



NATIONAL BUREAU OF STATISTICS

# Nigerian Capital Importation

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**QUARTER THREE 2016**



**\_ November 2016**

## Capital Importation Data

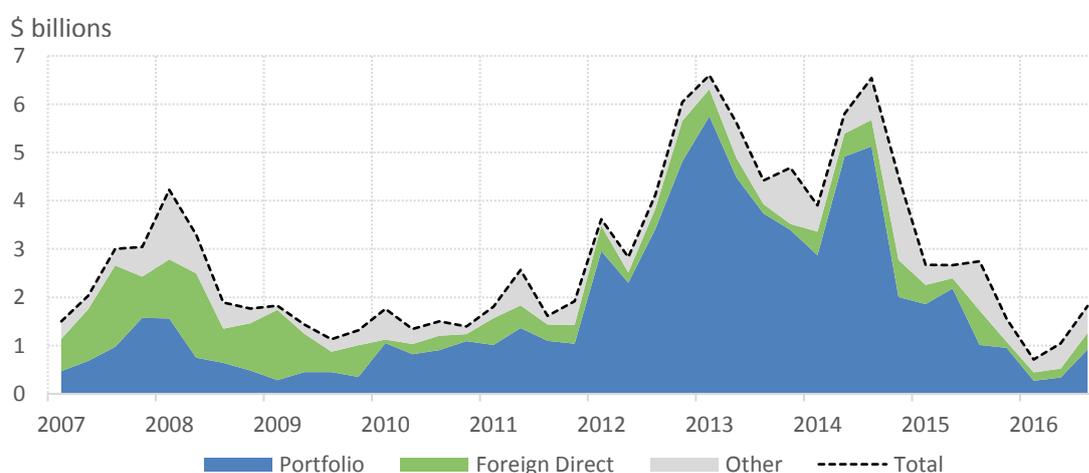
The data on Capital Importation used in this report was obtained from the Central Bank of Nigeria (CBN). The data is compiled using information on Banking transactions, gathered through Electronic Financial Analysis and Surveillance System (e-FASS) software, which enables the automatic reporting of all banking transactions to CBN. E-FASS follows WTO classification systems and covers all registered financial institutions in Nigeria, thus complying with international standards as well as being highly comprehensive. E-FASS data is supplemented by that from customs, through the analysis of declaration forms for physical capital imported. Data is therefore inclusive of both imported physical capital, such as that of plants and machinery, as well as financial capital importation.

**NOTE: Data is subject to revisions within the quarter subsequent to its release. Finalised data and reports updated accordingly and published online.**

## Summary

The total value of capital imported into Nigeria in the third quarter of 2016 was estimated to be \$1,822.12 million, which represents an increase of 74.84% relative to the second quarter, and a fall of 33.70% relative to the third quarter of 2015. The highest level of capital imported was in August, when \$894.00 million was imported, the highest level since July 2015. In September \$649.76 million was imported, which was still more than any month in the first and second quarters. In contrast with the previous quarter, where Other Loans explained the majority of the increase, a number of investment types contributed to the quarterly increase.

Figure 1: Total Capital Imported (\$ billions)



# CAPITAL IMPORTATION REPORT Q3 2016

TOTAL VALUE OF  
CAPITAL IMPORT

**Q3 = \$1,822.1m**

## TOTAL CAPITAL IMPORTED 2014- Q3 2016 (\$' BILLION)



Total capital imported rose by **74.84%** in Q3 2016 from \$1042m in Q2 2016.

Total capital imported declined by **33.70%** in Q3 2016 from \$2,672m in Q3 2015.

- The highest level of capital imported was in August, when \$894.00 million was imported - the highest level since July 2015.
- The second highest level of capital imported was in **September**, when \$649.76 million was imported, which was still more than any month in the first and second quarters.
- In this quarter, a number of investment types contributed to the quarterly increase.

Much of the quarterly increase in the value of capital importation came from debt financing. Of the total quarterly increase, 85% was accounted for by increases in Portfolio investment in Bonds and Money Market Instruments; the latter of which comprises short-term funding securities such as treasury bills and commercial bills from CBN. Quarterly growth in FDI equity was also strong, although Portfolio equity continued to decline. FDI investments have a longer-term interest, and are therefore less likely to reflect short term challenges than Portfolio Equity.

Nevertheless, each type of investment (FDI, Portfolio and Other) recorded quarterly increases, of 84.84%, 172.84% and 7.80% respectively. The relatively strong growth in Portfolio Investment meant it regained its position as the largest investment type, and it accounted for 50.51% in the third quarter, compared to 18.69% and 30.80% for Other Investment and FDI respectively. Year on year growth rates remained negative; FDI,

Portfolio and Other Investment declined by 52.54%, 8.80% and 45.05% respectively compared to the third quarter of 2015. In the case of FDI and Other Investment however, this was partly the result of a base effect, as there was a spike in value of FDI Equity in the third quarter of 2015. Nevertheless, it is also possible that the weaker growth in the economy in the first half of 2016 has had an impact on the value of capital importation.

# CAPITAL IMPORTATION REPORT Q3 2016

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## PORTFOLIO INVESTMENT

Portfolio investment  
rose by **172.84%**  
from \$337.3m in Q2 2016  
to \$920.32m in Q3 2016.

Portfolio investment  
declined by **8.80%**  
from 1,009.13m in Q3 2015  
to \$920.32m in Q3 2016.

## FOREIGN DIRECT INVESTMENT

Foreign Direct investment  
rose by **84.84%**  
from \$184.3m in Q2 2016  
to \$340.64m in Q3 2016.

Foreign Direct investment  
declined by **52.54%**  
from 717.72m in Q3 2015  
to \$340.64m in Q3 2016.

## OTHER INVESTMENTS

Other investments  
rose by **7.80%**  
from \$520.6m in Q2 2016  
to \$561.61 in Q3 2016.

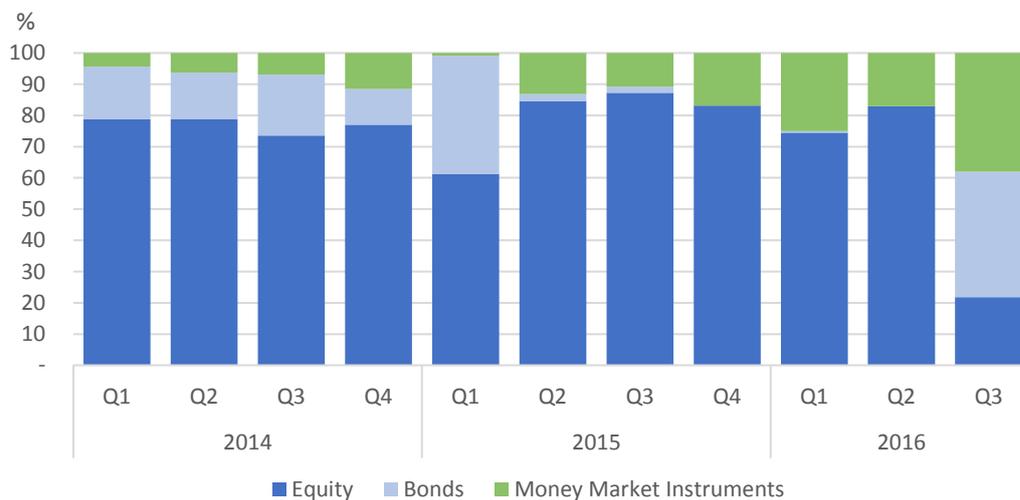
Other investments  
rose by **45.05%**  
from 1021.26m in Q3 2015  
to \$520.6m in Q3 2016.

## Capital Importation by Type

Capital Importation can be divided into three main investment types: Foreign Direct Investment (FDI), Portfolio Investment and Other Investments, each comprising various sub-categories.

In the third quarter of 2016, Portfolio Investment was the largest component of imported capital and accounted for \$920.32 million, or 50.51%. Although Portfolio Equity declined by 28.12% relative the previous quarter, this is outweighed by large increases in other types of Portfolio Investment. Bonds increased from zero in the second quarter, to \$369.00 million in the third, and Money Market Instruments increased from \$57.50 million to \$350.20 million over the same period, an increase of 509.03%. This is the first quarter since 2007 Q2 in which Equity was not the largest part of Portfolio investment; at \$201.12 million this type of Portfolio Investment remains considerably subdued relative to previous highs of \$4930.55 million in the first quarter of 2013, and \$3875.35 million in the second quarter of 2014.

Figure 2: Components of Portfolio Investment (%)

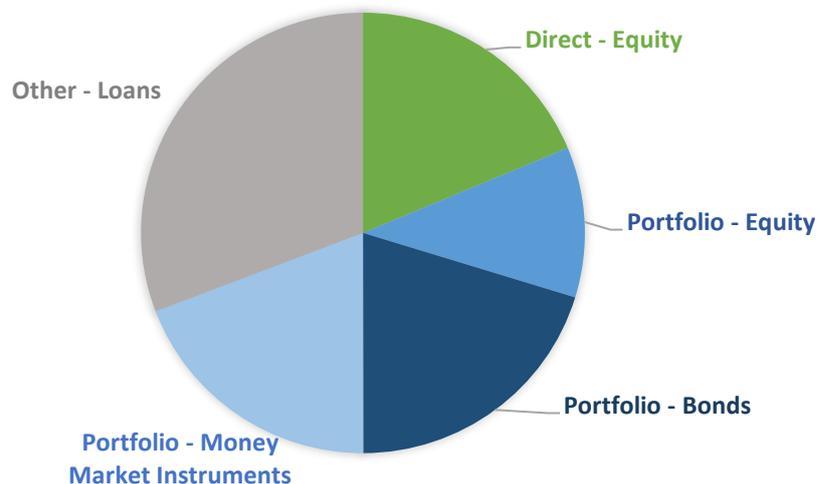


The second largest component was Other Investment, which accounted for \$561.61 million, or 30.80%. As in each quarter in the last year, no capital was imported in the form of Currency or Trade Credits. In addition, Other claims decreased further to \$0.06 million, which represents only 0.01% of Other

Investment, and a decline of 99.98% relative to the same quarter of the previous year. Therefore, this investment type is now dominated by Loans, which increased by 7.86% compared to the previous quarter, to \$561.10 million. Year on year this represents a decline of 19.43%.

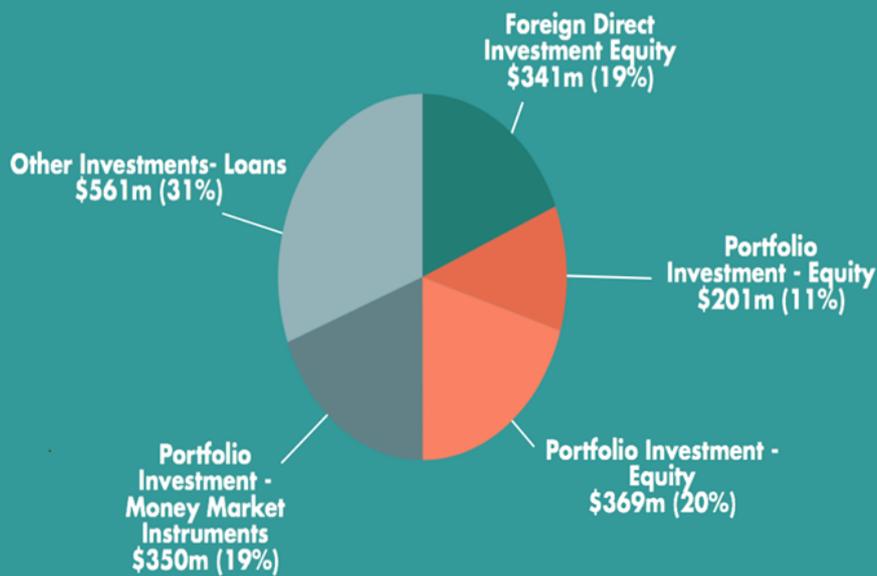
As in each quarter over the past two years, FDI accounted for the smallest share of imported capital. A total of \$340.64 million was imported within this component, or 18.69% of the total. This was the first quarter on record in which no capital was imported in the form of FDI – Other capital, even if in previous quarters the amount was not significant. As a consequence, only Equity was recorded within the FDI component.

[Figure 3: Composition of capital imported, 2016 Q3](#)



# CAPITAL IMPORTATION REPORT Q3 2016

## CAPITAL IMPORTATION BY INVESTMENT TYPE



- This is the first quarter since 2007 Q2 in which Equity was not the largest part of Portfolio investment
- Much of the quarterly increase in the value of capital importation came from debt financing.
- This was the first quarter on record in which no capital was imported in the form of FDI.-Other Capital

## Capital Importation by Sector

Capital is either imported in the form of shares, or directly imported by different sectors of the economy.

In the third quarter of 2016 the value of share capital imported was \$646.28 million, which represents an increase of 85.72% relative to the previous quarter. This is slightly larger than for the total value of capital imported, and as a result share capital increased the share it accounted for from 33.39% in the previous quarter to 35.47% in the current, which although less than in previous years, is still more than any individual sector. Year on year however, share capital imported declined by 65.57%, and in the third quarter of 2015 shares accounted for 63.19% of capital imported.

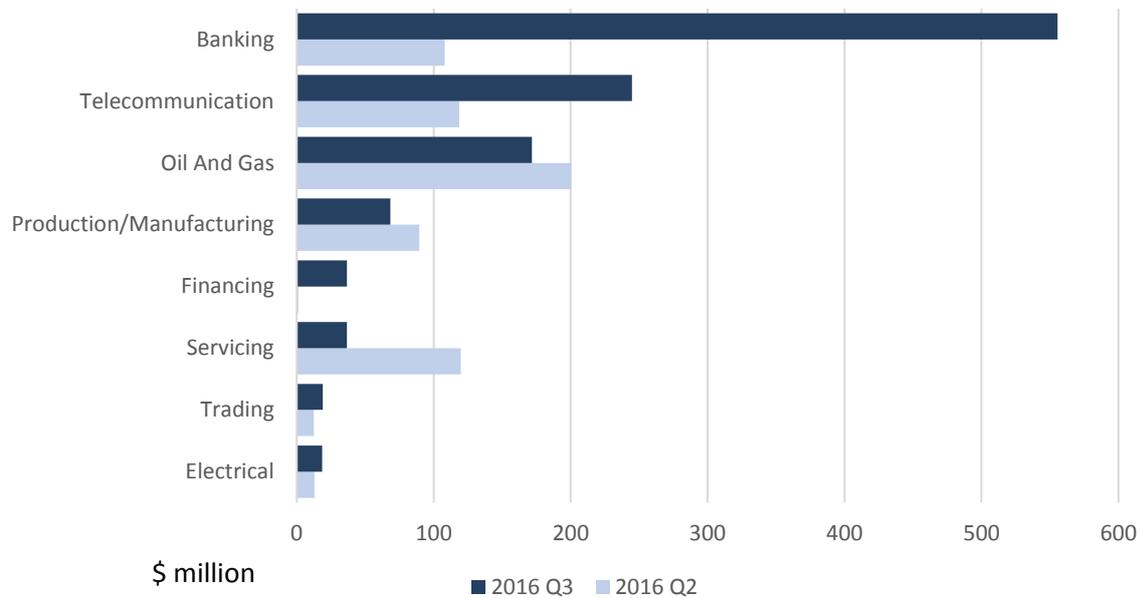
The banking sector regained its position as the sector to import the largest value of capital, and imported \$555.52 million, or 30.49% of the total. In over half of the quarters since 2007, the banking sector has imported the most capital, but in the previous quarter of 2016 it accounted for only the fourth most. This changed in the current quarter following an increase of \$447.42 million, which accounts for over half of the increase in total capital imported. Compared to the same quarter of 2015, the value also increased – in contrast with most sectors – by 127.45%.

The sector to import the second largest amount was Telecommunications, which is also usually one of the key sectors involved in capital importation. The value of capital imported by Telecommunications was \$244.80 million, or 13.34% of the total. This represents an increase of \$126.09 million, or 106.21%, relative to the previous quarter. However, compared to the previous year this is still a decline of 33.75%.

The Oil and Gas sector maintained a high level of capital importation; although it decreased by 14.4% relative to the previous quarter, it is still elevated relative to previous periods at \$171.63 million. This sector is characterised by isolated periods of high capital importation, and it is

therefore unusual that the level has remained high for two consecutive quarters. This sector accounted for the third highest amount in the third quarter of 2016.

Figure 4: Capital imported by key sectors in 2016 Q2 and Q3 (\$ millions)



There were four sectors to record no capital importation in the third quarter of 2016 (Marketing, Hotels, Tanning and Weaving), one less than in the previous quarter. However, there were a further two sectors to record a value of less than \$1 million, which were Drilling and IT Services. Eight out of 20 sectors recorded a decline in the value of capital importation, the largest of which was in Servicing, which recorded a decline of \$83.20 million relative to the previous quarter, or 69.48%.

# CAPITAL IMPORTATION REPORT Q3 2016

## CAPITAL IMPORTATION BY SECTOR

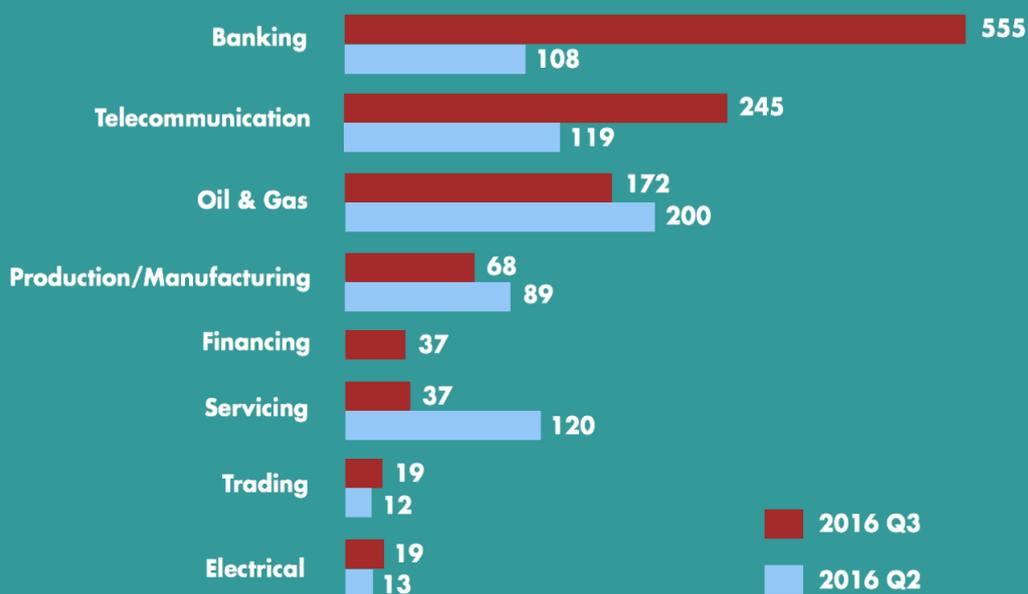


The banking sector regained its position as the sector to import the largest value of capital

**\$555.52 million**  
or **30.49%** of  
the total.

In the previous quarter of 2016, the banking sector accounted for only the fourth most value of capital import.

### Capital imported by key sectors in 2016 Q3 (\$ millions)



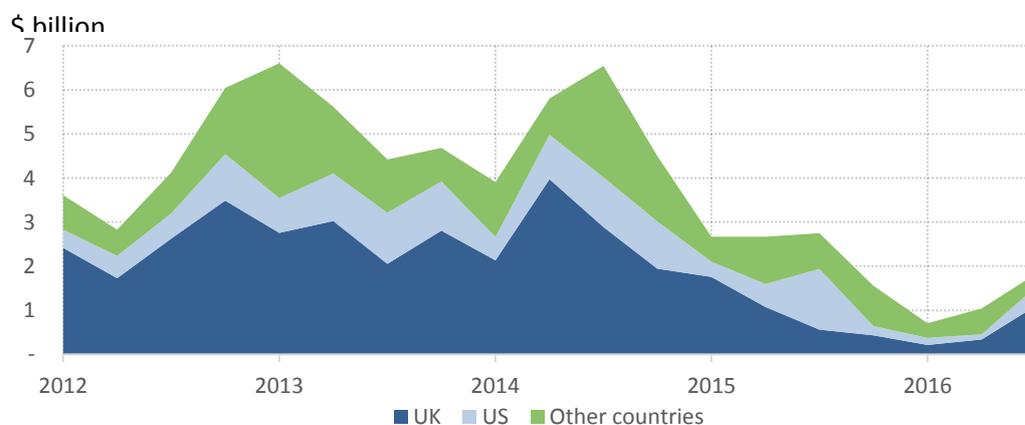
## Capital Importation by Country of Origin

In the third quarter of 2016 there were 34 different countries that were active in investing in Nigeria. This is two more than in the previous quarter, but less than in the same quarter of the previous year when there were 42 countries from which Nigeria imported capital.

The country from which Nigeria imported by far the most capital was the United Kingdom, which accounted for \$1,097.59 million, or 60.24% of the total. As well as the existence of an historical relationship between the UK and Nigeria, London (the capital of the UK) is also a key financial centre, which could help to explain the high value of capital importation accounted for by the UK. Since 2010, the UK has accounted for the highest value of capital importation in all but two quarters (both in the second half of 2015).

The country to account for the second largest value was the United States, which accounted for \$426.98 million, or 23.43% of the total. As in the case of the UK, the US retained its position as the second largest investor into Nigeria in most quarters since 2010. The country also has a large financial centre in New York, which may explain its importance as an investor. The US and the UK also share an official language with Nigeria which may facilitate investment.

Figure 4: Capital imported by country of Origin (\$ billion)

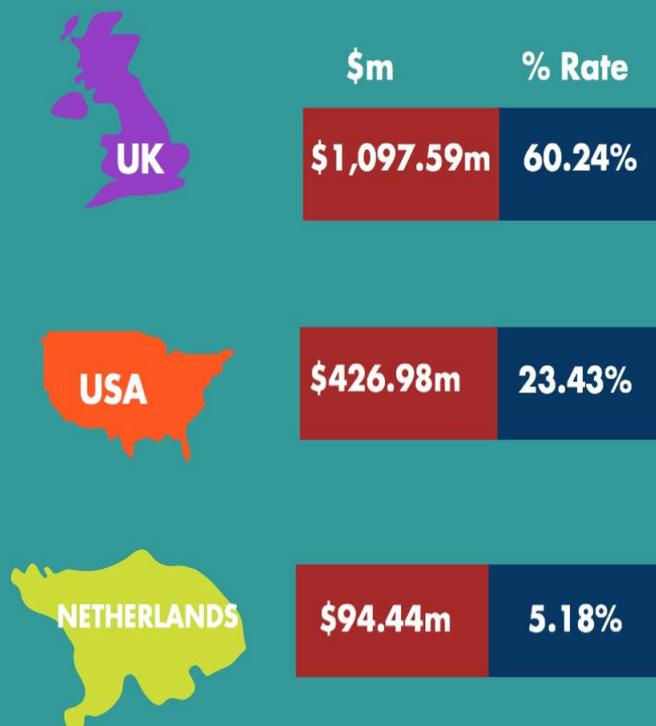


Netherlands accounted for \$94.44 million, or another 5.18% of the total value. These three countries together therefore accounted for roughly nine tenths of total capital imported into Nigeria.



# CAPITAL IMPORTATION REPORT Q3 2016

## CAPITAL IMPORTATION BY COUNTRY OF ORIGIN



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**TABLE 1: Capital Importation by Type of Investment (\$ million)**

	2013			2014				2015				2016		
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b>Foreign Direct Investment</b>	<b>400.91</b>	<b>195.28</b>	<b>121.82</b>	<b>490.69</b>	<b>472.99</b>	<b>544.5</b>	<b>768.86</b>	<b>394.61</b>	<b>211.14</b>	<b>717.72</b>	<b>123.15</b>	<b>174.46</b>	<b>184.29</b>	<b>340.64</b>
Equity	400.80	194.63	113.95	490.39	461.58	544.21	767.83	394.56	211.01	715.86	120.98	173.73	184.21	340.64
Other Capital	0.11	0.65	7.87	0.30	11.41	0.29	1.03	0.05	0.13	1.86	2.17	0.73	0.08	-
<b>Portfolio Investment</b>	<b>4487.5</b>	<b>3735.49</b>	<b>3395.77</b>	<b>2869.19</b>	<b>4917.13</b>	<b>5127.75</b>	<b>2003.1</b>	<b>1860.64</b>	<b>2183.15</b>	<b>1009.13</b>	<b>952.5</b>	<b>271.04</b>	<b>337.31</b>	<b>920.32</b>
Equity	3,934.21	3,532.53	2,719.29	2,260.36	3,875.35	3,770.37	1,542.08	1,139.38	1,846.08	879.97	792.12	201.69	279.81	201.12
Bonds	150.74	31.64	427.65	482.49	731.74	1,000.28	229.48	705.12	50.54	20.34	0.28	1.50	-	369.00
Money market instruments	402.55	171.32	248.83	126.34	310.04	357.10	231.54	16.14	286.53	108.82	160.10	67.85	57.50	350.20
<b>Other Investment</b>	<b>729.25</b>	<b>487.99</b>	<b>1163.81</b>	<b>544.67</b>	<b>413.76</b>	<b>870.32</b>	<b>1727.79</b>	<b>416.34</b>	<b>272.07</b>	<b>1021.26</b>	<b>481.3</b>	<b>265.47</b>	<b>520.57</b>	<b>561.16</b>
Trade credits	-	-	-	14.70	1.37	5.08	0.88	-	-	-	-	-	-	-
Loans	690.61	239.69	920.52	436.41	236.99	349.93	391.00	384.83	153.23	696.38	420.84	241.81	520.19	561.10
Currency deposits	-	-	2.48	-	-	-	-	-	0.99	7.11	-	-	-	-
Other claims	38.64	248.30	240.81	93.56	175.40	515.31	1,335.91	31.51	117.85	317.77	60.46	23.66	0.38	0.06
<b>TOTAL</b>	<b>5617.66</b>	<b>4418.75</b>	<b>4681.39</b>	<b>3904.55</b>	<b>5803.89</b>	<b>6542.58</b>	<b>4499.74</b>	<b>2671.59</b>	<b>2666.36</b>	<b>2748.10</b>	<b>1556.95</b>	<b>710.97</b>	<b>1042.17</b>	<b>1822.12</b>

**TABLE 2: Capital Importation by Sector (\$ million)**

	2013			2014				2015				2016		
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Shares	3,897.50	3,476.70	3,046.67	2,773.36	4,575.25	4,523.86	1,934.32	1,280.67	1,877.26	1,736.48	831.88	243.53	347.99	646.28
Agriculture	0.32	40.10	24.85	15.08	0.22	0.83	8.19	2.68	0.05	95.10	0.50	0.20	1.00	10.90
Banking	378.83	55.65	94.48	104.93	191.10	330.99	337.16	114.89	360.92	244.24	193.49	107.58	108.11	555.52
Brewering	15.64	3.82	0.76	-	-	-	-	-	-	9.06	-	11.64	11.32	5.63
Construction	4.33	22.29	2.03	10.63	4.62	4.88	35.56	4.30	3.24	11.10	9.38	10.16	14.95	3.62
Consultancy	0.97	0.51	12.81	2.81	6.96	7.74	8.91	0.70	0.10	0.23	9.56	0.14	0.20	2.14
Drilling	0.04	0.21	0.06	0.01	1.01	39.24	1.00	1.01	0.01	0.13	0.17	-	0.41	0.05
Electrical	1.62	4.46	3.36	5.95	1.79	5.84	2.44	0.83	73.39	0.58	137.52	70.15	12.84	18.65
Financing	606.95	357.56	858.12	345.28	723.14	1,073.83	566.06	763.49	46.54	35.15	13.71	42.57	1.08	36.56
Fishing	-	-	-	0.45	-	0.10	-	-	-	-	0.01	-	3.00	1.00
IT Services	2.52	10.00	16.70	2.50	2.57	1.65	3.25	1.40	5.75	2.02	3.61	1.02	0.63	0.03
Marketing	0.87	0.17	2.36	0.06	-	0.03	-	-	-	0.15	0.80	0.20	-	0.00
Oil And Gas	70.83	1.62	53.65	201.14	3.83	3.16	0.05	9.47	4.86	2.21	13.22	20.83	200.39	171.63
Production	116.33	72.59	32.98	104.07	107.88	365.10	366.92	118.36	51.20	162.42	91.72	77.77	89.42	68.25
Servicing	145.52	105.63	19.22	32.36	53.58	110.49	354.88	6.29	12.83	65.64	115.71	55.05	119.75	36.55
Hotels	0.09	0.08	-	0.57	0.53	1.34	8.83	-	-	1.15	-	0.75	-	0.00
Telecomms	357.79	180.31	355.47	135.68	61.66	27.07	769.92	336.87	138.40	369.49	93.37	13.44	118.71	244.80
Tanning	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00
Trading	17.50	86.94	157.32	169.35	68.11	46.43	101.72	28.54	91.57	6.66	40.77	55.08	12.37	18.95
Transport	-	0.13	0.55	0.30	1.64	-	0.53	2.10	0.24	6.11	1.55	0.86	-	1.55
Weaving	-	-	-	-	-	-	-	-	-	0.20	-	-	-	0.00
<b>TOTAL</b>	<b>5617.66</b>	<b>4418.75</b>	<b>4681.39</b>	<b>3904.55</b>	<b>5803.89</b>	<b>6542.58</b>	<b>4499.74</b>	<b>2671.59</b>	<b>2666.36</b>	<b>2748.10</b>	<b>1556.95</b>	<b>710.97</b>	<b>1042.17</b>	<b>1822.12</b>

**TABLE 3: Capital Importation by Country of Origin (\$ million)**

	2013			2014				2015				2016		
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Afghanistan	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.86	0.71	0.56	0.24	5.00	0.00
Antigua&Barbuda	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Armenia	0.00	0.00	0.00	0.00	20.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Australia	0.02	0.01	0.00	1.12	0.00	0.00	2.60	0.00	0.00	0.02	2.54	2.41	0.00	0.00
Austria	0.00	0.00	0.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.08	0.00
Bahrain	0.76	0.00	0.00	0.00	0.00	0.58	0.00	0.00	1.10	0.42	0.00	0.00	0.00	0.00
Belgium	523.45	314.59	221.97	167.40	373.69	333.03	79.96	86.44	186.02	41.83	22.27	16.06	21.95	21.31
Benin	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00
Bermuda	0.00	0.50	0.00	0.22	0.11	7.07	0.00	0.00	0.85	0.53	2.47	1.09	0.00	0.00
Botswana	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.55	0.50	0.00	0.00	0.00	0.00
Brazil	0.00	1.00	0.00	0.00	0.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
British Virgin	9.05	12.59	7.40	3.78	2.36	18.12	20.83	5.68	0.95	2.98	3.23	15.38	2.24	5.19
Brunei	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.01	0.00	0.00	0.00
Bulgaria	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.30
Cameroon	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02	0.01	0.00	0.00	0.09	0.00
Canada	0.00	0.19	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.14
Cayman Islands	22.36	7.18	0.00	0.05	6.74	0.00	4.99	13.82	16.24	5.71	0.47	0.75	0.00	6.14
China	45.73	5.04	0.01	109.72	4.61	0.79	1.77	1.88	0.70	3.75	3.98	0.96	0.66	5.32
Cyprus	11.16	6.18	9.38	0.33	1.03	1.64	2.72	3.10	18.10	1.97	8.30	0.94	0.00	0.00
Czech Republic	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00
Denmark	0.15	0.40	0.18	0.00	0.00	0.00	0.04	0.00	0.00	0.00	0.03	0.00	1.46	0.11
Egypt	0.00	0.00	3.03	0.54	1.42	51.00	282.13	0.00	73.22	58.27	0.00	3.75	3.76	1.58
Finland	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00
France	12.88	13.23	35.01	33.57	89.75	74.40	45.12	12.95	105.47	36.98	7.02	7.14	40.29	10.97





**TABLE 3: Capital Importation by Country of Origin (\$ million) cont.**

	2013			2014				2015				2016		
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Togo	0.67	0.00	10.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tokelau	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tunisia	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.14	0.00	0.00	0.00	0.00
Turkey	0.06	0.26	0.84	0.25	0.01	0.00	0.00	0.86	1.12	2.50	4.15	8.28	5.00	3.00
Uganda	0.00	0.00	0.00	0.00	1.44	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.10	0.00
Ukraine	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.85	0.00	0.00
United Arab	7.45	12.49	7.45	5.73	5.03	308.06	2.29	5.83	9.51	0.97	44.83	0.55	0.06	18.56
United Kingdom	3025.62	2051.52	2805.67	2133.22	3973.35	2885.59	1945.81	1759.15	1078.85	564.91	431.05	216.19	335.17	1097.59
United Republic	0.00	0.00	0.06	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.10	0.00	0.00
United States	1074.41	1158.14	1118.58	531.73	1002.92	1128.70	1074.08	348.27	522.25	1374.91	208.77	159.75	116.40	426.98
Vietnam	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Zambia	0.25	0.00	0.65	0.50	0.25	0.00	0.25	0.00	1.70	0.00	1.50	0.00	0.00	0.00
<b>TOTAL</b>	<b>5617.66</b>	<b>4418.75</b>	<b>4681.39</b>	<b>3904.55</b>	<b>5803.89</b>	<b>6542.58</b>	<b>4499.74</b>	<b>2671.59</b>	<b>2666.36</b>	<b>2748.10</b>	<b>1556.95</b>	<b>710.97</b>	<b>1042.17</b>	<b>1822.12</b>
<i>Note: Countries with zero values throughout period reported have been omitted</i>														