Foreign Capital Inflow and Nigeria's Industrial Development: Evidence from Central Bank of Nigeria

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ABSTRACT

This study is aimed to examine the impact of foreign capital inflow through the Central Bank of Nigeria (CBN) to the Nigerian industrial sector. The study aligns with the Modern Portfolio Theory and adopted quantitative and descriptive research design. The study used secondary sources of data which includes recent publications, bulletins, reports and special statistics from the CBN for the period 2021-2022. Data analysis was carried out using descriptive statistics via the Statistical Package for Social Sciences (SPSS). The Central Bank of Nigeria, which is the central focus of this study presented economic reports which reveals significant impacts of foreign capitals on the industrial development of Nigeria. The impact was seen in trade performance, as higher trade surplus was recorded, owing to increased crude oil export receipts. The research concludes that significant impacts were recorded on the industrial development of Nigeria, given the foreign capital inflow. The study recommended that there should be an improved effort from the monetary policy committee of the Central Bank of Nigeria and all other concerned stakeholders to regulate the constant fluctuation in exchange rates in the country.

Key words: Foreign Capital Inflow, Industrial Development, Central Bank of Nigeria, Nigeria

INTRODUCTION

The ongoing reforms in Nigeria ranging from the public sector to the private sector has propelled the Federal government of Nigeria into engaging in various actions and activities aimed at attracting more foreign capital inflow. This arouses interests of various stakeholders as to how critical foreign capital inflow could be in the adventurous expedition of the Nigeria government for industrial development. Foreign capital flow is defined as consisting of the movement of financial resources from one country to another; not minding the direction which could be either ways (Eze, Okpara and Madichie, 2020). Generally, foreign capital inflows depend on a variety of features of the host economy which include among others; its market size, level of education, institutional environment, tax laws, and overall macroeconomic and political environment. Foreign capital inflow has been identified as an important vehicle for augmenting the supply of funds for domestic investment. Meanwhile, most countries treat the inflowing capitals of foreign nations as independent structure, like a transnational company, instead of looking at the hierarchy of the business for what it tends to be. Some of the consequent challenges industries face include; economic weakness, cultural adaptation, price competition, terrorism, higher expense, environmental concern, change of government/regulation problems, health problems/hazard, government policies etc. The extent to which these problems affect industries could be based on the structure of the industry or on the positioning of a firm within the industry (Adebanji et al. 2020).

In the above vein, African countries and other emerging economies need substantial inflow of capital to fill their savings and foreign exchange gaps, enhance capital accumulation and growth needed to overcome widespread poverty in these countries. Furthermore, it can be seen that the recent trend of research in this area is directed towards statistical evaluation of the relationship between capital inflow and economic growth, with few literatures on the review of the impacts of capital inflow on industrial development. Therefore, it is imperative for this research work to assess the impact of foreign capital inflow on Nigeria's industrial development, drawing evidence from data obtained from the Central Bank of Nigeria in 2021 and 2022.

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

Capital Flows

Cash Flow (CF) is the increase or decrease in the amount of money a business, institution, or individual has. In finance, the term is used to describe the amount of cash (currency) that is generated or consumed in a given time period. There are many types of CF, with various important uses for running a business and performing financial analysis. Cash flow is the net amount of cash and cash-equivalents being transferred into and out of a business. At the most fundamental level, a company's ability to create value for shareholders is determined by its ability to generate positive cash flows, or more specifically, maximize long-term free cash flow (FCF) (Anthony, 2022).

Positive cash flow indicates that a company is adding to its cash reserves, allowing it to reinvest in the company, pay out money to shareholders, or settle future debt payments. Cash flow comes in three forms: operating, investing, and financing. Operating cash flow includes all cash generated by a company's main business activities. Investing cash flow includes all purchases of capital assets and investments in other business ventures. Financing cash flow includes all proceeds gained from issuing debt and equity as well as payments made by the company. Free cash flow, a measure commonly used by analysts to assess a company's profitability, represents the cash a company generates after accounting for cash outflows to support operations and maintain its capital assets (Madhuri, 2021).

Foreign Direct Investment

Ogiriki, Atagboro & Ogoun. (2020) defined Foreign Direct Investment as the process whereby people in one country obtain ownership of assets to gain control over the production, distribution and other activities of a firm in a foreign country. They went further to explain the operational meaning of FDI as ownership of at least 10% of the ordinary shares of voting stock in a foreign enterprise.

Thus, ownership of 10% ordinary shares is the criterion for the existence of a direct investment relationship while ownership of less than 10% is recorded as portfolio investment. Foreign Direct Investment is defined as investment made to acquire a lasting management interest (usually at least 10% of voting stock) and acquiring at least 10% of equity share in an enterprise operating in a country other than the home country of the investor (Temidayo, 2021).

Furthermore, Nwala, Nwagboso & Nwankwo. (2019) explained that Foreign Direct Investment includes; external resources including technology, managerial and marketing expertise and capital and that all these generate a considerable impact on the host nation's productive capabilities, and the success of government policies of stimulating the productive base of the economy depends largely on her ability to control the adequate amount of FDI comprising of managerial, capital and technological resources to boast the existing production capacity.

Damian and Samuel (2019), expatiated Foreign Direct Investment (FDI) and posit that it is an investment geared towards controlling ownership in a business enterprise in the domestic country by an entity based in a foreign country and that it is one of the major sources of capital inflows to developing countries, from the resource surplus countries and among developing countries themselves, and has been widely considered to be important in contributing to growth in productivity in the receiving country. They went further to state that FDI

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is vital to any economy, as it augments domestic investment and that it's a major beneficiary of technological spillovers, job creation, improved managerial skills and other benefits from these inflows.

Foreign Portfolio Investment (FPI)

An investment portfolio is a collection of assets and can include investments like stocks, bonds, mutual funds and exchange-traded funds. An investment portfolio is more of a concept than a physical space, especially in the age of digital investing, but it can be helpful to think of all your assets under one metaphorical roof (Benson & Jackson, 2021).

Portfolio investments are investments made in a group of assets (equity, debt, mutual funds, derivatives, or even bitcoins) instead of a single asset with the objective of earning returns is commensurate with the risk profile of the investor. Portfolio investments might vary from a small segment of one industry to a wideranging – entire market (Madhuri, 2021).

Ezeanyeji and Ifeako (2019) define Foreign Portfolio Investment (FPI) as an aspect of international capital flows comprising of transfer of financial assets: such as cash, stock or bonds across international borders in want of profit and that it occurs when investors purchase non-controlling interests in foreign companies or buy foreign corporate or government bonds, short-term securities or notes.

They noted that just as trade flows result from individuals and countries seeking to maximize their wellbeing by exploiting their comparative advantage, so too, are capital flows as individuals and countries seeking to make themselves better off, moving accumulated assets to wherever they are likely to be most productive.

From the definitions above, it is deduced that Foreign Portfolio Investments are an investment from a foreign country into Nigeria that is less than 10% of business equity and examples in Equity, government bonds, short term securities or notes and other financial derivatives. Just like FDI, The net Inward Foreign Portfolio Investment is the difference between the financial assets less the financial liabilities of the investments.

Foreign Capital Investment in Nigeria – A Report

Nigeria is the most populous African nation; Nigeria continues to attract an increasing number of Foreign Direct investments annually. According to the UNCTAD 2021 World Investment Report, Nigeria's inflow of Foreign Direct investments (FDI) increased by 3.5% from 2019-2020 despite the global economic crisis triggered by the COVID-19 pandemic. The FDI flows rebounded strongly in 2021.

In the world bank’s 2020 edition of doing Business Report, Nigeria ranked 131st worldwide, for ease of doing business due to its partial privatisation, advantageous taxation system, significant natural resources and low cost of labour. As the market expands, the government continually issues policies aimed at governing foreign investment to create a conducive business environment (Okundaye, 2022)

Official Development Assistance Received in Nigeria (ODA) – OECD (2020)

Nigeria is known as an oil-rich nation replete with number of people living in poverty therefore the country has been a subject of aid flow. The widespread of poverty reflects in the security, health and, education systems and several other variables. Aid in form of Official Development Assistance (ODA) from DAC and the multilateral organizations are seen as critical to enhancing health outcomes. Nigeria is one of the biggest recipients of aid in Africa.

Theoretical Framework

This study is grounded in the Dependency Theory and Industrial Development Model, which posits that foreign capital inflow can have a dual impact on Nigeria’s industrial development (Frank, 1966; Cardoso & Faletto (1979). On one hand, foreign capital can facilitate technology transfer, skills upgrading, and investment in physical capital, leading to industrial growth and development. On the other hand, excessive reliance on foreign capital can perpetuate dependency, undermine domestic industrial development efforts, and limit the country's ability to achieve sustainable industrialization (Frank, 1966; Cardoso & Faletto (1979). This theoretical framework guides the analysis of the relationship between foreign capital inflow and Nigeria's industrial development, highlighting the need for a balanced approach that maximizes benefits while minimizing costs.

RESEARCH METHODOLOGY

The research design chosen in this study is quantitative descriptive research design. Analysis was carried out using the Statistical Package for Social Sciences (SPSS). The outcome of the analysis formed the basis for conclusions and recommendations. The sampling technique adopted is purposeful sample targeted at assessing the capital inflow that passed through the Central Bank of Nigeria to the Nigeria industrial sector.

The endogenous variable as specified in the model is the Nigerian Capital Market using the market capitalization as a proxy. The study therefore intends to examine the nature of interaction that the Nigerian Capital Market shares with foreign portfolio investment and other explanatory variables captured in the model. The exogenous variables as accommodated in the model consist of foreign direct investment, inflation rate, exchange rate, external reserve. As theoretically reviewed, these variables among others are the operative fundamentals that direct the inflow of capital in the Nigerian industries.

This study utilizes secondary data, annual time series data spanning from 2021 – 2022 to capture any variation in economic performance within the period under review. Data analysis was based on data gathered from secondary sources.

The choice of data was based on research questions, then clustered together in order to tabulate or present in graphical manner, whichever the researcher deems fit. Finally, thorough analysis was made in summarized presentation choosing the simplest design that can be easily understood by any reader.

DATA PRESENTATION, ANALYSIS AND DISCUSSION OF RESULTS

Nigerian Industrial GDP: A Variable in Determination of Impacts of Foreign Cash Inflow

Table 4.1: Nigerian Industrial GDP 2021 – 2022 (Source: CBN Statistical Bulletin)

Year	**Period**	**Industry**
2021	Q1	3996.32
2021	Q2	3433.35
2021	Q3	3785.55
2021	Q4	3668.56
2022	Q1	3724.28
2022	Q2	3354.31

Table 4.1 shows values of the Nigerian Industrial GDP between the ranges of 2021-2022 referenced to Central Bank of Nigeria Statistical Bulletin. It can be seen that the first quarter of 2021 had the highest industrial GDP of 3996.32 which experienced a significant drop in the succeeding quarter (Q2).

The industrial GDP can be seen to have dropped significantly to 3433.35 in the second quarter. In the same year, 3785.55 and 3668.56 were recorded for the third and fourth quarter respectively. In summary, the year 2021 recorded the least industrial GDP in the second quarter and highest in the first quarter.

Owing to the available record, the year 2022 had a shoot up 3724.28, which drops to 3354.31 in the second quarter of the same year.

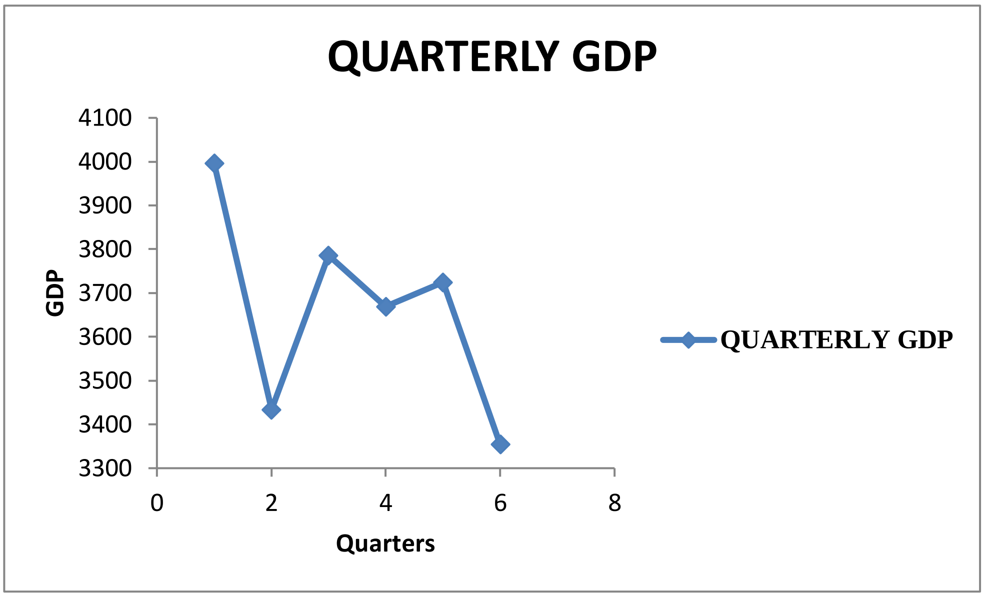

Figure 4.1: Nigerian Industrial GDP 2021 – 2022

Figure 4.2 shows the quarterly GDP of Nigeria as referenced to CBN statistical report. It is a graphical depiction of the values recorded in Table 4.1. The GDP records its highest value in the first quarter of 2021 and experienced a significant drop in the second quarter of 2022. This is informative for the subsequent discussions and significant to the study at hand as it relates to the Nigeria's industrial development through foreign capital inflow.

Impacts of Foreign Capital Inflow on Trade Performance

Trade performance was impressive as higher trade surplus was recorded, owing to increased crude oil export receipts. Provisional data showed that trade surplus increased significantly to US$0.78 billion, compared with US$0.20 billion in December 2021. Aggregate export receipts grew by 15.1 per cent to US$4.87 billion, compared with US$4.23 billion in December 2021. Similarly, merchandise import rose by 1.5 per cent to US$4.09 billion from US$4.03 billion in the preceding month, reflecting increased domestic demand, occasioned by boost in economic activities (CBN Economic Report, 2022).

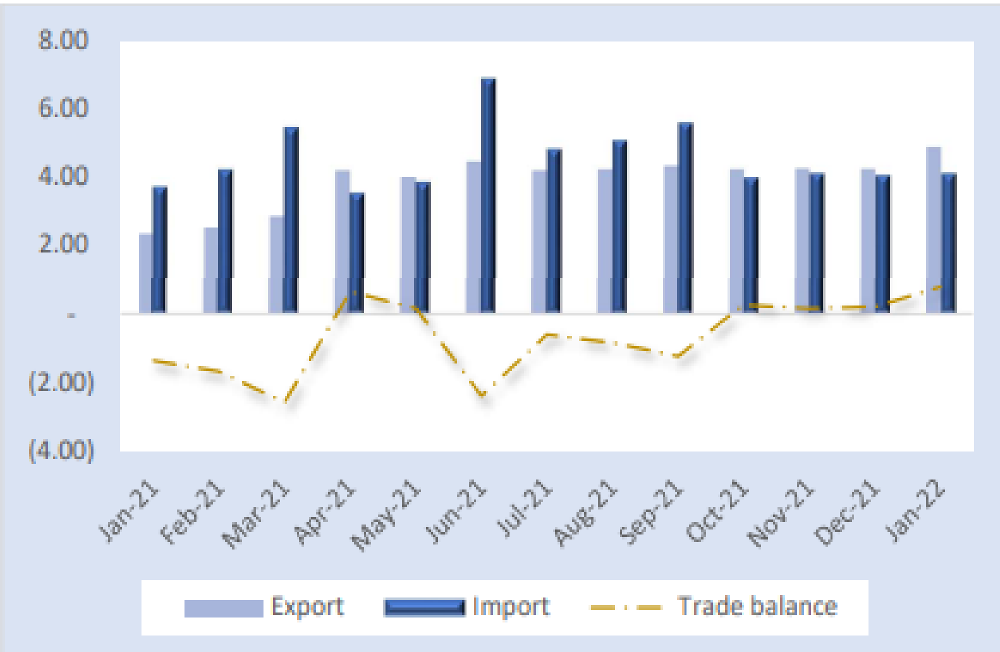

Figure 4.2: Export, Import and Trade Balance (US$ Billion) (Source: Central Bank of Nigeria)

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Rising Russia-Ukraine tensions led to further rise in crude oil prices at the international market and resulted in higher export receipts. Provisional data revealed that total value of crude oil and gas export increased by 16.1 per cent to US$4.29 billion, compared with US$3.69 billion in December 2021. A disaggregation shows that crude oil export receipts increased by 17.9 per cent to US$3.81 billion, relative to USS$3.23 billion in December 2021. The increase was driven, majorly, by the rise in the price of Nigeria's reference crude, the Bonny Light, by 16.2 per cent to an average of US$87.07pb, relative to US$74.95pb in December 2021. Similarly, gas export receipts, increased by 3.6 per cent to US$0.48 billion, compared with the value in December 2021, due to higher gas prices, particularly in Europe, following increased demand for energy during the winter period. Crude oil and gas export constituted 88.1 per cent of total exports, with oil accounting for 78.2 per cent and gas export 9.9 per cent (CBN Economic Report, 2022)

Favourable commodity prices at the international market continued to impact positively on non-oil exports, particularly, agricultural produce. Provisional data on non-oil export showed a growth of 7.4 per cent to US$0.58 billion, relative to the US$0.54 billion in the preceding period. Disaggregation shows that electricity, re-exports and other non-oil export rose by 14.4 per cent, 13.1 per cent and 5.9 per cent to US$0.01 billion, US$0.20 billion and US$0.37 billion, respectively.

The sustained increase in economic activities boosted merchandise imports. Estimated aggregate imports increased by 1.5 per cent to US$4.09 billion, compared with US$4.03 billion in December 2021, due to higher demand for non-oil imports, particularly raw materials for production. Non-oil imports increased by 3.7 per cent to US$3.11 billion from US$3.00 billion in December 2021. However, importation of petroleum products decreased by 4.8 per cent to US$0.98 billion, relative to US$1.03 billion in December 2021, following shipping delays due to COVID-19 outbreaks in major ports. Non-oil imports remained dominant, accounting for 76.0 per cent of total import bills, while oil import constituted the balance of 24.0 per cent. Data on sectorial utilisation of foreign exchange for imports showed that industrial sector constituted the largest share of 49.8 per cent, followed by manufactured products with 20.9 per cent. Importation of food products represented 15.3 per cent, while the transport sector accounted for 4.1 per cent. Oil, mineral and agriculture accounted for 6.8 per cent, 2.3 per cent and 0.8 per cent, respectively.

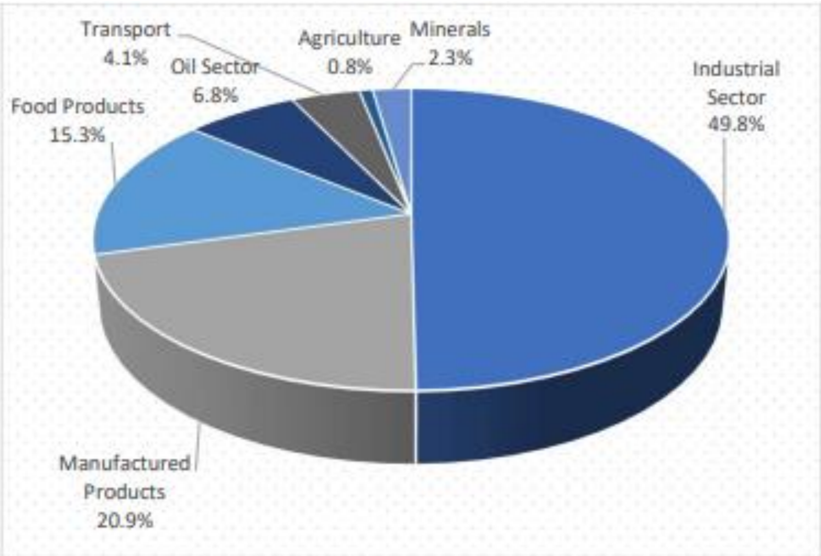

Figure 4.3: Import by Sector, January, 2022 (per cent) (Source: Central Bank of Nigeria)

Capital Importation to Nigeria by Nature of Investment

Returns from commercial banks show that aggregate new capital injected into the economy was US$6.51 billion in 2021, compared with US$10.48 billion in 2020, indicating a decrease of 37.9 per cent. A disaggregation of capital importation by type of investment showed that portfolio investment, at US$3.16 billion, accounted for the largest share of 48.5 per cent of the total. Of this amount, money market instruments were US$2.39 billion, representing 36.7 per cent of the total; government bonds, US$0.56 billion or 8.7 per

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cent; and equities, US$0.21 billion or 3.2 per cent of the total. Inflow of FDI was US$0.69 billion, representing 10.6 per cent of the total inflow, of which equity accounted for 99.1 per cent of the total FDI inflow. Other investment inflow at US$2.66 billion constituted 40.9 per cent of the total. A further breakdown of other investment inflow shows that loans was US$2.4 billion or 36.8 per cent of the total, while other claims at US$0.26 billion accounted for 3.9 per cent. Trade credit and currency deposits accounted for the balance.

Table 4.2: New Capital Inflows to Nigeria (2021)

Nature of capital	**USD Million**
FDI – Equity	686.7
FDI – Other capital	0.6
Sub-Total	**687.3**
Portfolio Investment – Equity	209.0
Portfolio Investment – Bonds	564.1
Portfolio Investment – Money Market Instruments	2,387.4
Sub-Total	**3,160.5**
Other investments – Trade credits	0.2
Other investments – Loans	2,399.6
Other investments – currency deposits	0.7
Other investments – other claims	263.1
Sub-Total	**2,663.6**
TOTAL	**6,511.4**

Source: Central Bank of Nigeria, 2021

A breakdown of capital importation by country of origin shows that the United Kingdom was the dominant source of capital inflow to Nigeria with a value of US$2.08 billion or 31.9 per cent of the total, followed by the Republic of South Africa, US$1.05 billion or 16.1 per cent. Inflow from Mauritius was US$0.69 billion (10.6 per cent); the United States, US$0.68 billion (10.4 per cent); Singapore, US$0.64 billion (7.1 per cent); The Netherlands, US$0.42 billion (6.5 per cent); United Arab Emirates, US$0.36 billion (5.5 per cent); and Togo, US$0.09 billion (1.3 per cent). Other countries accounted for the balance.

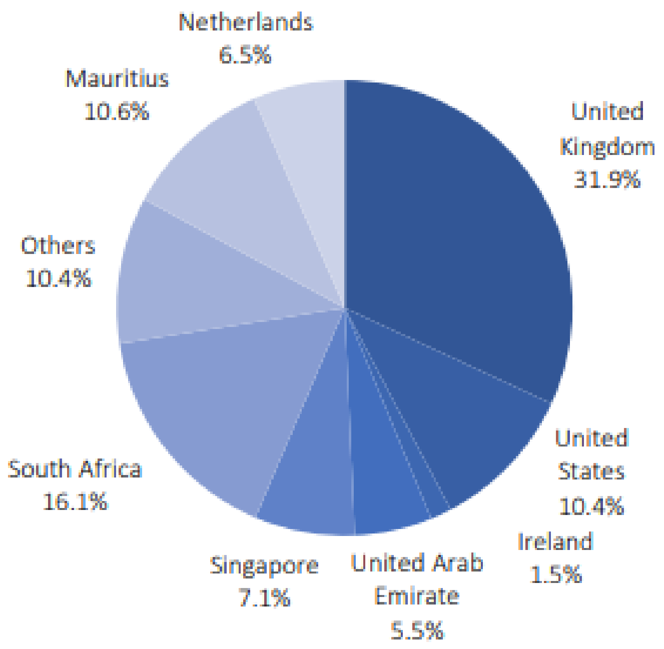

Figure 4.4: Nigeria's Capital Importation by Country of Origin 2021 (CBN, 2021)

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Capital Importation by Industrial Sector

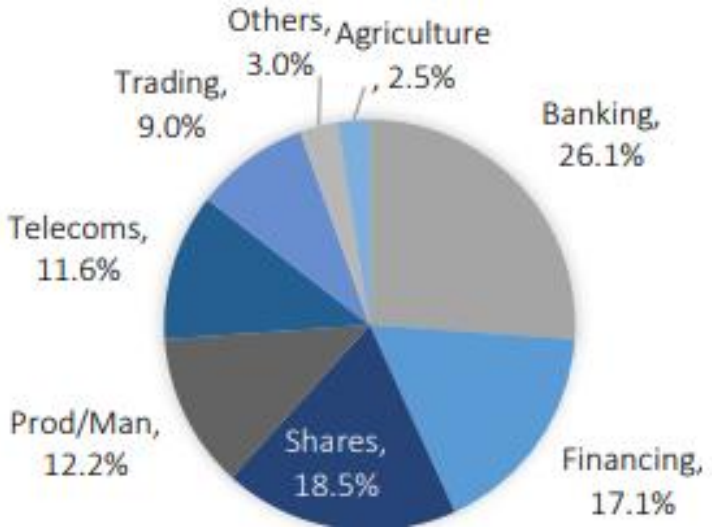

Figure 4.5: Capital Importation by Sector, 2021 (per cent)

Analysis of imported capital by economic sectors indicates that banking received the highest share of 26.1 per cent, valued at US$1.70 billion. Inflow for shares amounted to US$1.20 billion and accounted for 18.5 per cent of the total. Financing, production/manufacturing, Telecoms, trading, and agriculture sectors received US$1.11 billion, US$0.79 billion, US$0.75 billion, US$0.59 billion, and US$0.16 billion, representing 17.1 per cent, 12.2 per cent, 11.6 per cent, 9.0 per cent, and 2.5 per cent, respectively. Inflow to other sectors accounted for the balance. Figure 8.4. 2: Capital Importation by Sector, 2021 (per cent) Source: Central Bank of Nigeria 8.4.4 Capital Importation by Destination A breakdown of capital importation by destination shows that Lagos State received the highest inflow, representing 86.6 per cent of the total, valued at US$5.64 billion, followed by the Federal Capital Territory (FCT) with US$0.83 billion, representing 12.7 per cent of the total. Other States accounted for the balance.

Foreign Exchange Market Developments

In the Economy Report by Central Bank of Nigeria (2022), it is noted that total foreign exchange sales to authorised dealers by the Bank was US$1.65 billion in January, representing a decrease of 3.1 per cent, relative to US$1.71 billion in December 2021. A breakdown shows that foreign exchange sales at the Small and Medium Enterprises (SME) window, interbank/invisible foreign exchange sales and matured swaps contracts rose by 24.4 per cent, 25.9 per cent, and 60.8 per cent to US$0.14 billion, US$0.18 billion and US$0.21 billion, respectively, in January, relative to the amount in December 2021. However foreign exchange sales to the Investors and Exporters (I&E) and Secondary Market Intervention Sales (SMIS) windows fell by 13.7 per cent and 16.3 per cent to US$0.58 billion and US$0.54 billion, respectively, in the month under review. To enhance exchange rate management and achieve accurate value from import and export items in and out of Nigeria, the Bank introduced e-evaluator and e-invoicing to replace the hard copy final invoice as part of the documentation for trade transactions. Effective February 1, 2022, import and export operations would require the submission of an electronic invoice (e-invoice) authenticated by the authorized dealer banks on the Nigeria Single Window portal – trade monitoring system (TRMS).

Summary of Findings

It can be concluded that little has been done on the empirical validation of capital inflow-industrial output growth relationship in Nigeria. Evidence on the industrial sector performance in Nigeria has been studied against the volatility or fluctuations in the exchange rate. How remittances inflows, foreign direct investment, portfolio investment and official development assistance in the form of aid predicts variation in Nigeria industrial development remains dimly discerned. The intricacies of such omission in the literature of industrial sector development in Nigeria underpin this study. The results show that foreign capital inflows affect industrial growth in Nigeria. Furthermore, the analysis of the foreign capital inflows and industrial development was undertaken in order to verify the relevance of the foreign capital inflows-led economic growth economy. The results from the analysis revealed that there exists relationship between foreign capital inflows and industrial growth in Nigeria, which supports the foreign capital inflows-led industrial development.

The analysis proves that within the period covered in this study, the Nigerian capital market performance shared a long run positive relationship with foreign portfolio investment inflows. This finding supports such studies as Okonkwo (2016) which found long run relationship between foreign portfolio investment and the capital market performance in Nigeria. Based on the findings, the study therefore concludes that there is a long run positive relationship between Foreign Portfolio Investment (FPI) and the performance of the Nigerian Capital Market. It can be deduced from the data that there are identifiable impacts of foreign capital importation on Nigeria's industrial development, and that Nigeria has attained development through the inflow of foreign capital to the industries through the Central Bank of Nigeria. Also, it is deducible that external funds have effects on Nigerian industries.

Discussion of Results

Foreign capital inflow decreased, owing, majorly, to tighter global financial conditions, driven by anticipated hikes in Fed's fund rates. As published in January 2022 CBN Economic Report, New capital imported into the domestic economy decreased by 45.0 per cent to US$0.61 billion, compared with US$1.11 billion in December 2021. A disaggregation of capital imported by type of investment indicates that portfolio investment (mainly money market instruments), at US$0.40 billion, constituted 66.0 per cent, while other investments (mainly loans), at US$0.17 billion, constituted 27.4 per cent. Foreign direct investment inflow in form of equity, at US$0.04 billion, accounted for 6.6 per cent. A breakdown of capital imported by nature of business shows that the banking subsector dominated, accounting for 49.9 per cent, followed by financing, 17.6 per cent. Inflow of capital for production/manufacturing accounted for 16.5 per cent; shares, 9.5 per cent; trading, 3.6 per cent; and telecommunication, 1.7 per cent; while 'Other' sectors accounted for the balance. Analysis by originating country shows that the United Kingdom was the major source of capital inflow, accounting for 64.8 per cent of the total. South Africa, Singapore, United States, Mauritius, The Netherlands and Togo accounted for 14.7 per cent, 6.8 per cent, 3.7 per cent, 2.8 per cent, 2.3 per cent and 2.2 per cent, respectively. The main recipients of capital by destination were Lagos State and Abuja (FCT) with US$0.44 billion, representing 72.3 per cent and US$0.17 billion or 27.6 per cent, respectively. Anambra State accounted for the balance of US$0.001 billion (0.1 per cent).

Outflow of capital from the economy declined significantly, occasioned by lower loan repayment and repatriation of dividends in the review period. Capital outflow decreased by 79.7 per cent to US$0.29 billion in January 2022, compared with US$1.42 billion in December 2021. A disaggregation reveals that outflow in the form of capital (mainly from banking, financing, and trading) was US$0.16 billion, constituting 56.8 per cent. Outflow in the form of loan repayments was US$0.07 billion, or 22.5 per cent, while repatriation of dividends, at US$0.06 billion accounted for 20.6 per cent.

SUMMARY, CONCLUSION AND RECOMMENDATIONS

Summary

This research study used secondary data sources like bulletins, statistical reports and journals in assessing the impacts of foreign capital inflow on Nigeria's industrial development. The Central Bank of Nigeria, which is the central focus of this study presented economic reports which reveals significant impacts of foreign capitals on the industrial development of Nigeria. The impact was seen in trade performance, as higher trade surplus was recorded, owing to increased crude oil export receipts. Similarly, merchandise import rose by 1.5 percent, reflecting increased domestic demand, occasioned by boost in economic activities. However, foreign capital inflow decreased, owing, majorly, to tighter global financial conditions, driven by anticipated hikes in Fed's fund rates. As published in January 2022 CBN Economic Report, New capital imported into the domestic economy decreased by 45.0 per cent to US$0.61 billion, compared with US$1.11 billion in December 2021.

Conclusion

The research concludes that significant impacts were recorded on the industrial development of Nigeria, given the foreign capital inflow. The Central Bank of Nigeria is instrumental in revealing such impacts, given the publications of bulletins, economic reports and statistical data. The National Bureau of Statistics (NBS) is also another tool that aid in determination of these impacts. It can therefore, be concluded that Nigeria's industrial development is also a function of the inflow of capitals from foreign nations.

Recommendation

It is important for the government to address the problem of dwindling exchange rates by encouraging local production and consumption of locally produced goods and services. The study recommended that there should be an improved effort from the monetary policy committee of the Central Bank of Nigeria and all other concerned stakeholders to regulate the constant fluctuation in exchange rates in the country. Since FDI does not have a positive and significant effect on GDPGR in Nigeria, steps should be taken to examine and regulate the activities and foreign investors in the country. Finally, the Monetary Policy Committee (MPC) should implement appropriate policy measures (either contractionary or expansionary measures) to ensure that the flow of money in the economy is regulated at any point in time.

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