradual devaluation of the naria did not prove capable of removing the perceived over valuation of he currency. Consequently. The second tier foreign exchange market was introduced on September 26, 1986, within the frame work of SAP with a view to producing a market determined realistic exchange rate as well as ensure efficient allocation of foreign exchange resources. A dual exchange rate system (First and second-tier) was adopted. The first tier was managed while the second tier was subjected to market forces. The first tier rate was applied to debt services payments, other public sector disbursements and pre SFEM transactions while and other transactions were undertaken at the second-tier rate. In July 1987, the first and second-tier market were merged into an enlarged foreign exchange market (FEM). This was at an exchange rate of N3.74: $ 1.00. (FEM) also embraced the automous market which was allowed to develop.

The autonomous segments of the FEM was expected to be competitive with the parallel foreign exchange market and thus be attractive to exporters to repartriate their proceeds. The sources of funds for the autonomous market were the following:

i. Export proceeds placed in domiciliary account.
ii. Remittance by oil companies to meet their local currency cost;
iii. And miscellaneous remittance by individual and organizations.

The Introduction of autonomous market led to the existence of three exchange rates as follows:-

i. FEM rate;

ii. Autonomous rate and

iii. The parallel market rate which failed to show any tendency towards convergence.

Because of malpractices that developed in the later merged with the official segment in January 1989, and the inter Bank injected official funds into the market by way of direct sales to the banks specific methods were available. Various but specific methods were used singly or combined to determine rate. The daily bidding system was characterized by spurious demands for foreign exchange, and it came to an end on 13th December 1990. The following day, the CBN re-introduced the Dutch Auction system (DAS) on a weekly basic.

The system was continued throughout 1991. The Dutch Auction system (DAS) was first introduced in 1988 but was later replaced by IFEM. The DAS entails the payments for foreign currency by an authorized dealer at the exchange rate that it bids unlike else where system whereby the CBN's selling rate was centrally determined and applicable to all the bank regardless of their bid rates. The system was eventually extended to bank customers whereby customers paid according to their bid rates. The DAS was ordinally introduced to enhance professionalism in the FEM and prevent outrageously high bid rates which invariably led the continued depreciation of the naria. The system did not achieve this goal, because naira still showed heavier depreciation with this system. This depreciation of naira continued until March 5, 1992 when there was a substantial devaluation of naira by about 42 percent.

The CBN adjusted its effective rate upward on that March 5, 1992 to US $ 1.00 equals N18.00 from N10.5564 the previous day. In addition, it satisfied the demand of US $ 406.9 million by the authorized dealer. The upward adjustment of the official exchange rate reduced the parallel market premium to 7.5 percent. For a limited period, the parallel market premium declined gradually while effective demand by banks for foreign exchange fell short of the supply However, as a result of renewed demand pressures and speculative activities the parallel market premium started to widen again.

The 1993, the naira exchange rate was stable at N21.9960 to the dollar throughout the latter part of the year. However, the rate in the parallel market and the bureaux de change almost doubled the rate at the official market. The continued pressure on the naira exchange rate informed the stance of policy in 1994.

The unabating pressure on the exchange market resulted in its reform 1994. The naira exchange rate was formally pegged, while foreign exchange was centralized in the CBN as the sole authority to allocate foreign exchange to end- users on pro-rate basis. Under the pro-rate system, the manufacturing sector got 50 percent. Finished goods 30 percent, agriculture 10 percent and invisible 10 percent. The CBN would allocate directly the 90 percent for productive sectors, while the 10 percent for invisible would be allocated by the banks. The 121 banks in the system were thus grouped into six categories for the purpose of invisible allocation.

The reversal of policy in 1995 to that of "guided deregulation" of the foreign exchange market necessitated the institution of the Autonomous foreign exchange market (AFEM) and the further liberalization of foreign exchange dealing through the active participation of the bureaux de change in the AFEM.

The bureaux de change would purchase and sell privately source foreign exchange at SFEM at the autonomous exchange rate. The major goals of the policy were to deliberately build up and strength external reserves to enhance confidence in the Nigeria economy, strength the naira and pave the way for its sustained stability and ultimate convertibility. Under AFEM guidelines, private sector concerns would sources their requirements from the AFEM at market determined rates. The banks were allowed to deal among themselves in autonomously source foreign exchange, while dealing in intervention funds from the CBN in the automous market was prohibited. To ensure adherence to this rule, the CBN intervention funds would be disbursed directly to end-users at current autonomous rate. This mode of disbursement was maintained in 1996. Although the thrust of policy was maintained in 1977, substantial liberalization of foreign exchange practices occurred in 1997. Such reformed include the lifting of the suspension on open account and bills for collection, removal of the limit on basic and personal travel allowances for all forms of foreign travels and educational institutions.

A careful look at the trend of event in the foreign exchange market will show that not only has there been a metamorphosis of the institutional frame work from SFEM to FEM and to IFEM, etc, there have been frequent changes in the operation guidelines. The market has experimented with various techniques and operational procedures among which are the average marginal exchange rate determination of fixing methods, the weekly, fortnightly and daily bidding systems.

All these have failed to achieve a realistic exchange rate for the naira. Obandon (1993) came up with several factors that excess demand for foreign exchange amidst inadequate funding of the foreign exchange market, poor

performance of autonomous sources of foreign exchange inflow, activities and sharp practice of authorized dealers; expansionary which fueled demand and pressure in the market. Ojo (1990) has a different reason for exchange rate instability. His reason was that there frequent institutional changes in the system.

Another reason given by Obadan (1993) for exchange rate instability was the covert recognition given to the parallel market by reputable people in the society. According to him, this situation led to the following: Diversion of foreign exchange source meant for banks to black market, collusion between the operators of bureaux de change and black market to determine exchange rate; patronizing of black market by the operators of the bureaux de change when they were in need of foreign exchange resources.

In order to broaden the foreign exchange market and improve accessibility to foreign exchange, especially for small users, bureaux de change have been authorized since 1989 to act as sellers in the spot market foreign exchange. The federal ministry of finance is charge with the responsibility of licensing them between 1989 and 1996, a total of 240 bureaux de change had been licensed from 1st January 1997, supervision of the bureaux de changes was transferred to the CBN.

2.4 EXTERNAL RESERVE DIVERSIFICATION

External reserve diversification was a measure adopted by a nation to optimally apportion her reserves assets among various reserves currencies so as ensure maximum returns and minimum losses in case of fluctuation while ensuring that liquidity problems are minimized in daily transactions.

The risk of concentrating reserves holding exclusively in one or few convertible. Currencies is the loss incurred when the host asset undergoes depreciation or devaluation. Consequently, reserves diversification has always been pursued by the CBN primarily ro preserve the value of the country's external assets and secondly to yield income.

The first step aimed at diversifying the foreign exchange reserves started in October 1961, the central bank added another assets to its portfolio by converting 10 percent of the nation's holding of sterling into gold, Hitherto, reserves were exclusively held in certain assets.

External trade pattern largely influenced the holding of sterling and dollar assets. The historical link between Nigeria and Britain also influenced the amount of pound sterling assets held. Also, the amendment of her enabling act in 1992 enable the CBN to include in the nations portfolio any or all of the following categories of assets: gold coin or bullion, bank balances bills of exchange, government guaranteed securities of international financial institutions which Nigeria is a member, provided their maturity is 5 years or less, reserved (gold) tranche in IMF and since 1970, holdings of special drawing rights (SDR). By 1970, the pound sterling constituted the bulk of the nation's external reserves but owing to changing trade pattern, its share was gradually reduced in subsequent years, while dollar assets assumed dominant position

There was a phenomenal increase in our external reserves in 1974 arising from the tremendous increase in the price of crude petroleum. This development led to the setting up the central bank of an investment management committee in December 1974 to deal with matter relating to the

investment of he bank foreign exchange resources. Largely, as the result of the work of the committee, the aims of portfolio policy was substantially realized by the end of 1976, by which time he number of convertible currencies in which the bank's external assets were held increased from 4 to 9 at the end of 1974. The number of convertible currencies had increased to and remained at about fifteen (15) as at December, 1990. They included gold, special drawing right (SDR), US Dollar, pound sterling, Dutsche Mark and French Franc, Dutch Guildèr, Belgian Franc, Canada Dollar, Swiss France, Japanses Yen and India Rupee, Italian Lira, Norwegian Krone and Austrian Schillings.

External assets denominated in US dollar moved from 21 percent in 1976 to 76 percent in 1986, before falling to 50 percent in 1990. The dollar assets rose to 85.8 percent in 1991. From December 1992. The bulk of external assets have been in dollar denomination because of is dominating influence on the nation's foreign exchange receipts and disbursement. The sterling assets decreased from 15 percent in 1976 to 5.0 percent in 1986, but rose to 43 percent in 1990 as a result of the increase strength of the pound sterling. Since 1991, the proportion of external reserves held in pound sterling has been insignificant owing mainly to portfolio preferences.

2.4.1 EXPORT PROMOTION

Since exports constitute a major determinant of foreign exchange inflow, the authorities have tried over the years to promote them. In addition, the high dependance of the economy on the external sector convinced the authorities that the sustainable path to economic growth lays in the enhancement of exports and the diversification of the export base. Thus, the export promotion council

decree 1976 was promulgated to give legal backing to ad-hoc incentives already in place. To achieve this goal, the council periodically reviews the export trade policy of the country and assists the government in identifying export oriented industries with the aim of detemining export targets for various categoreis of goods. It also advises government on the setting up of a flexible machinery to provide Nigeria producers and exporters with export finance facilities, rebate in export and other incentives for the promotion of export trade. The council engages in promotional publicity in Nigeria and abroad in collaboration with Nigeria exports.

The introduction of Nigeria export promotion council in 1976 has not yielded much result in terms of diversification of the economy. This because oil sector is still the major sources of foreign exchange earners to the country. The oil sector still contributed about 95 percent of the total foreign exchange for the country. The government of this country became more concious of the need to develop the non-oil sectors after 1980. At this period it became evidence that the oil sector alone could not generate enough foreign exchange resources for the country. Even with oil sectors is very low. Usman (1991) also emphasized on this point when he said that" one way to overcome the problem of foreign exchange shortage is to diversify the export base and or curtail the imports of those goods and services which have alternative domestic sources of supply". This was also stressed by Ojo (1994) when he said that "the design of numerous incentives without actually evolving an implementation strategy for them can only see us engaged in endless controversy about export promotion strategy rather than actually doing those things rhat will expand our export base."

The capital goods sectors is an important sector that has not been given priority in terms of development. A good example is Ajaokuta steel complex in

Kogi state the constrution of this complex started some years back uptill today the steel complex has not been commissioned to start production of capital goods. The completion of this project could have lessened the economic problems of this country by way of serving as linkage to other sectors and also boosting the foreign exchange earning of the country from the sale of its products. Availbale data shows that Nigeria's expenditure on import rose from ₦7.2 billion in 1984 to ₦30.9 billion in 1989 of these amounts the imports of capital goods consumers goods and raw materials accounted for 37.4, 32.5 and 30.1 percent respectively in 1989. According to Obi (1986) " the absence of a local capacity for capital goods production means in effect that the economy lacks the capacity to directly transform its own savings into investment.

Since captial accumulation must thus depends on import of foreign investment goods, growth and development can become seriously constrained by inadequate and instable suppliers of foreign exchange".

On this issue, Owolabi (1992) has argued that unless there was a suge of foreign exchange inflow non-oil sectors it would be defficult for any development to be acheived there." This point was further stressed by Obi (1986) when he said that a less developed country like Nigeria that had intention of self reliant development must develop her capacity for capital goods prodcution. Ojo (1994) seemed to share the same view with Obi and Owolabi but his view was expressed in a different way. He said that " Undoubtedely, one of the topical issued of our recent economic management experience is the apparent failuire of the policy package to pursh the non-oil export sector in the right direction".

2.5. EXTERNAL DEBT MANAGEMENT

Before 1982, external debt management did not constitute a major problem for the overall management of foreign exchange resources. The debt crisism became pronounced since the early 1980. With the re-emergence of trade areas in the year, due to the inability to finance payments on current basis. extenal debt became the focus policy.

External debt managements requires estimates of foreign exchange earning, sources of external finance the projected returns from the investment and the repayment scheduled. If also include an debts and a judgment of the desirability of contracting further loans.

Nigeria's external debt management strategies have varied from time to time since 1980. However, in February 1988, comprehensive measures were set out to achieve the following policy objectives: to evolve strategies for increasing foreign exchange earnings thereby reducing the need for external borrowing; to set out the criteria for borrowing from external sources and determine the type of projects for which external loans may be obtained to outline the mechanism for serving external debts of the public and private sector in the management of external debt.

To achieve these objectives guidelines were issued as regard government borrowing. These guideline are as follows:-

I. Economic sector project should have positive internal rate of return as high as the cost of borrowing;

ii. Social services or infrastructure would be ranked on the basis of their cost or benefit ratio;

iii. Project to be financed with external loans should be supported with feasibility studies (which include loans acquisition, deployment and retirement schedule);

iv. External loans for private and public sector projects with quick returns could be sources from the international capital markets while loan for social services could be source from concessional financial institutions;

iv. Borrowing by state government; parastatals and private agencies much receive approval of the federal government to ensure that the borrowing conforms with national objective. Approvals granted to the private sector do not constitute federal government guarantee of foreign currency undertakings;

vi. The state government borrowing proposals should be submitted to the federal ministry of finance and economic development and the central bank of Nigeria for consideration before hey are incorporate in the final public sector borrowing for the annual budget;

vii, State government and their agencies as well, as federal parastatals should services their debts through the foreign exchange market (FEM) and inform the federal ministry of finance and economic Development for record purposed for failure to service their debts the Naira equivalents would be deducted at sources before the balance of their statutory allocations are released;

viii. For loans on-lent by the federal government to state government, the federal ministry of finance and economic development would make due payments and deduct the full payments at sources from their statutory allocation; and

ix. As for the private sector industries that are export oriented should service their debts from their export earnings, while other should utilize the FEM facilities to services their debt.

As part of the pragmatic approach to reduce the burden of the external debt, the following measures have been taken in recent years;

a. **Embargo on New Loans**

The insurance of any embargo is to check the escalation of the level of total debt stock and minimize the problem of additional debt burden.

This policy was applied in 1984 by the then military administration on state government's borrowing from external sources. Occasionally, the federal government has fixed the maximum level of debt commitment for both the federal and state government in 1978, the limit was ₦ 5.0 billion for the federal government, and in 1982 , it was ₦200 million for any state government. This stipulation has remained unchanged.

b. **Limit on Debt Services Payments**

This requires the setting aside of a proportion of export earnings to meet debt service obligations to allow for internal development. In this regard, the state governments were required in 1980 to spend not more than 10 percent of their total revenue on debt service payments. Based on the agreement with the federal ministry of finance, a defaulting state government can be bailed out although the amount in default would be deducted at sources from its budgetary allocation. In the case of federal government, 30 percent of export earnings is allocated for debt servicing.

C. **Debt Restructuring**

The restructing of debt involves the conversion of an existing debt into another category of debt, through refinancing, rescheduling buy back, issuance of collateralized bonds, and the provision of new money.

I. **Refinancing of Trade Areas**

A refinancing arrangement involves the procedurement of an new loan by a debtor to pay off an existing debt, particularly short-term trade debt, the new loans may be contracted from the same creditors or a new set of credits as the case may be. The repayment of such debt normally negotiated with the creditors is contained in the loan agreements. The first refinancing arrangement was in July, 1983, followed by the second agreement in September, 1983. In both agreements, US $ 2.1 billion worth of trade area on confirmed letters of credit were refinanced. The applicable interest rate was 1.5 percent above the London inter-bank offer rate (LIBOR). By 1986, Nigeria has repaid the total amounts involved in the two agreements. Other refinancing agreements have been contracted to ease the debt burden.

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ii. **Debt Rescheduling**

The rescheduling of debt involves changing the maturity structure. Interest payments are usually spread over a longer period until debt is finally liquidated. For example, in 1986 debt worth US $ 1.6 billion due to the London club and payable in 1987 was rescheduled to extend to 1986 with a 4 years grace period. Other rescheduling agreements involving the London and Paris clubs have also been concluded.

iii. **Debt Buy- Back, collateralization and New money option**

The buy back arrangement implies the offer of a substantial discount to pay off an existing debt. This type of arrangement was concluded in February, 1992. When Nigeria bought US$3.395 billion commercial debt due to the Nigeria

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paid US$ 1.352 billion to liquidate or buy back the commercial debt.

Furthermore, US$ 2.054 billion has been collateralized as 30 year per bond with the London club with this arrangement, the yield of the bond with a 30-years period would off set or pay off the collaterised amount, which is referred option refers to the granting of new loans by a creditor or a group of creditors to assist a debtor nation.

D. **Debt Conversion**

This was introduced to complement other strategies for debt management. Debt conversion, in a broad sense, is the exchange of monetary instruments (promissory notes for tangible assets or other financial instruments). It is a mechanism for reducing a country's external debt burden by changing the character of the debt.

Conversion comes in various forms and includes debt for equity and debt for cash. In Nigeria the debt conversion exercise involves the sale of an external debt instrument for a domestic debt or equity participation in domestic enterprise. The debt or equity participation in domestic enterprises. The debt conversion committee (DCC) was established in July, 1988 to implement Nigeria's debt conversion programme. Essentially, the programme is aimed at stemming the tide of resources transfer through the encouragement of capital inflow, repartiation of flight, capital and recapitalization of enterprises in the private sector. Through the appropriation of the substantial discount offered and the commission paid, the country benefits and reduced her debt stock. From 1988 to 1995, 435 applications valued at US $ 6.63 billion were received, out of which 332 application valued at US$ 3.0 billion were given actually redeemed

from inception to 1996 stood at US $ 1,080.9 million. Other financial benefits which accrued from the conversions undertaken up to 1995, included total discount of US $474.8 million and commission of US$ 15.7 million.

The main problem of debt conversion largely relates to a number of adverse macro economic implications of debt conversion programme (DCP). Some of the problems are summarized below.

I. Money supply and inflation arising from the fact that most debt conversion transactions involve the release of local currency, there could be unplanned increase in money supply leading to inflationary and exchange rate pressures.

ii. Round tripping and exchange rate pressure:

A debt conversion offers opportunity for round tripping which involves the conversion of part or all of the redemption proceeds into foreign exchange in the official foreign exchange market for exportation immediately or at a latter date. This problem has serious consequences for the exchange rate and the balance of payments. Because of payment pressures could also arise when local currency proceeds are used excessively on the foreign exchange market to sources the off shore cost of local investment.

iii. The degree of additionality

The degree of additionality refers to the ability of debt swap to attract foreign equity investment and flight capital which otherwise would not have come to the country. Thus the advantage associated with DCP depends on the degree of additionality in the absence of which only modest benefit would result from debt equity conversion.

Iv. The Determination of optional transaction's effective exchange rate;

The transactions effective exchange rate is determine by a combination of factors such as the discounted purchase price of the debt be converted. any taxes or conversion changes and the exchange rate applied.

This transaction effective exchange rate must be attractive to the investor to make a DCP worthwhile example, it should approximate the official rate of the parallel market rate on the other hand, an excessively favorably transaction's effective problems, two of which are highlighted here;

a. Large implicit subsidy is given to converted debts which will inadverterly introduce a distortion in the Resources allocation in the economy.

b. The inherent distortion in relative prices (exchange rate and asset prices) wouls tend to encourage round tripping e.g by encouraging the purchase of discounted debt which will then be converted into local currency through official channel

v. Danger of structural change in business ownership; DCP tends to increase fears about the possibility of a radical change in the structure of business ownership in favour of foreign such fears tend to generate political sensibility about the proposed programme.

2.6 DEMAND MANAGEMENT

Demand management has to do with how the demand for foreign exchange can be checked by way of reducing the volume of money in the economy.

This is very important because it allows Naira to appreciate in value The government policy especially during the time of Babangida was contradictory.

For example, in this period, while the government was busy issuing stabilization securities to mop up excess liquidity in the economy, the same government was also financing deficits by way of making extra budgets after the annual budget had been made . This has a serious effect on the economy. According to Obaseki, (1991), complementary measures should be used to discharge expansionary fiscal policy as this would lead to increase in the demand for foreign exchange through its multiplier effect on money.

A critical look at the measures adopted since 1980 to manage Nigeria's debt will show that some of these measures cannot help to bail our economy. These measures are debt equity swap and debt services ratio.

Debt equity swap can only be an effective instrument in a country in which the political atmosphere is ideal. But in Nigeria today the political atmosphere is bleak and this has also effected the economic policies of the country.

In such a situation, no meaningful foreign investment can be attracted into the country.

The existing ones are even finding it difficult to operate because of the economic situation.

Debt services ratio is the proportion of a nation's export earnings that is allocated to serving debt. In Nigeria, the debt services ratio is 30 percent. The debt service ratio is not appropriate for a country like Nigeria that is growing gradually interms of diversification.

Many experts have expressed the views on these two strategies for steming down the nation's debt Ojo (1994) has argued that for the nation to promote the inflow of foreign capital there should be measures designed to counter act the lingering negative image the country had acquired by

implementing credible and political programmes, also instil confidence in the potential foreign investors that would come to Nigeria to invest.

One debt service ratio, Oguma (1995) has emphasized that external debt problem would rise when more a country's reserves is devoted to servicing debt. He went further to say that " It is internationally accepted that when the debt service ratio that is the proportion of lower than original 10 percent, a debt problem does not arise. As the ratio grows to about 20 percent, the tolerable limit of debt service is approached while beyond 20 percent a debt crisis would set in. That is why a country tries to limit its debt service ratio between 10 percent and 20 percent through appropriate debt strategies "Ojo (1990) also shares the same view with Ogwuma on this issue. According to Ojo (1990). "even if the economy can limit itself to 30 percent debt service ratio being currently applied it is definitely too high relative to the country's foreign exchange supply and it is a far cry from the debt serivce ratio of about ones percent before 1980" Ojo (1990) also has another view on the Nigeria's debt serve ratio, on this he said that if a country should utilize more of her foreign exchange resources, little would be left for investment .

2.7 CONCLUSION

The foreign discussion shows that the government has introduced various policy measures to address inflow and outflow of foreign exchange.

But these policies could not achieve its objectives fully due to the problems associated with the policies itself.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 INTRODUCTION.

In carrying out the research, the general methodology used in conducting the research was highlighted.

The various sources of data were also disclosed. Methods of evaluation of the data sources was explained

3.1 METHODS OF DATA COLLECTION

The data for this research work were collected from two main sources; The primary and secondary.

The primary data was source through interview conducted with some of the staff of central bank of Nigeria, Kaduna zonal office. These staff works in research department of the bank. No questionnaire was used because much of the data for the research work was obtained from the secondary sources.

The source of the secondary data were mainly from text books, central bank annual report, central bank statistical Bulletin, economic and financial review publication, the Nigeria economist, new swatch, business times, Business concord and unpublished seminar papers.

3.2 METHOD OF EVALUATION OF DATA

The data generate from the two sources were displayed in tabular form. The evaluation was due mainly in line with the objectives of the research.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION

4.0 INTRODUCTION

This chapter presents the major sources of foreign exchange prior to structural adjustment programme (SAP) and post SAP.

It also tries to see the extent to which the diversification policy of the federal government introduced under SAP had increase the number of sources for foreign exchange in Nigeria.

4.1 THE MAJOR SOURCES OF FOREIGN EXCHANGE RESOURCES IN NIGERIA.

The researcher intends to analyze the various sources through which foreign exchange is earned in Nigeria. For the purpose of clarity, it is divided into two periods; period prior to the introduction of SAP and period during SAP and after. But the last two periods are considered as one.

Table 1 shows the major commodities that were exported by the country prior to the introduction of SAP to earn foreign exchange resources.

The table shows the major exports of the country between 1982 and 1986. There are three major sectors generating foreign exchange for the country. These are agricultural, manufacturing and mineral sectors. From the table, mineral resources sector is contributing about 95 percent towards the generation of foreign exchange resources for the country exchange resources for the country. On the average, agricultural sector is the next to mineral sector, contributing about 3.7 percent while 1.3 percent is contributed by manufacturing sector. The 95 percent contribution is done specifically by petroleum From the

Table 1

EXPORT OF MAJOR COMMODITIES PRIOR TO SAP

YEAR	1982		1983		1984		1985		1986		
COMMODITY	Value (N million)	% of Total exports	Value (N million)	% Total exports	Value (N million)	% of Total exports	Value (N million)	% of Total exports	Value (N million)	% of Total exports	
Major Agriculture Including (Forest) Products											
Cocoa	198.6	2.4	431.2	5.6	258.8	3.2	258.8	2.4	467.4		4.
Shea nuts	150.4	1.8	351.2	5.0	252.5	2.8	230.0	2.1	370.7		4.
Ginger	0.3	0.0	0.1	0.0	-	-	-	-	-		
Cotton (raw)	NA	-	-	-	-	-	-	-	-		
Groundnut	-	-	NA	-	NA	-	-	-	-		
Groundnut Oil	-	-	-	-	-	-	-	-	-		
Hides & Skins	-	-	-	-	-	-	0.2	0.0	0.03		
Palm Kernel Oil	18.5	0.23	5.6	0.1	1.0	0.0	3.6	0.1	2.9		0.0
Palm Kernels	11.2	0.14	16.8	0.2	5.4	0.05	2.3	0.1	7.5		0.1
Rubber (natural)	16.0	0.20	23.0	0.3	23.9	0.22	20.7	0.4	9.1		0.3
Timber (log & Sawn)	NA	-	-	-	-	-	-	-	-		-
Coffee	1.9	0.03	1.5	0.0	5.9	0.05	0.6	0.0	-		-
Mineral Products	8,003.2	97.5	7,201.2	94.3	8,840.6	96.8	10,890.6	97.1	8,366.4		93.8
Columbite	NA	-	NA	-	NA	-	NA	NA	NA		NA
Petroleum	8,003.2	97.5	7,201.2	94.3	8,840.6	96.8	10,890.6	97.1	8,366.4		93.8
Others	NA	-	NA	-	NA	-	NA	NA	NA		NA
Manufacturers and Semi-Manufacturers.	4.6	0.1	4.2	0.1	1.8	-	-	-	-		
Agricultural Products	NA	-	NA	-	NA	-	65.4	0.5	54.2		0.6
Cocoa butter	NA	-	NA	-	NA	-	46.4	0.4	44.5		0.5
Cocoa Powder	NA	-	NA	-	NA	-	1.8	0.0	1.2		NA
Cocoa Cake	NA	-	NA	-	NA	-	17.3	0.1	7.5		0.1
Palm Kernel Cake	3.6	-	3.3	0.0	1.4	0.0	-	-	-		-
Palm Kernel Pellets	1.0	-	0.9	0.0	0.4	0.0	1.1	0.0	1.7		0.0
Groundnut Cake	-	-	-	-	NA	-	-	-	-		-
Cocoa Kernel Expeller	-	-	-	-	-	-	10.1	0.01	10.1		0.01
Cocoa Liquor	-	-	-	-	-	-	3.9	0.0	-		-
Palm Kernel Expeller	-	-	-	-	-	-	3.6	0.0	1.9		0.0
Tin Metal	-	-	-	-	-	-	0.4	0.0	1.3		NA
Others Exports	NA	NA	NA	NA	NA	NA	NA	NA	93.2		1.0
Total Domestic Exports	8,208.4	100.0	7,636.6	100.0	9,101.2	100.0	11,214.8	100.0	8,944.1		100.0
Re-Exports	NA	NA	NA	NA	NA	NA	NA	NA	NA		NA

data available in this table, we can say that Nigeria economy is a monocultural one considering the fact that one sector is contributing about 95 percent to total foreign exchange earnings

In the table, some products are not having figures representing their numerical contribution towards total earning of foreign exchange.

This is some places are blank while others are having "Not Available" (NA). From the information collected from one of the staff of the central banks, the researcher was made to know that some of the organizations producing these products are reluctancy to supply information on foreign exchange arising from their transactions. In some places, they would not supply correct information while others would not supply at all.

According to him, to put the central bank on the safer side, such products were left with blank spaces instead of recording information that would not be reliable for planning. Again the contribution of these products to total foreign exchange is insignificant.

Table 2 shows the major exports of the country through which foreign exchange is generated since the introduction of SAP. We have four sectors generating foreign exchange for the nation. These sectors are agriculture, semi manufacturing, mineral and manufacturing sectors. From the table, the number of products that is exported by the country has increased in the various sectors compared to the period prior to SAP. This is because of the government emphasis on diversification policy. The major exports between 1990 and 1995 is considered. Many products are now being exported to generate foreign exchange. But the contribution of these products towards total foreign exchange

Table 2:

EXPORTS OF MAJOR COMMODITIES DURING SAP AND POST SAP PERIODS. (Major Sources of Earning Foreign Exchange)

YEAR	1990		1991		1992		1993		1994		1995	
COMMODITY	Value (N million)	% of Total exports	Value (N million)	% of Total exports	Value (N million)	% Total exports	Value (N million)	% of Total exports	Value (N million)	% of Total exports	Value (N million)	% of Total exports
Major Agricultural Products (Including Forest products)	2,429.3	2.2	3,425.6	2.8	3,054.9	1.5	3,437.3	1.6	3,818.8	1.9	13,441.1	1.8
Cocoa Seed	1,319.1	1.2	2,000.9	1.6	1,557.9	0.8	1,683.8	0.8	1,816.2	0.9	5,396.0	0.7
Palm Produce	84.1	0.1	47.9	0.0	88.1	0.0	137.2	0.1	131.3	0.1	89.0	0.0
Rubber	544.7	0.5	669.3	0.6	875.4	0.4	875.5	0.4	699.7	0.3	4,087.7	0.5
Groundnuts	NA	0.0	NA	0.0	NA	0.0	NA	0.0	NA	0.0	NA	0.0
Pineapples	4.8	0.0	4.4	0.0	NA	0.0	NA	0.0	NA	0.0	NA	0.0
Coffee	5.7	0.0	0.7	0.0	6.1	0.0	15.0	0.0	4.5	0.0	16.9	0.0
Fish & Shrimps	149.1	0.1	308.1	0.3	212.7	0.1	234.5	0.1	312.0	0.2	1,312.6	0.2
Cashew nuts	15.4	0.0	32.0	0.0	NA	0.0	NA	0.0	81.0	0.0	634.3	0.1
Species (Ginger, varillas etc)	5.7	0.0	12.4	0.0	4.6	0.0	12.4	0.0	476.9	0.2	17.4	0.0
Cotton & Yarn	161.6	0.1	194.2	0.2	79.0	0.0	119.7	0.1	232.4	0.1	1,134.9	0.2
Nigeria Shea-nuts	NA	0.0	60.9	0.1	NA	0.0	NA	0.0	4.1	0.0	NA	0.0
Gum Arabic	13.4	0.0	32.3	0.0	25.9	0.0	57.4	0.0	14.0	0.0	104.7	0.0
Cow horn	NA	0.0	NA	0.0	NA	0.0	NA	0.0	5.4	0.0	2.1	0.0
Soya Seeds	NA	0.0	NA	0.0	NA	0.0	NA	0.0	5.1	0.0	233.9	0.0
Other agricultural Product	125.7	0.1	61.9	0.1	205.2	0.1	301.8	0.1	37.2	0.0	411.6	0.1
Manufacturers & Semi-Manufactueres of Agric. Products	224.8	0.2	197.0	0.2	218.5	0.1	376.7	0.2	293.0	0.1	1,361.1	0.2
Cocoa Butter	179.8	0.2	100.0	0.1	NA	0.0	NA	0.0	109.7	0.1	321.3	0.0
Cocoa Powder	NA	0.0	NA	0.0	NA	0.0	NA	0.0	5.0	0.0	17.5	0.0
Cocoa Cake	NA	0.0	NA	0.0	91.2	0.0	242.0	0.1	81.7	0.0	237.2	0.0
Cocoa Paste	NA	0.0	NA	0.0	NA	0.0	NA	0.0	6.0	0.0	17.5	0.0
Groundnut Cake	NA	0.0	NA	0.0	NA	0.0	NA	0.0	NA	0.0	NA	0.0
Wood products/ furniture	45.0	0.0	97.0	0.1	127.7	0.1	134.7	0.1	89.6	0.0	691.6	0.1
Textile	172.0	0.2	329.0	0.3	279.7	0.1	202.1	0.1	140.0	0.1	1,419.6	0.2
Mineral Products	106,641.4	97.0	116,857.1	96.2	201,452.3	98.0	213,803.7	97.7	200,826.9	97.5	728,648.3	97.4
Petroleum	106,626.5	97.0	116,856.5	96.2	201,383.9	97.9	213,778.8	97.7	200,710.2	97.4	728,265.3	97.3
Other Petroleum Products	NA	0.0	NA	0.0	NA	0.0	NA	0.0	3.1	0.0	25.3	0.0
Charcoal & Asbestors	NA	0.0	NA	0.0	NA	0.0	NA	0.0	32.9	0.0	NA	0.0
Tin Metal (Ore)	2.5	0.0	0.6	0.0	38.0	0.0	22.4	0.0	68.7	0.0	NA	0.0
Scrap & other Metals	12.4	0.0	NA	0.0	30.4	0.0	2.5	0.0	10.0	0.0	31.1	0.0
Columbite	NA	0.0	NA	0.0	NA	0.0	NA	0.0	2.0	0.0	22.4	0.0
Aluminium	NA	0.0	NA	0.0	NA	0.0	NA	0.0	NA	0.0	1.0	0.0
Others	NA	0.0	NA	0.0	NA	0.0	NA	0.0	-	0.0	303.1	0.2
Manufactured Exports	334.0	0.3	594.8	0.5	509.2	0.2	330.2	0.2	770.5	0.4	1,286.1	0.4
Empty Bottles/Glasses	NA	0.0	NA	0.0	NA	0.0	NA	0.0	12.2	0.0	104.1	0.0
Plastics	NA	0.0	NA	0.0	NA	0.0	NA	0.0	1.1	0.0	NA	0.0
Insecticides	NA	0.0	NA	0.0	NA	0.0	NA	0.0	18.2	0.0	50.6	0.0
Chemicals	8.7	0.0	13.0	0.0	12.2	0.0	82.3	0.0	NA	0.0	NA	0.0
Motor Veh/Machinery/ Tubes/Tyres	13.0	0.0	26.0	0.0	NA	0.0	NA	0.0	0.5	0.0	7.0	0.0
Soap/Detergents	0.7	0.0	3.7	0.0	62.3	0.0	27.4	0.0	7.9	0.0	12.1	0.0
Beer/Beverages	0.3	0.0	7.2	0.0	NA	0.0	NA	0.0	4.9	0.0	5.2	0.0
Urea-Ammonia	246.3	0.2	426.6	0.4	434.7	0.2	NA	0.0	96.2	0.0	1,055.5	0.1
Processed Skin	53.0	0.1	118.2	0.1	NA	0.0	NA	0.0	91.6	0.0	NA	0.0
Other Manufatured Exports	NA	0.0	NA	0.0	NA	0.0	220.5	0.1	538.0	0.3	2,051.9	0.3
Other Exports	84.6	0.1	130.8	0.1	96.7	0.0	651.1	0.3	210.0	0.1	211.6	0.0
Total Domestic	109,986.1	100.0	121,533.7	100.0	205,611.7	100.0	218,801.1	100.0	206,059.2	100.0	748,368.1	100.0
Re-Exports	NA	0.0	NA	0.0	NA	0.0	NA	0.0	NA	0.0	NA	0.0
TOTAL EXPORTS	109,886.1	100.0	121,533.7	100.0	205,611.7	100.0	219,801.1	100.00	206,059.2	100.0	748,368.1	100.0

NA = Not Available
*1 = Revised
*2 = Estimated

Source:- Central Bank Annual Report (Various Issues)

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Table 3

44

SECTORAL ALLOCATION OF FOREIGN EXCHANGE UNDER SAP AND POST SAP

	1988		1989		1990		1991		1992		1993		1994		1995	
	JAN - DEC (US$M) 1	% share 2	JAN - DEC (US$M) 1	% share 2	JAN - DEC (US$M) 1	% share 2	JAN - DEC (US$M) 1	% share 2	JAN -DEC (US$M) 1	% share 2	JAN -DEC (US$M) 1	% share 2	JAN -DEC (US$M) 1	% share 2	JAN -DEC (US$M) 1	% share 2
A. Imports	3,090.2	89.3	2,998.4	91.4	2,759.0	95.6	3,944.4	93.9	4,448.2	92.4	3,359.1	91.7	1,376.9	95.3	1,977.9	91.9
1. Industrial Sector:	2,259.9	64.7	1,799.1	69.6	1,910.9	63.7	2,833.9	64.3	2,696.7	62.5	2,134.7	67.8	1,021.2	69.5	1,497.6	65.8
(i) Raw Material	(1,255.7	(37.2)	(1,153.9)	(42.2)	(1,142.7	(37.1	(1,355.8	(31.1	1,753.6	36.4	1,221.9	(39.6	555.7	42.5	1,049.9	49.7
(ii) Machinery Spare parts & Oils	925.2	(27.5)	699.4	26.4	575.2	19.6	1,028.7	24.1	1,074.1	25.7	832.5	(32.1	417.5	21.2	350.9	19.2
2. Agricultural Sector	22.1	1.6	6.1	0.2	17.3	1.6	22.6	0.5	35.2	0.8	1.9	0.1	42.3	2.5	59.9	2.7
3. Finished Goods	529.1	24.0	587.3	22.5	749.8	25.9	1,023.7	24.1	1,717.3	39.4	1,057.5	33.1	457.5	26.2	422.8	22.1
(a) Food	121.9	5.1	127.5	14.7	(155.7)	14.5)	(224.9	5.3	1259.5	7.4	555.4	17.4	127.9	8.1	177.4	9.2
(b) General Merchandise	(638.2	(6.4	(429.2)	(16.4	518.7	25.9	774.8	(18.2	(912.6	19.8	502.4	19.2	49.7	3.2	38.6	1.7
(c) Drugs & pharmaceuticals	75.6	2.2	67.8	2.6	86.1	3.0	79.3	2.0	135.0	3.1	102.9	3.6	226.3	16.1	207.8	12.4
(d) Books and Educational Materials	28.6	0.9	34.2	1.3	37.9	1.0	46.8	1.3	37.4	0.8	43.6	1.3	25.9	2.5	30.2	1.9
(e) Other General Merchandise	523.4	15.3	324.4	12.5	432.3	14.0	555.2	14.9	774.2	16.1	541.5	16.1	22.5	1.5	16.2	1.0
(f) Motor Vehicles	-	-	(30.3)	(1.2)	(63.4	2.2	227.9	5.4	155.4	3.2	242.8	8.9	263	18.4	221.9	9.9
4. Capital Goods (aircraft & shipping)	13.3	0.4	2.8	0.1	6.9	0.2	3.9	0.1	1.9	0.0	1.4	0.0	0.1	0.0	1.1	0.1
B. Invisibles:	370.0	10.7	226.1	8.6	259.8	10.4	240.0	6.1	364.2	7.6	328.6	8.3	151.0	9.7	172.6	8.1
(i) Education	14.6	0.4	10.7	0.4	9.4	0.3	4.9	0.1	22.1	0.5	13.9	0.5	7.7	0.4	4.3	0.2
(ii) Personal Remittance	20.6	0.6	10.4	0.4	115.7	0.5	4.9	1.2	3.0	0.1	2.5	0.1	6.6	0.4	3.4	0.2
(iii) Airline workforce	59.1	1.7	39.2	0.9	127.5	4.2	73.5	1.9	132.5	2.7	103.6	3.4	45.4	2.3	27.5	1.6
(iv) Diplomats	67.3	2.0	35.5	1.4	35.5	1.1	33.1	1.5	33.1	0.7	32.1	1.0	42.3	2.1	23.7	1.6
(v) Re-insurance	12.6	0.4	4.1	0.2	5.0	0.2	3.1	0.1	1.4	0.0	2.0	0.1	11.6	0.6	4.7	0.2
(vi) Tourism	32.1	0.9	13.1	0.5	29.1	0.1	19.6	1.5	38.2	0.7	19	0.1	9.4	0.4	28.2	1.3
(vii) Aircraft lease & maintenance fees	25.7	0.7	8.1	0.2	33.1	0.8	9.7	0.3	15.2	0.3	7.6	0.2	15.2	0.8	9.6	0.2
(viii) Shipping reserve charter & Maintenance	9.5	0.3	2.6	0.1	2.1	0.1	1.8	0.1	3.5	0.1	1.4	0.0	3.7	0.1	1.8	0.1
(ix) Investment Income profit & dividends	23.6	0.7	31.7	1.2	35.5	1.3	38.6	1.0	28.1	0.5	43.0	1.2	19.8	0.9	41.2	1.9
(x) Repatriation of Capital	-	-	2.8	0.1	6.1	0.2	4.1	0.1	1.1	0.0	1.1	0.0	0.7	0.0	17.2	0.1
(xi) Others	110.1	3.1	105	3.9	61.3	1.3	41.6	1.1	33.9	1.0	33.5	1.0	16.1	0.9	32.8	1.1
Total (A+B)	3,460.2	100.0	3,224.5	100.0	3,018.8	100.0	4,184.4	100.0	4,812.4	100.0	3,687.7	100.0	1,527.9	100.0	2,150.5	100.0

Source: Central Bank of Nigeria, Annual Report, various issues

earnings is still insignificant like the period before SAP. On the average, petroleum is contributing about 97.3 percent. This is followed by agriculture sector which is contributing about 2.0 percent. The next is manufacturing sector which is contributing about 6.3 percent semi-manufacturing sector is contributing about o.16 percent

4.2 THE VARIOUS METHODS OF ALLOCATING FOREIGN EXCHANGE IN NIGERIA.

Here, we want to see how Nigeria's foreign exchange resources are expended on imports. Which sector receives the highest allocation, and which sector receives the lowest allocation of foreign exchange and why?

From table 3, it is discovered that the industrial sector has been getting the highest allocation of foreign exchange resources. This is followed by the finished goods. The invisible have third place in the allocation of foreign exchange. The agriculture sector has the fourth priority except in 1993 in which agricultural sector was given the fifth priority in foreign exchange allocation while capital goods sector was having the fourth priority in the allocation. For the remaining years (1994,1995, 1996, and 1997) agricultural and capital goods sectors are having fourth and fifth priorities respectively. Below is a small table designed out of table 3 to shows how foreign exchange is allocated to these sectors in the order of priority from 1988 to 1995.

Priority	Sector	Percentage
1st	Industrial Sector	64.7
2nd	Finished goods	24.0
3rd	Invisibles	10.7
4th	Agriculture sector	0.6
5th	Capital Goods	0.4

(1989)

Priority	Sector	Percentage
1st	Industrial Sector	68.7
2nd	Finished goods	24.0
3rd	Invisibles	6.8
4th	Agriculture sector	0.2
5th	Capital Goods	0.1

(1990)

Priority	Sector	Percentage
1st	Industrial Sector	63.7
2nd	Finished goods	25.3
3rd	Invisibles	10.4
4th	Agriculture sector	0.6
5th	Capital Goods	0.6

(1991)

Priority	Sector	Percentage
1st	Industrial Sector	64.2
2nd	Finished goods	28.7
3rd	Invisibles	6.7
4th	Agriculture sector	0.3
5th	Capital Goods	0.1

(1992)

Priority	Sector	Percentage
1st	Industrial Sector	62.3
2nd	Finished goods	29.4
3rd	Invisibles	7.6
4th	Agriculture sector	0.8
5th	Captial Goods	0.0

(1993)

Priority	Sector	Percentage
1st	Industrial Sector	57.3
2nd	Finished goods	33.7
3rd	Invisibles	8.3
4th	Agriculture sector	0.0
5th	Captial Goods	0.0

	(1994)	
Priority	Sector	Percentage
1st	Industrial Sector	63.8
2nd	Finished goods	24.4
3rd	Invisibles	9.7
4th	Agriculture sector	2.3
5th	Captial Goods	0.2
	1995	
Priority	Sector	Percentage
1st	Industrial Sector	66.5
2nd	Finished goods	24.4
3rd	Invisibles	8.1
4th	Agriculture sector	2.7
5th	Captial Goods	0.1

SOURCE: Central bank annual report (various issues)

on the average industrial sector has allocation of about 64 percent; finished goods is given 26 percent; invisibles has 9 percent and this is followed by agricultural sector with 0.9 percent and capital goods with 0.1 percent in that order.

4.3 CONCLUSION

It has been discovered that petroleum sector contributes more significantly in foreign exchange generation than other sector of the economy. It contributes about 97 percent of the total foreign exchange. Even though there major sources of foreign exchange resources because of the government emphasis on diversification, must of these new sources are making insignificant contribution.

On the side of foreign exchange allocation the industrial sector is more favoured than the other sector. This is because of the nations desire to develop herself industrially.

CHAPTER FIVE

5.0 SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 SUMMARY

Foreign exchange management in Nigeria is directed towards sourcing, conversing and curtailing the outflow of foreign exchange resources. Foreign exchange management has become paramount in our policy frame work because of the increasing involvement of nation in international transactions. In Nigeria the management of these resources had been done through the use of the following policies; trades and exchange controls, foreign exchange rate administration, external reserve diversification, external debt management and demand management.

The trade and exchange control was introduced in Nigeria in December, 1950. With the promulgation of 1962 Act, foreign exchange administration was share between federal ministry of finance was in charge of public sector while central bank was concerned with private sector transactions.

Administrative control was introduced to give backing to the above policy. Administrative controls was also used to manage foreign exchange through the following instruments comprehensive import supervision scheme, form "M" and import license. The trade and exchange controls did not achieve much because of its inconsistency and complexity in application.

This led to the introduction of foreign exchange market (FEM) on September 26, 1986 second tier foreign exchange market (SFEM) was introduced. The first tier was concerned with public sector transactions, and it was to be determined by market forces.In 1987, the two markets were merged to form foreign exchange market (FEM)

Also 1989, inter bank foreign exchange market (FEM) was formed from the merging of official segment and autonomous market because of non-converge. In the same 1989 second tier Bureaux de change was established to pave way for small users of foreign exchange by 14th December, 1990, Dutch Auction system was introduced to enhance professionalism.

Because of continuous heavy depreciation, naira was further devalued by 42 percent on 5th March, 1992. In 1994, some elements of regulations of foreign exchange in the CBN and allocation of it end users on pro-rate basis. Also in 1995, a policy of guided deregulation " was introduced with the institution of antonomous foreign exchange market (AFEM).

Upon all these change introduced in the market Nigeria is yet to achieve a realistic exchange rate because of scarcity of foreign exchanges.

Instability of oil price, corrupt practice by both foreign exchange market and Bureaux de change operator and high recognitions given to parallel market by people. External reserves diversification was also introduced to diversify the external reserves of the country, that is pound sterling . In 1961, 10 percent of it was converted to gold with the amendment of 1962 Act, the reserves was further diversification with the inclusion of assets like treasury certificate, treasury bills, special drawing right (SDR) fold coins or bullion and so on. The up surge of the price of oil also led to another diversification in 1974. This was as a result of the findings of the investment committee that was set up. The number of currencies was increased from 4 to 9.

By 1990, the reserves was dominated by pounds sterling but at present it is dominate by dollar.

Export promotion was a policy put in place to boost the production of export to enhance the generation of foreign exchange. This was supported with

the promulgation of 1976 export promotion council. This council was given some specific functions perform. This policy is yet to achieve much because oil sector still contributes about 95 percent of the total foreign exchange.

External debt management paramount in our policy frame work since the economic crisis of the mid 1980 since February 1988, many measures have been put in place to check the flows and facilitate the inflow of foreign exchange.

These include specification on guidelines for collecting loans for projects and methods for servicing the loan by public and private sectors. Other are embargo on new loans, limit on debt service payment, debt conversion programme and debt restructing which comprises of refinancing of trade area, debt rescheduling debt buy back, collateralization and new money options.

Demand management was introduced to steam down the demand for foreign exchange which arise through excess liquidity in the economy. This excess liquidity has adverse effect on the value of Naira. The objective of this policy was not achieved because of the deficit financing introduced especially during the time of Babandiga.

5.2 CONCLUSION

The policy frame work of the government directed towards managing our foreign exchange resources is well designed except in some places where the government needs to have a second look. A policy framework that is well designed must be implement accordingly for any nation to prosper economically.

On this basis, the researcher has been able to come out with some findings as they affect the government policy directly towards managing the foreign exchange resources.

These are as follows:-

1. The nation's devote, 30 percent of her foreign exchange generation to serving debt without considering the crisis which she is inside.

2. The foremost objective introducing foreign exchange market is to achieve a realistic exchange rate for the Naira. Despite all the measures adopted this objectives has not been realized because of insufficient supply of foreign exchange to meet up demand; Instability in the price of oil in the international market, high recognition given to black market by respectable people in the country; Collusion between Bureaux de change operations and parallel market operations in determining the prices of Naira; sharp and speculative activities by staff in the foreign exchange market and sourcing of foreign exchange from private autonomous market by Bureaux de change operators.

3. Introduction of structural adjustment programme (SAP) has made a significant impact by increasing the number of products that are being exported Hitherto, less emphasis was given to non-oil exports. But the contribution of these non-oil exports to total foreign exchange generation is still insignificant.

4. With respect to foreign exchange allocation, industrial sector is accorded the highest priority of 64 percent; followed by the finished goods with 26 percent;- invisible with 9 percent, agricultural sector and capital goods are having 0.9 percent and 0.1 percent respectively.

5. The contribution of industrial sector towards foreign exchange is about 0.5 percent; agricultural sector is contributing about 2.0 percent petroleum sector being the lead sector is contributing about 97.3 percent. This analysis shows that industrial sector in gulping more foreign exchange them it could generate. Again petroleum sector is still the main exchange generation

5.3 RECOMMENDATION

On the basis of the finding of this study, it is resolved on the researcher to recommend the following measures that need to be taken into consideration by the policy makers for the betterment of this country.

1. The 30 percent of the nation's foreign exchange resources that is tied to servicing debt should be reconsidered, considering the fact that the nation is still battling with economic crisis. The government may have done this to foster the relationship that exists between this country and the credit countries but they can still be made to understand the problem of the country.

2. The government should continue to denounce the existence of parallel markets and also despatch security agent to police their refarious activities in our streets.

3. The present efforts of the government should be continued and intensified to enhance foreign generation from other sectors of the economy. If this can be implemented effectively it will boost the supply of foreign exchange in the economy which will go a long way to raise the value of naira vis-a vis other currencies.

4. The export of manufactures should be intensifies partly because of its potentials for enhancing foreign exchange generation and partly to justify the allocation of a larger percentage of nation's foreign exchange to industrial sector.

5. Attraction of foreign direct investments either wholly foreign owned or in joint ventures with Nigerians should be promoted. To achieve this objectives and enabling soci-economic and political environment should be created. The

upgrading of our basic infrastructures such as water electricity and telecommunications must be intensified. In particular, regular and adequate power and water suppliers must be assured for any meaningful industrialization.

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TO WHOM IT MAY CONCERN

LETTER OF INTRODUCTION

Mal/Mrs/Miss ZUBAIRU, MOHAMMED (G97BAF7087) has completed the course work leading to the award of the Degree of Master of Business Administration (MBA) in this University. He is currently undertaking a research study entitled *"AN EVALUATION OF FOREIGN EXCHANGE IN DEPRESSED ECONOMY. A CASE STUDY OF NIGERIA"*.
For this purpose, we urge you to assist him with the necessary data and information he requires. The department has given instruction to the students that data and information so obtained should be kept in strict confidence and should be used only for the purposes of research.

We would be very pleased if permission is granted and the above named student given as much assistance as possible.

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TABLE 6.6

EXPORTS OF MAJOR COMMODITIES BY ECONOMIC SECTORS

Commodity	Quantity (Thousand tonnes)					Value (₦ million)					Percentage of Total Export Value				
	1992 (1)	1993 (2)	1994[r] (3)	1995[p] (4)	1996[p] (5)	1992 (6)	1993 (7)	1994[r] (8)	1995[p] (9)	1996[p] (10)	1992 (11)	1993 (12)	1994[r] (13)	1995[p] (14)	1996[p] (15)
Major Agricultural Products (including Forest Products)	366.5	422.9	263.2	304.1	937.2	3,054.9	3,437.3	3,818.8	15,512.0	18,020.4	1.5	1.6	1.9	1.6	1.4
Cocoa Seed	180.4	200.7	59.6	46.3	73.0	1,557.9	1,683.8	1,816.2	6,227.4	12,078.2	0.8	0.8	0.9	0.7	0.9
Palm Produce	78.0	106.7	49.7	17.4	773.6	88.1	137.2	131.3	102.7	131.1	0.0	0.1	0.1	0.0	0.0
Rubber	96.2	98.2	54.4	125.3	46.3	875.4	875.5	698.7	4,717.5	2,986.2	0.4	0.4	0.3	0.5	0.2
Pineapples	3.8	3.7	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.0	0.0	0.0	0.0	0.0
Coffee	1.3	1.2	63.6	0.2	N/A	6.1	15.0	4.5	19.5	N/A	0.0	0.0	0.0	0.0	0.0
Fish & Shrimps	2.4	2.6	8.8	36.8	14.9	212.7	234.5	312.0	1,514.8	568.2	0.1	0.1	0.2	0.2	0.0
Cashew-Nuts	2.6	9.1	8.0	13.8	2.9	N/A	N/A	81.0	732.0	29.2	0.0	0.0	0.0	0.1	0.0
Spices (Ginger, Vanilla etc)	1.1	0.7	0.5	3.6	0.2	4.6	12.4	476.9	20.1	14.5	0.0	0.0	0.2	0.0	0.0
Cotton and Yarn	N/A	N/A	5.6	N/A	16.0	79.0	119.7	232.4	1,309.8	1,704.3	0.0	0.1	0.1	0.1	0.1
Nigerian Shea-Nuts	N/A	N/A	0.3	N/A	0.9	N/A	N/A	4.1	N/A	43.7	0.0	0.0	0.0	0.0	0.0
Gum-Arabic	N/A	N/A	0.8	2.2	1.8	25.9	57.4	14.0	120.8	72.8	0.0	0.0	0.0	0.0	0.0
Cowhorn	N/A	N/A	N/A	0.1	0.5	N/A	N/A	5.4	2.4	15.1	0.0	0.0	0.0	0.0	0.0
Sesamseeds	N/A	N/A	0.6	4.1	4.1	N/A	N/A	5.1	269.9	174.9	0.0	0.0	0.0	0.0	0.0
Other Agricultural Products	0.7	N/A	11.3	54.3	3.0	205.2	301.8	37.2	475.1	204.2	0.1	0.1	0.0	0.0	0.0
Manufactures and Semi-Manufactures of Agricultural Products	31.2	38.6	9.6	2.4	24.2	218.9	376.7	384.6	1,570.8	2,904.0	0.1	0.2	0.2	0.2	0.2
Cocoa Butter	5.3	5.5	4.7	1.3	8.4	N/A	N/A	109.7	370.8	713.7	0.0	0.0	0.1	0.0	0.1
Cocoa Powder	0.2	0.3	0.3	0.1	0.7	N/A	N/A	6.0	20.2	58.3	0.0	0.0	0.0	0.0	0.0
Cocoa Cake	2.9	4.1	3.5	0.9	5.7	91.2	242.0	81.7	273.7	495.4	0.0	0.1	0.0	0.0	0.0
Cocoa Paste	0.2	0.3	0.3	0.1	0.7	N/A	N/A	6.0	20.2	58.4	0.0	0.0	0.0	0.0	0.0
Groundnut Cake	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.0	0.0	0.0	0.0	0.0
Processed Skin	N/A	N/A	0.8	N/A	4.8	N/A	N/A	91.6	N/A	473.7	0.0	0.0	0.0	0.0	0.0
Wood Products/Furniture	22.6	28.4	N/A	N/A	N/A	127.7	134.7	89.6	795.2	218.6	0.1	0.1	0.0	0.1	0.0
Others	N/A	N/A	N/A	N/A	3.9	N/A	N/A	N/A	87.7	385.9	0.0	0.0	0.0	0.0	0.0
Textiles	N/A	N/A	N/A	N/A	13.8	279.7	202.1	140.0	1,638.3	131.1	0.1	0.1	0.1	0.2	0.0
Mineral Products	83,160.3	76,953.0	79,154.2	91,313.5	102,191.2	201,452.3	213,803.7	200,826.9	930,125.6	1,286,335.0	98.0	97.7	97.5	97.6	98.2
Petroleum[1]	83,160.3	76,953	79,143	91 232.9	102,186.6	201,383.9	213,778.8	200,710.2	929,683.6	1,286,247.5	97.9	97.7	97.4	97.6	98.2
Other Petroleum Products	N/A	N/A	0.4	7.8	0.4	N/A	N/A	3.1	29.2	14.5	0.0	0.0	0.0	0.0	0.0
Charcoal & Asbestos	N/A	N/A	10.5	N/A	1.6	N/A	—	32.9	N/A	N/A	0.0	0.0	0.0	0.0	0.0
Tin Metal (Ore)	N/A	N/A	N/A	N/A	N/A	38.0	22.4	68.7	N/A	N/A	0.0	0.0	0.0	0.0	0.0
Columbite	N/A	N/A	N/A	1.4	N/A	N/A	N/A	2	25.9	29.2	0.0	0.0	0.0	0.0	0.0
Aluminium	N/A	N/A	N/A	0.2	0.4	N/A	N/A	N/A	1.2	N/A	0.0	0.0	0.0	0.0	0.0
Scrap & Other Metals	N/A	N/A	0.3	1.2	1.1	30.4	2.5	10.0	36.0	N/A	0.0	0.0	0.0	0.0	0.0
Others	N/A	N/A	N/A	N/A	1.1	N/A	N/A	N/A	349.7	43.8	0.0	0.0	0.0	0.0	0.0
Manufactured Exports	162.4	241.8	59.3	78.5	238.6	509.2	330.2	678.9	3,792.7	2,330.5	0.2	0.2	0.3	0.4	0.2
Empty Bottles/Glasses	N/A	N/A	N/A	N/A	0.4	N/A	N/A	12.2	120.1	247.6	0.0	0.0	0.0	0.0	0.0
Plastics	N/A	N/A	N/A	N/A	0.2	N/A	N/A	1.1	N/A	N/A	0.0	0.0	0.0	0.0	0.0
Insecticides	N/A	N/A	N/A	3.3	7.7	N/A	N/A	18.2	58.4	131.5	0.0	0.0	0.0	0.0	0.0
Chemicals	162.4	241.8	N/A	N/A	N/A	12.2	82.3	N/A	N/A	N/A	0.0	0.0	0.0	0.0	0.0
Motor Veh./Machinery/Tubes/ Tyres	N/A	N/A	N/A	N/A	2.0	N/A	N/A	0.5	8.1	N/A	0.0	0.0	0.0	0.0	0.0
Soap/Detergents	N/A	N/A	1.5	N/A	3.8	62.3	27.4	7.9	14.0	72.8	0.0	0.0	0.0	0.0	0.0
Beer/Beverages	N/A	N/A	N/A	0.1	0.2	N/A	N/A	4.8	6.0	43.8	0.0	0.0	0.0	0.0	0.0
Urea-Ammonia	N/A	N/A	57.8	75.1	111.0	434.7	N/A	96.2	1,218.1	1,718.5	0.2	0.0	0.0	0.1	0.1
Other Manufactured Exports	N/A	N/A	N/A	N/A	113.3	N/A	220.5	538.0	2,368.0	116.3	0.0	0.1	0.3	0.2	0.0
Other Exports	N/A	N/A	N/A	N/A	800.8	96.7	651.1	210.0	244.3	363.0	0.0	0.3	0.1	0.0	0.0
Total Domestic Exports	83,720.4	77,656.3	79,486.3	91,628.5	104,205.8	205,611.7	218,801.1	206,059.2	952,883.7	1,309,584.0	100.0	100.0	100.0	100.0	100.0
Re-Exports	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Exports	83,720.4	77,656.3	79,486.3	91,628.5	104,205.8	205,611.7	218,801.1	206,059.2	952,883.7	1,309,584.0	100.0	100.0	100.0	100.0	100.0

Revised. [p]Provisional. [1]One metric tonne = 7.3 barrels of Crude Oil. N/A = Not Available. NB. Average AFEM rates of ₦81.2043 and ₦81.2554 = US$1.00 were used as conversion factors in 1995 and 1996, respectively.

Sources: Compiled from data supplied by CBN on non-oil exports as well as crude oil export statistics from NNPC and crude oil mining and prospecting companies.

TABLE 8.10
FOREIGN EXCHANGE BUDGET, 1992-1996
(US $ million)

Sources	Budget					Actual					Divergence (Actual-Budget)				
	1992 (1)	1993 (2)	1994 (3)	1995 (4)	1996 (5)	1992 (6)	1993 (7)	1994 (8)	1995[2] (9)	1996 (10)	1992 (11)	1993 (12)	1994 (13)	1995[2] (14)	1996 (15)
A. OFFICIAL	7,595.0	7,400.0	6,199.0	9,597.9	9,717.0	6,730.2	5,951.1	5,386.1	8,477.1	11,764.2	-864.8	-1,448.9	-812.9	-1,120.8	2,047.2
1. Crude Oil	7,358.0	6,400.0	5,579.0	7,001.0	7,957.0	6,489.6	5,658.4	4,668.4	7,857.4	10,715.4	-868.4	-741.6	-910.6	856.4	2,758.4
2. External Borrowing/Grant	—	800.0	—	—	650.0	—	63.2	—	—	—	0.0	-736.8	0.0	0.0	-650.0
3. Public Sector Services	237.0	200.0	620.0	2,596.9	1,110.0	240.6	229.5	717.7	619.7	1,048.8	3.6	29.5	97.7	-1,977.2	-61.2
(i) Interest on FEM Funds	33.0	30.0	62.0	10.7	19.0	27.3	17.2	12.8	24.5	17.6	-5.7	-12.8	-49.2	13.8	-1.4
(ii) Interest on External Reserve/Investment	187.0	102.0	372.0	36.2	46.0	101.0	39.7	35.8	47.2	80.1	-85.9	-62.3	-336.2	11.0	34.1
(iii) Others	17.0	68.0	186.0	2,550.0	1,045.0	112.2	172.6	669.1	548.0	951.1	95.2	104.6	483.1	-2,002.0	-93.9
B. PRIVATE	1,403.0	1,830.0	1,932.0	1,100.0	5,783.0	1,679.1	1,726.5	735.1	984.6	2,421.4	276.1	-103.5	-1,196.9	-115.4	-3,361.6
1. Non-Oil Exports	347.0	318.0	280.8	118.0	450.0	281.1	231.1	122.3	283.7	287.2	-65.9	-86.9	-158.5	165.7	-162.8
2. Services	376.0	694.0	980.0	—	3,663.0	690.3	861.1	—	—	1,193.2	314.3	167.1	-980.0	0.0	-2,469.8
3. Others	680.0	818.0	671.2	982.0	1,670.0	707.7	634.3	612.8	700.9	941.0	27.7	-183.7	-58.4	-281.1	-729.0
TOTAL	8,998.0	9,230.0	8,131.0	10,697.9	15,500.0	8,409.3	7,677.6	6,121.2	9,461.7	14,185.6	-588.7	-1,552.4	-2,009.8	-1,236.2	-1,314.4
APPLICATION[1]											0.0	0.0	0.0	0.0	0.0
A. OFFICIAL DISBURSEMENTS	6,533.0	6,700.0	5,874.9	9,090.9	9,864.0	8,389.9	5,621.4	5,177.3	8,143.4	9,764.2	1,856.9	-1,078.6	-697.6	-947.5	-99.8
1. Debt Service	2,279.0	2,400.0	1,800.0	2,000.0	2,000.0	2,726.3	1,644.7	1,694.9	1,628.5	2,115.8	447.3	-755.3	-105.1	-371.5	115.8
2. Domestic Use	4,254.0	4,300.0	4,074.9	7,090.9	7,864.0	5,663.6	3,976.7	3,482.4	6,514.9	7,648.4	1,409.6	-323.3	-592.5	-576.0	-215.6
(i) Funding of FEM	3,200.0	3,200.0	2,500.0	1,700.0	2,000.0	4,045.7	2,957.1	1,961.1	1,747.1	1,859.1	845.7	-242.9	-538.9	47.1	-140.9
(ii) NNPC Cash Calls	500.0	200.0	—	3,440.0	3,664.0	1.1	—	—	2,308.9	3,465.7	-498.9	-200.0	0.0	-1,131.1	-198.3
(iii) Pre-SFEM Arrears	94.0	50.0	—	—	—	164.5	82.1	—	—	—	70.5	32.1	0.0	0.0	0.0
(iv) Public Sector Uses:	460.0	850.0	1,574.9	1,950.9	2,200.0	1,452.3	937.5	1,521.3	2,458.9	2,323.6	992.3	87.5	-53.6	508.0	123.6
(a) Contribution to International Organisations and Embassies	90.0	—	—	1,200.9	—	183.2	161.4	162.2	466.7	—	0.0	0.0	0.0	0.0	0.0
(b) Drawings on Letters of Credit (Public)	200.0	—	—	—	650.0	435.5	368.3	451.5	—	391.8	93.2	161.4	162.2	-734.2	0.0
(c) Others	170.0	—	—	750.0	1,550.0	833.6	407.8	907.6	1,992.2	1,931.8	235.5	368.3	451.5	0.0	-258.2
B. Accretion to Reserves	-1,062.0	700.0	324.1	507.0	423.0	-1,659.7	329.7	208.8	333.7	2,000.0	663.8	407.8	907.6	1,242.2	381.8
TOTAL	5,471.0	7,400.0	6,199.0	9,597.9	10,287.0	6,730.2	5,951.1	5,386.1	8,477.1	11,764.2	-597.7	-370.3	-115.3	-173.3	1,577.0
											1,259.2	-1,448.9	-812.9	-1,120.8	1,477.2

[1]The application of funds covers only official funds.
[2]Revised.

TABLE 8.12
SECTORAL ALLOCATION OF FOREIGN EXCHANGE IN THE FOREIGN EXCHANGE MARKET

	1992		1993		1994		1995		1996	
	Jan-Dec. (US$ m) (1)	*Percentage Share* (2)	Jan-Dec. (US$ m) (3)	*Percentage Share* (4)	Jan-Dec. (US$ m) (5)	*Percentage Share* (6)	Jan-Dec. (US$ m) (7)	*Percentage Share* (8)	Jan-Dec. (US$ m) (9)	*Percentage Share* (10)
A Imports	**4,448.2**	**92.4**	**3,399.1**	**172.5**	**1,779.9**	**90.3**	**1,977.9**	**91.9**	**2,293.4**	**92.6**
1. Industrial Sector	2,996.7	62.3	2,144.7	108.8	1,257.2	63.8	1,437.6	66.8	1,490.6	60.2
(i) Raw Materials	1,760.6	36.6	1,321.8	67.1	839.7	42.6	1,046.9	48.7	1,115.7	45.1
(ii) Machinery, Spare Parts & CKDs	1,236.1	25.7	822.8	41.7	417.5	21.2	390.7	18.2	374.8	15.1
2. Agricultural Sector	36.2	0.8	0.3	0.0	45.0	2.3	58.3	2.7	52.5	2.1
3. Finished Goods	1,413.5	29.4	1,250.0	63.4	477.6	24.2	480.9	22.4	750.1	30.3
(i) Food	(355.5)	7.4	395.4	20.1	117.9	6.0	177.4	8.2	367.7	14.8
(ii) General Merchandise	(902.5)	18.8	711.4	36.1	43.7	2.2	36.0	1.7	292.8	11.8
(a) Drugs and Pharmaceuticals	102.2	2.1	102.3	5.2	316.0	16.0	267.5	12.4	64.0	2.6
(b) Books and Educational Materials	30.4	0.6	48.0	2.4	48.9	2.5	40.2	1.9	18.1	0.7
(c) Other General Merchandise	770.0	16.0	561.0	28.5	23.5	1.2	16.2	0.8	218.3	8.8
(iii) Motor Vehicles	(155.4)	3.2	143.2	7.3	243.6	12.4	211.0	9.8	89.7	3.6
4. Capital Goods (Aircraft & Shipping Vessels)	1.9	0.0	1.4	0.1	0.1	0.0	1.1	0.1	0.2	0.0
B Invisibles	**364.2**	**7.6**	**309.6**	**15.7**	**191.0**	**9.7**	**173.6**	**8.1**	**183.1**	**7.4**
(i) Education	22.1	0.5	19.8	1.0	7.7	0.4	4.3	0.2	4.0	0.2
(ii) Personal Home Remittance	6.2	0.1	2.3	0.1	8.8	0.4	3.4	0.2	1.6	0.1
(iii) Airline Remittance	132.3	2.7	118.8	6.0	45.4	2.3	17.9	0.8	15.8	0.6
(iv) Travels	33.8	0.7	31.0	1.6	42.3	2.1	13.7	0.6	4.5	0.2
(v) Re-Insurance	1.4	0.0	2.6	0.1	11.8	0.6	4.7	0.2	3.4	0.1
(vi) Contract	34.2	0.7	16.1	0.8	8.4	0.4	28.0	1.3	19.1	0.8
(vii) Aircraft Lease and Maintenance Fees	13.3	0.3	7.4	0.4	15.2	0.8	3.6	0.2	2.4	0.1
(viii) Shipping Vessels Charter and Maintenance	3.9	0.1	1.4	0.1	1.7	0.1	7.9	0.4	1.1	0.0
(ix) Investment Income (Profit and Dividends)	26.1	0.5	43.0	2.2	16.9	0.9	41.2	1.9	47.5	1.9
(x) Repatriation of Capital	1.0	0.0	7.1	0.4	6.7	0.3	17.2	0.8	29.5	1.2
(xi) Others	89.9	1.9	59.9	3.0	26.1	1.3	31.8	1.5	54.3	2.2
Total (A+B)	4,812.4	100.0	3,708.7	100.0	1,970.9	100.0	2,151.5	100.0	2,476.5	100.0

TABLE 6.10

SUMMARY OF TRANSACTIONS IN THE FOREIGN EXCHANGE MARKET: JANUARY-DECEMBER, 1995

	Allocation for Imports		*Forms 'M' passed for inspection for goods valid for foreign exchange*		*Forms 'M' passed for inspection for goods not valid for foreign exchange*		*Goods inspected for which clean reports of findings were issued*	
	(US $m) (1)	% (2)	*(US $m)* (3)	% (4)	*(US $m)* (5)	% (6)	*(US $m)* (7)	% (8)
1. Industrial Sector	1,437.6	72.7	2,450.0	58.3	2,467.1	54.1	2,769.3	61.3
(i) Raw Material	1,046.9	52.9	1,530.0	36.4	980.3	21.5	1,497.5	33.2
(ii) Machinery, Spare Parts & CKD	390.7	19.8	920.0	21.9	1,486.8	32.6	1,271.8	28.2
2. Agricultural Sector	58.3	2.9	214.4	5.1	136.8	3.0	93.9	2.1
3. Finished Goods	480.9	24.3	1,528.0	36.4	1,856.4	40.7	1,645.3	36.4
(i) Food	177.4	9.0	490.8	11.7	577.3	12.7	425.0	9.4
(ii) Motor Vehicles	36.0	1.8	140.4	3.3	130.1	2.9	151.4	3.4
(iii) General Merchandise	267.5	13.5	896.8	21.4	1,149.0	25.2	1,068.9	23.7
(a) Drugs & Pharmaceuticals	40.2	2.0	122.4	2.9	99.0	2.2	55.8	1.2
(b) Books & Educational Materials	16.2	0.8	84.6	2.0	91.5	2.0	30.7	0.7
(c) Others	211.1	10.7	689.8	16.4	957.9	21.0	982.4	21.8
4. Aircraft, Shipping Vessels	1.1	0.1	6.8	0.2	98.0	2.1	7.5	0.2
TOTAL (1+2+3+4)	1,977.9	100.0	4,199.2	100.0	4,558.3	100.0	4,516.0	100.0

TABLE 6.9

SUMMARY OF TRANSACTIONS IN THE FOREIGN EXCHANGE MARKET: JANUARY-DECEMBER, 1996

	Allocation for Imports		*Forms 'M' passed for inspection-for goods valid for foreign exchange*		*Forms 'M' passed for inspection for goods not valid for foreign exchange*		*Goods inspected for which clean reports of findings were issued*	
	(US $m) (1)	% (2)	*(US $m)* (3)	% (4)	*(US $m)* (5)	% (6)	*(US $m)* (7)	% (8)
1. Industrial Sector	1,490.5	65.0	1,150.3	54.8	1,288.7	50.5	1,471.6	52.8
(i) Raw Materials	1,115.7	48.6	668.7	31.9	287.3	11.3	703.1	25.2
(ii) Machinery, Spare Parts & CKD	374.8	16.3	481.6	23.0	1,001.4	39.2	768.5	27.6
2. Agricultural Sector	52.5	2.3	41.0	2.0	64.5	2.5	51.1	1.8
3. Finished Goods	750.2	32.7	906.5	43.2	1,168.3	45.8	1,257.7	45.2
(i) Food	367.7	16.0	274.8	13.1	155.7	6.1	302.8	10.9
(ii) Motor Vehicles	89.7	3.9	171.8	8.2	61.9	2.4	120.8	4.3
(iii) General Merchandise	292.8	12.8	459.9	21.9	950.7	37.2	834.0	29.9
(a) Drugs & Pharmaceuticals	64.0	2.8	55.7	2.7	92.9	3.6	38.8	1.4
(b) Books & Educational Materials	18.1	0.8	27.3	1.3	22.5	0.9	20.7	0.7
(c) Others	210.7	9.2	376.9	18.0	835.3	32.7	774.5	27.8
4. Aircraft, Shipping Vessels	0.2	0.0	0.1	0.0	31.6	1.2	4.9	0.2
TOTAL (1+2+3+4)	2,293.4	100.0	2,097.9	100.0	2,553.1	100.0	2,785.3	100.0

TABLE 6.7
DIRECTION OF OIL EXPORTS

Region/Country	Quantity (Thousand Barrels)					Value (₦ million)					Percentage of Total Value				
	1992 (1)	1993 (2)	1994 (3)	1995[1] (4)	1996[2] (5)	1992 (6)	1993 (7)	1994 (8)	1995[1] (9)	1996[2] (10)	1992 (11)	1993 (12)	1994 (13)	1995[1] (14)	1996[2] (15)
Africa	19,426	24,461	31,332	39,075	46,979	7,048.5	9,319.0	10,770.9	54,545.6	81,005.0	3.5	4.4	5.4	5.9	6.3
West Africa	14,570	19,270	25,840	30,086	32,403	5,638.8	7,455.5	8,809.3	41,997.7	55,871.9	2.8	3.5	4.4	4.5	4.3
Ecowas	14,570	19,270	25,840	30,086	32,403	5,638.8	7,455.5	8,809.3	41,997.7	55,871.9	2.8	3.5	4.4	4.5	4.3
Ghana	—	5,122	7,586	5,909	6,777	—	1,991.9	2,700.5	8,248.5	11,685.4	0.0	0.9	1.3	0.9	0.9
Côte d'Ivoire	14,570	10,801	15,084	20,921	20,710	5,638.8	4,158.1	5,055.4	29,204.1	35,709.8	2.8	1.9	2.5	3.1	2.8
Senegal	—	3,347	2,260	3,256	4,916	—	1,305.5	744.4	4,545.1	8,476.6	0.0	0.6	0.4	0.5	0.7
Sierra-Leone	—	—	—	—	—	—	—	—	—	—	0.0	0.0	0.0	0.0	0.0
Other Ecowas	—	—	910	—	—	—	—	309.0	—	—	0.0	0.0	0.2	0.0	0.0
Other West Africa	—	—	—	—	—	—	—	—	—	—	0.0	0.0	0.0	0.0	0.0
North Africa	—	441	461	2,747	8,328	—	140.9	134.8	3,834.6	14,359.8	0.0	0.1	0.1	0.4	1.1
Other Africa	4,856	4,750	5,031	6,242	6,248	1,409.7	1,722.6	1,826.8	8,713.3	10,773.3	0.7	0.8	0.9	0.9	0.8
Asia	9,713	43,909	32,089	76,836	119,387	4,833.2	16,798.2	10,913.2	107,257.0	205,856.6	2.4	7.9	5.4	11.5	16.0
China (Mainland)	—	—	—	3,002	0	—	—	—	4,190.6	—	0.0	0.0	0.0	2.1	0.0
India	9,713	42,097	23,424	34,179	60,295	4,833.2	16,115.4	7,870.9	47,711.2	103,965.5	2.4	7.5	3.9	5.1	8.1
Indonesia	—	—	1,520	7,898	6,613	—	—	520.7	11,025.0	17,773.9	0.0	0.0	0.3	1.2	1.4
Japan	—	—	725	7,334	27,505	—	—	260.1	10,237.7	11,402.7	0.0	0.0	0.1	1.1	0.9
Korea	—	1,812	6,420	19,720	0	—	682.8	2,261.5	27,527.6	47,426.3	0.0	0.3	1.1	3.0	3.7
Philippines	—	—	—	3,293	11,096	—	—	—	4,596.8	—	0.0	0.0	0.0	2.3	0.0
Singapore	—	—	—	1,410	3,570	—	—	—	1,968.1	19,132.6	0.0	0.0	0.0	1.0	1.5
Taiwan	—	—	—	—	—	—	—	—	—	6,155.7	0.0	0.0	0.0	0.0	0.5
Others	—	—	—	—	—	—	—	—	—	—	0.0	0.0	0.0	0.0	0.0
Americas	327,818	309,464	306,287.0	347,046	307,403	95,053.6	117,900.7	108,326.9	484,448.9	530,048.9	47.2	55.2	54.0	52.1	41.2
Canada	13,963	24,894	17,945.0	22,124	5,601	5,840.1	9,309.2	5,879.2	30,883.4	9,657.7	2.9	4.4	2.9	3.3	0.8
U.S.A.	290,787	259,865	257,021.0	271,871	252,463	78,540.1	99,334.0	91,828.3	379,510.5	435,316.9	39.0	46.5	45.8	40.8	33.8
Brazil	—	9,244	6,523.0	8,522	10,066	—	3,358.7	2,250.4	11,896.0	17,356.6	0.0	1.6	1.1	1.3	1.3
Virgin Islands	14,570	—	16,597.0	29,684	30,503	6,847.1	—	5,615.7	41,436.5	52,595.7	3.4	0.0	2.8	4.5	4.1
Chile	4,856	15,461	5,728	8,682	6,034	2,416.6	5,898.8	1,892.1	12,119.4	10,404.3	1.2	2.8	0.9	1.3	0.8
Uruguay	3,642	—	—	1,595	1,865	1,409.7	—	—	2,226.5	3,215.8	0.7	0.0	0.0	0.2	0.3
Argentina	—	—	2,473	2,682	873	—	—	861.2	3,744.0	1,501.8	0.0	0.0	0.4	0.4	0.1
Others	—	—	—	1,886	—	—	—	—	2,632.7	—	0.0	0.0	0.0	0.3	0.0
Eastern Europe	—	922	651	0	872	—	398.5	210.9	—	1,503.6	0.0	0.2	0.1	0.0	0.1
Yugoslavia	—	—	—	—	—	—	—	—	—	—	0.0	0.0	0.0	0.0	0.0
Poland	—	922	651	—	—	—	398.5	210.9	—	—	0.0	0.2	0.1	0.0	0.0
Others	—	—	—	—	872	—	—	—	—	1,503.6	0.0	0.0	0.0	0.0	0.1
Western Europe	250,113	184,858	206,891	203,043	270,692	94,449.5	69,362.4	70,488.3	283,432.1	466,749.0	46.9	32.4	35.1	30.5	36.3
Belgium/Luxembourg	—	—	3,548	—	—	—	—	1,174.9	—	—	0.0	0.0	0.6	0.0	0.0
Netherlands	32,175	31,556	36,123	28,503	24,825	12,083.1	11,923.2	12,202.2	39,787.9	42,805.3	6.0	5.6	6.1	4.3	3.3
Greece	—	—	—	899	—	—	—	—	1,254.9	—	0.0	0.0	0.0	0.6	0.0
Germany	107,451	9,682	3,552	—	1,964	39,874.2	4,086.2	1,212.7	0.0	3,386.5	19.8	1.9	0.6	0.0	0.3
France	21,248	37,007	75,384	56,441	69,718	7,854.0	13,615.0	25,611.5	78,787.3	120,213.4	3.9	6.4	12.8	8.5	9.3
Italy	30,961	13,728	12,141	30,734	52,690	12,284.5	4,998.5	4,235.1	42,902.2	90,852.3	6.1	2.3	2.1	4.6	7.1
Sweden	—	906	3,641	2,789	3,860	—	321.4	1,307.6	3,893.3	6,655.7	0.0	0.2	0.7	0.4	0.5
Austria	—	—	—	951.0	—	—	—	—	1,327.5	0.0	0.0	0.0	0.0	0.1	0.0
Spain	27,925	48,881	48,321	56,944	83,836	9,666.5	18,376.6	16,620.8	79,489.4	144,556.8	4.8	8.6	8.3	8.6	11.2
United Kingdom	3,035	1,793	3,859	3,722	10,579	805.5	770.6	1,290.8	5,195.6	18,241.2	0.4	0.4	0.6	0.6	1.4
Portugal	27,318	10,083	12,952	22,060	23,220	11,881.7	3,749.2	4,313.2	30,794.0	40,037.8	5.9	1.8	2.1	3.3	3.1
Holland	—	10,030	7,370	—	—	—	3,605.4	2,484.4	—	—	0.0	1.7	1.2	0.0	0.0
Finland	—	1,856	—	—	—	—	665.6	—	—	—	0.0	0.3	0.0	0.0	0.0
Others	—	19,336	—	—	—	—	7,250.7	—	—	—	0.0	3.4	0.0	0.0	0.0
Oceania	—	—	—	—	629	—	—	—	—	1,084.5	—	—	—	—	0.1
Total	607,070	563,614	577,250	666,000	745,962	201,384.8	213,778.8	200,710.2	929,683.6	1,286,247.5	100.0	100.0	100.0	100.0	100.0

[1]Revised. [2]Provisional. NB. Average AFEM rates of ₦81.2043 and ₦81.2554 = US$1.00 were used as conversion factors in 1995 and 1996, respectively.

Sources: Compiled from monthly returns on Crude Oil Exports by NNPC and Crude Oil Mining and Prospecting Companies.