
II. ECONOMIC INFORMATION

Nigeria has the largest population and gross national product (Can \$65 billion in 1980-1981) of any nation in Africa. Its economy is dependent on oil production which provides 75 per cent of government revenues and more than 90 per cent of export earnings. The rapid changes in the international petroleum market have caused major changes in Nigeria's foreign exchange reserves in the last years. These rose from \$1.9 billion in 1978 to a high of \$10.2 billion in 1980 — only to fall below \$1 billion in early 1982. The large fluctuations in Nigeria's financial position have led to major shifts in government development plans and trade policies. During the current period of financial restraint the government has been obliged to limit spending on its ambitious national development plan and increase import regulations to reduce the level of imports.

The Fourth National Development Plan, 1981-1985

Since independence Nigeria has sought to foster economic development through a series of economic plans. Recently, these have featured major government investment in infrastructure and heavy industry. Many large government projects, launched during the Third National Development Plan period which ended March 31, 1980, are still being completed. These include the iron and steel complexes at Ajaokuta and Aladja (near Warri), the construction of the new federal capital in Abuja, and massive investments in roads, telecommunications networks and port facilities. The Fourth National Development Plan, first outlined in January 1981, specifies the completion of previous projects but also stresses the need to consolidate previous advances. With an overall objective of improving the living conditions of the Nigerian people, the following order of development priorities has been established:

- (1) agriculture
- (2) education and manpower
- (3) health and housing
- (4) infrastructure — especially water and