

SPOTLIGHT ON NIGERIA'S TRADE POLICY

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by

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Outline



Introduction

Overview of the Nigerian Economy

Strategic Logic of Nigeria's Trade Policy in the Macro Framework of the ERGP

Nigerian Trade Policy Priorities

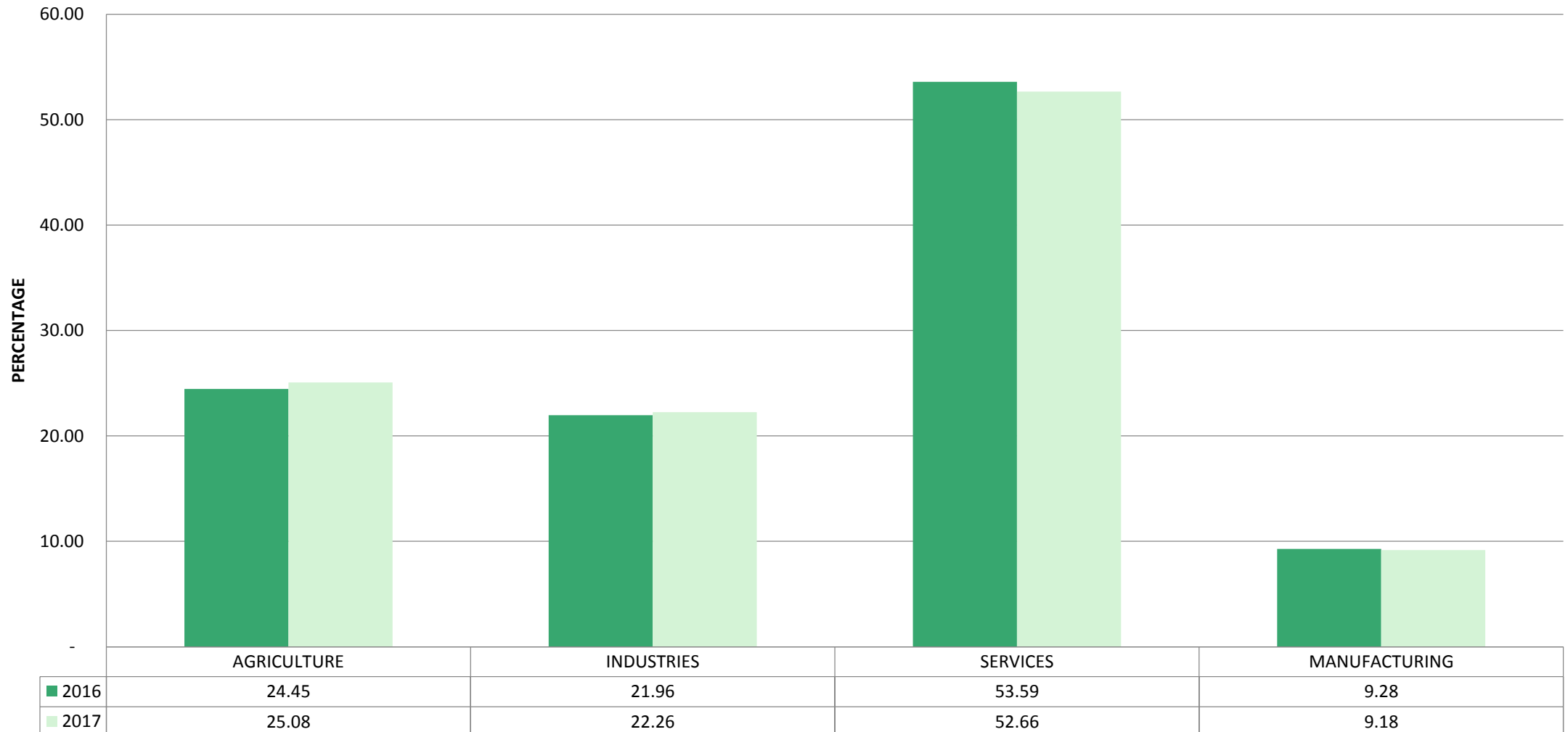
Conclusion: Projection: Trade and Nigeria's GDP and Population Growth Rates

- Nigeria, Africa's Number 1 Economy and the 26th largest in the Global Economy, is an Entrepreneurial Economy.
- Open to Trade and Investment and Committed to a Rules-Based Global Economy.
- Domestic Reforms are underway in a Volatile and Uncertain Global Economic and Trading Environment;
- Nigeria's Trade Agreements seek Centers of Economic Gravity and Mutually Beneficial Partnerships.
- Push for Trade Agreements that create New Markets and Value Chains, Support Industrialization and Modernization of Nigerian economy.
- A Business, Prosperity and Growth Agenda.

Overview of the Nigerian Economy



Contribution to GDP



Sectoral Employment and GDP Contribution



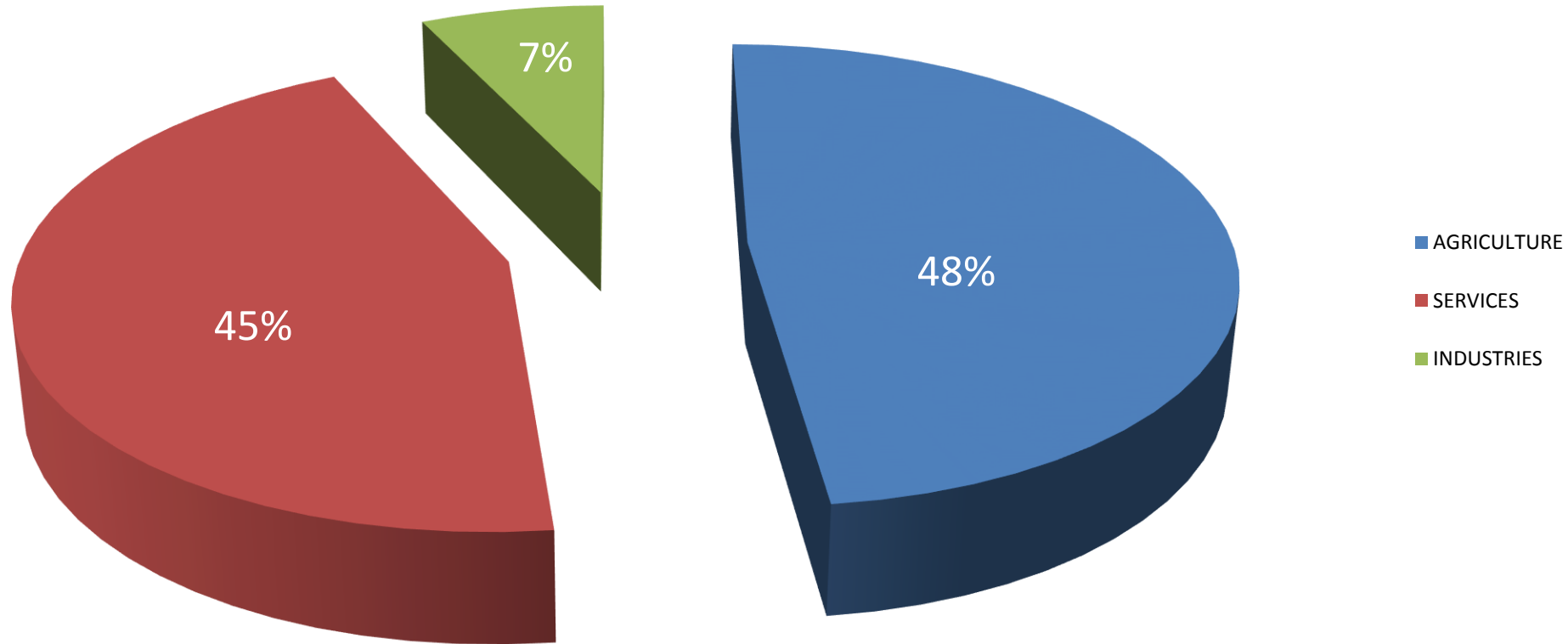
In the third quarter of 2017, 48.19% of employment were found in Agricultural sector, followed by 44.67% in Services and 7.14% in Industries.



Two leading economic sectors in Nigeria are trade and manufacturing which account for 17.96% and 8.85% in the third quarter nominal GDP, 2017.

These two sectors contribute 13.97% and 6.98% of total employment

Sectoral Employment and GDP Contribution



Overview of the Nigerian Economy



In 2017, 14% or the equivalent of 10.8 million natural persons in the Nigerian workforce were engaged in trading (X/M).

Trade accounted for 18% GDP, second only to agriculture at 26%.

Strategic Logic of Nigeria's Trade Policy



- Commitment to a Rules-Based Global Economy;
- Nigeria: Trade Hub and Trade Gateway to the Regional and Continental Market;
- Integration of Regional Markets;
- Linking Trade Policy to Complementary Policies;
- Unifying Trade and Investment Policies and Agreements, Linked to Value Chains;
- A Platform for the Digital Economy in the 21st Century Knowledge Economy;
- Micro-Small and Medium Enterprises (MSMEs);
- The Vital Importance of Partnerships; and,
- Trade Remedy: Safeguarding against Injury.

Nigerian Trade Policy Priorities



1

Nigerian Office for Trade Negotiations (NOTN): Negotiations to re-balance for Industrialization, Modernization, Growth, Job Creation and Mutual Profit

2

Trade in Services: banking and financial services; digital economy / ecommerce; AVS/Entertainment; business and professional services; education, health

3

Trade in Goods: Agriculture and Manufacturing

4

Intellectual Property Rights (IPR) Protection

5

Micro- Small and Medium Enterprises (MSMEs);

<https://www.pwc.com/gx/en/issues/the-economy/assets/world-in-2050-february-2015.pdf>

- PWC in its 2015 updated study of 32 economies: “*In our world in 2050*”, projects, *inter alia*:
- that, “.....Nigeria and Vietnam could be the fast growing large economies over the period to 2050”.
- a striking rise of Indonesia and Nigeria through the world rankings throughout the period to 2050:
 - “Indonesia rises from 9th in 2014 to 4th in 2050, and Nigeria rises from 20th in 2014 to 9th in 2050”.

The Global Economy in 2050



Goldman Sachs

Global Economics Paper No. 153 (2007), on the “Next 11”, identifies this Group, including Nigeria, as “sources of new demand and sustained growth”

In its 2012 projection of what the global economy would like in 2050 (GS Global ECS Research), Nigeria is projected in the Top 15 economies in the global economic Leaderboard, by GDP Levels

“For context, by the year 2050, Nigeria will have a population larger than the United States and an economy larger than Australia’s”

Rex Tillerson, Former U.S. Secretary of State, George Mason University, 6th March 2018:

<https://www.state.gov/secretary/20172018tillerson/remarks/2018/03/279065.htm>;

The Nigerian Economy by 2020: Economic Recovery and Growth Plan (ERGP: 2017-2020)



In the Economic Recovery and Growth Plan (ERGP):

- Real GDP growth is estimated at 7% by 2020; of which:
 - Non-oil GDP growth at 7.28%; and,
 - Oil-GDP growth at 4.45%
- 6 Priority Sectors Identified are: Agriculture; Manufacturing; Solid Minerals; Services; Construction and Real Estate; and, Oil and Gas.

Conclusion: Messages for Active and Prospective Traders and Investors In Nigeria



- Focus on markets:
 - where growth is envisaged in all economic models;
 - Policy, actively encourages Trade and Investment Facilitation;
- Accord strategic premium to long-term plans, while factoring in the short-term.
- Reconcile “flight to safety” and location considerations in mature markets with calculated risks for business growth and higher profit margins in EMs.
- *Long-term commitments* to growth will be critical and decisive for business prosperity.
- Nigeria is the right bet to make from trade and investment perspectives. A strong and impressive rebound has followed the recession:
 - Trade and Invest in Nigeria

Thank you!