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CENTRAL BANK OF NIGERIA RECORDS INCREASE IN FOREX INFLOW

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According to the economic reports by the Central Bank of Nigeria (CBN), Nigeria raked in \$18.3 billion in the second quarter of 2021, \$30.2 billion in the third quarter, and \$7 billion in October. The CBN maintains that this significant improvement in the forex inflow to the economy is attributed to increased non-oil receipts.

The apex bank further revealed that the significant increase of 65 percent in foreign exchange inflow from the second quarter to the third quarter (\$18.3 billion to \$30.2 billion) was driven by increased inflows through both the CBN and autonomous sources.

Foreign exchange inflow through the CBN at \$16.83 billion increased significantly above the \$6.51 billion in the preceding quarter due to additional Special Drawing Rights (SDR) allocation and proceeds from the Eurobond sales. A disaggregation showed that non-oil receipts increased to \$14.97 billion, compared with the \$4.60 billion in the preceding quarter.

However, receipts from oil-related sources fell by 2.7 per cent to \$1.86 billion, relative to the value in the second quarter of 2021. Foreign exchange inflow through autonomous sources was \$13.37 billion, compared with \$11.79 billion in the preceding period, as a result of improved inflow from invisible purchases and non-oil export receipts.

The CBN further stated that the aggregate foreign exchange inflow into the economy was \$7 billion in October, compared with \$13.38 billion in September. The difference between the levels in October 2021 and the preceding month was mainly accounted for by the debt proceeds of Eurobonds, which boosted receipts in September 2021. Foreign exchange outflow through the economy increased by 32.3 per cent to \$4.31 billion in October 2021. The outflow through the CBN increased by 45.6 per cent, relative to September (mainly third-party MDA transfers and interbank sales). On the other hand, autonomous outflow declined by 7.2 per cent to \$0.76 billion, on account of the decrease in invisible imports.

Consequently, the Nigerian economy recorded a net inflow of \$2.69 billion in the review period.
