



Trade Policy

Of

Nigeria

(FINAL DRAFT)

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FOREWORD

At the inception of this Administration in May 1999, the Trade Sector of the economy was characterized by inter-regional trade barriers; many layers of distribution that raise the cost of goods; bureaucracy in the implementation of trade incentives including long delays in business registration and payment of export rebate incentives, etc; and the dumping of substandard and subsidised goods. The non-implementation of the ECOWAS Treaty on Free Trade for many years after its ratification, served as a serious disincentive to exploring the potential of West Africa for trade. The large number of security agents at the ports and long procedures for goods clearance were further impediments to trade.

This state of affairs informed my directive to the Honourable Minister of Commerce to prepare a new Trade Policy for Nigeria, consistent with the Multi-lateral trading system. Government realises that our inability to adhere to sound macroeconomic fundamentals in the past, has been responsible for the stagnation of the economy and resulted in persistent economic and social crises. This trade policy is articulated within a new orientation, recognizing the need to adhere to macroeconomic fundamentals. Nigeria's export orientation will be anchored on competitive pricing and stable currency. Trade policy reforms will be made credible and effective by involving all stakeholders in a transparent environment, characterized by trade friendliness to eliminate red-tapism and ensure best practice customs clearance.

The Trade Policy is an outcome of the present administration's determination to re-engineer the Nigerian economy and re-position the country to take advantage of the changing global economic system.

Government has in the past year aggressively addressed some of the basic constraining problems to development. Efforts at creating and promoting a market oriented, private sector led, and competitive environment shall remain a priority. Government has in the spirit of the new dispensation intensified efforts to restore international confidence, to attract foreign investment and debt reduction. In this regard, Government shall vigorously pursue and sustain the current crusade to reduce corruption, which has hitherto impeded trade and investment in the country.

In order to meet the challenges of a new and dynamic trade policy, the role of Government has been redefined. Government's role will be restricted to providing enabling environment for effective private sector-led trade, ensuring that infrastructural constraints are removed and facilitating dynamic trade reorientation which will signify a clear departure from past regimes of controls and intervention. The trade policy document therefore only provides a road map for the private sector operators of the economy.

The trade policy, while premised on the defined role of government, will ensure that Nigeria's national interest is at all times protected. This policy document is therefore a lucid expression of Government orientation, focus and aspiration in the area of trade, which shall continue to guide and regulate our trade interactions and behaviour with our partners, the world over.

**CHIEF OLUSEGUN OBASANJO, GCFR
PRESIDENT, FEDERAL REPUBLIC OF NIGERIA.**

PREFACE

Over the years, policy process in Nigeria has been adversely affected by vague direction, inconsistency, poor implementation and lack of continuity. This failure has in part been due to the persistent instability in governance arising from frequent changes in leadership, with the attendant lack of continuity in focus and aspiration. Generally, policies have often been vaguely defined, abruptly changed or abandoned, leading to a considerable waste of resources and failure to meet agreed targets and long term goals and objectives.

Policy formulation process has been largely devoid of adequate consultation and policy implementation, uncoordinated. The central role of the private sector as the engine of economic growth was not recognized. Similarly, the importance of transparency, accountability, sincerity of purpose and guaranteed access to information and to people in authority was not fully appreciated. In addition, poor funding and poor coordination of the work of specialized institutions, affect their ability to offer the much needed quality advice they are set up to provide. These shortcomings have led to conflict and lack of cooperation among Government agencies and apathy on the part of private sector stakeholders. Consequently, there has been a considerable absence of stable policy environment for coherent medium to long term policy decisions.

* This trade policy document is the second in the series of a systematic trade policy formulation in Nigeria. The first Trade Policy, produced about 1991, predates the W.T.O and therefore falls short of expectations of the contemporary Multi-lateral Trading System.

Nigeria is a member of the W.T.O and remains fully committed to her undertakings within the world trading body. The need therefore, for a well-informed, stable, comprehensive and transparent trade policy has now become very pertinent, for Nigeria to effectively and fully benefit from the Multi-lateral Trading System, especially in the wake of the emerging global economic trends.

The current Trade Policy, drawing from our participation in the Uruguay Round and our past trade experience, as well as the 1998 Trade Policy Review of Nigeria by the W.T.O Trade Policy Review Body, addresses recent developments in the Nigerian economy and global environment. In all, the policy seeks to put Nigeria on a sound footing to fully reap the dividend of our membership of the W.T.O.

The introduction of a separate section to outline the policy implementation framework and strategy is a special feature of the trade policy, designed to transform the policy into concrete actions. Thus the institutional framework for implementation of the trade policy has been defined in figure 1 and the functions and interrelations of its principal components, explained. Similarly, possible areas of conflicts in the implementation of the policy were identified judging from past experience and strategies to ameliorate such conflicts proffered, both on short term and long term time frame. This is a positive departure from past practice where policy implementation process was insufficiently addressed, resulting in conflicts and confusion among the implementing agencies.

In preparing the Trade Policy, we were conscious of the fact that Trade Policy in Nigeria needs to be consistent with other policies being formulated by Government.

Above all, the present Trade Policy is formulated to tie in closely with the goals and aspirations of all stakeholders, in such a manner that is capable of precipitating rapid structural changes that enlarge their horizons.

In all cases, the private sector must see itself as active participant and instrument of change. This necessitated the wide consultation we made to elicit effective contribution from both the private and public sectors, in the formulation of the policy.

Representatives of the Organised Private Sector, academic institutions and relevant Government Ministries and agencies both at Federal and state level, participated at various stages of preparation of the policy. We further provided opportunity to the general public to contribute to the Trade Policy by advertising the Draft Trade policy in National Newspapers and organising public fora in different parts of the country, to discuss the draft. In addition, the Trade Policy benefited from criticism from the Nigerian Economic Summit Group, Economic Policy Coordinating Committee (EPCC), USAID, and other specialized bodies. We also benefited from the experiences of other countries, in the formulation of the policy.

I am sincerely indebted to members of the Trade Policy Drafting Committee drawn from the academic institutions round the country, the Organised Private Sector, representatives of Government Ministries and agencies, who painstakingly put the Draft Trade Policy together, and reviewed it each time the draft was criticized. Members of the public, who made contributions, written or oral, also deserve commendation.

I am convinced that the trade policy is truly reflective of our national orientation and focus in the area of trade, and capable of moving the economy forward.

ENGR. MUSTAFA BELLO
HONOURABLE MINISTER OF COMMERCE.

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SECTION ONE

INTRODUCTION

Globalization is fast becoming a reality, which no nation can effectively resist. The world trade environment is in constant change. Every change comes with opportunities and threats. The success of any nation in the globalising business environment therefore, largely depends on her ability to identify and exploit the opportunities, while designing programmes to stem and reduce the threats.

To succeed in the twenty first century, Nigeria has to become a full partner in the global economy. Nigeria accounts for a negligible percentage of world trade despite her huge potential for more diversified production and export of agricultural products, manufactures and services. To take advantage of this potential, there is a need for a meaningful and well articulated trade policy. The emerging global trends have made it imperative for bold and new initiatives to signal a new dawn and to reposition Nigeria in the world trading environment. Long-standing constraints on trade have to be dismantled at a pace fast enough to ensure that trade propels economic growth and development.

With the coming into effect of the W.T.O in 1995, business practices the world over, are gradually beginning to unify. For Nigeria to succeed in the emerging global market, we must move away from the traditional practices, which are fast becoming obsolete

and face the new challenges. Above all, our business policy must be seen to be transparent, stable and consistent with contemporary global norms.

This trade policy document is a lucid expression of the new orientation in our business practice, intended to send positive signals to our trading partners on Nigeria's readiness to adapt to changes. The paper defines in section two Nigeria's **Trade Policy Framework**, its objectives, and the macro-economic reforms necessary to realise the desired goals, while section three defines the policies in sectoral areas of **Agriculture, Industry** and **Services**.

Trade support infrastructure required for implementing the policy are discussed in section four, while section five spells out the roles and responsibilities of the three tiers of Government in the implementation of the policy, at Federal, State and Local levels, vis-à-vis the role expected to be played by the private sector in the new dispensation.

The Institutional framework for policy Implementation, Strategy and action plan are articulated in section six. This section defines the principal components of the policy implementation framework, identifies possible areas of conflict in the implementation of the policy and prescribes measures to reduce such conflicts. In addition, possible constraints and deficiencies in the implementation of the trade policy are identified, judging from past experience and

appropriate remedies prescribed to address them so as to make the implementation of the policy effective and efficient. This is a unique feature of the Trade Policy, intended to ensure that the policy statements are effectively translated into concrete actions.

Finally, technical terms and acronyms used in the Trade Policy document are defined and explained in the Glossary while some laws relevant to trade are listed, at the back of the document.

SECTION TWO

TRADE POLICY FRAMEWORK

2. 1. **OBJECTIVES OF TRADE POLICY**

The main thrust of Nigeria's Trade Policy is to encourage the production and distribution of goods and services to satisfy domestic and international markets for the purpose of achieving and accelerating economic growth and development. It is recognised that to be effective, this trade policy must be supported by domestic policies, which foster innovation, predictability, transparency, rule of law and international competitiveness, and should be implemented in a pragmatic and flexible manner.

Government shall continue to promote the exports of crude oil in the short run while vigorously pursuing the production and export of petroleum products, natural gas, petrochemicals and diverse manufactured goods, agriculture and solid minerals in which the country possesses comparative advantage.

The overall objectives of this policy include:

- (i) integration of the Nigerian economy into the global market through the establishment of a liberal market economy;
- (ii) promotion and diversification of exports in both traditional and non-traditional markets;
- (iii) progressive liberalisation of the import regime to enhance competitiveness of domestic industries;

- (iv) effective participation in trade negotiations to enhance the achievement of national economic gains in the multilateral trading system, as well as regional and bilateral arrangements;
- (v) promotion and development of domestic trade including Intra-state trade and inter-state commerce;
- (vi) achievement of accelerated economic growth and development through trade within a network of public-private sector partnership;
- (vii) promotion of the transfer, acquisition and adoption of appropriate and sustainable technologies to ensure competitive export-oriented industries;
- (viii) attraction of foreign capital inflow into export oriented production through special incentive packages and domestic support;
- (ix) promotion of regional integration and cooperation; and
- (x) effective utilization of Information and Communication Technology in Electronic Commerce.

2. 2 **CHANGING ROLE OF GOVERNMENT**

Government is committed to disengaging from business activities, empowering the private sector to be the engine of growth. The current thrust of macroeconomic management, therefore, is to sustain the deregulation of key variables such as interest and exchange rates, ensuring fiscal discipline, reduction of the debt burden and liberalisation of the trade regime. Government shall

however ensure that the Naira exchange rate oscillates within a reasonable band to be monitored by managers of fiscal and monetary policies. This is to minimize currency exchange risks and foreign exchange market instability that undermine confidence in the economy.

To ensure that Nigerians continue to enjoy rising standards of living through sustained growth in trade, government shall run an open, rule-based market-oriented economy that would provide full protection for private rights and increase in domestic production. The role of government shall be to facilitate business activities by providing a favourable framework which allows the free play of market forces to guarantee private enterprise and economic freedom in such areas as new investments, human resources development, new technologies, higher manufacturing value-added and expanding manufacturing exports. As facilitator, government shall strengthen the country's structural competitiveness by improving physical infrastructure, promoting closer exporter-supplier relations within the country, maintaining continuous dialogue with private sector and formulating effective policies for export growth.

2.3 TRADE PROMOTION

External trade promotion has the potential of speeding up economic reforms in Nigeria and allowing her to benefit from the dividends of globalization. Through trade promotion Government shall improve on

the employment situation in the country by stimulating domestic production in all sectors of the economy and creating employment opportunities. The present target of Government is to reduce poverty by at least 50 per cent from its present level by 2003. It also targets increasing employment by 60 to 70 per cent for the period. Trade promotion shall be an integral part of Government's poverty alleviation program. By encouraging mass production of exportable commodities for which Nigeria has comparative advantage, in an efficient manner, income to a wider segment of society shall increase. Given the level of poverty and unemployment in Nigeria and their persistence over the years, Government shall ensure that an export-led growth would focus on eliminating poverty and creating sustainable employment for the population. Trade promotion shall enhance domestic production, create jobs and reduce poverty.

TABLE 1
NIGERIA: EXPORTS: 1970 – 1985 (PRE- SAP)
 (N Billion)

	Total Export	Oil Export	Non-Oil Export	Oil - % Growth	Non-Oil % Growth	GDP % Growth
1970-1974	2.236	1.979	0.257	88.2	11.4	8.4
1975-1979	7.241	6.755	0.486	18.9	10.5	4.0
1980-1985	10.287	9.930	0.357	4.5	11.1	(5.7)

Source: Table 9.3 in Central Bank of Nigeria "The Changing Structure of the Nigerian Economy and Implications for Development"

The performance of recorded non-oil export in Nigeria has been largely unimpressive over the years. This is particularly so since the oil boom era which saw the rapid rise of oil export. The decline in the share of non-oil export corresponded with the rise of oil exports.

The decline in the absorptive capacity of the economy as labour migrated to urban centers that were unable to absorb them resulted in unemployment and increased poverty. However the economy recorded a growth rate of about 2.2% during this period. With a population growth rate estimated at 2.8 per cent, per capita GDP was in decline. The period 1980 to 1985 was particularly distressful. During this period GDP declined despite the growth rate of non-oil exports of 11.1 per cent. The deepening of the crisis led to the introduction of Nigeria's Structural Adjustment Programme (SAP) in 1996.

TABLE 2

NIGERIA' EXPORTS: 1986 – 1998 (SAP and POST - SAP)
Nominal (₦ Million)

	Total Export	Oil	Non-oil	Growth rate (%) (Sectoral)		Total Export Growth rate %
		(a)	(b)	(a)	(b)	
1986	8920.5	8368.5	552.0	25.1	(70.3)	(23.9)
1987	30360.6	28208.6	2152.0	(237.1)	(284.4)	240.3
1988	31192.8	28435.4	2757.4	(0.8)	(30.0)	2.7
1989	58061.2	55106.8	2954.4	(93.5)	(7.1)	86.9
1990	109,886.1	106,626.5	3,259.6	(93.8)	6.8	89.3
1991	121,533.7	116,856.5	4,677.2	9.6	43.5	10.6
1992	205,611.7	201,383.9	4,227.8	72.3	(9.6)	69.2
1993	218,770.1	213,778.5	4,991.3	6.2	18.1	6.4
1994	206,059.2	200,710.2	5,349.0	(6.1)	7.2	(5.8)
1995	950,661.4	927,566.3	23,096.1	362.1	33.8	361.4
1996	1,309,543.5	1,286,215.9	23,327.6	38.7	1.0	37.8
1997	1,241,662.7	1,212,499.4	29,163.3	(5.7)	25.0	(5.2)
1998	751,856.7	717,786.5	34,070.2	(40.8)	16.8	(39.4)
Ave rage	403,393.9	392,580.2	10,813.7	64.3	60.0	63.6

Source: Table 9.3 in Central Bank of Nigeria "The Changing Structure of the Nigerian Economy and Implications for Development"

Table 2 shows that average growth rate of total export (1986-1998) was 63.8 percent in nominal terms. However, table 2 is in nominal terms and the growth rates could simply reflect exchange rate and price changes over the period.

The sectoral **real** exports and growth rates in Nigeria from 1986-1998 are as shown in table 3. This table was obtained by deflating table 2, using the 1995 prices. From table 3, the real average growth rate of total export (1986 - 1998) is 28.62 percent, while oil and non-oil exports for the same period averaged 29.04 per cent and 25.40 percent, respectively.

Table 3 - Sectoral Real Exports And Growth Rates in Nigeria From 1986-98

Year	Real Total Export	Real Oil Export	Real Non-Oil Export	Total Export Growth Rate	Oil Export Growth Rate	Non-Oil Export Growth Rate
1986	148923.21	139707.85	9215.36			
1987	459313.16	426756.43	32556.73	208.42	205.46	253.39
1988	350875.14	319858.27	31016.87	-23.62	-25.05	-4.73
1989	434264.77	412167.54	22097.23	23.77	28.86	-28.76
1990	765756.79	743041.81	22714.98	76.33	80.28	2.80
1991	749282.98	720446.98	28836.01	-2.15	-3.04	26.95
1992	876808.96	858779.96	18028.98	17.02	19.20	-37.48
1993	593516.28	579974.23	13541.24	-32.31	-32.47	-24.89
1994	356072.58	346829.45	9243.13	-40.01	-40.20	-31.74
1995	950661.4	927566.3	23096.1	166.99	167.44	149.87
1996	1012794.66	994753.21	18041.45	6.54	7.24	-21.89
1997	885068.57	864280.70	20787.87	-12.61	-13.12	15.22
1998	487206.26	465128.63	22077.63	-44.95	-46.18	6.20
AVERAGE	620811.14	599945.49	20865.66	28.62	29.04	25.40

Source: Computed from table 2 by deflating the nominal values.

The present administration, with a new orientation has put in place economic reform policies that are expected to revive the economy and in particular the external sector of the economy. Government's new economic policy with a medium term growth at a faster rate than in the last decade. With economic reforms and improvements in economic management in Nigeria, the medium term growth rate is attainable despite the fact that a present, rates are still around 3 per cent. With such developments non-oil exports should improve significantly in real terms. Other African economies that have undertaken such reforms in recent past have sustained average

annual growth of non-traditional exports of over 30 per cent. A more cautious projection for Nigeria, consistent with the expectations of higher GDP growth rate is for non-oil export to grow at least 25 per cent. This is a minimum target, which should be surpassed particularly as the need to diversify the export base requires that the share of non-oil increases significantly. Government's year 2004 target is to increase oil reserves to 40 billion barrels and productivity capacity to 4 million barrels per day. The target composition of Nigerian exports given by the Vision 2010 Committee is considered to be attainable, despite the fact the current data show that as at 2000 the projected targets were not met. This policy aims at achieving at least these targets.

TABLE 4
Target Composition of Nigeria Export %

Year	2000	2005	2010
Agriculture (Primary)	4.0	5.0	8.0
M/SM Agric.	2.0	8.0	15.0
Manufacturing	2.0	5.0	8.0
Gas	1.0	4.0	5.0
Solid Mineral	0.5	1.5	2.0
Crude Oil	90.5	76.5	62.0

Source: Report of the Vision 2010 Committee

2.4 **OIL AND GAS**

Nigeria, the sixth largest producer of petroleum in the world, has done little to transit from crude exporter by adding value to this major foreign exchange earner through trade in petroleum products

and petrochemicals. It is the intention of Government to link the country's trade potentials in oil to investments in local exploitation and processing of other resources. Strategic alliances will be entered into in order to add maximum value to crude oil, affect capacity building through comprehensive training programmes and transfer of technology. Government shall encourage maximum local content and employment of qualified Nigerians in the key operation of the oil and gas sector. Any major importer of Nigerian crude shall be required to establish in Nigeria plants to produce other export products. Government shall continue to promote the export of crude oil in the short run, but will vigorously pursue the production and export of petroleum products, petrochemicals and diverse goods derivable therefrom. Government will facilitate a market oriented, private sector-led research and development while granting full protection to private rights in domestic production.

2.5 EXPORT PROMOTION POLICY

Government shall adopt a dynamic export promotion policy and formulate strategies to:

- (i) enhance the marketability of exportables through product diversification, standardization and quality improvement;
- (ii) strengthen and improve the institutional framework for providing better support services to exporters and export-oriented industries;

- (iii) establish backward linkages between export-oriented industries and primary sectors for the utilisation of local raw materials;
- (iv) attract an increased number of entrepreneurs for setting up export-oriented industries and encourage them through the provision of suitable incentive packages, as well as appropriate human resource development programmes for the promotion of entrepreneurial and managerial skills in the context of a competitive international environment;
- (v) expand and consolidate existing export markets as well as create new markets for Nigerian exportables;
- (vi) ensure the removal of procedural and regulatory bottlenecks incompatible with the attainment of the objectives of a dynamic export promotion policy;
- (viii) promote programmes for developing export-oriented knowledge-based resources, including computer software, electronic commerce, engineering and consultancy services;
- (ix) diversify and increase export of high value-added manufactured products, that depend on the natural resources where Nigeria has comparative advantage;

- (x) encourage the acquisition and adaptation of environment friendly technologies to ensure that Nigerian products meet the required international standards; and
- (xi) establish border markets to promote legal trading across Nigerian borders and so discourage smuggling.
- (xii) Export Houses Strategy and through NEXIM give lift to local Entrepreneurs with high export potential.

2. 6 IMPORT POLICY

The main objective of the import policy is to progressively liberalise the import regime with a view to promoting efficiency and international competitiveness of domestic industries and do away with undesirable protection. This will further promote economic development and sustainable technology transfer by reducing the duties on the imports of machinery and equipment and essential industrial inputs for rapid development of agricultural, mining, manufacturing, energy, transportation and telecommunications sectors so as to promote growth and economic development. Nigeria will therefore require considerable importation of machinery and equipment to prosecute its industrial development in those sectors.

In this regard government will earnestly facilitate and liberalise the import procedure in those areas in particular. Moreover, Government shall, within the limits of its rights and international obligations and agreements, strive to eliminate quantitative restrictive

trade measures in all other traded goods and services while safeguarding the genuine interests of domestic industries against unfair trade practices especially in areas of the nation's natural resource endowment. In addition, government shall strive to ensure the protection of the social morality, the plant and animal life and the physical environment by checking the importation of harmful goods and services.

Government shall be open to all negotiations that will promote free mutual trade through bilateral and multilateral development cooperation and specialisation. For effectiveness of these policies, Government has put in place effective machinery to protect the interest of importers against delays and arbitrariness by government agencies. In particular, Government shall strive to ensure effective and transparent tax administrative system, disciplined customs administration, effective commercial courts, significant improvements in the efficiency of infrastructure and the financial system, all to minimise corrupt practices by government agencies. Furthermore, all shipments into Nigeria shall be through Nigerian seaports or airports. However, shipments from non-ECOWAS countries that border Nigeria must be done with special clearance and appropriate fees and duties paid.

2.7 COMPETITION POLICY

In line with the objective of encouraging the production and distribution of goods and services to satisfy both domestic and

international markets, Government shall evolve an effective competition policy. Within the context of the present globalization, only workable liberalization and pro-competition policies can enhance Nigeria's domestic production and access to the international market, thereby achieving and accelerating economic growth and development.

The on-going deregulation and privatisation policies of Government are the two most important issues that bear great significance to competition. Government shall establish an Advisory and Regulatory Authority on competition to deal with all forms of anti-competition practices mergers and acquisitions in the conduct of business in Nigeria.

2.8 PRIVATIZATION

Government shall continue to pursue the current privatisation drive as privatization represents one of the major strategic imperatives to support a more liberal and enabling environment for private sector-led growth and development. In addition, privatization of public enterprises will release resources for development by saving funds that would have otherwise been devoted to subsidizing loss-making enterprises. Care will however be taken to avoid or minimize the dangers and shortcomings of Privatization Policy especially as regards equity, transparency, and national security.

2.9 PROMOTION OF BILATERAL AND MULTILATERAL TRADE INTERESTS

The aim is to ensure that Nigeria derives maximum benefit from participating in international trade negotiations through the creation of favourable market access conditions for its export products at the bilateral, regional and multilateral levels. Government shall therefore endeavour to take full advantage of the opportunities and concessions through Nigeria's participation in international trade relations, especially in the ECOWAS sub-region. In this respect under the Fast Track programme, Government shall promote co-operation and development in all fields of economic activity for the purpose of achieving self-sustained economic development in the sub-region and thereby improving the standard of living of the peoples of West Africa.

Government shall also take advantage of opportunities provided by programmes such as the African Growth and Opportunity Act (AGOA) of the United States of America and the new EU - ACP Agreement. The policy objective is to improve the country's economic performance by reversing adverse balance of payment and eliminating payments difficulties to increase Nigeria's exports to countries with which it has bilateral trade agreements or preferential trade arrangements, as well as conclude agreements with countries with potential markets for Nigerian goods and services.

2. 10 PROMOTION AND DEVELOPMENT OF DOMESTIC TRADE

Government shall promote the free flow of commerce across states of the Federation taking due advantage of regional comparative advantage and encouraging specialisation and increased productivity, through progressive research and development and state of the art technology.

The nature of activities in the distributive trade sector is largely informal. The dearth of data and information on this sub-sector notwithstanding, distributive trade, as an integral part of marketing has been playing a vital role in the economic development of Nigeria.

Government has taken a number of measures aimed at promoting domestic trade. Efforts have been intensified at dismantling all bottlenecks to ensure full flow of goods and services and people within the country. States and Local Governments are being sensitized and encouraged to remove bottlenecks to trade. Other measures to achieve improved domestic trade include infrastructural rehabilitation, the encouragement of consumer cooperatives and consumer protection.

Nigeria has large market potentials requiring further development. It is essential for Nigeria to develop the ability to produce and distribute goods and services in which it has comparative advantage. This has become imperative in recent years given the level of unemployment and poverty. A strong productive and distributive system will enhance the chance of Nigeria playing a

cardinal role not only in the Economic Community of West African States (ECOWAS) sub-region, but also in facilitating trade and economic integration in the African Continent.

2.11 BANKRUPTCY

Government shall establish a Bankruptcy Commission in line with the Bankruptcy Act of 1979. The Act is an important legislation that will address the problems associated with professional debtors. The Commission shall also be empowered to handle all bankruptcy related petitions in order to restore confidence and credibility in financial transactions.

2.12 THE MACRO-ECONOMIC REFORMS

The Nigerian economy has witnessed mixed fortunes since political independence in 1960. While the production and export of basic primary commodities sustained growth and provided impetus for the limited industrialisation experience in the 1960s, the oil sector became the dominant sector in terms of providing the engine of growth following developments in the world oil market in the 1970s. The collapse of oil prices in the 1980s led to efforts at restructuring the economy and addressing the increasing level of poverty. A Structural Adjustment Programme (SAP) was introduced in the latter half of 1980s, but resulted in structural distortions and market failures.

Recognising that growth of a nation's trade depends critically on the structure of the economy, especially the dominant sectors which have the greatest multiplier effects, high priority was accorded the agriculture, manufacturing, small and medium scale enterprises and the informal sector, with a view to stimulating production for both internal and external markets. Reform measures were also taken to promote trade and attract foreign investment. However, the inability to take full advantage of the opportunities is a reflection of the persistent distortions in the economy and the level of unfavourable macro-economic environment including a very heavy presence of government in direct economic activities.

Since the inception of democratic governance in 1999, Nigeria's efforts have focused on improving the macroeconomic environment for trade and investment, as well as economic stability for effectiveness and competitiveness. Government will facilitate a market-oriented, private sector-led, highly competitive, technology driven, broad-based, humane and open economy through the following reforms:

2.12.1 Fiscal Policy

Government expenditures, over the years, have remained very expansionary often creating problems for macro-economic management. There has been gross abuse and inefficiency in the use of oil revenues in national budgets especially as they relate to public sector capital formation and overall investment programmes.

As a result, though much was spent in the name of infrastructure and other capital projects, there was little to show for this huge expenditure. Secondly, the administrative arbitrariness of past regimes failed to motivate the right type of economic behaviour as winners and champions were those who acquire wealth without work. Government expenditure pattern shall therefore focus on infrastructure development and social sectors so as to give greater emphasis on creating and maintaining an enabling environment for optimal operations of individuals and private sector organizations, reducing the proportion of transfers in the recurrent expenditure and fully meeting debt obligations. Government investments shall also be directed to those areas that support the market and ensure increased efficiency and effectiveness of the economic system. Social safety nets shall be provided for vulnerable groups especially the disabled, women and youth entrepreneurs.

2.12.2 Tax Policy Reforms

Government shall encourage continuous movement towards a low tax regime and its rationalisation to attract investments and improve compliance. The tax policy framework will be fine-tuned to make it more predictable, to maximize tax revenue without necessarily creating a harsh tax climate that could encourage evasion. Efforts would be aimed at ensuring an efficient and equitable tax administration. Government shall place emphasis on efficient and effective administration of taxes under the existing law,

which defines responsibilities of tax administration for each tier of Government.

2.12.3 Tariff Policy

The goal of tariff policy to encourage competition and tariff binding shall be consistent with our obligation under the multilateral trading system.

2.12.4 Monetary Policy

Since 1986, the financial sector of the economy expanded and tended to provide credit for speculative transactions to the disadvantage of the real sectors of the economy. Speculative activities exploited the huge exchange rate differentials big enough to accommodate high interest rates, which the real sectors could not afford. As a result the real sectors of the economy shrank with many business closures. With time, distress also set in the financial sector, leading to the collapse of many banks and the resultant loss of savings by depositors. These factors not only retarded economic growth and development but greatly inhibited productivity and competitiveness of the economy.

Monetary policy shall be designed to reinforce fiscal policy in maintaining price stability and output expansion. Exchange rate policy shall be a component of the macro economic and Trade Policy. In this regard, Government shall strive to maintain a competitive and stable real exchange rate regime. Government shall maintain the current autonomy of the Central Bank of Nigeria (CBN) to enforce a

consistent and effective monetary policy. Among other things government monetary policy shall address the twin problem of inflation and widening gap between savings and lending rates in the following ways:

a. Inflation

The high inflation rates of the 1980s and early 1990s have been controlled through tight fiscal policies. As a result of the possible impact of inflation on the competitiveness of exports in foreign markets, the long-term objective of Government shall be to bring inflation to below 5 per cent, and continue to sustain a single digit inflation rate needed for economic growth and development.

b. Interest Rates

High interest rates remain a major obstacle to accelerated economic growth and new investments. Government objective shall be to stimulate a low interest regime, through price stability to support the real sectors of the economy. More efforts shall be made to encourage a reduction in the spread between the savings and lending rates. The banking system shall also be strengthened to address this problem in order to enhance production and trade.

2.12.5 Financial Sector Reforms

The deregulation of the financial sector under SAP witnessed a rapid expansion of the sector. This was followed by a near collapse and the distress lingers on. The CBN continues to apply various resolution options to address this lingering problem. The Bank has

liquidated a number of distressed banks. Government will continue to provide needed support to the financial sector to ensure that it plays the expected role in support of real sector development that in turn would support a sound trade regime.

2.12.6 Balance Of Payments

Although Nigeria has significant merchandise trade surpluses, these were offset by large deficits on the services and income account. This net outflow has been augmented by large debt servicing obligations, resulting in a worsening of the current account. External sector policies including the promotion of export of services shall be designed to strengthen the balance of payments position as well as foster exchange rate stability.

2.12.7 External Debt

The strategy for external debt management shall include the reconciliation of the country's debt stock with the various creditors, particularly the Paris and London Clubs. While the non-payment of interest charges, accounts for the increase in Nigeria's total debt stock, Government shall restrain external borrowing. Government shall remain committed to implementing sound macroeconomic policies to create the necessary environment for negotiations with external creditors for debt reduction as efforts are made to service the debt as much as possible without jeopardising the prospects of economic recovery.

2.12.8 Regulatory Environment

An effective regulatory mechanism shall be an integral part of the trade policy framework for Nigeria. A common characteristic of the past regulatory environment has been a lack of inter-sectoral linkages, ineffectiveness coordination and implementation of trade-related laws. The regulatory measures shall be in consonance with Nigeria's obligation under international agreements.

To achieve a regulatory environment conducive to trade, the trade policy thrust shall emphasise a systematic review and streamlining or harmonization of all laws and regulations affecting trade and shall be embedded with the following strategies:

- (i) promoting trade liberalization and competitiveness while at the same time putting in place appropriate measures to safeguard the interest of domestic producers against influx of imports and unfair trade practices;
- (ii) promoting a conducive environment for foreign investment in export-oriented production and services;
- (iii) amending the customs duties (Dumped and Subsidized Goods) ACT CAP 87, Laws of the Federation in line with all the international agreements;

- (iv) ensuring that the enabling law establishing the Anti-Dumping Authority takes into account all the enforceable remedies available to Nigeria (under extant international laws) including in particular the WTO Agreement on Safeguards in order to ensure strict compliance;
- (iv) monitoring and elimination of restrictive trade and trade malpractices by manufacturers, importers, and other forms of commercial distributive chains to safeguard the interest of consumers;
- (v) providing guidelines, standards, procedures and measures to manage matters relating to bankruptcy, monopoly acquisition and mergers;
- (vi) promoting inter-sectoral linkages between the trade sector and other sectors of the economy by way of allocation of inter-sectoral responsibilities in relevant laws and measures for coordination in respect of trade;
- (vii) strengthening and enforcing intellectual property rights including copyrights, patents, trademarks, designs, etc;
- (viii) evolving guidelines and standards for exports and import procedures that facilitate smooth trading systems;

- (ix) providing a legal framework for the integration of the informal sector into the mainstream of the economy to increase the earnings and promote inter-region trade and cooperation;
- (x) evolving inspection and monitoring arrangements to ensure that goods meet the requirements of national and international standards as may be established by SON, NAFDAC, FPIS, etc;
- (x) designing a more effective mechanism to control smuggling; and
- (xi) guaranteeing adequate and fair returns on investment.

SECTION THREE

SECTORAL POLICIES

3.1 AGRICULTURE

3.1.1 Objectives

The agricultural sector is a leading sector of the economy in terms of its contribution to national output and employment and is second only to the crude oil sector in foreign exchange earnings. Its potential to contribute to foreign exchange earnings directly and indirectly through external trade is already historically established, but it is presently far from being fully exploited. In terms of domestic trade, the agricultural sector also has a great potential for immense output expansion on the basis of domestic trade opportunities, enormous demand and a great variety of ecological zones that permit extensive specialization in many agricultural products.

In view of the above, the general objectives of trade policy in agriculture will be to:

- (i) ensure food security and make Nigeria a net exporter of food, being an agro-based economy;
- (ii) promote domestic trade through sectoral specialization among the regions of the country in accordance with comparative advantages and ecological zones without prejudice to regional food security;
- (iii) enhance foreign exchange earnings.

- diversification into areas where the nation possesses comparative advantages in agricultural production;
- (iv) promote relatively cheap and adequate supply of agricultural raw materials to industries to enhance international competitiveness of manufactured products in order to facilitate trade and foreign exchange earnings of the nation;
 - (v) promote inter-sectoral trade and linkage between agricultural and industrial sectors in order to make agricultural sector serve as markets for domestic industrial products while the industrial sector develops capacities to supply inputs efficiently for a dynamic agricultural sector;
 - (vi) encourage participation in bilateral, regional and international cooperation and agreements in agricultural trade and development policies that are mutually beneficial;
 - (vii) promote and encourage the use of simple modern technology in production, harvesting and storage to minimize in particular post harvest loses;
 - (viii) Promote quality improvement programme that will enhance Nigeria's export competitiveness and improve quality of products locally.

3.1.2 Priority Areas Of Export Promotion:

Without prejudice to any future technological developments, the following agricultural products which have potentials for export shall be vigorously pursued: Horticulture (cut flowers), soya beans, shrimps, rubber, fish, cocoa, cashew, gum arabic, oil palm, cassava chips, ginger, grains, castor seed/oil, beni seed oil, leather and animals, groundnut, cotton and any other agricultural products with exportable potentials. Government shall vigorously promote rural infrastructure, extension delivery services, aggressive agricultural marketing, comprehensive agricultural trade information and other incentive packages and trade support infrastructure.

3.1.3 Agricultural Trade Development Strategies

In order to achieve these objectives, the following strategies consistent with WTO Agreement on Agriculture, will be adopted, among others:

(a) The Enabling Environment

- (i) effective application of Land Use Act for Agriculture;
- (ii) promotion of the potentials of women in trade and ensure sustainable development;
- (iii) strengthening of supportive agricultural research institutes;
- (iv) involvement of Financial Institutions for special credit facilities including micro-credit;
- (v) promotion of private sector participation in agriculture.

- participation in agricultural production,
processing, packaging and marketing;
- (vi) Promotion of women agricultural cooperatives,
commodity-based associations and rural institutions;
 - (vii) agricultural Price Support and Income Stabilization
policies, such as the Guaranteed Minimum Price
(GMP) system or Domestic Price Stabilization Fund;
 - (viii) discouragement of Monopoly Market Practices in
order to minimize market distortion, artificial
scarcity and wastage;
 - (ix) appropriate Rural – Agricultural infrastructural facilities
such as transportation system, rural electricity and
energy, potable water supply and irrigation facilities and
basic social services;
 - (x) promotion of Private Sector Multi-commodity
Development and Marketing Companies to enhance
agricultural trade and fill the vacuum created by the
erstwhile Marketing Board;
 - (xi) strengthening of the existing extension services through
adequate manpower training, motivation, funding,
facilities, proper management and discipline;
 - (xii) strengthening management training in agriculture
through existing agricultural institutions such as
Agricultural Rural Management Training Institutes
(ARMTI);

- (xiii) promote gender – sensitive trade policy and measures to empower women entrepreneurs by providing greater access to and developing technical know how for them and ensuring that they have adequate access to support services such as credit, training, technology and information;
- (xiv) ensure a diversified market and establish networks for both domestic and international trade, through the provision of an enabling environment, particularly in areas where there are great potentials for agricultural activities, through the provision of good roads, electricity, efficient transport system, access to micro credit and agricultural input, potable water as well as the provision of a sustainable pricing mechanism;
- (xv) involvement of financial institutions for special credit facilities including micro credit;
- (xvi) gradual elimination of middlemen in agricultural transaction should be advocated. The activities of the middlemen lead to high prices and women are often made to pay more for goods and services while earning less on their produce;
- (xvii) encourage the organised private sector to participate in entrepreneurial development programmes particularly for women and youth (since this group constitute the

majority of the population and often disadvantaged in the present setting);

(xviii) afforestation Schemes where they are available will be maintained and new ones created.

(b) Industrialising and Commercialising Agriculture:

Efforts shall be made to industrialise agriculture through the processing and packaging of agricultural produce in rural areas or at production centres to reduce transportation and storage costs and enhance the value-added and foreign exchange earnings of semi-processed or fully processed agricultural output. Government shall strengthen the commercialisation of export products.

(c) Liberal and Efficient Tariff System:

Government will evolve from time to time a tariff system that promotes the trade and development objectives in a competitive manner.

(d) Produce Inspection and Quality Control:

Government shall strengthen the Produce Inspection and Quarantine Services for compliance with international quality and standards.

(e) Establishment of Agricultural Trade Information Bureau:

Government shall establish a Bureau that would conduct studies and source information on trade and investment opportunities in agriculture for the benefit of prospective entrepreneurs.

3.2 INDUSTRY

3.2.I Objectives

The objective of trade policy in industry is to stimulate competition and promote investments in Nigeria with a bias towards the export market, while also developing the skills and capacity to compete with imports in the domestic market. The export policy is aimed at contributing to economic development, diversifying the export base, and enhancing the non-oil foreign exchange earnings capacity. The existing tariff regime on imports is expected to expose domestic manufacturers to import competition and attract investment into raw materials and intermediate goods production.

In line with global developments since 1986 and in particular the establishment of WTO, Nigeria's trade policy will lay greater emphasis on the production and marketing of industrial goods and services for the export market while seeking also to develop the domestic market in competition with imports. As part of the measures towards competition and predictability for example, the tariff range in the Customs and Tariff rates, 1995 - 2001 was reduced by 50% from a range of 0-300% to 0-150%.

Significant encouragement will be given to private sector participation in domestic and foreign trade in goods and services. In this regard, Government has already embarked on a progressive policy of providing a level playing field for all operators. The public sector enterprises are being privatised while those not yet privatised

are run along commercial lines and without grants or other advantages previously enjoyed by such public enterprises. As part of the policy to expand the private sector, informal trading activities will progressively be integrated with the modern trading sector. This integration process will involve continuous research into the trading activities of the informal sector.

3.2.2 TRADE, INVESTMENT AND INDUSTRIAL POLICY

Trade and investment policies in a globalizing environment are increasingly closely linked. There is a need for effective coordination of trade, industrial and investment promotion policies. More than two-thirds of global merchandise trade is intra-industry. Both industrial and investment policies therefore significantly affect the structure of production and trade. At present manufactures and service contribute a very tiny share of Nigeria's export. Manufactures accounted for an average of 0.18 per cent of Nigeria's export between 1990 and 1998. Nigeria has put in place bold investment strategies and has established the NIPC to promote investment in Nigeria. This trade policy will promote harmony between it and Government's investment and industrial policy. To achieve this objective Government shall put in place the Trade Policy Advisory Council (TPAC) that shall be chaired by the Vice- President of the Federation and which shall provide the framework for effective coordination of trade industrial and investment policies.

3.2.3 CONSTRAINTS TO EXPORTS OF MANUFACTURED GOODS

To effectively pursue the trade policy in industry, a number of constraints which hitherto impede the export of manufactured goods from Nigeria are being addressed with the zeal they deserve.

Among such constraints are:

- (i) inadequate infrastructural facilities;
- (ii) excessive import dependence;
- (iii) lack of export awareness or culture of export among Nigerian Manufacturing Establishments;
- (iv) policy instability and lack of predictability;
- (v) price and exchange rate instability;
- (vi) low level and high cost of funds for industrial development ;
- (vii) insufficient emphasis on R & D activities;
- (viii) inappropriate technologies;
- (ix) ineffective regulatory institutions which manifest in e.g. Ports difficulties, export bottlenecks, bureaucratic delays and rent seeking;
- (x) inadequate information on export outlet for Nigerian Exporters.

3.2.4 PRIORITY AREAS OF EXPORT PROMOTION

Without prejudice to changes that might occur as a result of

technological development, Nigeria's potentials in the following lines of exports shall be exploited:

- (i) Wearing apparel and other textiles;
- (ii) Petroleum products such as Premium Motor Spirit (PMS), Household Kerosene (HHK) and Diesel (Ago) and petrochemical products such as poly-propylene, poly-ethylene, propylene, carbon Black, and Linear Alkyl Benzene including household manufactured goods.
- (iii) Liquefied petroleum gas;
- (iv) Fertilizers;
- (v) Beer and Stout;
- (vi) Processed mineral products;
- (vii) Processed fruits and vegetables;
- (viii) Processed cassava products;
- (ix) Soaps and detergent;
- (x) Fish canning;
- (xi) Wood products/furniture;
- (xii) Leather and leather products;
- (xii) Rubber products; and
- (xiii) Beverages and Food products;
- (xiv) Cut Flower
- (xv) Raw and Semi-Processed Ginger;
- (xvii) Raw Granite and Finished Granite.

3.2.5 NEW INITIATIVES IN TRADE POLICY

The changing world trading environment calls for new initiatives in trade policy, which Government has recognized and reacted to, in this new policy. These initiatives are designed to maximize short-term advantages of the existing markets while developing the capacity for greater market access in the medium and long run. Market access will be developed, not only for the traditional areas, but also in the fast expanding markets of high technology. These new initiatives, which are proactive and are designed to be investor friendly include;

(a) Product Tracking

Government shall put in place a mechanism to track a number of Nigerian products both primary and manufactured, which are traded between Nigeria and other countries without records. The objective of this policy is to formalize unrecorded trade which of recent has extended to Asia and Europe. Steps to be taken include:

- (i) To organize and assist potential exporters to register with the NEPC;
- (ii) To create appropriate export zones for the products and establish the zonal headquarters in one of the countries of destination;

- (iii) To establish an Export House at the zonal headquarters where the exports from Nigeria will be warehoused for sale to customers within the zone;
- (iv) To encourage producers/traders to form associations for the purpose of attracting government assistance as well as reducing the cost of doing business. The nature of associations will vary as to whether the product(s) in question are primary or manufactured.

These strategies will encourage trade and help to stimulate further production for the export market.

(b) Creation of Market Niches

Government shall assist in the development of market niches for those products that qualify. To take advantage of export market, generalized trade is less preferred to the creation of market niches. A market niche requires, among others, the identification of a market for a specific product and the packaging of appropriate technology, including machinery and equipment, relevant skills, and other logistical support for production and marketing. This Market-Technology-Product (MTP) approach is a relevant strategy for accessing market opportunities such as those provided by the African Growth and Opportunity Act (AGOA) and such trade concessions. Government shall assist private businesses in identifying markets and accessing such markets.

(c) Trade in Technology

Government shall promote technology acquisition and enter into technology transfer arrangement where necessary. Such arrangements, are vetted, approved and monitored by National Office of Technology Acquisition and Promotion (NOTAP) for proper implementation. Government assures foreign partners on the adherence to all relevant conventions such as are Berne and Paris Conventions of the WIPO and Trade Related Intellectual Property Rights (TRIPS) Agreement of the WTO.

(d) Trade in High Technology

Government shall encourage entry into areas such as high technology (hi-tech) particularly, within the rubrics of information technology and biotechnology. This is the fastest growing and indispensable aspect of trade and business, which Nigeria will build capacity to participate in. Nigeria's trade policy in hi-tech is to ensure appropriate capacity build-up, exceptional incentives and support to enable private sectors participation in e-commerce, Bio-prospecting, genetic engineering, ICT hardwares and softwares as well as reap their full benefits. With the capacity building-up, users will, through market research, determine areas in which to create a niche. Government will formulate appropriate rules and regulations for the use of e-commerce, which will assist local utilization and export of software and ICT hardware.

(e) E-Commerce

Government shall encourage and assist E-Commerce. Globalisation and information technology have enhanced the status of electronic commerce as a reliable and recognized medium for the sale of goods and services on the Internet. Government shall establish an inter-agency mechanism to study the potential benefit and implications of e-commerce on the Nigeria economy and make appropriate recommendations.

(f) Research-to-Industry Linkage (RIL)

Results of technological Research and Development (R&D) activities are the main sources of innovation in an economy. The trade policy in RIL is to facilitate the translation of R&D results into useful goods and services and stimulate market that will sustain the linkage between research, industry and trade. Such policy will address taxes, interest rates, and other incentives to make the R&D products qualitative and competitive.

(g) Anticipatory Market Development (AMD)

Government shall assist anticipatory market development for trade promotion. The international market is dynamic and fast expanding. Businesses that anticipate market development and develop new products through R&D are always in the forefront of market exploitation. Anticipatory market development, therefore, seeks to use the R&D and its products to evolve marketable products. In Nigeria, the numerous research outputs from the

Research Institutes, which remain unutilised, will be promoted to commercial viability under the AMD.

(h) Transit trade

The policy is to enable Nigeria serve as the entrepot for the West African Coast both in terms of re-exports and handling of the international trade of landlocked neighbouring countries.

It is therefore expected that the efficiency of our port operations will be enhanced in terms of turn-around period for ships and port charges, etc. An efficient rail and road transport system will also be put in place to facilitate the movement of goods from the coast to the hinterland.

(i) Short-Term Capital Financing for Exporters

Exports are hindered by a lack of short-term capital for financing exporters from the time of export to the time they are paid by the foreign buyers. Such short term financing is essential in order to enable exporters to offer 30, 60, or 90 day payment term to buyers. This is a capability that is essential for Nigerian exporters to be competitive. There is also a need for medium term credit to finance machinery and equipment required to manufactured goods for export market, i.e. to address the current limitations on capacity utilization.

In order to make such financing available for exporters, Government shall take the following steps:

- (a) Commercial and Merchant Banks shall be encouraged to make adequate arrangements for short term export financing from the time exporters export to the time they are paid.
- (b) The CBN could provide special funds, as is currently being put in place for agricultural financing. The arrangement could be that the funds are channeled through the commercial banks at competitive rates but specifically meant for short term export financing.

(i) **Solid Minerals Development:**

The development and marketing of solid minerals are in their infancy. In recognition of the potentials of the role of solid minerals in National development, the Ministry of Solid Minerals Development was established in 1995, and a National Policy on Solid Minerals Development has been put in place. Details of the solid minerals policy are contained in the policy document of the Ministry of Solid Minerals Development. Trade in solid minerals, therefore, shall emphasize increased production of coal, limestone, columbite and other solid minerals.

3.3 SERVICES

The services sector, which at present is the least export oriented, shall be made to be more export responsive. With respect to financial services, the objective of the policy is to promote foreign

investment and sound banking services through the enforcement of prudential regulations and the strengthening of the supervisory mechanism.

3.3.1 Energy

On the energy sector, the current strategy is to restructure that sector and privatise it in order to stimulate competition.

3.3.2 Tourism

As regards tourism, Nigeria is endowed with tourist attractions but it is yet to be known as a tourist destination. The Federal Ministry of Culture and Tourism has put in place a new policy on tourism development.

3.3.3 Finance

On stock markets and security exchange, Government shall continue to internationalize the capital market and scope of international trade will be broadened by its cross border listing which enhances the inflow of foreign Portfolio Investment.

3.3.4 Port Services

On port services, reform measures are being put in place to improve the ports facilities, and there have been considerable improvements in ports facilities and services, particularly with the

introduction of the Automated System of Customs Data Administration (ASYCUDA).

3.3.5 **Transport And Communication**

Similarly, on transport and communication services, a number of measures are being put in place to further privatize the road, rail, airline and communication services. Details of the reforms covering these areas are contained in the various policy documents of the relevant Ministries.

SECTION FOUR

TRADE SUPPORT INFRASTRUCTURE

4.1 OBJECTIVE

The objective of trade support infrastructure shall be to eliminate trade distortions and provide international standard services to producers and exporters. A drastic reduction in transaction costs is required in order to ensure the competitiveness of exporting in Nigeria.

4.2 TRADE INFORMATION SERVICE

In view of the importance of efficient trade information services in the world trading system, the nation shall join the global information technology train. In recognition of this, Government shall establish an internet website for the dissemination of information to the public and global audience. Government shall also establish information collection and dissemination centres on trade and investment. The following strategies will be adopted:

- All Public and Private Sector Organisations which have something to do with trade shall be encouraged to establish trade information service centres;
- Government will reopen and establish new Commercial Desks abroad;
- The network of Trade Information Service currently operated by NEPC will be strengthened and linked with

- those in operations in other Ministries/Agencies like the Federal Ministries of Commerce, Information, Industry, the NIPC, NEPZA, CAC, FOS, CBN, NEXIM BANK, MAN, NACCIMA, ANE, etc. The Federal Ministry of Commerce will ensure the effective implementation and coordination of the programme;
- creation of modern electronic information system to service national and international business concerns through a wide area network.

4.3 CUSTOMS

The Pre-shipment Inspection system has been found to cause delays and its operations inconsistent with the agreement on pre-shipment inspection. In view of this, Nigeria shall adopt the Destination inspection system. In this regards;

- (i) The Nigeria Customs Service shall ensure that customs valuation is consistent with the provisions of the multilateral trading systems while taking into account areas of peculiarities in the country;
- (ii) Government shall ensure that the infrastructural facilities for the scheme to achieve its desired result are put in place;
- (iii) Government shall address the inefficiencies in the port system. In many developing countries that are Nigeria's major competitors, the trend is for goods to be cleared at the ports within forty-eight hours. Government aims to

ultimately provide similar world-class standards to Nigerian firms.

4.4 QUALITY CERTIFICATION AND CONTROL

In order to ensure that all agricultural commodities for export are of high quality in line with internationally accepted standards, Government shall make it mandatory for all such commodities to be graded and disinfested before export. Government will continue to adhere to this policy, as it is an offence, punishable with fine or imprisonment or both, for any scheduled agricultural commodity to be exported without being graded. Nigeria will affiliate with relevant international certificate organisations to create confidence in the minds of buyers.

All semi processed and manufactured export products shall have quality certification while due cognisance will be made of agreed product specification. Under special arrangements, importers of Nigerian products may inspect facilities available for quality control with a view to meeting their standards. All imports into the country shall meet international and national standards.

In order to achieve the above objective the Standards Organisation of Nigeria (SON), National Agency for Food and Drug Administration and Control (NAFDAC) Produce Inspection Services, Federal Plant Quarantine Service shall be strengthened and well equipped to perform their functions effectively.

- Agriculture Extension shall be consolidated to ensure quality control, from the point of production.

- Nigerian Export Promotion Council (NEPC) shall be strengthened to operate an effective Packaging Advisory Unit;
- Government shall encourage investment in export oriented packaging industries;
- The Consumer Protection Council shall be strengthened to perform their functions effectively.

4.5 BANKING AND INSURANCE

(a) Banking:

In order for the banking sector to provide the much needed financial support to the trade sector, banks shall be encouraged to have the required financial depth to enhance sectoral allocation to trade at lower interest rate. Government will therefore;

- (i) ensure a more competitive banking environment, and attractive yields on time deposit account shall be encouraged, investment in treasury securities will consciously be made attractive to the non bank public. The provision of such market regulated alternative to bank will help to engender more competitive deposit rates in the banking system and reduce the large spread between the savings and lending rates;

- (ii) ensure that the role of NEXIM in guaranteeing loans shall focus on export credit guarantee and export credit insurance facilities;
- (iii) enable the financial services sector to be responsive to the needs of exporters, by supporting the development of both the capital and money market systems, in which the private sector buys and sells - NEXIM Bank guarantees, government securities, commercial paper and bonds for industrial development and project finance. A healthy capital markets system will also provide competition to commercial banks, inducing them to offer higher interest rates on time deposits and lower interest rates on term loans.

(b) **Insurance**

The role of marine insurance in trade cannot be over-emphasised, hence, government shall ensure that all imports are covered by Insurance, while exports shall be in accordance with terms of delivery agreement. Government shall encourage importers to patronize domestic or indigenous insurance companies either at home or abroad.

4.6 DISTRIBUTIVE TRADE

- (i) The policy guideline is to promote the growth of local trade through removal of controls and bottlenecks that tend to stifle trade flow.

In order to ensure a smooth flow of goods and services to final consumers, the following strategies shall be adopted:

- (i) monitoring and elimination of restrictive trade and trade malpractices by manufacturers, wholesalers and distributors;
- (ii) encouraging manufacturers/dealers to establish warehouses/depots throughout the country to facilitate overall availability of consumer goods;
- (iii) maintaining data on stocks and prices of grains foodstuffs and other consumer goods so as to create awareness among consumers;
- (iv) encouraging the formation of consumer co-operatives and consumer co-operatives shops in rural areas, to facilitate easy access of rural dwellers to consumer foods and services at affordable prices;
- (v) removing all obstacles to the flow of goods such as road blocks as may be created by government agencies and trade associations whose monopolistic practices are detrimental to the interest of the consumers. The removal of road blocks to facilitate internal trade is without prejudice to the need to check smuggling by the Customs;

- (vi) intensifying the formation of profit-oriented local marketing co-operatives to facilitate the procurement and distribution of goods and services within and between states;
- (v) encouraging the building of made-in Nigeria exhibition site in all the states for the promotion and marketing of products of our local technology;
- (vi) removing all artificial barriers to local trade, discouraging the formation of associations and marketing unions whose monopolistic activities work to the detriment of consumers;
- (vii) abolishing the levies imposed on primary commodities by states in order to eliminate distortions in the flow of commerce among them;
- (viii) encouraging the organised private sector to participate in entrepreneurial development programme;
- (ix) Promotion of Trade Fairs through the organisation and participation in Trade Fairs in collaboration with Chambers of Commerce.

4.7 CONTROL OF TRADE MALPRACTICES

- (i) Government in collaboration with the private sector together with their main publicity organs shall mount public enlightenment campaigns both locally

and internationally on the need to forge and maintain a code of business ethics for the benefit of all;

- (ii) Government shall continue to combat the incidence of trade malpractices by vigorously enforcing relevant laws on the subject. In this connection, Government through the organised private sector, such as Manufacturers Association of Nigeria (MAN), Nigeria Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA) and Nigerian Association of Small Scale Industrialists (NASSI) together with their main publicity organs shall mount public enlightenment campaigns both locally and internationally on the need to forge and maintain a code of business ethics for the benefit of all;
- (iii) The existing Committee on Trade Malpractices known as Special Investigation Panel on Trade Malpractices (SIPTM) would be strengthened and properly funded to enable it perform its functions;
- (iv) Nigeria government will continue to collaborate with foreign bodies (both at bilateral and multilateral levels) to combat incident of trade malpractices;
- (v) Government shall pursue the Investigation and Resolution of Trade complaint cases with the aim of

restoring confidence and credibility in the nations' economic system (Trade malpractices miscellaneous offences);

- (vi) The Nigerian Government will establish a legal framework for investigations, punishment and resolution of e-commerce disputes, frauds, and other related malpractices to ensure confidence and credibility in the e-commerce system.

4.8 WEIGHTS AND MEASURES

- (i) In recognition of the existence of various types of measures which hinder the marketing of agricultural products, petroleum products and other tradable commodities, government shall administer the Weights and Measures Act as part of the Nigerian Trade and Competition Commission when established, as a system of surveillance in terms of weights and measurement;
- (ii) Government shall properly equip the Weights and Measures offices in all the states and Abuja to ensure full implementation of existing bye-laws and regulations dealing with the standardization of weights and measures in terms of designs, materials and capacity thereby promoting uniformity and ease of shopping throughout the country;

- (iii) Standardisation of Weights and Measures for uniformity and ease of trade transactions for all measurable commodities nationwide shall be vigorously pursued;
- (iv) Monitoring of crude oil measurement for export to eliminate and prevent loss of foreign exchange earnings through quantity assurance shall be vigorously pursued;
- (v) Government shall ensure and encourage genuine importers, manufacturers, dealers in weighing and measuring instruments and repairs thereof to register such instruments with Federal Ministry of Commerce so as to facilitate approval of such model and such model must conform with International Organisation of Legal Metrology (OIML) Paris, (International Regulatory Body on Legal Metrology) standards.
- (vi) Government shall establish a world class laboratory to ensure that the quality and value of all exports are maintained.

4.9 BORDER FREE ZONES

In order to ensure satisfactory development of border trade with our neighbours, government shall pursue the border free zones as a means of integration of the informal sector into the main stream of the economy. This will reduce the problem of smuggling across the border. It will also assist in formalising

unrecorded trade between Nigeria and other countries with a view to improving data on trade. To achieve the objective, the following strategies shall be adopted:

- (i) establishment of border free trade areas in commercially viable border areas of the economy;
- (ii) development of infrastructural facilities such as: water, electricity and telecommunication network;
- (iii) security, immigration and custom port;
- (iv) encouragement of the establishment of banks and other financial institutions to facilitate business transaction; and
- (v) warehouses and other necessary facilities.

4.10 TRADE DOCUMENTATION AND PROCEDURES

International trade involves commercial-interactions between nations. To facilitate such trade, commercial documents are being standardised and streamlined in accordance with the United Nations documentation format. In this regard;

- (i) Government, through the Nigerian Export Promotion Council (NEPC), will continue to pursue the simplification and streamlining of export procedure and documentation on a continuous basis;
- (ii) Nigeria will continue to review the rules and regulations at its ports to make them competitive in order to decongest the ports;

- (iii) Nigerian Committee on Trade Procedures (NITPRO) would be reinvigorated.

4.11 BONDED WAREHOUSE

Government shall continue to encourage the establishment of more bonded warehouses and inland bonded warehouse to ease seaport congestion and facilitate clearing procedures. The Nigerian Ports Authority and the Nigerian Shippers Council in collaboration with the Nigerian Customs Service shall establish Inland Container Depots and bonded warehouses in major towns and cities.

4.12 INFRASTRUCTURE

- (i) Government will continue to develop centres of excellence for export-oriented industries to accelerate their development for the purpose of exploiting our potentials in the EPZs;
- (ii) Government will continue to encourage private sector participation in the provision and maintenance of infrastructural facilities;
- (iii) Government will continue to provide infrastructural facilities at affordable prices;
- (iv) Government will encourage the provision of infrastructure through Build-Operate Transfer (BOT) principle.

4.12.1 Telecommunications:

In particular, infrastructural facilities in the following Sectors shall be developed, to support trade:

The objective of a Telecommunication policy is to achieve universal access and at costs and efficiency comparable to international standards. Details of the communication policy are available at the Federal Ministry of Communications.

4.12.2 Energy:

Government policy in the sector is to ensure the provision of adequate, reliable, stable, efficient, affordable, and safe energy supply for domestic and industrial uses and also to generate income. To improve the operations in the sector, government has embarked on certain reforms. In the power sub-sector, government has invested in the rehabilitation of generating, transmitting and distributing facilities to improve the generation and supply of electricity. To attract local and foreign investment, government has deregulated the sub-sector.

The monopoly of National Electric Power Authority (NEPA) has been broken, as more companies have now been licensed to generate and supply electricity. As more companies are licensed to produce and market electricity, competition and efficiency will be enhanced to the benefit of both producers and consumers. Government policy is to deregulate the sector to attract local and foreign investors. This will ensure competition, improve supply for industrial use, bring cost of production down and make prices of Made in Nigeria goods competitive and attractive in the international market.

Government shall ensure the removal of the discriminatory tariffing structure with a view to normalizing cost per KWH of electrical energy to enhance competition.

4.12.3 Road Transport

- (i) Government shall continue to provide adequate, efficient, safe, affordable, cost effective and well maintained road transport system within towns and cities that link urban and rural areas.
- (i) The three tier of Government shall participate actively in the development of urban transport infrastructure;
- (ii) The Private sector shall be encouraged to also participate in the development of roads and road network system in the country.

4.12.4 Rail Transport:

- (i) Government shall continue to develop an efficient intra and inter-city rail system designed to connect major cities in different parts of the country for the mass movement of people and goods.
- (ii) The Nigerian Railway Corporation shall continue to be equipped in order to provide an efficient and effective railway system for the country in collaboration with the private sector.
- (iii) The private sector shall be encouraged to participate in

the development of rail transport services.

4.12.5 Water Transport:

(i) Water Transport has always played a central role in Nigeria's international trade. Of the three main water categories, ocean shipping, inland waterways and coastal shipping, ocean shipping is more significant in freighting services;

(ii) Government shall build an efficient and effective maritime and inland water ways devoid of the usual bureaucracy but equipped with modern facilities to meet international standards;

The Nigerian Shipping Policy has provisions for increase in Nigeria's participation in maritime transport.

Government shall ensure that indigenous shipping companies are assisted adequately to participate effectively in maritime trade;

(iii) The Maritime Academy of Nigeria, Oron, shall be further strengthened to enhance Nigeria's participation in shipping business.

4.12.6 Air Transport

(i) Air transport provides required domestic and international links to various parts of the country and the world. It provides fast and more efficient transport system, which is significant to trade;

- (ii) Government shall provide Aviation infrastructure and flight operation to meet the International Standard;
- (iii) Government has deregulated the business of air transport operation but regulates safety;
- (iv) Government shall create enabling environment for airlines to get funds to acquire modern aircrafts;
- (v) Government shall encourage Nigerian College of Aviation Technology, Zaria, to provide pilot and technicians for the Aviation Industry and;
- (vi) Government shall continue to provide and upgrade port facilities to international standards (IATA) for the comfort of passengers and economic delivery of cargoes.

4.12.7 Pipeline:

Pipeline is an important component of the country's transportation system. It assists in reducing traffic congestion on the highways and it is a safer method of transporting liquid and gas products.

- Due to its intrinsic economic advantage, Government recognizes the strategic importance of the pipeline in the distribution of gas and other petroleum products. Government shall ensure that all states, major urban centres and indeed centres of important industrial, agricultural and commercial activities in the country are linked up with pipelines.

4. 13 EXPORT INCENTIVES:

- (i) Export Development fund – the fund provides direct financial assistance to Nigerian Exporting Companies to

cover part of their expenses in respect of export promotion activities such as participating in training courses, export market research and studies, participation in export – orientated trade missions and overseas trade fairs, cost of collecting trade information, product design and consultancy, advertisement and publicity campaigns in foreign markets, trade information, product design and consultancy, advertisement and publicity campaigns in foreign markets etc.;

- (ii) Export Expansion Grant Fund: This provides financial assistance to exporters of semi-manufactured and manufactured products to enable them increase their export products and market coverage. The fund is to be made available only to exporters who produce evidence of exporting with proceeds repatriated into their domiciliary accounts in Nigeria.

Below is the operational schedule (Time Frame) for the Scheme.

2001-2005	2005-2010	2011-2015	2016-2020	BEYOND
20%	15%	10%	5%	0%

- (iii) Duty Drawback scheme – The scheme provides for the refund of duties on raw materials/components including packaging and packing materials used for the manufacture of products destined for export;
- (iv) Pioneers status – The provision of the Industrial Development (Income Tax Relief) Act CAP 179, LFN, 1990 with respect to pioneer status shall apply to any manufacturing exporter who exports at least 50 per cent of his annual turnover;
- (v) Capital Assets Depreciation Allowance - The company's Income Tax Act, CAP, LFN, 1990, as amended by the Finance/Miscellaneous provision Decree, 1985, was further amended by Export Incentive (Miscellaneous Provision) ACT, CAP, 118 LFN, 1990 to provide an additional annual depreciation allowance of 5 per cent on plants and machinery to manufacturing exporters who exports at least 50 per cent of their annual turnover provided that the product has at least 40 per cent local raw material content or 35 per cent local value added;
- (vi) Investment Tax Credit Scheme – In order to encourage new investment in production machinery and equipment, a tax credit equal to 5% of the amount of production machinery and equipment purchased shall be provided to enterprises that export at least 50% of their annual turnover, the present Credit Assets Depreciation

Allowance shall be continued for machinery and equipment already purchased;

- (vii) Tax Relief Interest Income – This scheme is designed to stimulate and encourage Banks to grant credit facilities to Nigerian Exporters. Interest accruing from loans granted by banks in aid of export activities shall be exempted from tax;
- (viii) Rediscounting of Short-Term Bills – This scheme makes provision for an exporter of any product to discount bills of exchange and promissory – notes with his bank in order to increase his liquidity and minimise cash flow problems before the realisation of export proceed from the overseas importers;
- (ix) Retention of Export Proceeds – The provision of the Foreign exchange (Monitoring and Miscellaneous Provisions) Act No. 17, 1995 allows exporters to retain 100 per cent of their export proceeds in Domiciliary Account, which they must open for that purpose in a Bank in Nigeria. Exporters can utilise the foreign exchange for the importation of raw materials, machinery, spare parts and components required for their operation in Nigeria and for other export related activities;

- (x) Export Credit Guarantee and Insurance Scheme is operated by NEXIM Bank. The main functions of the NEXIM Bank are as follows:
- (a) Provision of export credit guarantee and export credit insurance facilities to its clients;
 - (b) Provision of investment guarantees and investment insurance facilities;
 - (c) Provision of credit in local and foreign currency in support of exports;
 - (d) Provision of trade information and export advisory services in support of export business;
 - (e) Provision of credit insurance in respect of external trade, transit trade and entreport trade; and
 - (f) Establishment and management of funds connected with exports.

- (xi) Manufacture-in-Bond Scheme – Government shall avail Manufacture – in – Bond Scheme to credible companies to save clearing time on the basis of approved Government guidelines for Manufacturers – in – Bond Scheme. This Scheme allows export oriented industries to import raw materials and components, including prohibited ones, for the manufacture of goods for export only. Modalities of the Manufacture-in-Bond Scheme are available with the Nigerian Export Promotion Council (NEPC).

(xii) Counter-Trade Arrangement/Buyback Scheme:- One of the strategies identified for increasing foreign exchange earnings in the external borrowing policy document published by the Federal Ministry of Finance is the introduction of buy-back schemes and counter-trade arrangements for exports. In pursuance of this policy, government encourages companies and individuals to undertake industrial projects by sourcing machinery and equipment through counter-trade arrangements and buy-back schemes on medium and long-term basis from overseas suppliers. In this connection, government through the NEPC shall provide the necessary modalities/guidelines for Nigerians wishing to invest abroad under this arrangement. However, the counter-trade arrangement/buy-back schemes shall not be permitted for the importation of consumer goods.

4. 14 FREE TRADE ZONES/EXPORT PROCESSING FACTORIES

(i) In order to provide the desired export orientation and as a strategy for promoting non-oil export, particularly the export of manufactured products, Government shall renew its commitment and efforts in ensuring that the Nigeria Free Trade Zones (NIFZA) Scheme play active roles in enhancing the flow of foreign investment into the country through the provision of conducive business environment and reduction in the cost of doing business;

- (ii) In addition, Government shall encourage fuller participation of the Private Sector in the FTZ Scheme through the operation of the Export Processing Factories (EPFs). In this regard, export farms that produce fresh fruits, vegetables and horticultural products for export shall be encouraged and granted privileges and incentives conferred on Free Trade Zones. Furthermore a shopping development programme would be put in place through the opening and operation of duty Free Shops in the Calabar Free Trade Office, its administrative headquarters in Abuja and at major international airports in the country. These schemes are means of extending the FTZ programme beyond the general purpose Zone to cover small and medium scale export oriented manufacturing/processing activities having employment generation and retention effects. The Nigeria Free Zones Authority (NIFZA) shall designate such export oriented factory or group of industrial firms as an FTZ and shall be entitled to the incentives offered in the regular Zones;
- (iii) Government shall encourage the establishment of privately owned, operated and managed EPZs under the Regulatory and Monitoring Authority of NIFZA;
- (iv) Incentives available under the FTZ/EPF scheme:

- (a) approved enterprises shall be exempted from all Federal, State and Local Government taxes, levies and duty; and shall be entitled to import free of customs duty, any capital goods, consumer goods, raw materials and other articles that may be required in connection with the approved activity;
- (b) up to 100 per cent foreign ownership of business in the Zones allowable;
- (c) repatriation of foreign capital investment in Zones at any time with capital appreciation of the investment;
- (d) foreign managers and qualified personnel may be employed by companies operating in the Zone;
- (e) legislative provisions pertaining to taxes, duties and foreign exchange regulations shall not apply within the Zones;
- (f) up to 100 per cent of production may be sold in the customs territory against a valid permit and on payment of appropriate duties, and up to 100% of the production may be exported out of the Free Zone with no need for permit or payment of levies.
- (h) no import or export licenses shall be required;
- (i) One stop approval procedure through the Nigerian Free Trade Zones Authority;

4. 15 TRADE STATISTICS AND DATA BANK

Government recognizes that no meaningful planning can take place without adequate and reliable data. It is also recognized that the entire trade data collection, collation and processing require deliberate efforts. The primary objective of Government on trade statistics, therefore, include the strengthening and coordinating of the activities of data collating and disseminating agencies such as the Federal Office of Statistics (FOS), Central Bank of Nigeria (CBN), Federal Ministry of Finance, Department of Planning, Research and Statistics of Federal Ministry of Commerce, other Ministries, the National Data Bank and relevant Extra-Ministerial Departments. The objective of this policy is to collate, process, store and disseminate data on a timely and continuous basis.

SECTION FIVE

RESPONSIBILITIES OF THE PUBLIC & PRIVATE SECTORS

In order to reduce areas of overlap and duplication of efforts, which often result in waste and conflicts, the responsibilities of the Federal, State and Local Governments and those of the Private Sector shall be as indicated in this section.

5.1 RESPONSIBILITIES OF VARIOUS TIERS OF GOVERNMENT

5.1.1 Federal Government

Federal Government shall be responsible for the:

- (i) provision of the general policy framework within which trade will develop and provide guidance to States, Local Governments and other public agencies on areas of emphasis for investment, particularly in strategic products;
- (ii) coordination of data on trade and facilitation of research into all facets of trade;
- (iii) advise on tariff and pricing policy for agricultural produce, minerals, industrial products and services through representation in appropriate policy formulation committees;
- (iii) promotion of the sale of exportable agricultural and industrial products both within and outside the country;
- (iv) maintenance of a reasonable flow of resources into trade development by way of matching grants, subventions and investments in Federal, joint Federal and State, State and other

specialized projects and by creating conditions which facilitate resource flows from other sources;

- (v) training of manpower for trade development (inspectors, export developers and import management experts); and
- (vi) promotion of appropriate technology in preservation, processing, packaging, quality control, standardization, storage, financing, risk-bearing, market intelligence, transportation and market structures, through the development of prototypes and pilot projects as a follow-up to research inventions.

5.1.2 State Governments

The State Governments shall be primarily responsible for the following activities:

- (i) The promotion of primary production of all items of export-oriented agricultural and industrial products through:
 - (a) the maintenance of a virile and effective trade extension service which can deal with problems of production, preservation, storage, processing, financing, risk-bearing, standardization, quality control and other marketing functions; and
 - (b) the promotion of buying and selling using private operators;
- (ii) The training of manpower for trade growth and development (inspectors);
- (iii) The establishment of appropriate institutions for

- administering credit to traders;
- (iv) The maintenance of buffer stocks of tradable products for purposes of price stabilization;
- (v) Investments in access roads, water supplies and electricity in the localities where these tradable products are obtained.

5.1.3 Local Governments

The Local Government Councils shall be expected to take over progressively the responsibility of the State Government with respect to:

- (i) provision of an effective trade extension service;
- (ii) provision of site infrastructure;
- (iii) mobilization of traders for accelerated trade development through cooperative organizations and community associations;
- (iv) assistance in data collection at the primary level; and
- (v) construction, management and maintenance of local markets to enhance trade.

5.2 PRIVATE SECTOR

The philosophy of Government is that trade is essentially a private sector activity with Government playing largely supportive roles and providing facilitating services. In this regard, the private sector shall be expected to spear-head the drive for the realization of the objectives of the trade policy. In particular, the private sector shall be expected to play a leading role with respect to:

- (i) investment in all aspects of production of tradable commodities;
- (ii) storage, preservation, packaging, processing and other marketing functions;
- (iii) input supply and credit disbursement;
- (iv) provision of certain types of tax-deductible site infrastructure;
- (v) support for research in all aspects of trade development; and organization of training workshops, trade fairs and trade missions to promote innovation and wider participation of their members.

SECTION SIX

POLICY IMPLEMENTATION FRAMEWORK AND STRATEGY

6.1 INSTITUTIONAL FRAMEWORK FOR POLICY IMPLEMENTATION

Effective formulation and implementation of the Trade Policy requires systematic liaison and collaboration among the relevant ministries and agencies and continuous dialogue and consultation with key stakeholders. For this purpose, a participatory framework that involves all stakeholders has been evolved for implementation of the policy. In this regard, relevant institutions identified as principal components of the Trade Policy framework shall be established, while existing institutions and marketing arrangements, some of which are in other sectors of the economy including the private sector shall be strengthened.

Federal Ministry of Commerce, which is the lead agency in charge of commercial relations between Nigeria and other countries, shall have overall responsibility for coordination of the Trade Policy framework. The overall framework is depicted in figure 1. Its principal components shall include;

6.1.1 **National Focal Point (N.F.P) on Multi-Lateral Trading Matters**

Aim:

- To serve as a forum for systematic consultation, and collaboration among relevant Government Ministries, Agencies and the Private Sector, for effective management of Trade Matters.

Activities:

- Providing policy advice on matters relating to trade negotiations, agreements and other trade relations.
- Identifying and discussing major concerns bearing on trade and commercial policy.

Structure:

- The structure of the National Focal Point comprising of the **Committee On Goods, Committee On Services** and **Committee On Trade-Related Intellectual Property Rights** (TRIPS), with their fifteen Sub-Committees is as approved by the Federal Executive Council. An important feature of the National Focal Point is the provision for establishment of **commercial desks** in relevant member ministries, for effective handling of commercial activities.

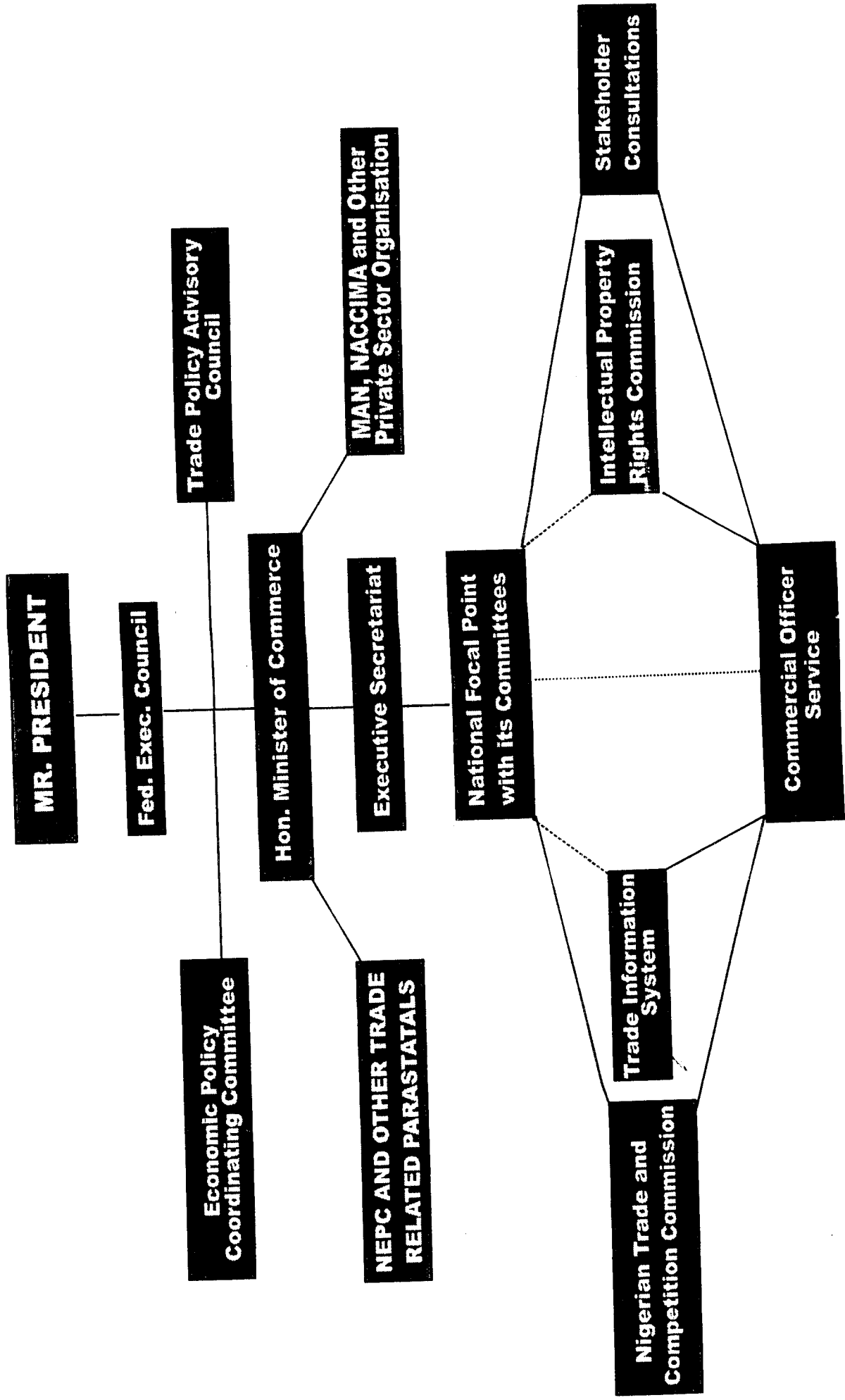


Figure 1: Institutional Framework for Trade Policy

6.1.2 Trade Policy Advisory Council

Aims

- To co-ordinate trade policy formulation and negotiations among relevant government ministries.
- To monitor implementation of trade agreements and other international undertakings.
- To establish commercial desks, for proper functioning of trade activities.

Activities

- Periodic meetings of ministers as may be necessary for review of upcoming negotiations and concluded agreements.

Structure

- Ministers of Foreign Affairs, Co-operation and Regional Integration In Africa, Agriculture, Communications, Finance, Commerce and other trade-related ministries.
- Chaired by Vice President.

6.1.3 Executive Secretariat

Aims

- To advise the Minister of Commerce on policies and initiatives relating to trade and commercial policy.
- To provide technical support for international trade negotiations and exchanges.
- To facilitate and co-ordinate the activities of the other principal components of the framework for trade and

commercial policy, including maintenance of the records of the National Focal Point.

Activities

- Monitor and advise on pertinent domestic, regional and international developments and on implementation of approved policies.
- Conduct studies bearing on key policy issues.
- Draft policy statements and documents.

Structure

- Headed by a Senior Adviser on Trade Policy the Executive Secretariat shall be responsible for:
 - Advising the Minister of Commerce on trade related issues.
 - Directing the Secretariat's activities.
 - Technical direction of the Commercial Officer Service.
 - Ministry dialogue with stakeholders on trade and commercial issues.
- Membership will include Directors of relevant Ministries.
- Staffing by commercial officers and contracted professionals.

6.1.4 Nigerian Trade and Competition Commission

Aims

- Ensure fair competition and consumer protection in domestic markets through efficient and fair enforcement of anti-dumping, anti-trust, consumer protection and weights and measures legislations.

- Advise government on changes in policy consistent with bilateral, regional and international trade agreements.
- Prosecute and adjudicate allegations of breach of any of the four legislations.

Activities

- Review and administer relevant laws, practices, standards and procedures relating to consumer protection, anti-dumping, competition and weights and measures.
- Recommend measures and legislation conforming to international practice and undertakings.
- Develop methods, standards and procedures for investigating, prosecuting and adjudicating allegations of dumping and other unfair trade practices by exporters and importers.

Structure

- Nigerian Trade and Competition Commission comprise of the following four related bodies, each of which shall be governed by its specific legislation:
 - Anti-dumping Authority
 - Anti-Trust Competition Authority.
 - Consumer Protection Council.
 - Weights and Measures.

6.1.5 National Council on Commerce

This Council, made up of all Ministries responsible for Trade and Commerce at both Federal and State levels, meets

regularly to review matters relating to trade, with a view to ensuring efficient performance of the trade sector.

6.1.6 Bankruptcy Commission

The structure and functions of the Bankruptcy Commission shall be as approved by the enabling legislation and grounded by the Bankruptcy Act of 1979 and any subsequent amendments.

6.1.7 Commercial Officer Service

Aims

- To services various components of the Trade and Commercial Policy Framework with high-level professional skills and experience.
- To strengthen Government's capacity in conducting and monitoring implementation of international agreements and other undertakings.

Activities

- Supply the professional full-time staff required by Executive Secretariat.
- Service the National Focal Point and its Sub-Committees.
- Contribute professional supportive services to the Intellectual Property Rights Commission, and the Nigerian Trade and Competition Commission.
- Provide the professional and analytical skills required by the Trade Information System.
- Supply, on request, appropriate analytical and professional skills to government ministries and agencies.

- In-service courses and private sector attachments to improve knowledge and skills of Officers.

6.1.8 NEPC and Other Trade-Related Parastatals

- These are parastatals including Nigerian Export Promotion Council (NEPC), Nigerian Export Processing Zones Authority (NEPZA), Nigerian Investment Promotion Council (NIPC), Standards Organisation of Nigeria (SON) etc. established for specific purposes.
- Their functions and structures are as stipulated in the enabling legislations.

6.1.9 Stakeholders Consultations

Aims

- Effective systematic and well informed consultation with key stakeholders on trade and commercial policy concerns.
- Development of an informed constituency within the general public, generally supportive of the principal aims of government trade and industrial policy.

Activities

- Appropriate periodic consultations with the Executive Secretariat, National Focal Point, Intellectual Property Rights Commission, and the Trade and Competition Commission.
- Dissemination of information, studies, data and reports through the website and in hard copy.

- Continuing feedback of public views and concerns through the website and other means.
- Organisation of periodic stakeholder fora.

Structure

- Overall co-ordination of consultations by the Executive Secretariat.
- Support by the Trade Information System, including database and website.

6.1.10 Economic Policy Coordinating Committee (EPCC)

Objectives

- To facilitate effective realization government's macro-economic and fiscal goals.
- To coordinate the process for undertaking major multi-agency new economic initiatives such as poverty reduction scheme.
- To forge close technical-level and information base-building links with the private sector and policy based research institutions in Nigeria as a means of strengthening consensus building on national development and economic orientation.

Activities

- Coordination and close monitoring of implementation of Government's macro-economic policies.
- Monitoring implementation of Government economic and financial policy reform undertakings,

including commitments made with International Organizations like World Bank, IMF etc.

- Setting out monthly, the key actions necessary for realization of Government's economic policy objectives.

Structure

- Vice President
Federal Republic of Nigeria - Chairman
- Hon Minister of Financial - Member
- Honourable Minister of State
for Economic Matters - "
- Chief Economic Adviser
to the President - "
- Governor of Central Bank - "
- Principal Secretary
to the President - "
- Macro-economic Adviser - Secretary.

6.1.11 **MAN, NACCIMA and Other Private Sector Organisations.**

These include Manufacturers Association of Nigeria (MAN), National Association of Chambers of Commerce, Industries, Mines and Agriculture (NACCIMA), Small and Medium Scale Enterprises (SME) and Other Private Sector Organisations engaged in trading activities and may relate with the Honourable Minister of Commerce, within the framework.

6.2 IMPLEMENTATION STRATEGY/ACTION PLAN

6.2.1 Policy Process

S/NO	IDENTIFIED PROBLEM	RECOMMENDED SOLUTION/ IMPLEMENTATION STRATEGY	TIME FRAME	IMPLEMENTING AGENCY
1.	Conflicts that engender misunderstanding and lack of cooperation among various agencies	<ul style="list-style-type: none"> - Reach out to all stakeholders all through the preparatory stages; - Constitute consultative bodies at various levels and continuous dialogue among various sectors and stakeholders. 	Short Term	FG/OPS
2.	Lack of stable policy environment for coherent long term policy decisions	<ul style="list-style-type: none"> - Involve all agencies and stakeholders in the design of appropriate policy framework/initiatives; - Hold regular meetings to iron out areas of differences. 	Short Term	FG/FMC/OPS/ FMST
3.	Ambiguous Policy Statements	<ul style="list-style-type: none"> - Reach consensus on the way forward and announce policy changes well in advance; - Follow up announcement with implementation guidelines; - Use established structure for policy implementation; - Articulate National and Sectoral macro-policy direction at various levels; 	Short/Medium/ Long Term	FG/FMC/FMST
			Short/Medium/ Long Term	FG/FMC
			Short/Medium/ Long Term	FG/FMC
			Short Term	FG/FMC

		<ul style="list-style-type: none"> - Streamline existing institutional arrangement for more effective implementation co-ordination and monitoring; - Clearly identify implementation agencies in each case. - Information system on trade control measures (TCMIS and SMART) installed in micro-computers for staff and exporters; - Capacity building for officials and core groups of exporters; - Create national awareness on the impact of external trade on the environment and the effect of the environment on trade. - Enhance capacity of public officers (FMC, NEPC, FPIS, W/M and C&E) to provide Technical/Advisory services and improve quality of produce inspection to exporters. Staff of CRIN, RRIN, NIFOR, NIHORT and IAR&T trained; - Training of relevant officials. 	<p>Short Term</p> <p>Short Term</p> <p>Short Term</p> <p>Short Term</p> <p>Short Term</p> <p>Short/Medium Term</p>	<p>FG/FMC</p> <p>FG/FMC/OPS</p> <p>FG/FMC/OPS</p> <p>FG/FMC/OPS</p> <p>FG/FMC/OPS</p> <p>FG/FMC</p>
<p>4. Need to strengthen national capacity in the formulation and implementation of the policies</p>				
<p>5. Need to strengthen the capacity of selected national institutions and commodity associations/exporters in order to enhance their contribution towards the expansion of non-oil exports.</p>				

6.	<p>Promote the establishment of Commodity Exchange and Futures Markets in Nigeria as a fundamental strategy for the development and promotion of non-oil exports and</p> <p>promotion of non-oil exports: Spell out the role of each participant in the market especially Government (regulating and monitoring)</p>	<ul style="list-style-type: none"> - Enhance the performance of COMEX and the establishment of other Commodity Exchange and Futures Markets in Nigeria as a fundamental strategy for the development and promotion of non-oil exports. - Improve and strengthen the institutional capacity for the production, processing, distribution and marketing of some selected products by providing technical support to the concerned industries 	<p>Short Term</p> <p>Short Term</p> <p>FG/FMC/OPS</p>
7.	<p>Need to improve and strengthen the institutional capacity for the production, processing, distribution and marketing of some selected products by providing technical support to the concerned industries</p> <p>Need improve market access for Nigerian products and import management through quality control measures and harmonize trade documentation procedures.</p>	<ul style="list-style-type: none"> - Provide steady information on markets with their segmentation characteristics, effective demand, packaging requirements and quality control. 	<p>Short, Medium and Long Term</p> <p>Short Term</p> <p>FG/FMC/OPS</p> <p>FG/FMC/NEPC</p>
8.		<ul style="list-style-type: none"> - Produce standard manual on export/import procedures and operations; - Enhance technological acquisition for the development of indigenous technology for industrial production using the PDIC established within NOTAP. 	<p>Short, Medium and Long Term</p> <p>FG/FMC/FMST/NOTAP</p>

		<ul style="list-style-type: none"> - Assist in a documented plan for enhancing Nigeria maritime management information - Train inspectors, export developers and import management experts on export development and import management. 	Short/Medium Term	FG/FMC FMC/OPS/NCS/ NEPC
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6.2.2 **Export Promotion**

S/NO	IDENTIFIED PROBLEM	RECOMMENDED SOLUTION/ IMPLEMENTATION STRATEGY	TIME FRAME	IMPLEMENTATION AGENCY
1.	Need to remove impediments to export and strengthening Export Institutions	<ul style="list-style-type: none"> - The completion of the development of the Calabar EPZ as a centre of excellence in best business practices and infrastructure by year 2001. Enhanced investment promotion programmes by NEPZA will bring about an occupancy rate of 50% each year from year 2001, ultimately, the 100 industrial space available in the Zone shall be fully occupied by year 2002; - The start up and completion of development of 3 additional EPZs apart from the Kano EPZ in three other ecological zones between 2002-2010. Each of this is expected to have not less than 100 industrial capacity. The private sector shall be encouraged to take full advantage of the opportunity of private ownership of these zones; - Encourage fuller participation of the Private Sector in the operation of Export Processing Factories (EPF). The Nigeria Export Processing Zones 	Short Term	NEPZA/NEPC/NIPC/ FMC
			Short/Medium Term	FMC/NEPZA/FMI
			Short/Medium /Long Term	FMC/NEPZA/OPS

	<p>Authority shall be strengthened further to designate, fully export oriented factory or group of industrial firms as an EPF and shall be entitled to the incentives offered in the regular zones. The scheme is a means of extending the EPZ programme beyond the general purpose zone boundaries. By the year 2010 each of the states of the Federation is expected to have at least two of such private sector owned EPFs;</p>	
	<ul style="list-style-type: none"> - Use the Border Free Zones Scheme to compliment the EPZs in promoting the production and sale of Made-in-Nigeria manufactured goods in the African region and beyond. From the year 2001, Government shall begin the development of commercially viable border areas as Border Free Zones as centres of excellence for business ventures. By the year 2008, four of such centres shall be created in Nigeria. 	
	<ul style="list-style-type: none"> - Substitute present policy of pre-shipment Inspection System with destination inspection; 	
	<p>2. Problem of clearing goods at Ports.</p>	

FMC/NEPZA/OPS

Short/Medium Term

FMF/CBN/NCS

Short Term

<ul style="list-style-type: none"> - Reduce the number of security agencies at ports; - Direct all relevant agencies authorised to inspect goods to conduct their inspection at same time. Establish centralised inspection system - Abolish all unnecessary levies which adds to the cost of doing business at the ports. - Re-open the defunct Inland Container Depots in Kaduna, Kano and Jos; - Provide all necessary equipment including X-rays scanning machines at our ports. - Proper training of produce inspectors at States and Federal level; - Provide necessary equipment and chemicals needed for produce inspection 	<p>Short Term</p> <p>Short Term</p> <p>Short Term</p> <p>Short Term</p> <p>Short/Medium Term</p> <p>Short/Medium Term</p> <p>Short Term</p>	<p>NCS/The Presidency FMF/FMT/NPA</p> <p>FMF/NCS/FMT</p> <p>FMF/NCS/NPA/FMT</p> <p>FMF/NCS/FMT/ NPA</p> <p>FG, FMF/NCS/FMT/ NPA</p> <p>FMA/FMC</p> <p>FMC/FPIS/Quarantine service</p>
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3.	Lack of International Standardisation of Nigerian Products.	<ul style="list-style-type: none"> - Encourage agricultural products for export to be graded and disinfected and none compliance to attract sanction; - Mutual international cooperation and recognition of certificates with our trading partners. - Set up an inter-ministerial, inter-governmental and inter agency committee to deal with the issue of trade barriers on the road; 	Short Term	FPIS/SON/ NAFDAC/SON
4.	Problem of getting goods from the point of production to the final consumer.	Discourage monopolies and market associations, which tend to distort prices.	Short/Medium Term	FG/FMI/SOM/FMC FMC/FMA/NPF/ NCS/VIO/FRSC/and other security outfits. FG/FMC/FMA/CPC/NPF /NCS/OPS

6.2.3 Industrial Policy

S/NO	IDENTIFIED PROBLEM	RECOMMENDED SOLUTION/ IMPLEMENTATION STRATEGY	TIME FRAME	IMPLEMENTING AGENCY
1.	<p>Infrastructural Inadequacies</p> <p>(a) Inadequate/High cost of energy supply to industries i.e. NEPA, Petrol and diesel</p> <p>(b) Inadequate Transportation System/Network to sources of raw materials i.e. mineral and agricultural products</p> <p>(c) Under-developed Industrial Estates/Layouts</p> <p>(d) Inadequate telecommunications facilities</p> <p>(e) Environmental issues</p>	<ul style="list-style-type: none"> - Establish NEPA Power Stations in strong functional states; - Provide lowest electricity tariff rate for industries and review petroleum prices; - Improve the National Gas pipeline and industrial infrastructure; - Privatised the rail transportation industry; - Provide access roads to rural areas; - Develop inland water ways; - Establish industrial layout near major sources of raw materials with provision of infrastructural facilities in the Industrial Estates. 	<p>Short Term</p> <p>Short Term</p> <p>Short/Medium Term</p> <p>Medium/Short Term</p> <p>Short/Medium Term</p> <p>Medium Term</p> <p>Medium/Long Term</p>	<p>FMPS/NEPA</p> <p>NNPC/FMPS/ NEPA/Utility Charges Commission (UK)</p> <p>FG/NNLG/NNPC</p> <p>FG/NCP/FMT</p> <p>FG/FMT/FMW&H</p> <p>FG/FMT/FMW&H</p> <p>FMT/FMI/FMT/ FMW&H</p>

<p>2. Dependency on inappropriate technology</p> <p>3. Poor inter and intra-Sectoral linkages</p> <p>4. Low level and High Cost of Funding</p>	<ul style="list-style-type: none"> - Provide and extend digital system to cover all parts of the country; - Pay proper attention to environmental impact analysis; - Acquisition of appropriate technology for production; - Completion of industrial projects such as petrochemicals, machine tools and Iron and Steel. - Promotion of certain products and specialized firms that have impact on other sectors through the strategic Management of Industrial Development (SMID) such as foundries and forges, metal fabrication, chemical/ petrochemical, rubber/plastics, food processing, leather and leather products and cement; 	<p>Short/Medium Term</p> <p>Short/Medium Term</p> <p>Medium/long Term</p> <p>Long Term</p> <p>Medium/Long Term</p>	<p>Fed. Min. of Communications/OPS</p> <p>Fed. Min. Environment/OPS</p> <p>OPS/FMST/SON/NOT AP</p> <p>FG/FMT/ FMPS/NNPC</p> <p>FMI/OPS/NNPC/FMST</p>
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5.	Inadequate Tariff Protection	<ul style="list-style-type: none"> - Sourcing and promoting suitable raw materials for industrial use through the activities of research and development institutions i.e RMRDC, FIIRO, PRODA, etc. 	Short/Medium Term	RMRDC/FIIRO/PROD A/OPS
6.	Standardisation and Quality Control	<ul style="list-style-type: none"> - Establishment of a Special Low interest National Industrial Stabilization and Development Fund (NISDF) for long term development; - A review of the monetary policy to reduce the level of interest rates; - Institution of a Credit Guarantee Scheme that would enhance access to loanable funds by SMEs. 	Short Term	FG/FMF/CBN NIDP/CMDB
		<ul style="list-style-type: none"> - Grant of relief to some key manufacturing operations in the form of concessions on duty exemption on imported inputs; 	Short Term	FMF/CBN
		<ul style="list-style-type: none"> - Restoration of the 25% Import Duty Rebate for industrial raw materials, machinery and spare parts. 	Short Term	FMI/FG/NEXIM
				FG/TRB/NEPC/FMF
				FG/TRB/FMF/NCS

		<ul style="list-style-type: none"> - Immediate take off of the Anti-Dumping Authority; - Strengthening of the Standards Organisation of Nigeria (SON). 	<p>Short Term</p>	<p>FMC/ FMI/FMJ</p> <p>FG/FMI/SON</p>
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6.2.4 Trade Support Infrastructure

S/NO	IDENTIFIED PROBLEM	RECOMMENDED SOLUTION/ IMPLEMENTATION STRATEGY	TIME FRAME	IMPLEMENTING AGENCY
1.	Lack of Trade Information Service	<ul style="list-style-type: none"> - In collaboration with the Private Sector establish trade information collection, collation, analysis and dissemination centres in all States by the year 2002; - Establish nucleus of trade information centre in Abuja by 2002 and extending same to Lagos, Kano, Ibadan, Kaduna, Port Harcourt and Enugu by 2005; - Networking of the aforementioned centre by 2005; - Encourage the Organised Private Sector and Government Trade and Investment Agencies to set up trade information centres that will be linked with the nucleus centre by 2002; - Equip these centres with modern electronic information collection, collation, processing and dissemination systems; 	Short/Medium Term	NEPC/OPS/FMC
			Short Term	NEPC/FMC
			Short Term	NEPC/FMC/ FMS&T
			Short Term	FMC/NEPC/Public Sector/OPS
			Short Term	NEPC/OPS/FMS&T/FMC

	<ul style="list-style-type: none"> - Create and maintain a national trade information web-site on the internet; - Dissemination of trade information to individuals and organisations through enlightenment programmes, print and electronic media; - Establish and equip a library in the trade information centres; - Collect and disseminate trade information through the Nigerian Export Promotion Council (NEPC) commercial desks abroad; - Put in place a manpower development programme from the year 2000 and beyond; - - Engage competent trade information Experts/Consultants to assist in developing the centres from the year 2000. 	<p>Short Term</p> <p>Short Term</p> <p>Short Term</p> <p>Short Term</p> <p>Short Term</p> <p>Short Term</p>	<p>NEPC/FMC/OPS</p> <p>NEPC/FMC</p> <p>NEPC/FMC</p> <p>NEPC/FMC</p> <p>NEPC/FMC/OPS</p> <p>FMC/NEPC/OPS</p>
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2.	Need for concrete attempt at enhancing agricultural, industrial, solid mineral and service sectors in the non-oil sector for domestic and foreign markets	<ul style="list-style-type: none"> - Strengthen the quality certification and control institutions to perform their statutory functions effectively; - Attract foreign investment in export oriented industries which will enhance product development and diversification; - The packaging Advisory Unit of the Council should be further developed and fully equipped to enhance product adaptation; - NEPC shall be the one stop Agency for the administration of export incentives in Nigeria; - NEXIM should as a matter of priority commence the implementation of Export Credit Guarantee and Insurance Schemes by the year 2001; - In order to encourage the utilisation of local inputs for the production of export products, a scheme shall be put in place to refund fees paid as 	Short Term	FGN/SON/FPIS/NAFDAC NIPC/NEPC/NEPZA/Commercial Desks Abroad NEPC/FMC FG/NEPC/FMC NEXIM/FMF NEPC/FIRS
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	value added tax on local inputs or components used for export production;		NEPC/FMF
	<ul style="list-style-type: none"> - In order to ensure that the package of incentives is accessible to all exporters there shall be prompt and computerised processing and disbursement of Export Incentive; - The border free trade zone project shall be speedily implemented so as to formalise the unrecorded trade in Africa; - NEPC shall promote Nigerian exportable products through participation in at least 30 international trade fairs, contact promotion programmes, trade missions, buyer/seller meetings annually; - NEPC shall spearhead the establishment of Export Houses in selected markets; - Reopening and establishing of at 	<p>Short Term</p> <p>Short Term</p> <p>Short Term</p> <p>Short Term</p> <p>Short Term</p>	<p>FMC/NEPZA/NCS</p> <p>NEPC/FMC/OPS</p> <p>NEPC/OPS/FMC</p> <p>NEPC/FMC</p>

	<p>least 20 Commercial Desks and permanent show rooms abroad by the year 2002 as a means of collecting and disseminating appropriate trade information;</p> <ul style="list-style-type: none"> - Encourage constant interaction among stakeholders in export business, so as to remove all forms of procedural and regulatory bottlenecks; - Encourage the establishment and use of cyber business for the promotion of export products; - NEPC shall encourage exporters to form associations such as Joint Export Marketing Group, Mutual Exports Guarantee Associations etc to promote free flow of trade information, access to credit, and linkages to business partners; - NEPC shall be restructured and strengthened to attain the targets contained in the trade policy 	Short Term	NEPC/FMC
		Short Term	NEPC/FMC/OPS/NCS
		Short Term	FMC/NEPC/OPS FMS&T
		Short/Medium Term	NEPC/FMC/ NEXIM/OPS
		Short/Medium Term	FG/FMC/NEPC

	<ul style="list-style-type: none"> - NEPC shall embark on aggressive manpower development programme; - NEPC shall be well funded through import surcharges and other sources as contained in it's enabling law; - Nigeria Committee on Trade Procedures whose function is to simply, streamline and align Trade Procedure and Documentation in line with the United Nations (UN) system shall be strengthened; - A high level non oil export Monitoring Committee shall be established to monitor the performance of non-oil exports; - NEPC shall continue to liaise with bilateral and multilateral institutions in order to maximise the benefits accruable to Nigeria Exporters; - An export potential study of services shall be carried out in the year 2001 with a view to producing a National Export Plan for the Export of Nigerian Trade-in-Services. 	Short Term	NEPC/Universities/ Nigerian Trade Institute FG/FMC/FMF FG/FMC/NEPC/RELE -VANT PUBLIC SECTOR AGENCIES/OPS FMC/NEPC/FOS/NCS FMC/NEPC NEPC/FMC
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6.2.5 Agricultural Products

S/NO	IDENTIFIED PROBLEM	RECOMMENDED SOLUTION/ IMPLEMENTATION STRATEGY	TIME FRAME	IMPLEMENTATION AGENCY
1.	Land Use Act	Develop an explicit and simple procedure for land acquisition	Short Term	All lands offices, Fed/State and Local Govt's.
2.	Land Development Utilization Agency	Strengthening/establishment of Land Development Agency	Short Term	FMA&RD
3.	Agricultural Research	Adequate investment in research	Short Term	FMA&RD/ARI/Universities of Agriculture
4.	Financial Institutions	Restructuring/Strengthening existing Financial Institutions	Short Term	NACB/People's Bank/FMF/CBN
5.	Agricultural production, processing, packaging and marketing	Private and Joint Venture participation	Short Term	FMA&RD/Farmers/Cooperative Associations/NAC-CIMA/Entrepreneurs/FMI/FMC/NIPC

6.2.6 **Regulatory Environment**

S/NO	IDENTIFIED PROBLEM	RECOMMENDED SOLUTION/ IMPLEMENTATION STRATEGY	TIME FRAME	IMPLEMENTING AGENCY
1	Need to achieve a regulatory environment conducive for trade	<ul style="list-style-type: none"> - Promote trade liberalisation and competitiveness while at the same time putting in place appropriate measures to safeguard the interest of domestic producers against influx of imports and unfair trade practices; - Promote a conducive environment for foreign investment in export-based commodities and services; - Provide enforceable anti-dumping measures; - Monitor and eliminate restrictive trade and trade malpractices by manufacturers, importers and other forms of commercial distributive chains to safeguard the interest of consumers; - Provide guidelines, standards, procedures and measures to manage matters relating to bankruptcy, monopoly, acquisition and mergers; 	Short Term	FG/FMC/FMI/OPS
			Short Term	FG/OPS
			Short Term	FG/FMC/NCS/ OPS/FMJ
			Short Term	FMC/FMI/OPS/CPC
			Short/Medium/ Term	FG/FMC/FMJ/CAC

<ul style="list-style-type: none"> - Promote inter-sectoral linkages between the trade sector and other sectors of the economy by way of allocation of inter-sectoral responsibilities in relevant laws and measures for coordination in respect of trade; - Strengthen and enforce intellectual property right regimes, including copyright, patents, trademarks, designs, etc; - Evolve guidelines and standards for exports and import procedures that facilitate smooth trading systems; - Provide a legal framework for the integration of the informal sector into the mainstream of the economy to increase the earnings and promote inter-regional trade and cooperation; - Evolve inspection and monitoring arrangements to ensure that goods meet the requirements of national and international standards as may be established by SON, NAFDAC, FPIS, etc. - Inventorize, review and streamline or harmonise laws relevant to trade in Nigeria to reflect the policy thrust of the new Trade Policy for Nigeria (year 2001); 	<p>Short Term</p> <p>Short/Medium Term</p> <p>Short/Medium Term</p> <p>Short/Medium Term</p> <p>Short Term</p> <p>Short Term</p>	<p>FMI/FMC</p> <p>FMC/NCC/FMJ/ NOTAP/FMST</p> <p>FMC/FMF/CBN/SON/ FPIS</p> <p>FMC/FMI/NEPC/NIP C/NCS</p> <p>FG/SON/NAFDAC/ FPIS/OPS</p> <p>FMC/FMJ/OPS</p>
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		<ul style="list-style-type: none"> - Prepare recommendations from the review exercise and submit to the Federal Executive Council for approval (2001); - Prepare relevant bills for amendment of existing laws to bring them in line with the new Trade Policy and submit to National Assembly (2002); - Prepare bill(s) for the establishment of new institutional arrangements such as (a) Anti-Dumping Authority i.e. Nigeria and Competition International Trade Commission (b) Nigerian Trade Institute (c) National Advisory Council on trade (d) Intellectual Property Commission' etc. - Constitute the various institutional arrangements; - Carry out enforcement training for various categories of personnel having responsibility for trade including officials of Customs, NEPC, Nigeria International Trade Commission, Federal Ministry of Commerce, Foreign Commercial Service, etc. 	<p>Short Term</p> <p>Short/Medium Term</p> <p>Short Term</p> <p>Short Term</p> <p>Short Term</p> <p>Short Term</p>	<p>FMC</p> <p>FMC/FMJ</p> <p>FMC/FMJ</p> <p>FMC/FMJ</p> <p>FMC</p> <p>FMC/NCS/NEPC/OPS</p>
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GLOSSARY

I.	AFEM	-	(Autonomous Foreign Exchange Market)
II.	AGOA	-	(African Growth and Opportunity Act)
III.	AMD	-	(Anticipatory Market Development)
IV.	ASYCUDA	-	(Automated System of Customs Data Administration)
V.	BOFID	-	(Bank and Other Financial Institutions Decree)
VI.	BOP	-	(Balance of Payment)
VII.	CAC	-	(Corporate Affairs Commission)
VIII.	CBN	-	(Central Bank of Nigeria)
IX.	C & E	-	(Commodity and Export)
X.	COMEX	-	(Commodity Exchange and Futures Market)
XI.	CPC	-	(Consumer Protection Council)
XII.	CRIN	-	(Cocoa Research Institute of Nigeria).
XIII.	ECOWAS	-	(Economic Community of West African States)
XIV.	EPF	-	(Export Processing Factories)
XV.	EPV	-	(Export Production Villages)
XVI.	EU-ACP	-	(European Union – Africa, Caribbean and Pacific Nations)
XVII.	EPZs	-	(Export Processing Zones)
XVIII.	FDI	-	(Foreign Direct Investment)
XIX.	FG	-	(Federal Government)
XX.	FIIRO	-	(Federal Institute for Industrial Research Oshodi)
XXI.	FMA	-	(Federal Ministry of Agriculture)
XXII.	FMC	-	(Federal Ministry of Commerce)
XXIII.	FMF	-	(Federal Ministry of Finance)
XXIV.	FMI	-	(Federal Ministry of Industries)
XXV.	FMJ	-	(Federal Ministry of Justice)
XXVI.	FMT	-	(Federal Ministry of Transport)
XXVII.	FMS&T	-	(Federal Ministry of Science and Technology)

XXVIII.	FOS	-	(Federal Office of Statistics)
XXIX.	FPIS	-	(Federal Produce Inspection Service)
XXX.	FIRS	-	(Federal Inland Revenue Service)
XXXI.	FRSC	-	(Federal Road Safety Commission)
XXXII.	FSCC	-	(Financial Services Coordinating Committee)
XXXIII.	GATS	-	(General Agreement on Trade in Services)
XXXIV.	GMP	-	(Guaranteed Minimum Price)
XXXV.	Hi-Tech	-	(High Technology)
XXXVI.	IATA	-	(International Air Transport Association)
XXXVII.	IT	-	(Information Technology)
XXXVIII.	MAN	-	(Manufacturers Association of Nigeria)
XXXIX.	MTP	-	(Market Technology Product)
XL.	NACCIMA	-	(Nigerian Association of Chamber of Commerce, Industry, Mines and Agriculture)
XLI.	NAFDAC	-	(National Agency for Food and Drug Administration and Control)
XLII.	NASSI	-	(Nigerian Association of Small Scale Industrialists)
XLIII.	NCC	-	(National Communication Commission)
XLIV.	NCS	-	(Nigeria Customs Service)
XLV.	NEPA	-	(National Electric Power Authority)
XLVI.	NEPC	-	(Nigerian Export Promotion Council)
XLVII.	NEPZA	-	(Nigeria Export Processing Zone Authority)
XLVIII.	NEXIM	-	(Nigerian Export-Import Bank)
XLIX.	NFP	-	(National Focal Point)
L.	NICON	-	(National Insurance Corporation of Nigeria)
LI.	NIFOR	-	(Nigerian Institute For Oil Research)
LII.	NIHORT	-	(National Institute for Horticulture)
LIII.	NIPC	-	(Nigerian Investment Promotion Commission)
LIV.	NISDF	-	(National Industrial Stabilization and Development Fund)
LV.	NITPRO	-	(Nigerian Committee on Trade Procedure)
LVI.	NNPC	-	(Nigerian National Petroleum Corporation)
LVII.	NOTAP	-	(National Office of Technology Acquisition and Promotion)

LVIII.	NPA	-	(Nigerian Ports Authority)
LVIX.	NPF	-	(Nigerian Police Force)
LX.	NYSE	-	(New York Stock Exchange)
LXI.	OPS	-	(Organized Private Sector)
LXII.	PRODA	-	(Product Development Agency)
LXIII.	R & D	-	(Research and Development)
LXIV.	RIL	-	(Research-to-Industry Linkage)
LXV.	RMRDC	-	(Raw Material Research and Development Council)
LXVI.	RRIN	-	(Rubber Research Institute of Nigeria)
LXVII.	SAP	-	(Structural Adjustment Programme)
LXVIII.	SEC	-	(Securities Exchange Commission)
LXIX.	SME	-	(Small Scale Enterprises)
LXX.	SIPTM	-	(Special Investigation Panel on Trade Malpractice)
LXXI.	SON.	-	(Standard Organization of Nigeria)
LXXII.	TBI	-	(Technology Business Incubation)
LXXIII.	TRB	-	(Trade Review Board)
LXXIV.	TRIPS	-	(Trade Related Intellectual Property Rights)
LXXV.	U.N	-	(United Nations)
LXXVI.	VAT	-	(Value Added Tax)
LXXVII.	VIO	-	(Vehicle Inspection Office)
LXXVIII.	WAPPOL	-	(West African Power Pool)
LXXIX.	W/M	-	(Weights and Measures)
LXXX.	WTO	-	(World Trade Organization)
LXXXI.	OIML	-	(International Organisation of Legal Metrology)
LXXXII.	BOT	-	(Build-Operate Transfer)
LXXXIII.	ARMTI	-	(Agricultural Rural Management Training Institute).

Annex

SOME LAWS AND REGULATIONS RELEVANT TO TRADE

The following Laws and Regulations directly or indirectly impinge on the trading system in Nigeria.

S/N	TITLE OF LAW/REGULATION
1.	Customs and Excise Management Act, Cap 84, LFN, 1990
2.	Companies and Allied Matters Act No. 1, 1990
3.	Personnel Income Tax Act No. 104, 1993
4.	Customs, Excise Tariff, etc (Consolidation Act No. 4 1995 as amended by Acts Nos. 13 & 33 of 1996; 20 of 1998 and 10 & 29 of 1999
5.	Immigration Act, Cap 171 LFN, 1990
6.	Trade Marks Act, Cap 436, LFN, 1990
7.	Industrial Inspectorate Act, Cap 180 LFN, 1990
8.	Patents and Designs Act, Cap 344, LFN 1990
9.	Industrial Development (Income Tax Relief) Act, Cap 179, LFN 1990
10.	Industrial Training Fund Act, Cap 182, LFN, 1990
11.	Standards Organisation of Nigeria
12.	Weights and Measures Act, Cap 467, LFN, 1990
13.	Trade Disputes Act, Cap 432, LFN, 1990
14.	Trade Disputes Essential Services Act, Cap 433, LFN, 1990
15.	Labour Act, Cap 198, LFN, 1990
16.	Productivity, Prices and Income Board Act, Cap 372, LFN, 1990
17.	Pre-Shipment Inspection of Export Act No. 10, 1996
18.	Pre-Shipment Inspection of Import Act No. 11, 1996
19.	Bankruptcy Act, Cap 30, LFN, 1990 as amended by Act No. 109, 1992
20.	Companies Income Tax Act, Cap 181, LFN, 199
21.	Industrial Promotion Act, Cap 181, LFN, 1990
22.	National Office of Industrial Property Act, Cap 268, LFN, 1990 as amended by Act No. 82, 1992
23.	Investment and Securities Act No. 45, 1999
24.	Nigerian Investment Promotion Commission Act No. 16, 1995 as amended by Act No. 32, 1998
25.	Export Incentives (Miscellaneous Provisions) Act, Cap 118, LFN, 1990
26.	Foreign Exchange (Monitoring and Miscellaneous Provisions) Act No. 17, 1995.

27.	Nigerian Export Credit Guarantee and Insurance Corporation Act, Cap 305, LFN 1990
28.	Public Enterprises (Privatisation and Commercialisation) Act, No. 28, 1990
29.	Nigerian Export Promotion Council Act, Cap 306 LFN, 1990 as amended by Act No. 64 of 1992
30.	Nigeria Export-Import Bank Act No. 38 1991
31.	Nigeria Export Processing Zones Act No. 63, 1992
32.	Value Added Tax Act No. 102, 1993
33.	Endangered Species (Control of International Trade and Traffic) Act, Cap 108, LFN, 1990
34.	National Shipping Policy Act, Cap 279 LFN, 1990
35.	Nigerian Shippers' Council (Freight Stabilisation Fees on Imports and Exports) Regulations
36.	Nigeria Shippers' Council (Local Shipping Charges on Imports and Exports) Regulations, S.I. 7, 1997
37.	Export of Nigerian Produce Act, Cap 119 LFN, 1990
38.	Export Produce (Federal Powers) Act, Cap 120, LFN 1990
39.	Export (Prohibition) Act, Cap 121, LFN, 1990
40.	External Trade Letters of Credit (Control) Act, Cap 124, LFN, 1990
41.	Standards Organisation of Nigeria Act, Cap 412, 1990 as amended by Act No. 18, 1990
42.	Consumer Protection Act, No. 66, 1992
43.	Trade Malpractices (Miscellaneous Offences) Act No. 67, 1992
44.	Nigerian Tourism Development Corporation Act No. 81, 1992
45.	Lagos International Trade Fair Complex Management Board Act No. 68, 1993
46.	Nigerian Cooperatives Societies Act No.90, 1993
47.	Oil and Gas Export Free Zone Act No. 8, 1996
48.	Nigerian Ports Authority Act No. 38, 1999