NIGERIA'S DEBT MANAGEMENT: CRITIQUE AND FUTURE STRATEGIES

Mr. Chairman
Distinguished Guests
Ladies and Gentlemen

Our focus today is on a major roadblock in Nigeria's quest for sustainable development.

It is a pleasure to speak to this audience on Nigeria's <u>external</u> debt management for two reasons -

. First, as a management consultant rather than economist or debt expert, it is a challenge to get behind the numbers on this fascinating and emotive topic in an attempt to focus objectively on the best strategies for Nigeria to pursue.

. secondly, there is a clear conclusion needing to be strongly articulated. Nigeria must stop dealing with the symptoms of external debt and address the underlying causes which have crippled past attempts to create sustainable development.

We will therefore look at external debt management in the context of conditions necessary to promote long term economic growth. We will address such questions as -

. what is the current external debt situation and its relative significance from a macro viewpoint?

. how did we get where we are and what are the lessons learnt?

. how do external creditors and offshore investors view us and on what terms are they willing to help us?

. what future debt management issues need to be addressed if we are to achieve sustainable development?

. what overall economic strategies will help bring our external debt burden to a level compatible with long term growth?

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We will address such questions under three headings, namely -

(1) understanding the dimensions of our external debt,

(2) outlining how debt management can be improved, and

(3) defining long term economic strategies which promote sustainable development and specifically strengthen our debt management programmes.

EXTERNAL DEBT DIMENSIONS

Our first objective must be to understand our current external debt situation, how we got where we are, what lessons are to be learnt, and what are the future consequences. This diagnostic step requires us to understand three dimensions of our external debt situation, namely -

- numbers in terms of size, structure and relative burden.
- management which involves tracing our debt history, analyzing lessons learnt and defining future debt management issues.
- external credibility which focuses on relationships and negotiations with external creditors, international institutions and offshore investors.

Numbers

The numbers have frequently caused confusion in discussing external debt although recently considerable consensus has been reached among all parties involved. Our need today is to simply highlight key numbers and then go beyond them to explore their meaning. I have therefore referred to specific sources for those seeking to explore this fascinating topic in depth (1).

CBN data for October 1991 show external debt (public and publicly guaranteed) to have been \$33.4 bn. Recent buybacks of London Club debt at discount should reduce our external debt stock to roughly \$31 bn.

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(1) External debt statistics are improving but still not readily available and consistent. CBN and IMF/World Bank figures are increasingly synchronized although reconciliations and cross references between sources can still be troublesome for the analyst. For the serious student, please refer to the upcoming book - Nigeria's Debt Burden, by Samuel B. Falegan, Fountain Publications, 1992. See also Appendix 1 for relevant statistical data on Nigeria.

During 1992, we can expect further deterioration since our $5.8 bn debt service requirement would absorb over 60% of our budgeted exports of $9.5 bn. If we accept 30% as a more reasonable target for debt service, this would require about $3.0 bn. to be rescheduled at the upcoming Paris Club negotiations.

Debt service has been far and away the biggest single item in recent budgets. Recent devaluation to the N18:$1 level raise the external debt stock today to the N550-600 bn. level, depending on amounts and exchange rates used. (2)

We can put this debt level in perspective by using several relative indicators from World Debt Tables 1991-1992 (see Appendix 2 and 3). In doing so, we must recognize that distorsions are caused by bunching of debt service maturities, impact of large actual debt payments, major swings in crude oil export earnings, etc.

- One test of overall debt load is to compare total external debt to GNP (EDT/GNP). This indicator was 9% in 1980, rose to 21% (1983) and then to 134% (1987) before subsiding to 118% (1990). Recent devaluations will cause this ratio to soar in 1992.

- Another test is to relate external debt to exports of goods and services (EDT/XGS). Since we are highly dependent on crude oil exports, this shows how many months or years of exports are committed (or mortgaged) for debt service. This indicator exceeded 100% for the first time in 1982, reached 171% (1983) and 432% (1988) before declining steadily to 243% (1990). Our creditworthiness is highly dependent on oil and this indicator is particularly sensitive to uncertainty in the oil sector.

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(2) This should be put in context relative to other key milestone dates, as follows -

Yearend	N Billions
1970	0.5
1974	1.3
1979	2.4
1983	14.6
1985	21.4
1986	99.3
1989	245.0
1991	325.7

Source: 1991 equals $33.4 bn at 9.75 exchange rate. Earlier data from p.141-142, Nigeria's External Debt Burden, S B. Falegan, 1992.

- Current year debt service levels can vary considerably depending on crude oil exports and debt maturities.
  - Total debt service to exports of goods and services (TDS/XGS) rose to 24% (1983), peaked at 34% (1984) and declined to 20% (1990). Even higher requirements in 1991 (35%) and 1992 (60+%) emphasize the urgent necessity to lengthen debt maturities.
  - Interest portion of debt service to exports of goods and services (INT/XGS) peaked at 16% (1984) and 21% (1988) before declining to 12% (1990).

- Lastly, external reserves to total external debts (RES/EDT) provides another indicator of relative debt burden. We plummeted from the highly comfortable level of 119% (1980) to 7% (1983) and 3% (1988) before recovering to a still low 11% (1990). We have built considerable reserves during 1991 but we obviously still need to watch liquidity closely to meet obligations on time and to reduce speculation against the Naira.

What do these basic indicators mean? As measures of past performance, they are truly alarming particularly when contrasted to comparable countries such as Indonesia, Mexico, Brazil and Malaysia. They are not only evidences of economic mismanagement but throw serious doubts on our ability to outgrow the debt problem or even convince external creditors we seriously intend to do so.

Current GNP growth levels have improved since 1985 but are still less than 5% which is the threshhold for breakthrough to sustained growth. Interest payments alone have averaged some 7% of GDP and these charges must be either paid or capitalized on top of already excessive debt levels. With low domestic savings rate (averaging about 14%) and virtually non-existent offshore investment outside the oil sector, it is difficult to see how Nigeria's debt burden will permit it to attract the level of investment needed to increase the future growth rate to levels of 5% or more.

In my view, this pessimistic viewpoint assumes we will not manage the economy better in the future and overlooks the opportunity to do so.(3) Fortunately, we have the capacity to do much better than 5% growth if we manage our economy right. Particularly, if we use our petroleum resources wisely, the future outlook could be much more positive. Our primary objectives should be to manage our economy properly to emphasize growth in the 5-10% range, to use crude oil earnings to significantly turnaround our debt position, and to position ourselves for permanent debt relief.

Assessment of Nigeria's debt burden therefore depends squarely on one's view as to quality of future management of the economy. Continuation of the status quo is certain to lead to annual pressures to reschedule and will severely test Nigeria's social fabric since the public has sacrificed considerably without encouraging results to date. Good governance, on the other hand, could turnaround the debt situation within two to three years.

Debt itself is neither good nor bad. It depends on how it is used and what we get for it. Invested in high return projects or infrastructure which enables businesses to operate profitably, debt can be a positive and necessary step towards development. Traditionally, all countries short of resources have borrowed or attracted offshore investors to help accelerate their development. Our challenge is to manage offshore resources effectively to foster our development.

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(3) In addition, there is a tendency to overlook Nigeria's informal sector because it is obviously not included in the official statistics. Every indication is that this sector is increasingly active, investing both onshore and abroad, and competing aggressively with formal sector companies. The informal sector and Nigeria's flight capital are probably "secret weapons" in any plan for long term growth. My view is that the differences between Nigerian and foreign investors should be systematically eliminated with the end result that both will be encouraged to increasingly invest in Nigeria.

Management

The second dimension of debt therefore requires us to candidly recognize we managed ourselves into our current debt trap and to realistically assess the lessons learnt. Most observers would agree that -

- debt has largely funded projects of limited or negative returns, hence we must rely excessively on crude oil exports to service these obligations. (4)

- annual budgets have consistently been over optimistic as to crude oil exports/earnings. Our overdependence on crude oil is exacerbated by the fact of life that crude oil prices are highly volatile and exceedingly difficult to forecast.(5) There is clear need to be conservative in revenue planning and highly disciplined in making commitments against such volatile revenue streams.

- 1979-1983 marked the surge in borrowings and trade imports which triggered today's debt problem. Despite strong external reserves and crude oil exports, weak controls over borrowing at all levels and unrestrained imports, due largely to an over valued Naira, resulted in the credit crunch which arrived in 1983/84. External debt is essentially a problem inherited from the last civilian government.

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(4) Reference should be made to -
   (a) Government studies of 31 parastatals conducted in 1981. See p.69-70 Falegan 1992.
   (b) State of the economy report in November 1985, when the Chief of General Staff revealed that N23.2 billion of investment (largely through equity investments and either loans or loan guarantees) had resulted in dismal returns of N933.7 million.
   (c) Report of the Projects Review Committee, Federal Ministry of Finance, 20th June, 1984. This Committee, chaired by Mr. G.O. Onosode, details how large projects spending went wrong and spells out specific policy and action recommendations that still need to be implemented.

(5) See The Future of Oil Prices: The Perils of Prophecy, a 1984 research study by Cambridge Energy Research Associates and Arthur Andersen & Co.

- after settling our trade debts by exchange for promissory notes, our primary tactic to manage external debt has been to continuously reschedule. This has been necessary to spread out debt maturities, but the end result has only been to buy time to put our house in order. We are yet to implement specific, credible plans to either pay our debts on time or to build solid justification for debt relief.

- our dealings with external creditors have seemed masterful in winning various battles but, at this point in time, we appear to have lost the war. We have substantially lost our previously strong external credibility and support. We no longer have a World Bank lending programme for structural reform and our IMF agreement now has to be renewed before Paris Club negotiations can start. Inability to carry out programmes agreed with IMF and World Bank is particularly distressing given our relatively favourable crude oil export situation from 1990 to date. Our lack of performance and our less than full disclosure have brought external credibility and support levels to distressing low levels.

- lastly, high inflation and massive devaluations have combined to exacerbate Nigeria's external debt burden as well as to cripple any chance to achieve sustained economic growth at the levels of 5-10% which would let us outgrow debt. Major strides toward a free market economy have been taken. But only partial benefits have been realized due to the tendency towards either partial implementation of sound policies or backing off before benefits can be realized. The net effect has been to create a lukewarm investment climate, to encourage continued reliance on imports and to foster speculation against the Naira.

Review of the above lessons learnt leads me to three conclusions about debt management -

- management of government borrowing and spending needs to be greatly strengthened, including a major shift to encouraging the private sector to fully fund all possible economic activities.
- debt negotiation efforts should be focused on rebuilding credibility, developing long term debt restructuring plans and negotiating "permanent" debt relief, and

. strategies to create sustained economic growth (of say 5-10% in real terms) are necessary to outrun our debt problem and to build external credibility.

External Credibility

Our third (and last) dimension is clearly critical to our efforts to reschedule and to eventually obtain debt relief. Relationships with offshore investors as well as creditors (primarily IMF, World Bank, Paris Club, London Club) are currently at a low point. Despite the global trends to negotiate debt reduction programmes with developing countries(6) and strong residual goodwill towards Nigeria, our management of the economy, our failure to fully disclose foreign exchange transactions, and our recent approach in dealing with the international community have severely strained external relationships and credibility.

We must rebuild external credibility through actions rather than words and move beyond unilateral approaches to establish joint programmes compatible with our external creditors. Achievement of jointly shared objectives can in turn lead to eventual debt relief. Our challenge is to reach a middle ground which is consistent with our national economic goals.

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(6) See Making the Brady Plan Work, Jeffrey Sachs, p.87-104, Foreign Affairs, Summer 1989, Vol.68, No. 3. On page 88, Sachs states - "The new U.S. focus on debt reduction is rooted in the changing U.S. interests in the developing country debt crisis. Since the early 1980s the debt crisis has actually presented U.S. policymakers with two crises: a crisis of U.S. banks, which had lent too much to the developing countries, and a crisis of the developing countries, which had borrowed too much. Until 1988, concern over the banks took precedence; in 1989 the foreign policy concerns over the deteriorating situation in the debtor countries finally came to the fore." Sachs later states on page 102 - "Debt reduction is a necessary condition for renewed economic growth in the debtor world, but it is surely not a sufficient condition. Without appropriate economic reform measures, most debtor economies would remain in difficulty even after a substantial reduction of debt. Thus, it is essential for the debtor countries to use the opportunity of debt reduction to make fundamental adjustments."

For further perspective on evolution of creditor country thinking about developing country debt, please refer to -

. Latin American Debt, Pedro-Pablo Kuczynski, p.129-149, Foreign Affairs, Fall 1987, Vol.66, No. 1.
. World Debt: The U.S. Reconsiders, Christine A. Bogdanowicz-Bendert, Foreign Affairs, Winter 1985/86, Vol.64, No. 2.

This requires a critical reassessment of our external relationships which must fully recognize the rapidly changing global context. For example, we need to appreciate that our bargaining power has declined for a number of reasons -

. the end of the Cold War has witnessed the industrial nations working together more closely to fight wars and to address issues arising throughout the developing world. Specifically, we can expect increased pressure for market oriented economic reform, democratic processes and improved governance.

. the Middle East war, restructuring of the USSR and Asian economic reforms have also combined to open up serious competitors to Nigeria in the petroleum sector.

. investment opportunities in Eastern Europe, Asia and Latin America are increasingly tending to marginalize Africa for offshore investors.

. slow growth and recession in the industrialized countries has reduced demand for goods produced in developing countries, including downward pressure on commodity prices (such as crude oil). Moreover, global recession has created the tendency to solve domestic problems first and strengthened protectionist forces, both of which work against developing countries.

Our bargaining position has been further weakened by our own actions. We have hurt ourselves by 419 scams, increasing drug transit through Nigeria, economic mismanagement and unwillingness to totally lay our cards on the table. Today, there seems to be a mood among our creditors and with offshore investors to simply back off and wait until Nigeria faces up to reality.

This mood is nowhere more evident that in the Financial Times (FT) Supplement on Nigeria of Monday, March 16, 1992, which represents a very candid feedback from a wide cross section of international and Nigerian observers. Particularly important to understand is the FT disclosure of the unpublished World Bank report on public expenditure management in

Nigeria (which was researched in early 1991). This report puts squarely on the table the longstanding concern of external creditors with Nigeria's spending procedures, lack of accountability and full disclosure, and the accuracy/reliability of financial projections.

Judging from the current mood, the upcoming Paris Club negotiations will be very important to monitor. The first step towards these negotiations will be to obtain a new IMF agreement. This looks difficult to accomplish unless ironclad assurances are made on such key issues as completely freeing up the foreign exchange system, reducing the budget deficit and reducing petrol subsidy. While the March 5th policy announcement on foreign exchange was a powerful message to the outside world, it will not be enough by itself to assure the Paris Club that this time Nigeria means business.

We can therefore expect, as a result of our past practices and the current credibility gap, that we will get our arm twisted much more strongly than ever before in this round of negotiations. Since the consequences of failing to agree are so serious (possibly impacting projects such as NLNG, Oso Condensate, Aluminium Smelter, etc.), we can expect conditions for this rescheduling agreement which may be hard to explain to the public, particularly in the middle of a transition to civilian government.

The mood on the part of external creditors is, in my experience, increasingly shared by foreign investors who continue to divest and to generally wait for us to get our act together. In addition, most investors will wait to see what economic policies and management is demonstrated by the new government in 1993.

In summary, our external relationships are at a low point and our next debt rescheduling negotiations are likely to be particularly revealing as to how forceful our external creditors are determined to make us face up to our external debt problem.

IMPROVED DEBT MANAGEMENT

Assessment of the three external debt dimensions - numbers, management and external credibility - have pointed out the fundamental need to improve our management. We have previously reacted to symptoms after it has been too late. We need management which addresses causes and manages debt pro-actively. This calls for a major change in mindset and commitment.

Pro-active debt management should address the lessons learnt as spelled out earlier. This can only work if implemented in the context of a commitment to sustained development which we will explore in the last part of this paper. Improved debt management can restore our external credibility and provide the way to move beyond debt rescheduling to achieve debt relief.

Major elements of pro-active debt management would include -

- realistic budgeting of foreign exchange revenues and spending,
- professional management of borrowing and debt service,
- shift to economic projects being done strictly on their merits and primarily under private sector management/ownership,
- shift of government capital spending towards infrastructure and earmarking revenues to retire related borrowing,
- complete transparency and accountability in foreign exchange receipts and expenditures.

Realistic budgeting of foreign exchange revenues and spending must start with conservative forecasts of crude oil exports. It should also earmark any excess receipts in escrow accounts which are fully disclosed and used exclusively for debt repayment and capital expenditures. Government budgeting should be done in dollars (FX) and Naira with dollar (FX) revenue earmarked for specific dollar (FX) expenditures. Once these steps are taken, the remaining task is to make normal government commitment and disbursement procedures work effectively. There is no magic formula here other than the will to exercise discipline and to be accountable. They key debt management task is to budget conservatively and to earmark dollar (FX) receipts for specific dollar (FX) expenditures.

Professional management of borrowing and debt service starts with getting trained professionals assigned to the task and allowing them to do their job. Key policies need to be implemented including two major reforms -

- Federal Government guarantees should not be extended to parastatals or to States/LGAs, as they should totally fund spending from their own resources and creditworthiness.

- economic projects should be permitted to earmark revenues earned by the project for debt service, including particularly the petroleum sector.

The shift to economic projects being strictly on their merits and primarily under private sector management/ownership sounds like a mouthful -- it simply means to improve returns on investment and to free up government resources when private sector resources are available. In my view this will increasingly happen if we pursue policies that -

- give the private sector first opportunity to undertake any new economic projects, including inviting the private sector to increase their participation in upstream petroleum joint ventures as happened with Shell and its LNG partners a couple years back.

- encourage significant private sector participation in government projects as a means of improving investment decisions, reducing government capital requirements, and assuring projects are managed to meet economic expectations. We should favour majority private sector participation and management as the general rule.

- assess ongoing government projects realistically and make sure future investments will yield acceptable returns. These projects should be candidates for privatization and, if not viable, should be restructured to be viable or, if this is not possible, abandoned.

- continue commercialization and privatization of all government investments with particular emphasis on privatizing banks, downstream petroleum and major utilities. These latter will not only benefit from major improvements in performance but will free up considerable capital for better use by government and simultaneously increase tax revenues.

There are particularly sound reasons to shift government capital spending towards infrastructure and to earmark revenues for related debt service. The shift in spending helps to create an enabling environment that fosters private sector investment, particularly if concentrated on electricity, telecommunications, roads and mass transport, health and education with corresponding deemphasis on defense spending and public sector participation in economic projects which the private sector can fund. Earmarking of revenues for related debt service can best be accomplished through indirect taxes with the prime candidate being a tax on petrol products. A petrol tax can be easily collected from one source (NNPC) and also works to build external credibility since it partially accomplishes subsidy removal.

Perhaps most importantly for external credibility, our last step should be to introduce complete transparency and accountability for foreign exchange receipts and expenditures. It is particularly important to disclose gross receipts from crude oil exports and to explicitly recognize the cash calls which fund operating and capital expenditures for the upstream oil industry. We do not widely understand the continuous reinvestment process needed to maintain or enhance our crude oil reserves and revenue stream, so full disclosure would be particularly helpful in this regard. Similarly, disclosure of all transactions in dedicated accounts and the stabilization account should build credibility both at home and externally.

Once the above debt management practices are in place, we could then implement economic policies which either help us outrun our debt burden or reduce it through more effective utilization of available foreign exchange resources. These actions, plus debt relief, should be looked at next in the context of macroeconomic policies aimed at creating sustainable development.

LONG TERM STRATEGY

We obviously cannot solve the external debt problem in isolation since the only viable strategy is to grow fast enough to outrun the debt burden and to build strong justification for permanent debt relief. Such strategy will not only lighten the debt burden and restore external credibility but will also lead to future negotiations from a position of strength.

The starting point is a strong commitment to growth in the 5-10% range which can create sustainable development. I have confidence it can be done and set out my views, including five basic strategies for sustainable development, in a previous paper,(7) which focused on -

(1) Shifting the growth burden to the private sector,

(2) Using tax reform to shift from consumption to savings,

(3) Moving from debt to equity finance,

(4) Creating an attractive investment climate, and

(5) Improving management and governance in the public interest.

This International Policy Conference and future debates throughout the transition to a civilian government should help institutionalize the ongoing process of open and candid review and definition of macroeconomic policies. We need particularly to escape our narrow focus on SAP as a timebound formula that will soon be behind us and our tendency to individually manage key indicators such as interest rates, exchange rates or specific prices of goods and services. We need to recognize that structural adjustment is a continuous process in a constantly changing world and that the entire economy must be managed as a unified whole if we are to achieve sustainable development.

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(7) See Nigeria's Search for Sustainable Development: Defining An Economic Growth Strategy for the 1990's, presented at the Henry Fajemirokun Lecture sponsored by the Nigerian-American Chamber of Commerce on May 10, 1990.

We have already come a long way since 1985. Sector by sector analysis of the Nigerian economy shows that the global lesson that market economies work is also true in Nigeria. Virtually all sectors allowed to operate as free markets are investing and growing today, particularly upstream oil and the informal sector (with the latter notably escaping from regulation and not being included in official statistics). Conversely, the sectors in trouble or contributing little to Nigeria's development have experienced too much government control such as -

- government owned corporations
- regulated industries such as oil marketing, vehicle assembly and airlines, and
- subsidized industries, which included the banks up until March 5th of this year.

Continued liberalization and movement towards a free market economy are clearly indicated with government moving towards a more traditional role and emphasizing the creation of an enabling environment which turns on the private sector to invest and stimulate growth. The upcoming Paris Club negotiations provide an excellent opportunity to reconfirm our commitment to market led economic development.

There are three key areas relevant to today's debt management discussion which link to growth oriented macroeconomic policy and building external credibility enroute to debt relief. They are -

(1) eliminating inflation,
(2) shifting towards savings and equity investments, and
(3) stimulating the private sector.

Lets review them for specific actions which would help us outrun the debt burden through growth, strengthen the Naira exchange rate and prepare our case for debt relief.

Inflation is recognized globally as the No. 1 enemy of growth. Nigeria is no exception since significant long term investment will not take place in the face of continued inflation and devaluation. Our domestic investment level must be increased since at 14% of GDP vs. the 30+% achieved by the Asian NICs, it is too low to fund significant growth. The first step is to tame inflation which requires simultaneous fiscal and monetary changes such as -

. reduction of <u>deficit spending</u> to as low as 2-3% of GDP, largely through reduced public sector capital spending and secondly through privatization, subsidy removal and lower debt service requirements.

. shift from direct to indirect taxation would be particularly useful. Petrol taxes could be used to offset reductions in both individual and corporate income taxes, which in turn would reduce widespread tax evasion caused by the inflationary impact on individual and corporate income taxes.

. monetary controls need to be tightened to support fiscal measures. In addition to tight control over money supply, steps are needed to make our banking system fully competitive, including -

- move first to a completely free foreign exchange market and then to full Naira convertibility.
- let interest rates go completely free with interest income taxed at lower rates so as to stimulate savings.
- completely free credit limits by relating risk assets to capital structure rather than past history.
- lastly, let banks go under if they cannot compete since this will greatly sanitize the current banking scene.

Fully competitive banking will result in the lowest possible exchange and interest rates plus facilitate CBN's move to the preferred position of indirect market intervention. Government intervention should in fact be biased towards an undervalued Naira thereby stimulating exports and return of flight capital while also discouraging imports in preference to local sourcing.

<u>Shifting towards savings and equity investments</u> rather than debt would be facilitated by control of inflation because low inflation takes away the attractiveness of being in debt while prices are rising. Specific positive moves to stimulate long term savings and investment would include:

. significantly lower income tax rates for both corporations and individuals; tax relief on interest income, dividends and capital gains; and investment credits for new capital expenditures would favour savings and investment rather than consumption. Revenue shortfalls could be made up through indirect taxes (thereby further discouraging consumption). Indirect taxes could initially be levied on petrol and eventually extended to selected non-essential goods and services, provided they are relatively easy to collect.

- capital markets should also be liberalized, as planned, by letting prices be set directly between buyer and seller.

- as mentioned earlier, government parastatals and major projects should be self funded without government guarantees or subventions. This should lead to earmarking project revenues for debt service and more equity and less debt in capital structures of parastatals since they must fund themselves from retained earnings and commercial financing sources. Nigerian capital markets need to be developed with this additional demand in mind.

Stimulating the private sector is implicit in all the steps mentioned so far but we should also focus on creating an attractive investment climate generally as well as obtaining investments in specific sectors which would lighten Nigeria's external debt burden. Measures to attract investment should emphasize existing investors as well as new investors from offshore, including Nigerian capital abroad. A strong reason to make the Naira convertible is that preferences given to foreign investors can then be extended to Nigerian's, which will make investment at home far more attractive. Specific areas to attract investors could be aimed at further lightening our debt burden, such as -

- privatization of government interests in upstream and downstream petroleum, banks, and major utilities.
- new ventures which stimulate exports or use local raw materials, particularly natural gas, agro-processing, and manufacturing for export.
- new ventures to compete directly with government in such partially monopolistic areas as telecommunications, electric power, mass transport, university education, healthcare, etc.

The results from the above measures coupled with improved debt management will be readily apparent externally. They will greatly strengthen our credibility and provide the basis for a strong case for debt relief. Assuming our actions are building a viable track record, we can now briefly outline our case for debt relief. It goes like this -

. Developed countries now have shored up their domestic banks, which had lent too much to developing countries. They are now ready and willing to turn their attention to debtor countries where debt is blocking growth and undermining global economic recovery. Developed countries have experimented with a number of approaches to debt relief and patterns are now well established as to terms and conditions. We now have the viable opportunity to work more in partnership with external creditors than continuing to press unilateral positions or threaten non-payment. In moving towards a partnership posture, we have a good case to present.

. Nigeria is a test case for political and economic reform within Africa. In fact, we must succeed if Africa is to succeed. The international community therefore, in their own self interest, needs to support Nigeria strongly.

. we are making considerable progress but our debt burden is a serious constraint. Structural adjustment has greately opened our economy to free markets. Our growth in GNP has averaged near 5% since SAP started. However, our debt burden keeps us from breaking through into the 5-10% growth level which creates sustainable development.

. we will go beyond conventional debt rescheduling, which only defers the problem, to embrace fundamental changes in how we manage our economy and our debt. We have done this by controlling inflation, shifting towards savings and equity investments, and stimulating the private sector. Our track record is steadily improving but our debt service level is unsustainable in light of the investment opportunities which are increasingly available.

- we have played the debt game as well or better than many recipients of debt relief (Chile, Mexico, and Venezuela would be good examples to emulate) and we in Africa, given our unique situation, deserve at least equal treatment. In asking for debt relief, we can show exactly how we expect to apply the debt service savings to improve our growth rate and infrastructure. In fact, we are now at the point of being ready to apply for new loans for new projects which have assured return on investment and will further improve our ability to eventually service our debts.

- lastly, and perhaps we need not use this argument, we are now in such improved bargaining position that we do not need to ask for favours not accorded other countries or to accept the first offer we are made. We have left our begging bowl at home and now can say we have earned the right to be treated fairly.

The outlined approach will have created the conditions for sustainable growth, changed our approach sufficiently enough to rebuild external credibility and support, and addressed specific debt management issues which will have lightened our debt burden to the point we can attract offshore investment and negotiate for debt relief. We can therefore deal from a position of strength and sustainable development will no longer be elusive.

I have waited till the conclusion to address the issue of "can we do it?". Sceptics always raise the "Nigerian factor" as an excuse for non-accomplishment. My experience shows that structural adjustment can and is being accomplished. In fact, the process would be difficult to reverse at this point in time. Moreover, our lack of external credibility works in our favour because we can not expect debt relief until we have earned it. We can realistically expect that external conditions and pressures will be tightened until we implement credible programmes that create sustained development and merit debt relief. The strategies outlined in this paper provide an initial blueprint to improve our debt management significantly. What we now need is enlightened leadership and the willingness for all players - government, private sector, and external creditors - to forge a partnership strong enough to produce a breakthrough in the years ahead.

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APRIL 22, 1992

Appendix 2

WORLD DEBT TABLES
1991 - 1992

External Debt of Development Countries

(Extracts for Nigeria from
a World Bank publication)

(US$ MILLIONS, UNLESS OTHERWISE INDICATED)

	1970	1980	1983	1984	1985	1986	1987	1988	1989	1990
1. SUMMARY DEBT DATA										
TOTAL DEBT STOCKS (EDT)	-	8,934	18,539	18,537	19,550	23,580	30,893	31,540	32,769	36,068
Long-term debt (LDOD)	567	5,381	13,481	12,793	14,555	19,861	29,249	29,857	32,067	34,100
Public and publicly guaranteed	452	4,284	12,181	11,393	13,139	19,261	28,697	29,320	31,661	33,709
Private nonguaranteed	115	1,097	1,300	1,400	1,416	600	552	537	406	391
Use of IMF credit	0	0	0	0	0	0	0	0	0	0
Short-term debt	-	3,553	5,059	5,744	4,995	3,719	1,644	1,682	701	1,968
of which interest arears on LDOD	-	0	10	56	79	66	746	1,023	457	1,505
Memo: export credits	-	-	4,576	4,605	6,666	13,560	16,646	13,936	17,086	18,050
TOTAL DEBT FLOWS										
Disbursements	81	1,753	2,981	2,023	1,659	1,347	1,358	1,051	1,544	727
Long-term debt	81	1,753	2,981	2,023	1,659	1,347	1,358	1,051	1,544	727
IMF repurchases	0	0	0	0	0	0	0	0	0	0
Principal repayments	68	243	1,162	2,225	2,769	1,248	449	646	524	1,221
Long-term debt	68	243	1,162	2,225	2,769	1,248	449	646	524	1,221
IMF repayments	0	0	0	0	0	0	0	0	0	0
Net Flows on debt	13	1,510	1,818	-202	467	1,438	3,039	1,820	605	-275
of which short-term debt	-	-	-	-	643	1,340	2,130	1,415	-415	219
Interest payments (INT)	-	911	1,418	1,949	1,735	815	597	1,500	1,471	1,994
Long-term debt	28	531	998	1,249	1,229	515	557	1,460	1,440	1,761
IMF charges	0	0	0	0	0	0	0	0	0	0
Short-term debt	-	379	420	700	436	300	40	40	31	32
Net transfers on debt	-	599	401	-2,150	-2,201	623	2,442	319	-866	-2,068
Total debt service (TDS)	-	1,153	2,580	4,174	4,503	2,064	1,046	2,147	1,994	3,014
Long-term debt	96	774	2,160	3,474	4,067	1,764	1,006	2,107	1,963	2,982
IMF repurchases and charges	0	0	0	0	0	0	0	0	0	0
Short-term debt (interest only)	-	379	420	700	436	300	40	40	31	32

(US$ MILLIONS, UNLESS OTHERWISE INDICATED)

	1970	1980	1983	1984	1985	1986	1987	1988	1989	1990
PRINCIPAL REPAYMENTS	68	243	1,162	2,225	2,769	1,248	449	646	524	1,221
Public and publicly guaranteed	38	65	950	2,025	2,644	1,198	326	557	510	1,205
Official credits	16	46	88	89	525	117	136	302	276	706
Multilateral	5	25	41	40	46	85	135	207	213	242
Concessional	5	7	7	4	4	4	5	5	8	13
IDA	0	0	0	0	1	1	1	1	1	1
Noncessional	0	18	34	36	42	81	130	202	205	229
IBRD	5	24	38	37	41	77	123	194	199	241
Bilateral	11	20	47	49	480	32	1	94	62	464
Concessional	4	14	21	18	31	11	0	6	0	10
Private creditors	22	20	862	1,936	2,118	1,082	189	255	235	499
Bonds	0	0	0	0	0	0	0	0	0	0
Commercial banks	0	1	632	1,070	1,200	448	140	161	156	405
Other private	22	19	229	866	918	634	50	94	78	94
Private nonguaranteed	30	177	213	200	125	50	123	90	14	15
Memo: total commercial banks	30	178	845	1,270	1,325	498	263	251	170	420

(US$ MILLIONS, UNLESS OTHERWISE INDICATED)

	1970	1980	1983	1984	1985	1986	1987	1988	1989	1990
NET FLOWS ON DEBT	13	1,510	1,181	-202	-1,110	98	909	405	1,020	-494
Public and publicly guaranteed	18	1,122	1,723	-302	-1,075	98	958	411	935	-479
Official credits	29	76	680	288	-132	570	340	100	495	-61
Multilateral	10	48	149	223	242	460	270	55	393	294
Concessional	0	-7	-7	-4	-4	-4	-5	0	-8	-3
IDA	1	0	0	0	-1	-1	-1	-1	-1	6
Nonconcessional	10	55	157	226	246	464	275	55	401	297
IBRD	8	38	150	224	230	446	262	50	251	143
Bilateral	20	28	531	66	-374	110	70	45	103	-355
Concessional	25	35	46	-18	-15	-11	0	14	91	84
Private creditors	-11	1,046	1,043	-590	-943	-472	618	311	440	-418
Bonds	0	0	0	0	0	0	0	0	0	0
Commercial banks	3	491	81	-644	-1,110	-367	-95	-112	-129	-405
Other private	-14	555	962	54	167	-104	713	424	569	-13
Private nonguaranteed	-5	388	96	100	-35	0	-48	-7	85	-15
Memo: total commercial banks	-2	679	176	-544	-1,145	-367	-144	-119	-44	-420

(US$ MILLIONS, UNLESS OTHERWISE INDICATED)

	1970	1980	1983	1984	1985	1986	1987	1988	1989	1990
2. AGGREGATE NET RESOURCE FLOWS AND NET TRANSFERS (LONG-TERM)										
NET RESOURCE FLOWS	259	773	2,163	5	-628	274	1,526	823	3,041	243
Net flow of long-term debt (ex. IMF)	13	1,510	1,818	-202	-1,110	98	909	405	1,020	-494
Direct foreign investment (net)	205	-740	345	200	478	167	603	377	1,882	588
Grants (exluding technical assist.)	40	3	0	7	4	9	14	42	139	149
Memo: technical assist. grants	36	47	45	39	1,040	48	54	66	70	49
NET TRANSFERS	-154	-1,357	805	-1,535	-2,348	-497	252	-973	1,504	-1,653
Interest on long-term debt	28	531	998	1,249	1,299	515	557	1,460	1,440	1,761
Profit remittances	385	1,598	361	292	422	255	717	366	-69	-194
3. MAJOR ECONOMIC AGGREGATES										
Gross national product (GNP)	13,170	99,539	88,468	91,590	88,167	45,649	23,073	27,855	27,516	30,585
Exports of goods & services (XGS)	1,341	27,762	10,863	12,357	13,520	6,318	7,818	7,394	8,584	14,861
Imports of goods & services (MGS)	1,772	22,044	14,814	11,909	10,689	5,834	7,859	7,483	7,610	9,809
International reserves (RES)	224	10,640	1,252	1,674	1,892	1,350	1,49[illegible]	933	2,041	4,129
Current account balance	-368	5,127	-4,354	115	2,566	366	-6[illegible]	-194	1,090	5,126
4. DEBT INDICATORS										
EDT/XGS(%)	-	32.2	170.7	150.0	144.6	379.2	395.2	431.8	381.7	242.7
EDT/GNP(%)	-	9.0	21.0	20.2	22.2	51.7	133.9	113.2	119.1	117.9
TDS/XGS(%)	-	4.2	23.8	33.8	33.3	32.7	13.4	29.4	23.2	20.3
INT/XGS(%)	-	3.3	13.1	15.8	12.8	12.9	7.6	20.5	17.1	12.1
INT/GNP(%)	-	0.9	1.6	2.1	2.0	1.8	2.6	5.4	5.3	5.9
RES/EDT(%)	-	119.1	6.8	9.0	9.7	5.7	4.8	3.0	6.2	11.4
RES/MGS (months)	1.5	5.8	1.0	1.7	2.1	2.8	2.3	1.5	3.2	5.1
Short-term/EDT(%)	-	39.8	27.3	31.0	25.5	15.8	5.3	5.3	2.1	5.5
Concessional/EDT(%)	-	6.1	2.5	2.2	2.3	2.2	1.9	1.9	1.7	1.8
Multilateral/EDT(%)	-	6.4	4.8	5.2	7.3	9.5	9.9	9.0	9.7	10.3

(US$ MILLIONS, UNLESS OTHERWISE INDICATED)

	1970	1980	1983	1984	1985	1986	1987	1988	1989	1990
5. LONG-TERM DEBT										
DEBT OUTSTANDING (LDOD)	567	5,381	13,481	12,793	14,555	19,861	29,249	29,857	32,067	34,100
Public and publicly guaranteed	452	4,284	12,181	11,393	13,139	19,261	28,697	29,320	31,661	33,709
Official creditors	358	1,005	1,933	2,026	2,212	8,610	11,608	10,968	15,225	17,933
Multilateral	18	571	883	955	1,431	2,234	3,059	2,844	3,168	3,726
Concessional	169	131	108	104	111	118	126	118	111	115
IDA	17	37	36	36	35	33	32	31	30	36
Nonconcessional	14	440	775	851	1,320	2,116	2,933	2,726	3,057	3,612
IBRD	165	517	824	900	1,357	2,137	2,939	2,728	2,906	3,284
Bilateral	175	434	1,050	1,072	781	6,376	8,549	8,124	12,057	14,206
Concessional	111	413	352	306	339	412	475	467	450	519
Private creditors	94	3,279	10,247	9,366	10,927	10,652	17,089	18,352	16,436	15,777
Bonds	10	0	0	0	0	0	0	0	0	0
Commercial banks	18	2,633	4,774	4,134	3,513	3,012	6,628	6,360	6,144	5,842
Other private	66	645	5,473	5,232	7,414	7,639	10,461	11,992	10,292	9,935
Private nonguaranteed	115	1,097	1,300	1,400	1,416	600	552	537	406	391
Memo: total commercial banks	135	3,730	6,074	5,534	4,929	3,612	7,180	6,897	6,550	6,233

(US$ MILLIONS, UNLESS OTHERWISE INDICATED)

	1970	1980	1983	1984	1985	1986	1987	1988	1989	1990
UNDISBURSED DEBT	185	3,780	5,610	4,056	3,188	3,298	3,409	3,860	3,971	5,147
Public and publicly guaranteed	185	3,780	5,610	4,056	3,188	3,298	3,409	3,860	3,971	5,147
Official creditors	167	1,178	1,962	1,667	1,674	1,810	1,321	1,885	2,535	3,885
Multilateral	84	754	1,298	1,154	1,047	1,323	1,321	1,885	2,535	3,108
IBRD	65	698	1,246	1,110	1,011	1,303	983	1,532	1,688	1,848
IDA	18	0	0	0	0	0	0	0	99	232
Bilateral	83	424	664	513	627	486	756	808	695	777
Private creditors	18	2,602	3,649	2,389	1,514	1,488	1,332	1,167	740	1,262
Private nonguaranteed	-	-	-	-	-	-	-	-	-	-
COMMITMENTS	65	1,904	2,960	568	1,207	1,284	1,111	1,545	1,807	2,017
Public and publicly guaranteed	65	1,904	2,960	568	1,207	1,284	1,111	1,545	1,807	2,017
Official creditors	55	525	1,106	163	367	843	677	1,060	1,427	1,310
Multilateral	35	286	553	163	173	843	379	847	1,245	1,030
IBRD	35	286	517	163	172	843	71	793	606	561
IDA	0	0	0	0	0	0	0	0	96	127
Bilateral	20	238	553	0	194	0	297	214	182	280
Private creditors	10	1,380	1,854	405	840	441	435	485	380	707
Private nonguaranteed	-	-	-	-	-	-	-	-	-	-

(US$ MILLIONS, UNLESS OTHERWISE INDICATED)

	1970	1980	1983	1984	1985	1986	1987	1988	1989	1990
DISBURSEMENTS	81	1,753	2,981	2,023	1,659	1,347	1,358	1,051	1,544	727
Public and publicly guaranteed	56	1,187	2,673	1,723	1,569	1,297	1,283	968	1,445	727
Official creditors	45	122	769	377	394	687	476	402	771	646
Multilateral	14	73	190	262	288	545	405	262	606	536
Concessional	5	0	0	0	0	0	0	5	0	10
IDA	1	0	0	0	0	0	0	0	0	7
Nonconcessional	10	73	190	262	288	545	405	258	606	526
IBRD	13	63	188	261	271	524	385	244	450	384
Bilateral	31	49	578	115	106	142	71	13[illegible]	165	109
Concessional	29	49	67	0	16	0	0	20	91	94
Private creditors	11	1,065	1,904	1,346	1,175	610	807	567	674	81
Bonds	0	0	0	0	0	0	0	0	0	0
Commercial banks	3	492	713	426	90	80	44	49	27	0
Other private	8	573	1,191	920	1,085	530	763	518	647	81
Private nonguaranteed	25	565	308	300	90	50	75	83	99	0
Memo: total commercial banks	28	1,057	1,021	726	180	130	119	132	126	0

Nigeria: Saving, Investment, and External Debt
(in millions of current naira)

	1985	1986	1987	1988	1989	1990
GDP (current price)	72,356	73,065	108,880	145,244	230,153	285,040
- Domestic absorption	69,727	75,551	104,588	143,714	208,308	242,744
- Consumption	63,235	64,546	89,674	124,151	176,302	200,998
- Investment	6,492	11,005	14,914	19,563	32,006	41,746
- External resource balance	2,629	(2,486)	4,292	1,530	21,845	42,296
Plus: Net factor income from abroad	(2,588)	(5,148)	(11,124)	(13,176)	(20,120)	(23,705)
Equals: GNP	69,768	67,917	97,756	132,068	210,033	261,335
Plus: Net private transfers from abroad	(160)	(56)	(16)	(118)	(74)	209
Equals: National income	69,608	67,861	97,740	131,950	209,959	261,544
Less: Consumption	63,235	64,546	89,674	124,151	176,302	200,998
Equals: Gross national savings	6,373	3,315	8,066	7,799	33,657	60,546
Less: Net factor income from abroad	(2,588)	(5,148)	(11,124)	(13,176)	(20,120)	(23,705)
Equals: Gross domestic savings	8,961	8,463	19,190	20,975	53,777	84,251
Gross domestic investment	6,492	11,005	14,914	19,563	32,006	41,746
Domestic savings/investment balance	2,469	(2,542)	4,276	1,412	21,771	42,505
National savings/investment balance	(119)	(7,690)	(6,848)	(11,764)	1,651	18,800
(= current account balance)						
(in percent of GDP)						

Nigeria: Savings, Investment, and Externa Debt
(in millions of current naira)

	1985	1986	1987	1988	1989	1990
GDP (current prices)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
- Domestic absorption	96.4%	103.4%	96.1%	98.9%	90.5%	85.2%
- Consumption	87.4%	88.3%	82.4%	85.5%	76.6%	70.5%
- Investment	9.0%	15.1%	13.7%	13.5%	13.9%	14.6%
- External resource balance	3.6%	-3.4%	3.9%	1.1%	9.5%	14.8%
Net factor income from abroad	-3.6%	-7.0%	-10.2%	-9.1%	-8.7%	-8.3%
GNP	96.2%	93.0%	89.8%	90.9%	91.3%	91.7%
Net private transfers from abroad	-0.2%	-0.1%	-0.0%	-0.1%	-0.0%	0.1%
National income	96.2%	92.9%	89.8%	90.8%	91.2%	91.7%
Consumption	87.4%	88.3%	82.4%	85.5%	76.6%	70.5%
Gross national savings	8.8%	4.5%	7.4%	5.4%	14.6%	21.2%
Net factor income from abroad	-3.6%	-7.0%	-10.2%	-9.1%	-8.7%	-8.3%
Gross domestic savings	12.4%	11.6%	17.6%	14.4%	23.4%	29.6%
Gross domestic investment	9.0%	15.1%	13.7%	13.5%	13.9%	14.6%
Domestic savings/investment balance	3.4%	-3.5%	3.9%	1.0%	9.5%	14.9%
- National savings/investment balance	-0.2%	-10.5%	-6.3%	-8.1%	0.7%	6.6%
(= current account balance)						
(= savings in/outflow)						
External debt stock		111.6%	107.7%	111.9%	103.6%	107.2%
Interest due	2.6%	3.8%	7.7%	7.4%	7.7%	7.5%
Memo: Real GDP growth rate		3.1%	-0.5%	9.9%	6.3%	5.1%

Source: IMF, Nigeria: Recent Economic Developments (SM/91/195), Sept. 19, 1991; p. 100

	1970	1980	1983	1984	1985	1986	1987	1988	1989	1990
9.- DISTRIBUTION OF LONG-TERM DEBT BY TYPE OF DEBTORS:										
Central government	189	3,621	5,503	4,831	6,938	13,311	22,794	23,806	27,849	30.38
State and local government	12	188	2,187	2,639	2,912	3,034	2,769	2,862	1,452	1.52
Central Bank	0	0	2,383	1,963	905	259	259	0	0	
Official development bank	3	20	51	49	81	135	180	159	160	18
Public Corporation	246	455	2,057	1,911	2,303	2,524	2,695	2,494	2,201	1.62
Private Sector	117	1,097	1,300	1,400	1,416	600	552	537	406	39

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
10. CONTRACTUAL OBLIGATIONS ON OUTSTANDING LONG-TERM DEBT.										
TOTAL LONG-TERM										
Disbursements	1,473	1,410	901	533	370	209	101	42	8	
Principal	2,672	3,207	3,233	3,172	3,416	3,350	-2,617	2,119	2,056	80
Interest	2,402	2,318	2,136	1,922	1,670	1,418	1,166	980	810	70
Official creditors										
Disbursements	927	985	694	477	342	209	101	42	8	
Principal	1,308	1,782	2,137	2,217	2,667	2,676	2,021	1,580	1,545	50
Interest	1,418	1,376	1,269	1,135	951	758	560	421	292	21
Bilateral creditors										
Disbursements	327	221	90	26	11	2	1	0	0	
Principal	1,045	1,473	1,799	1,766	2,179	2,175	1,520	1,104	1,096	
Interest	1,096	1,030	906	766	592	419	249	143	50	

	1970	1980	1983	1984	1985	1986	1987	1988	1989	1990
Multilateral creditors										
Disbursements	600	764	604	451	331	208	100	42	8	
Principal	263	310	338	451	489	501	501	477	449	40
Interest	322	346	363	368	359	339	311	277	242	20
Private creditors										
Disbursements	546	425	207	56	27	0	0	0	0	
Principal	1,364	1,425	1,095	955	749	674	596	539	511	3
Interest	984	942	866	787	719	660	606	559	518	4
Commercial banks										
Di bursements	0	0	0	0	0	0	0	0	0	
Principals	217	335	335	319	303	300	295	292	292	20
Interest	463	449	421	393	366	341	316	291	267	20
Other private										
Disbursements	546	425	207	56	27	0	0	0	0	
Principal	1,106	1,049	719	595	405	333	260	205	178	
Interest	506	479	432	381	339	308	282	261	246	20

(US$ millions unless otherwise indicated)

NIGERIA

	1970	1980	1983	1984	1985	1986	1987	1988	1989	1990
INTEREST PAYMENTS (LINT)	28	531	998	1,249	1,299	515	557	1,460	1,440	1,761
Public and publicly guaranteed	20	410	943	1,139	1,257	485	528	1,434	1,430	1,758
Official creditors	16	65	118	154	174	175	340	720	589	990
Multilateral	9	46	60	75	85	146	212	240	219	259
Concessional	8	8	5	4	4	5	5	5	5	5
IDA	0	0	0	0	0	0	0	0	0	0
Nonconcessional	1	38	55	71	81	141	207	235	214	254
IBRD	9	45	58	74	82	142	208	235	212	243
Bilateral	7	19	58	79	89	29	128	480	371	731
Concessional	3	10	11	8	9	7	0	4	6	8
Private creditors	4	375	825	985	1,083	311	188	714	841	768
Bonds	0	0	0	0	0	0	0	0	0	0
Commercial Banks	1	352	486	586	414	220	158	485	545	391
Other private	3	24	339	399	669	90	30	229	296	377
Private non-guaranteed	8	91	55	110	42	30	29	26	10	3
Memo: total commercial banks	9	443	541	696	456	250	187	511	555	394
NET TRANSFERS ON DEBT	-44	979	821	-1,450	-2,408	-417	353	-1,056	-420	-2,255
Public and publicity guaranteed	-2	682	780	-1,440	-2,331	-387	430	-1,023	-495	-2,237
Official creditors	13	11	563	134	-306	395	0	-620	-94	-1,051
Multilateral	1	2	90	148	158	313	57	-185	174	35
Concessional	-9	-15	-12	-8	-8	-9	-10	-6	-13	-8

	1970	1980	1983	1984	1985	1986	1987	1988	1989	1990
IDA	1	-1	-1	-1	-1	-1	-1	-1	-1	6
Nonconcessional	9	17	102	156	166	323	68	-180	187	43
IBRD	-1	-6	92	150	148	304	53	-185	39	-100
Bilateral	13	9	473	-13	-463	82	-57	-435	-268	-1,086
Concessional	22	25	35	-26	-24	-18	0	10	84	76
Private creditors	-15	670	218	-1,575	-2,025	-782	430	-403	-401	-1,186
Bonds	0	0	0	0	0	0	0	0	0	0
Commercial banks	2	140	-405	-1,230	-1,524	-588	-254	-597	-674	-796
Other private	-17	531	623	-344	-502	-195	683	194	273	-390
Private non-guaranteed	-13	297	40	-10	-77	-30	-77	-33	75	-18
Memo: total commercial banks	-11	436	-364	-1,240	-1,601	-618	-331	-630	-599	-814
DEBT SERVICE (LTDS)	96	774	2,160	3,474	4,067	1,764	1,006	2,107	1,963	2,982
Public and publicly guaranteed	58	505	1,892	3,164	3,900	1,684	853	1,991	1,940	2,964
Official creditors	32	111	206	243	699	291	476	1,022	865	1,696
Multilateral	14	71	101	115	130	231	348	447	432	501
Concessional	13	15	12	8	8	9	10	10	13	18
IDA	0	1	1	1	1	1	1	1	1	1
Nonconcessional	1	56	88	107	122	222	337	437	419	484
IBRD	14	69	96	111	123	219	332	429	411	484
Bilateral	18	39	105	128	569	60	129	574	433	1,195
Concessional	7	24	31	26	40	18	0	10	7	18
Private creditors	26	395	1,686	2,921	3,201	1,392	377	969	1,075	1,267
Bonds	0	0	0	0	0	0	0	0	0	0

	1970	1980	1983	1984	1985	1986	1987	1988	1989	1990
Commercial Banks	1	352	1,118	1,656	1,614	668	298	646	701	796
Other private	25	43	568	1,264	1,587	724	79	323	374	471
Private non-guaranteed	38	268	268	310	167	80	152	116	23	18
Memo: total commercial banks	39	621	1,386	1,966	1,781	748	450	762	724	814
6. AVERAGE TERMS OF NEW COMMITMENTS										
ALL CREDITORS										
Interest (%)	6.0	10.5	10.2	9.8	8.9	8.5	7.9	7.6	7.1	6.7
Maturity (years)	14.0	10.9	9.2	11.8	12.7	16.5	13.2	15.6	18.7	19.1
Grace period (years)	3.9	3.5	3.0	2.6	3.9	4.4	3.9	4.5	5.1	4.0
Grant element (%)	21.3	-2.2	-1.2	-0.2	4.9	8.0	10.2	13.2	19.4	21.1
Official creditors										
Interest (%)	5.9	8.2	10.9	9.9	8.9	8.5	7.9	7.2	6.7	6.1
Maturity (years)	15.4	16.1	11.1	16.6	16.4	19.6	16.1	18.4	21.4	22.5
Grace period (years)	4.3	3.9	3.6	4.1	4.4	5.1	5.1	4.9	5.8	5.6
Grant element (%)	23.2	9.2	-4.2	-1.1	5.2	8.8	11.8	16.3	23.3	27.8
Private creditors										
Interest (%)	6.5	11.4	9.8	9.8	8.9	8.5	7.8	8.3	8.6	7.9
Maturity (years)	6.5	8.9	8.2	9.8	11.1	10.7	8.7	9.6	8.7	12.7
Grace period (years)	1.9	3.4	2.7	1.9	3.7	3.0	2.1	3.5	2.7	1.1
Grant element (%)	11.0	-6.5	0.6	0.1	4.7	6.4	7.8	6.6	4.9	8.8
Memorandum Items										
Concessional I.D.O.D.	280	544	460	410	450	530	601	585	561	634
Variable rate I.D.O.D.	127	4,001	7,578	6,305	5,497	7,905	12,405	11,983	11,833	12,027

(US$ millions unless otherwise indicated)

NIGERIA

	1970	1980	1983	1984	1985	1986	1987	1988	1989	1990
Principal rescheduled	0	0	–	–	0	1,318	2,141	20	2,805	1.22
Official	0	0	–	–	0	43	68	20	668	38
Private	0	0	–	–	0	1,275	2,072	0	2,137	84
Interest rescheduled	0	0	–	–	0	450	432	9	1,165	17
Official	0	0	–	–	0	41	25	9	544	5
Private	0	0	–	–	0	409	407	0	621	11
Principal forgiven	–	–	–	–	0	0	0	0	0	
Interest forgiven	–	–	–	–	0	0	0	0	1	
Disbursements from rescheduled	0	0	–	–	1,415	5,401	7,503	1,684	10,125	1.59
Debt stock rescheduled	0	0	–	–	1,415	2,602	4,884	1,654	5,697	
Debt stock reduction	0	0	–	–	0	0	0	40	257	25
8. SECTORAL ALLOCATION OF DISBURSEMENTS ON LONG-TERM DEBT.										
Agriculture	0	52	128	107	87	85	98	86	147	15
Balance of payment support	0	0	450	0	0	250	200	101	443	29
Communication	16	1	37	8	41	23	17	36	45	3
Education	1	9	36	2	10	12	21	1	3	
Energy	11	111	560	464	707	399	549	256	453	9
Industry and trade	0	23	89	113	8	0	28	6	30	1
Manufacturing	4	685	604	511	212	207	77	64	197	
Social Services	2	138	295	169	191	137	70	109	125	8
Transport	18	145	205	92	274	50	6	11	3	3
Others	4	24	260	257	40	134	219	299	0	1