



African Continental Free Trade Area (AfCFTA) – Impact and Readiness Assessment

Volume II

Main Report

May 2019



Report Layout

Due to the technical nature and size of the information collected as part of the study, the report of the impact and readiness assessment is presented in three volumes as follows:

Volume I: Executive Summary

This volume contains the summary of the findings of the assessment of the potential impacts of the African Continental Free Trade Area (AfCFTA) Agreement and the requirements to prepare Nigeria for the advent of the AfCFTA trading regime in Africa.

Volume II: Main Report

This volume contains the full report of the assessment of the potential impacts of the African Continental Free Trade Area (AfCFTA) Agreement and the readiness requirements.

Volume III: Key Reference Documentation

This volume contains selected reference documentation including reports of technical studies and position papers from both public and private organizations and stakeholder groups.



Abbreviations

AfCFTA	African Continental Free Trade Area
AU	African Union
BOI	Bank of Industry
CET	Common External Tariff
CGE	Computable General Equilibrium
CMA	Central Monetary Authority
COMESA	Common Market for Eastern and Southern Africa
DFID	Department for International Development
DMB	Deposit Money Banks
EAC	East African Community
ECCAS	Economic Community of Central African States
ECOWAS	Economic Community of West African States
EFInA	Enhancing Financial Innovation and Access
EODB	Ease of Doing Business
EPA	Economic Partnership Agreement
ERGP	Economic Recovery and Growth Plan
ETI	Enabling Trade Index
ETLS	ECOWAS Trade Liberalization Scheme
FDI/FPI	Foreign Direct Investment/Foreign Private Investment
FEC	Federal Executive Council
FIRS	Federal Inland Revenue Service
GCI	Global Competitiveness Index
GDP	Gross Domestic Product
HCI	Human Capital Index
IMF	International Monetary Fund
ISRTS	Inter State Road Transit Scheme
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
MAN	Manufacturers Association of Nigeria
MDAs	Ministries, Departments and Agencies
MFN	Most Favoured Nation
MOF	Ministry of Finance
MPR	Monetary Policy Rate
MSME	Micro, Small and Medium Enterprises
NACCIMA	Nigerian Association of Chambers of Commerce and Industry, Mines and Agriculture
NBS	National Bureau of Statistics
NCS	Nigerian Customs Service
NIMASA	Nigerian Maritime Administration and Safety Agency
NiNAS	Nigeria National Accreditation Service
NIRP	Nigeria Industrial Revolution Plan
NMI	National Metrology Institute
NOTN	Nigerian Office for Trade Negotiations
NQIP	Nigeria Quality Infrastructure Project



NQP	National Quality Policy
NRC	Nigerian Railway Corporation
OECD	Organization for Economic Co-operation and Development
PEBEC	Presidential Enabling Business Environment Council
PIDF	Presidential Infrastructure Development Fund
REC	Regional Economic Community
RIDRITCS	Road Infrastructure Development and Refurbishment Investment Tax Credit Scheme
RoO	Rule of Origin
RTA	Regional Trade Agreement
SADC	Southern Africa Development Community
SEZ	Special Economic Zone
TBT	Technical Barriers to Trade
TFA	Trade Facilitation Agreement
TFI	Trade Facilitation Index
TFP	Total Factor Productivity
TFTA	Tripartite Free Trade Area
TTC	Technical Tariff Committee
TTP	Truck Transit Park
UMA	Maghreb Arab Union
UNCTAD	United Nations Conference on Trade and Development
UNIDO	United Nations Industrial Development Organization
WITS	World Integrated Trade Solutions



Table of Contents

1	Introduction	9
1.1	Background of the AfCFTA	9
1.2	Core Provisions of the AfCFTA	9
1.3	Background of the Impact and Readiness Assessment	10
1.4	Mandate of the Committee	11
1.5	Committee Organization	12
1.6	Study Approach and Methodology	13
1.6.1	Guiding Principles	13
1.6.2	Study Approach	14
1.6.3	Methodology	15
2	Overview of Nigeria's and Intra-Africa Trade	19
2.1	Intra-African Trade	19
2.1.1	Trade in Goods	19
2.1.2	Trade in Services	21
2.2	The Nigerian Context	22
2.2.1	Nigeria's Trade in Goods	22
2.2.2	Nigeria's Trade in Services	25
2.2.3	AfCFTA and Nigeria's Development Agenda	26
3	Impact Assessment	30
3.1	Impact of AfCFTA on Nigeria's Intra-Africa Trade Patterns	30
3.2	Impact on Government Revenue and Fiscal Policy	31
3.2.1	Impact on Government Revenues	31
3.2.2	Impact on Gross Domestic Product (GDP) Growth	32
3.2.3	Impact on Household	33
3.2.4	Impact on Real Interest Rate, Return on Capital and Investments	34
3.3	Impact on Foreign Investments	34
3.4	Implications for Monetary Policy	35
3.5	Impact on Manufacturing Sector	36
3.5.1	Impact analysis based on scenario 1	36
3.5.2	Impact analysis based on scenario 2	39
3.6	Implications of Predatory Trade Practices on AfCFTA	41
3.7	Implications of Legacy Trade Agreements on AfCFTA	41
3.8	Foreign Policy Implications of AfCFTA	42
4	Readiness Assessment	44



4.1 Readiness of African Countries for AfCFTA	44
4.2 Nigeria's readiness for African Continental Free Trade Area	47
4.2.1 Trade Capacity	47
4.2.2 Trade Infrastructure	51
4.2.3 Trade Environment	62
4.2.4 Trade Enforcement	74
4.2.5 Legal Considerations	79
4.3 Governance Arrangement	86
4.3.1 Current Trade Management Structure	86
4.3.2 Proposed Governance Arrangements	88

5 Conclusions	91
6 Recommendations	92
7 Appendices	95

7.1 Appendix 1: Committee Composition	96
7.1.1 Steering Committee Members	96
7.1.2 Committee Secretariat	97
7.1.3 Technical Work Group	97

7.2 Appendix 2 – Readiness Parameters	105
7.3 Appendix 3 – List of documents reviewed	114
7.3.1 Impact Assessment	114
7.3.2 Legal and AU/European Level Transition Arrangements	115
7.3.3 Cost of Money, Monetary and Fiscal Policies	118
7.3.4 Trade Facilitation and Ease of Doing Business	120
7.3.5 Energy & Trade Logistics Services and Infrastructure	122
7.3.6 Production, Services and Export Trade Capacity Enhancement	129
7.3.7 Trade Enforcement and Movement of Persons	132

7.4 Appendix 4- List of Reviewed Reports	135
7.5 Appendix 5- Additional Information	135
7.5.1 African Regional Integration and Trade	135
7.5.2 Nigeria's Potential Market in Africa	137
7.5.3 Trade Capacity	138
7.5.4 Trade Infrastructure	152
7.5.5 Trade Environment	159
7.5.6 Legal	162



List of Figures

Figure 1: Top 10 Contributors to Intra-African Trade, 2016-2017 (Source- International Trade Centre – Trade Map 2017)	20
Figure 2: Export Concentration Indices (Source: Afrieximbank: African Trade Report 2018)	20
Figure 3: Value of Nigerian Trade (Source: Afrieximbank: African Trade Report 2018)	22
Figure 4: Value of Nigeria's Total Export and Import (2017) Source: Trade Map	22
Figure 5: Nigeria's global top export and import partners (2017) Source: Trade Map	23
Figure 6: Value chain of Nigeria's export trade with the World	23
Figure 7: Value chain of Nigeria's import trade with the world	23
Figure 8: Nigeria's Intra African trade product distribution (Source: Trade Map - 2017)	24
Figure 9: Nigeria's intra African trade partners (Source: Trade Map - 2017)	24
Figure 10: Value chain distribution of Nigeria's exports to Africa (Source: Trade Map – 2017)	25
Figure 11: Value chain distribution of Nigeria's imports from Africa (Source: Trade Map - 2017)	25
Figure 12: Value of Nigerian Trade in Services (Source: International Trade Centre (ITC))	26
Figure 13: Power Supply and Demand Projection (Source: Transmission Expansion Plan)	52
Figure 14: Access to Electricity (% of population) (Source: World Bank)	52
Figure 15: Quality of Electricity Supply (Source: Global Competitiveness Index)	52
Figure 16: Volume of Goods/Cargo Transported by Rail (Source: National Bureau of Statistics)	55
Figure 17: Nigeria's Rail Network Map (Source: Nigerian Railway Corporation)	56
Figure 18: International and Domestic Air Passengers (Source: National Bureau of Statistics)	58
Figure 19: Air Cargo Traffic (tonnes) (Source: National Bureau of Statistics)	59
Figure 20: Trade Facilitation Performance (Source: Trade Facilitation Index)	63
Figure 21: Macro-economic variables (Source: Central Bank of Nigeria)	67
Figure 22: Comparative monetary policy rates as at 30 Nov. 2018 (Source: Central Banks of listed countries) .	67
Figure 23: Financial inclusion metrics for comparative countries (Source: World Bank's Global Financial Index)	69
Figure 24: Lending rate across comparative countries (Source: World Bank)	70
Figure 25: Inflation Rate – Oct 2018 except for Kenya (Nov) (Source: Central Banks of comparator countries)	70
Figure 26: Federal Government Development Programme (Source: CBN, BOI)	71
Figure 27: Foreign Direct Investment Inflows (Source: UNCTAD)	73
Figure 28: Net FDI Inflow and Outflow 2012 – 2017 (Source: UNCTAD)	73
Figure 29: Level of Insecurity (Source: Institute for Economics & Peace)	78
Figure 30- Percentage of Nigeria's Trade Agreements across regions in the world (Source: FMITI & FMJ)	81
Figure 31: Structure of the Department of Trade, FMITI	86
Figure 32: Structure of the Nigerian Office for Trade Negotiations (NOTN)	87
Figure 33: Proposed Structure for the National Action Committee on AfCFTA	89
Figure 34: Africa REC Integration	135



List of Tables

Table 1: Trade Readiness Indices	17
Table 2: Thematic areas for readiness parameters	17
Table 3: African Trade Statistics	19
Table 4: External Trade Effects	31
Table 5: Impact on Revenue and Fiscal Policy Parameters	32
Table 6: Impact on GDP	33
Table 7: AfCFTA Impact on Household	33
Table 8: Impact on Real Interest Rate and Return on Capital and Investment	34
Table 9: Impact on Manufacturing (Scenario One Results)	38
Table 10: Impact on Manufacturing (Scenario Two Results)	40
Table 11: African Trade Potential Indices, Top 20 (2008 - 2017)	45
Table 12- Foreign Market Access	47
Table 13- ERGP Sector targets (* - GDP targets; ** - 2020 GDP growth targets)	50
Table 14- ERGP projects and investment requirement	50
Table 15: Power Readiness Critical Dependencies	53
Table 16: Road Readiness Requirements Implementation Plan	54
Table 17: Rail Readiness Requirements Implementation Plan	57
Table 18: Nigerian Airports	57
Table 19: Aviation Readiness Requirements Implementation Plan	60
Table 20: Nigerian Ports Profile	61
Table 21: Ports Readiness Requirements Implementation Plan	62
Table 22: Trade Facilitation Readiness Requirements Implementation Plan	64
Table 23: Ease of Doing Business Performance Comparison	65
Table 24: Ease of Doing Business Readiness Requirements Implementation Plan	66
Table 25: Fiscal indicators in the ERGP	71
Table 26: Top items smuggled into Nigeria	75
Table 27: Trade Enforcement Readiness Requirements Implementation Plan	78
Table 28: Sections of the AfCFTA Agreements that need review/clarifications	82
Table 29: Legal Considerations Readiness Requirements Implementation Plan	85
Table 30- Priority products as defined by ERGP and other Development Plans	137



1 Introduction

1.1 Background of the AfCFTA

The Assembly of the Heads of State and Government of the African Union (AU) at its 18th Ordinary Session in January 2012, adopted the decision to establish a continental free trade area in Africa by 2017. This decision was in furtherance of the objectives of the Abuja Treaty (1991) which has among its objectives, the strengthening of Africa's regional economic communities, establishment of free trade area, common external tariff and common market and gradual removal of obstacles to the free movement of persons, goods, services, capital and the right of residence and establishment.

The African Continental Free Trade Area (AfCFTA) is expected to create a single market for goods and services. It also aims to liberalise and facilitate the movement of people, investment and business across the continent. The specific vision of the free trade area is to integrate, diversify and industrialise the economies of African countries.

The broad objectives of the AfCFTA as stated in the Agreement are to:

- i. Create a single continental market for goods and services, with free movement of business persons and investments;
- ii. Expand intra-African trade through better harmonization and coordination of trade liberalization and facilitation and instruments across the Regional Economic Communities (RECs) and across Africa in general;
- iii. Enhance competitiveness at the industry and enterprise level through optimization of opportunities for improving scale of production, continental market access and better reallocation of resources;
- iv. Unify the trade environment for the fifty-five (55) African countries with a combined population of over one billion people and a combined gross domestic product of more than \$ 2.5 trillion; and
- v. Pave the way for accelerating the establishment of the Customs Union in line with the AU 2063 Agenda.

The African Continental Free Trade Area (AfCFTA) is the first stage of economic integration in Africa. Other stages will include Custom Union, Common Market, Economic Union, Monetary Union and Full Economic Union.

1.2 Core Provisions of the AfCFTA

For the purpose of fulfilling the objectives of the AfCFTA, the Agreement stipulates that liberalization of 90% of tariff lines shall be achieved 5 years after commencement of the agreement. Considering this, Member States have a five (5) year transition window to prepare for AfCFTA. In particular, Article 4 of the Agreement states that Member States shall:

- i. Progressively eliminate tariffs and non-tariff barriers to trade in goods and liberalize trade in services;
- ii. Cooperate on all trade-related areas, investment, intellectual property rights and competition policies;



- iii. Cooperate on customs matters and implementation of trade facilitation matters;
- iv. Establish a mechanism for the settlement of trade disputes; and
- v. Establish and maintain an institutional framework for the implementation and administration of the AfCFTA.

Furthermore, Article 5 of the AfCFTA Agreement specifies the following principles:

- i. AfCFTA shall be driven by Member States of the African Union, using the Regional Economic Communities Free Trade Areas such as ECOWAS as building blocks;
- ii. Most Favoured Nation (MFN) treatment shall apply, as such, AfCFTA Member States shall receive equal trade advantages that a Member State grants its "most favoured nation";
- iii. National Treatment shall apply, so, citizens of AfCFTA Member States shall enjoy same rights, benefits or privileges granted to citizens of a country and imports from Member States shall receive equal treatment as locally produced goods;
- iv. Countries can opt-in at a later stage and enjoy same privileges, but shall abide by all commitments and obligations that had been agreed by early members;
- v. Reciprocity or reciprocal granting of mutual concessions; and
- vi. Decision making shall be by consensus.

1.3 Background of the Impact and Readiness Assessment

On 14th of March 2018, the Federal Executive Council (FEC) approved the signing of the AfCFTA Agreement by Nigeria. The decision prompted an outcry from stakeholders citing lack of information and engagement on the scope, terms and implications of the AfCFTA. Subsequently, the President suspended the signing of the AfCFTA Agreement and instead directed the conduct of a nationwide stakeholder consultation and sensitisation exercise.

The nationwide stakeholder engagement recognised the potential benefits of the AfCFTA, but also identified challenges to the realization of the benefits for Nigeria which include among others, low competitiveness of the business environment due to unreliable power supply, high cost of money, inefficient trade logistics infrastructure (air, land and sea) and low ease of doing business. Other concerns raised include:

- i. abuse of Rules of Origin (dumping, trans-shipment, smuggling) by African and non-African trade partners which poses a threat to the effectiveness of the AfCFTA provisions to protect infant and priority industries;
- ii. competition from advanced African economies (including but not limited to South Africa, Morocco and Egypt);
- iii. un-quantified impacts of legacy preferential bi/multilateral trade agreements;
- iv. local business owners' lack of knowledge, capacity and capabilities to conduct international trade (investment, product quality, labelling/branding, certification);
- v. additional pressure on the Naira due to the largely informal Africa trade environment, complicated by absence of a continental central bank and a common monetary policy; and
- vi. difficulties in the enforcement of trade rules as experienced on ECOWAS Treaty.



Based on the foregoing challenges, a Presidential Committee, independent of the negotiations team, was inaugurated by the President on the 22nd of October 2018, to further study and quantify the impacts of AfCFTA as well as develop practical and implementable measures that will prepare and, if required, protect Nigerian businesses against them.

1.4 Mandate of the Committee

The objectives of the Committee were to:

- i. conduct a full assessment of the costs and risks inherent in the AfCFTA;
- ii. identify short, medium and long-term measures to resolve the issues and risks, including but not limited to policy, laws and regulations update, reform programs, infrastructure upgrades and compliance enforcement;
- iii. define a roadmap to prepare Nigeria for the take-off of AfCFTA trading bloc; and
- iv. finalize and launch plan to enforce the provisions of the ECOWAS treaty as part of the process to validate the practicality of some of the provisions of AfCFTA.

In line with the objectives, the Committee's scope of work covered four (4) key areas, namely:

1. **Impact Assessment:** to identify, analyse and quantify likely impacts of Nigeria's entry to the AfCFTA by reviewing impacts on:
 - i. review of impacts on government revenue and fiscal policy;
 - ii. review of impact on the monetary policy considering the absence of a continental monetary policy arrangement/understanding;
 - iii. review of changes in intra-Africa trade patterns (import/exports) and their impacts on local businesses (at product, sector and aggregate levels);
 - iv. impact of smuggling and abuse of the rules of origin due to AfCFTA; and
 - v. impact of legacy bilateral/multilateral trade agreements, e.g. EPA, ECOWAS.
2. **Readiness Assessment:** to outline measures to mitigate the costs and risks of AfCFTA and prepare Nigerian businesses for the AfCFTA, taking into consideration, ongoing programs and reforms. The measures shall include critical trade enhancing projects, policies, reforms and compliance actions to be implemented over the next 5- 10 years. Specific tasks include to:
 - i. identify and define remedial actions for policies, laws and regulations that are in conflict with the AfCFTA;
 - ii. identify and quantify non-tariff and other non-technical barriers which if not addressed, will impede export of Nigerian Goods and Services and erode the expected benefits from AfCFTA;
 - iii. identify transitional arrangements that must be instituted at AU and Member States to mitigate risks of AfCFTA;
 - iv. assess trade logistics, energy and other infrastructure requirements to enable the major production and service hubs across the country;
 - v. identify key markets for priority Nigerian goods and services and requirements to unlock these markets; and



- vi. identify incentives and capacity building requirements to prepare local businesses for export to Africa and beyond.

3. ECOWAS and other Trade Treaties Enforcement: to outline required actions to enforce the provisions of ECOWAS and other trade treaties with a view to assessing the practicality of enforcing the safeguards in the AfCFTA, including:

- i. Harmonise and finalise of the plans developed by other committees and MDAs to tackle smuggling and enforce Rule of Origin provisions in the ECOWAS and other trade treaties;
- ii. Develop plans to enforce all other critical aspects of the ECOWAS treaty including non-tariff barriers; and
- iii. Outline short-term actions to tackle smuggling, dumping, and abuse of rules of origin, subject to presidential approval.

4. Governance & Stakeholders Management Arrangement: to assess and recommend an operating model to mainstream trade into national development plans and programmes to derive the expected benefits of AfCFTA. The operating model shall:

- i. Outline an organization to ensure harmonization and coordination of trade related plans and projects among relevant government entities (MDAs), the organized private sector and the public;
- ii. Develop a framework for continuous acquisition and dissemination of reliable trade research and intelligence information to policy and investment decision makers;
- iii. Define a platform to integrate stakeholders (3 tiers of government, private sector, civil society, etc.) into the policy formulation, implementation, communication, monitoring, and evaluation and update processes.

1.5 Committee Organization

The organization structure below was adopted by the Committee. Seven (7) distinct thematic work groups were setup to cover the Technical Committee's scope of work.

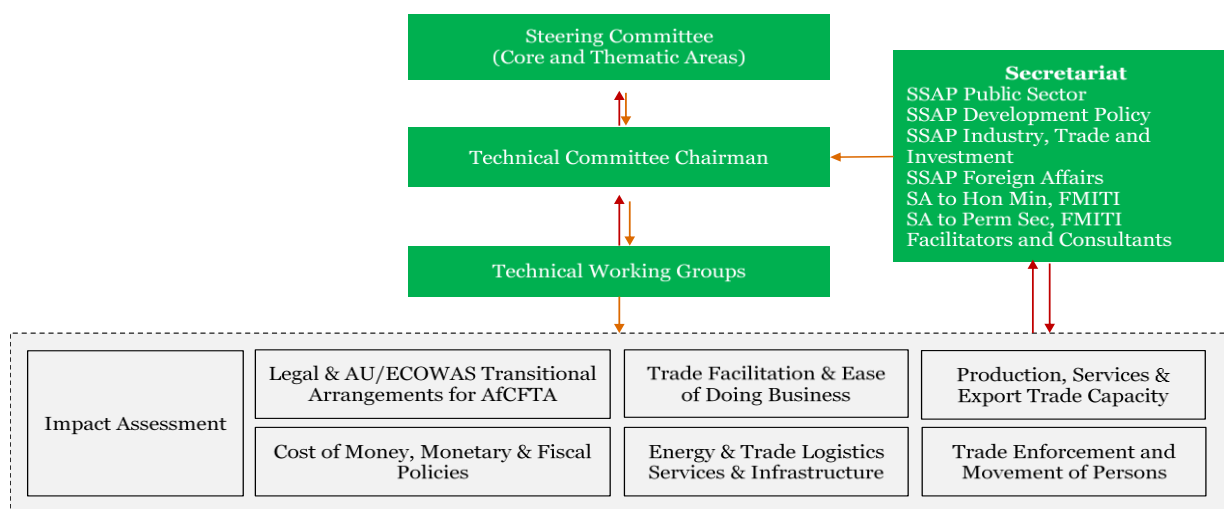


Figure 1:- Technical Committee Structure

Composition of the Steering Committee, Technical Working Groups and Secretariat is included in [Appendix 1](#).



1.6 Study Approach and Methodology

1.6.1 Guiding Principles

In conducting the review of the impact and readiness requirements of the AfCFTA the Committee was guided by Nigeria's national interest, foreign policy objectives and the country's ability to undertake the critical readiness projects.

Based on the above, the Committee defined the following guiding principles:

- i. Nigeria is a leading member of the African Union and signatory to several protocols to promote African integration, including the Abuja Treaty that established the African Economic Community;
- ii. the Abuja Treaty has among its objectives, the strengthening of Africa's regional economic communities, establishment of a free trade area, common external tariff and common market and gradual removal of obstacles to the free movement of persons, goods, service, capital and the right of residence and establishment. Therefore, AfCFTA is in furtherance of the Abuja Treaty;
- iii. Section 19 of Chapter II of the 1999 Constitution (as amended), specified Nigeria's foreign policy objectives to include inter-alia: the promotion and protection of national interests and the promotion of Africa integration and support for African unity;
- iv. Nigeria's economy recently emerged from a very painful recession. Recovery has been steady but slow. In 2018, GDP grew by 1.93% compared to 4.8% forecasted in the ERGP. In addition, unemployment figures released by NBS remain high;
- v. predatory trade practices targeted at Nigeria, especially smuggling and abuse of rules of origin, have persisted despite active ECOWAS protocols, other bilateral agreements on rules of origin and customs cooperation signalling gaps in execution. Considering that 92% of Nigeria's imports come from outside Africa, AfCFTA arrangements have to include practical and enforceable mechanisms to contain predatory trade practices;
- vi. the establishment of the AfCFTA is being progressed in phases. Phase I involves the agreement to establish the AfCFTA, the protocols on trade-in-goods and trade-in-services and their annexures; and the rules and procedures on the settlement of disputes. Phase II includes protocols on competition policy, investment and intellectual property;
- vii. as at 29th April 2019, 52 African countries have signed the AfCFTA agreement. Also, on this date, 22 African Union Members that are signatories have ratified and deposited their "Instruments of Acceptance" with the Chairperson of the African Union Commission (AUC)¹. As provided in the Agreement Establishing the AfCFTA, the agreement shall come into force 30 days after 22 signatory AU Member States have deposited their Instruments of Ratification to the African Union Commission.
- viii. therefore, the AfCFTA shall come into force on May 30th, 2019 and shall be launched, operationally, by all Heads of State and Government of the African Union at their Extraordinary Summit, in Niamey, on July 7th 2019.
- ix. negotiations on the annexures to Phase I (agreement and protocols) commenced in June 2018 and are ongoing. These negotiations involve specific and substantive discussions on the needs and concerns of each member state and on the details of implementation.

¹ Chad, Congo Republic, Cote d' Ivoire, Djibouti, Egypt, eSwatini, Ethiopia, Ghana, Guinea, Kenya, Mali, Mauritania, Namibia, Niger, Rwanda, Senegal, Sierra Leone, South Africa, Togo, Uganda, Zimbabwe and The Gambia (Source: AU Commission/NOTN)



- x. Nigeria re-joined the negotiations in December 2018, as an Observer, in the capacity of Chairman of ECOWAS. By the principle of variable geometry², Nigeria will have to accept and abide by the decisions reached whenever it decides to join the AfCFTA bloc;
- xi. Annexures being negotiated under the Protocol on Trade in Goods include: (i) Schedule of Tariff Concessions (ii) Rules of Origin; (iii) Customs cooperation and mutual administrative assistance, (iv) Trade facilitation; (v) Transit trade and Transit facilitation; (vi) Technical barriers to trade; (vii) Sanitary and Phytosanitary measures; (viii) Non-tariff barriers; and (ix) Trade remedies; and
- xii. the Trade-in-Services Annexures include: (i) Schedules of specific commitments; (ii) MFN exemption and (iii) Annex on air transport.

The above realities and guiding principles provided the Committee with the basis for its evaluation of the AfCFTA from the perspectives of Nigeria's *national interest (short and long term)*; *foreign policy objectives* and the *ability to undertake the necessary readiness interventions*, to address the questions:

- i. considering national interest, foreign policy objectives and the ability to undertake necessary readiness interventions, should Nigeria, join the AfCFTA now, delay until certain milestones are met or decline to join the AfCFTA altogether; and
- ii. for each of the above decision options, assess the implications and recommendations.

1.6.2 Study Approach

Based on the above guiding principles the key national interest considerations in the review of the AfCFTA include the:

- i. degree of alignment between AfCFTA and the Economic Recovery and Growth Plan (ERGP);
- ii. potential loss of revenue to government and its impact on Nigeria's fiscal policy;
- iii. Form and extent of impact of AfCFTA on Nigeria's monetary policy;
- iv. Likely changes in export/import patterns and implications for local output, investments and jobs;
- v. Implications of AfCFTA on smuggling, trans-shipment, dumping and other predatory trade practices which are already having significant negative effects on Nigeria;
- vi. Implications of AfCFTA on legacy bilateral/multilateral trade agreements; and
- vii. Implications of free movement of persons, goods, services and capital with AfCFTA on national security.

The foreign policy considerations for the AfCFTA include Nigeria's:

- i. leadership position in ECOWAS, African Union and its standing in global politics;
- ii. objectives on Africa's integration and unity; and
- iii. ability to address known and potential risks associated with AfCFTA including existing and new tariff and non-tariff barriers as well as predatory trade practices.

* Data is based on International Trade Center (Trade Map) – 2017 figures

² Variable Geometry means that countries can opt-in at a later stage and enjoy same privileges but shall abide by all commitments and obligations that had been agreed by early members



The readiness considerations for the AfCFTA include:

- i. selection of priority products and services for export to Africa and for protection at home;
- ii. identification of local laws, policies, regulations and programmes in conflict with AfCFTA and remedial actions required;
- iii. assessment of the infrastructure needs (power, road, rail, port, airport, water, and quality);
- iv. identifying quality infrastructure needs to upgrade Nigeria's products and services to global standards and incentives, capacity building and other requirements to promote exports;
- v. assessment of actions to enforce the provisions of ECOWAS and other trade treaties especially on smuggling, dumping and enforcement of Rules of Origin;
- vi. understanding the implications of AfCFTA on national security and actions to mitigate the risks; and
- vii. assessment of governance, organizational, and stakeholder management arrangements to:
 - a. mainstream AfCFTA readiness requirements into national development plans and programmes;
 - b. coordinate and harmonize trade related plans and projects among relevant government entities (MDAs), the organized private sector and the public;
 - c. undertake continuous acquisition and dissemination of reliable trade research and intelligence information for policy and investment decision making; and
 - d. monitor progress of implementation of the AfCFTA readiness programmes and escalate to appropriate levels to resolve blocking points.

1.6.3 Methodology

The impact assessment relied on the outcome of a regional Computable General Equilibrium (CGE) modelling study commissioned by the Committee, the report of an econometric modelling of the impact of AfCFTA on manufacturing sector commissioned by MAN, over 200 submissions from MDAs such as the ERGP team, the Central Bank of Nigeria, Federal Inland Revenue Service and stakeholders such as the Manufacturers Association of Nigeria, NACCIMA and Department for International Development (DFID). It also relied on desktop research conducted by the Impact Assessment Work stream of the Committee.

The regional Computable General Equilibrium (CGE) model³ was used to assess impact of AfCFTA on government revenue, changes in intra-Africa trade patterns (import/exports) and the impact on domestic businesses.

The CGE model assessed the impact of trade liberalization under three scenarios namely:

- (i) complete elimination of import tariffs (baseline scenario);
- (ii) complete elimination of import tariffs plus a Central Monetary Authority (CMA) to capture external funding channels to cushion the short term fiscal impact; and

³ The CGE model accounted for 30 African countries that constitute about 93% of the continent's GDP.



(iii) complete elimination of import tariffs with broadening of domestic tax (income and sales tax) by 1%, to cushion the short term negative fiscal impact. Income tax broadening entails expansion of the direct income tax bracket while broadening of the indirect tax base entails extending value added tax to cover more products and services.

All the scenarios assumed total factor Productivity (TFP) improvements such as infrastructure development.

The CGE was limited to the real economy due to time constraints, so, further analysis using descriptive and econometric evidence was conducted to examine the effect on monetary variables and impact on investment flows.

A quantitative impact assessment of AfCFTA on manufacturing sector conducted by the Manufacturers Association of Nigeria (MAN) provided information on potential import surge and impact on manufacturing output, investment and employment. However, instead of AfCFTA proposal to remove tariffs from 90% of tariff lines in 5 years, the MAN study was based on gradual removal of tariff under two scenarios. The first scenario assumed a transition period of 5 years, overall tariff reduction of 50% by year 10 and full liberalization by year 15. The second scenario assumed liberalization of tariff lines currently at 5% tariff rate within 5 years, liberalization of items currently at 10% tariff rate by year 10 and liberalization of items currently at 20% tariff rate by year 15. In both scenarios, it assumed that all items currently at 35% tariff rate (equivalent to 2.4% of tariff lines) will be transferred to the AfCFTA exclusive list.

Extensive literature review, regional and international experiences were employed to assess potential implications of AfCFTA on smuggling, abuses of the rules of origin as well as impact on legacy bilateral/multilateral trade agreements.

Nigeria's readiness for the AfCFTA was assessed in terms of the country's trade capacity, trade infrastructure, trade environment and trade enforcement. The readiness assessment relied on:

- i. data from the International Trade Centre (Trade Map) and the World Bank's World Integrated Trade Solutions (WITS) databases for the market assessment;
- ii. selected global indices such as Enabling Trade Index, Global Competitiveness Index and Logistics Performance Index, Trade Facilitation Index (TFI), Ease of Doing Business (EoDB), Human Capital Index (HCI) and other indices for assessing competitiveness (as shown in Table 1); and
- iii. submissions from MDAs and desktop research for the review of scope and status of implementation of national and sector development plans, to gauge the robustness of the plans to cope with the effects of AfCFTA and the possibility of attaining reasonable state of readiness at the onset of the liberalization⁴.
- iv. Peer country readiness comparison using comparator countries such as Ghana, Cote d'Ivoire, Egypt, Kenya, Morocco and South Africa which are top trading countries in Africa.

⁴ The AfCFTA liberalization date is currently uncertain but has been assumed to be 5 years from the effective date of the AfCFTA Agreement (i.e. 30 days after the submission of the instrument of ratification by the 22nd Member State).



Table 1: Trade Readiness Indices

Index	Focus	Source
Global Competitiveness Index	This assesses a set of institutions, policies, and factors that determine the level of productivity of a country, conditions of public institutions and technical conditions. It provides a comparative overview of the economic and business potential of countries. The GCI enables decision makers to estimate the productivity of individual sectors identifying elements of the economy that stimulate or inhibit growth.	World Economic Forum
Enabling Trade Index	This measures the factors, policies and services that facilitate the trade in goods across borders and to destinations. It is made up of four sub-indexes of Market access, Border administration, Transport & communications infrastructure and Business environment.	World Economic Forum
Trade Facilitation Index	To identify areas for action and enable the potential impact of reforms to be assessed. It focuses on identifying actions around border procedures, reduce trade costs, boost trade flows and reap greater benefits from international trade.	OECD
Ease of Doing Business	Ease of doing business is a World Bank index. It is an aggregate figure that includes different parameters which define the ease of doing business in a country.	World Bank
Human Capital Index	To highlight how improvements in current health and education outcomes shape the productivity of the next generation of workers.	World Bank
Others	Other indices and metrics were considered in areas not considered in the 5 indices above. Some of these include: Herfindahl-Hirschmann Index (Product HHI), Global Peace Index, Liner Shipping Connectivity Index (LSCI)	

Details of indicators utilised are included within the [Appendix 2-Readiness Parameters](#). The specific sub-indicators employed for the readiness assessment are shown in the table below:

Table 2: Thematic areas for readiness parameters

Thematic Areas	Sub-Area	Assessment Indicators	Definition
Trade Infrastructure	Power	Quality of electric supply	This measures reliability of electricity supply
	Road	Quality of roads	This measures coverage and condition of road transport infrastructure
	Rail	Quality of rail infrastructure	This measures coverage and condition of rail transport infrastructure
	Aviation	Quality of air transport infrastructure	This measures coverage and condition of air transport infrastructure
	Ports	Quality of port infrastructure	This measures the coverage and condition of sea transport infrastructure
	Communication	Broadband subscriptions	This measures the number of subscriptions per 100 inhabitants



Thematic Areas	Sub-Area	Assessment Indicators	Definition
Trade Environment	Trade Facilitation	Overall Trade Facilitation Index Score	This measures the overall performance of countries within each indicator as determined by a handful of critical variables.
	Ease of Doing Business	Overall Ease of Doing Business Score	This measures the conduciveness of a country's regulatory environment to business operations.
	Cost of Money	Access to finance	This measures the scope, affordability and accessibility of financial services to businesses
Trade Enforcement	Legal	Domestic and Foreign Market Access	This measures the level and complexity of a country's tariff protection as a result of its trade policy. Foreign market access - assesses tariff barriers faced by a country's exporters in destination markets
	Enforcement Capacity	Internal and External border cooperation	This measures the level of cooperation between various border agencies of the country and its neighbouring countries.
Trade Capacity	Products, Services and Export Trade	Product and Service Homogeneity	This measures the market concentration of a certain industry or country. A highly concentrated industry refers to where only a few players/products in the country account for a large percentage of trade and vice versa.
		Human Capacity	This measures how well organizations makes use of the ability of an individual to perform and create value.



2 Overview of Nigeria's and Intra-Africa Trade

2.1 Intra-African Trade

2.1.1 Trade in Goods

Africa's total trade in goods in 2017 was \$930.6 billion and comprised of \$504.17bn of imports and \$426.48bn of exports. Although Africa's total trade in goods grew by 17% in 2017, it remained well below the \$1.1 trillion recorded in 2014. Similarly, the share of Africa in world's total trade declined from 2.95% in 2014 to 2.63% in 2017.

At the continental level, intra-African trade in goods was US\$135.4 billion in 2017, representing only 14.6% of Africa's total trade. This means that over 85% of Africa's total trade (exports and imports) was with countries outside the continent. This contrasts sharply with intra-EU trade (69.8%), intra-American trade (46%) and intra-Asian trade (59.6%).

In terms of trade at the regional economic community (REC) level, Southern African Development Community (SADC) accounted for 35% of Africa's global trade and 54% of intra-African trade in 2017. The Common Market for Eastern and Southern Africa (COMESA) followed with 26% share each, of Africa's global and intra-African trade. The Arab Maghreb Union (UMA) and the Economic Community of West African States (ECOWAS) came third and fourth, accounting for 24% and 18% of Africa's global trade as well as 8% and 19% of intra-African trade, respectively. The Economic Community of Central African States (ECCAS) and the Eastern African Community (EAC) accounted for 6% and 5% of Africa's global trade and 9% and 7% of intra-African trade respectively.

The African RECs exhibited considerable variation in terms of trade balances. For instance, ECOWAS, SADC, EAC and UMA recorded balance of trade surplus in their intra-African trade while ECCAS and COMESA recorded deficits. However, at the global trade level, EAC, UMA and COMESA recorded huge balance of trade deficits.

The table below summarizes Africa's trade in goods based on 2017 statistics:

Table 3: African Trade Statistics

REC Name	GDP (\$Bn)	% of Africa GDP	Population (Mil)	% of Africa's Population	GDP per capita (\$)	Global Trade (\$Bn)	Intra-Africa Trade (\$Bn)	Global Trade balance (\$Bn)	Intra-Africa Trade balance (\$Bn)
ECOWAS	565.09	24.9%	359.8	28.9%	1,537.40	165.9	25.9	4.8	5
SADC	680.02	30.0%	316.9	25.4%	2,146.20	327.1	73.4	18.4	2
EAC	169.66	7.5%	185.5	14.9%	914.5	45.7	9.8	-18.5	0.9
UMA	360.35	15.9%	99.4	8.0%	3,625.80	221.1	11.1	-28	0.6
ECCAS	180.74	8.0%	89.5	7.2%	2,019.00	54.7	12.1	6.5	-1.7
COMESA	714.56	31.5%	528.7	42.4%	1,351.50	237.3	35.6	-66.4	-6.2
Africa (Total)	2266.68	100%	1246.2	100%	1818.9	930.65	135.4	-77.7	6.5

Source: International Trade Center, Trade Map Data 2017

The top ten intra-African trading countries in 2017 were South Africa (23.5%), Namibia (5%), Zambia (4.9%), Nigeria (4.4%), Egypt (4.1%), Cote d' Ivoire (3.6%), Botswana (3.4%), Congo Dem. Republic (3.1%), Kenya (3%) and Morocco (2.8%).

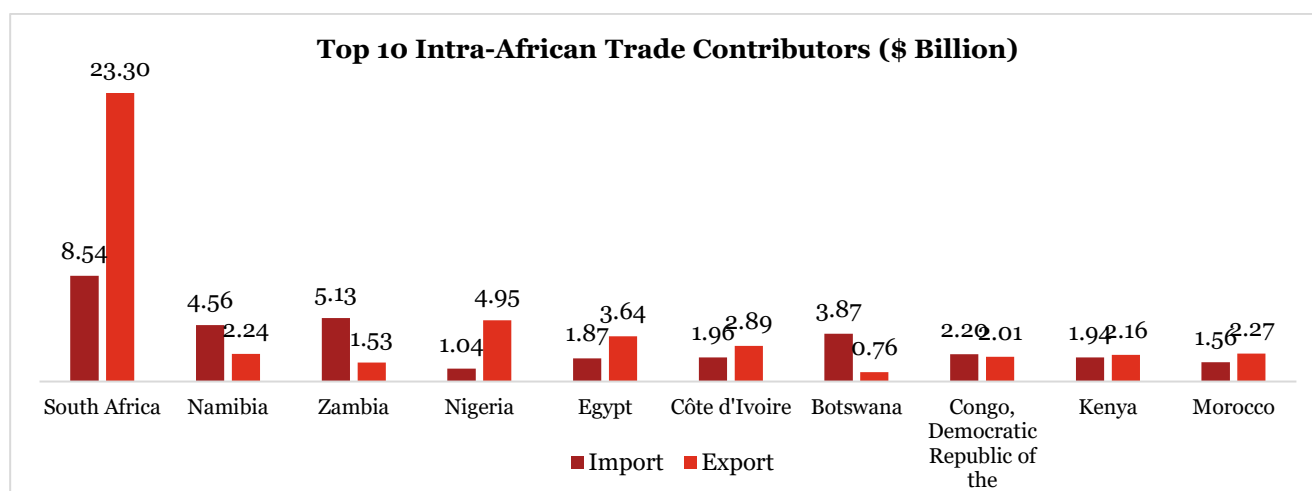


Figure 1: Top 10 Contributors to Intra-African Trade, 2016-2017 (Source- International Trade Centre – Trade Map 2017)

In terms of products, at the aggregate level, the export structure of African countries is generally dissimilar, an indication of possibility of mutually beneficial exchange of products in line with country-specific comparative advantages. The export concentration index, estimated by the Herfindahl-Hirschmann Index (Product HHI), for each country in Africa for selected years showed considerable heterogeneity in the export concentration of individual countries, as shown below:

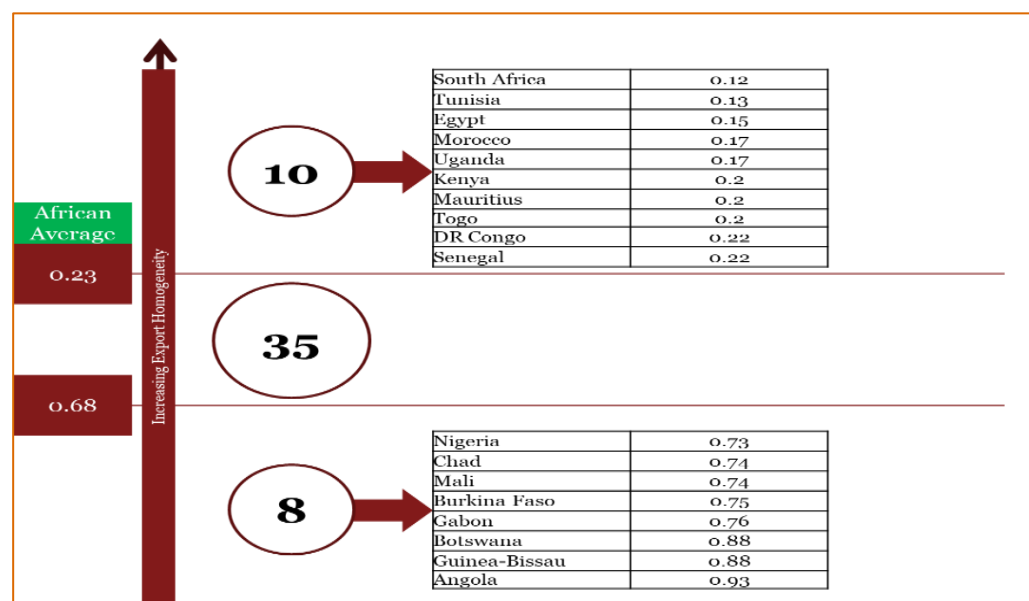


Figure 2: Export Concentration Indices⁵ (Source: Afrieximbank: African Trade Report 2018)

It also showed that a large proportion of African economies depend on either a single or a limited number of products for export earnings, rendering these earnings especially susceptible to fluctuations in adverse exogenous shocks. Since exports correlate positively with economic growth, volatility in export earnings would imply fluctuations in economic fortunes. The volatility of a country's export earnings and rates of economic growth are directly related to the country's degree of export concentration.

The more advanced African economies with heterogeneous products including South Africa, Egypt, Morocco, etc., export semi-finished and manufactured products to African countries,

⁵ The Herfindahl-Hirschman Index (HHI) is an index that measures the export concentration of a country. The index varies between 1 (when exports are highly concentrated on a few products) and 0 (when exports are equally distributed among several products).



but not enough to satisfy the needs to the importing African nations. Therefore, to the extent that production capacity exists or can be ramped up, eliminating duty on African goods due to AfCFTA will make intra-African trade more attractive and will displace imports from non-African countries. The high export concentration score of 0.73 for Nigeria, indicates that the country is exposed to economic shocks due to reliance on limited number of export products.

South Africa is the highest trading African nation. Its total trade figure of \$171.3bn represents 18% of Africa's trade with the world. South Africa's exports to Africa include: petrol/ light oils, electrical energy, commodities (bituminous coal, chromium ores, non-industrial diamonds, maize), motor vehicles, medicaments and machinery parts. To the rest of the world, it also exports iron ore, ferro-chromium and aluminium. South Africa's import from Africa include: crude oil, LNG and commodities (gold, non-industrial diamonds, livestock, raw sugar, etc.), electrical energy and petrol/light oils.

Egypt is the 2nd largest trading African nation with \$92.3bn in total trade with the world. Its main export to Africa includes: refined petroleum, solar, refined sugar, wheat flour, sanitary products, medicament and refined copper wire, etc. To the world, it also exports: crude oil, gold, urea, fresh oranges, plasma TV, mixture of odoriferous substances. From Africa, Egypt imports LNG/LPG, fermented tea, copper cathodes, cotton, motor cars, iron ore and concentrates, cake (coal), livestock and other sesame seeds.

Morocco is the 4th largest trading African nation with total trade value of \$70.7bn. Its exports to Africa include: fertilizers, preserved sardines, sugar, cement clinkers, diesel, electric conductors and motor vehicles. To the world it also exports, phosphoric acids, natural calcium phosphates, tomatoes (fresh and chilled), octopus and transistors. Morocco imports from Africa include natural gas (LNG/LPG), coal briquettes, sanitary products, coffee, wheat, Plasma Screens, beet-pulp, cobalt oxide among others.

Ghana and Cote d' Ivoire, the two other peer countries studied, follow the same trade pattern as South Africa, Egypt and Morocco.

These identified countries are poised to be the key trading countries with the implementation of the AfCFTA, as such in assessing Nigeria's readiness, they formed the key countries for comparison.

2.1.2 Trade in Services

The WTO classifies services into the following 12 sectors: business services, communication services, construction and related-engineering services, distribution services, educational services, environmental services; financial services (bank and non- bank financial services); health-related and social services, tourism and travel-related services, recreational, cultural and sporting services, transport services (road, air and maritime services); and other services. A further breakdown of these service sectors is included in Appendix I (D).

Trade in services is also classified into 4 distinct categories based on the mode of service supplier. These modes include (1) cross border trade which does not require the physical presence of the service supplier, e.g. consultancy, tele-medicine, distance learning and architectural drawings; (2) consumption abroad, such as tourists, students and patients consuming the respective services outside their territory; (3) commercial presence requiring the presence of the service supplier in the territory of another member country, e.g. affiliate of a bank, hotel group, construction company; and (4) presence of natural persons of a Member country in any other Member country, e.g. employees of a foreign service firm, health workers, consultants.

In terms of trade in services, at \$263bn in 2015, Africa accounted for 2.7% of the world's total trade, similar to its global share of trade in goods.

Egypt's global trade in services, valued at \$37.4bn in 2017, was the highest in Africa, followed by South Africa (\$31.9bn), Morocco (\$27.1bn), Nigeria (\$23.2bn), and Ghana (\$16.5bn). However, on a per capita basis, Morocco occupied a premier position on the Africa's trade in services league table with \$758.25 followed by Ghana (\$572.32), South Africa (\$562.41), Egypt (\$383.39) and Nigeria (\$122.11).

2.2 The Nigerian Context

2.2.1 Nigeria's Trade in Goods

Nigeria traded goods were worth over \$75 billion in 2017 (\$44.5 billion in exports and \$31.3 billion in imports)⁶. Of this amount, only about 8% of trade was intra-African, with an estimated value of \$6 billion (\$4.9 billion in exports and \$1.1 billion in imports).

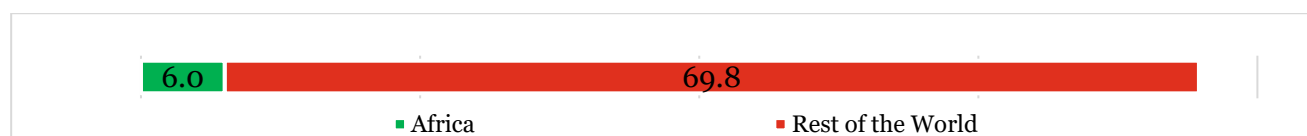


Figure 3: Value of Nigerian Trade (Source: Afrieximbank: African Trade Report 2018)

Over the decades, Nigeria's trade has been dominated by oil and gas exports which accounted for over 90% of Nigeria's total exports in the last 5 years. In 2017, Nigeria exported goods of over \$40 billion and crude oil and gas accounted for ~95% of this value. Of the remaining 5% of exported products, 50% were agricultural produce in their raw state. This implies that only 2% of total exports were manufactured products.

India, USA, Spain, Netherlands, France, South Africa and Canada account for 64.6% of Nigeria's total exports to the world. On the import side, the leading partners China, Belgium, Netherlands, USA and India make up 54% of the country's total imports.

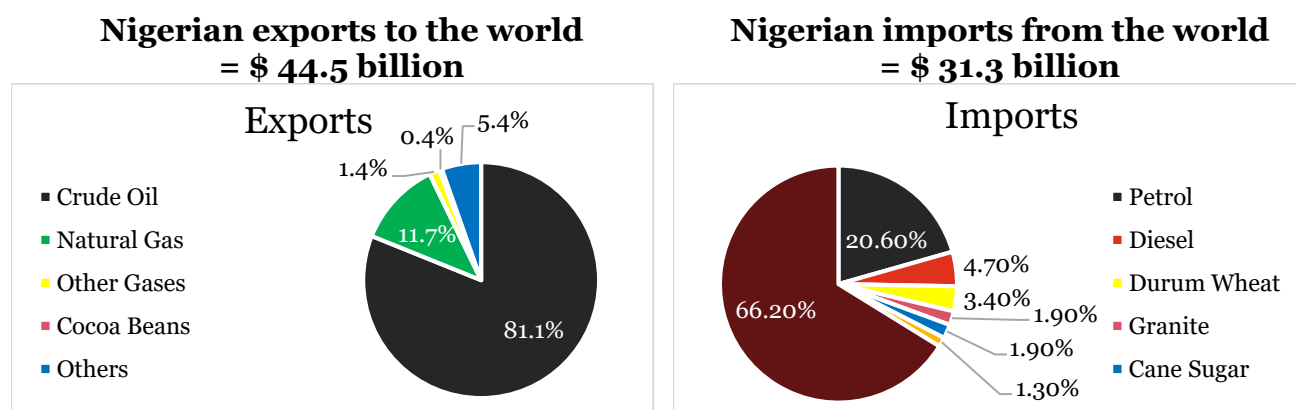


Figure 4: Value of Nigeria's Total Export and Import (2017) Source: Trade Map

⁶ ITC

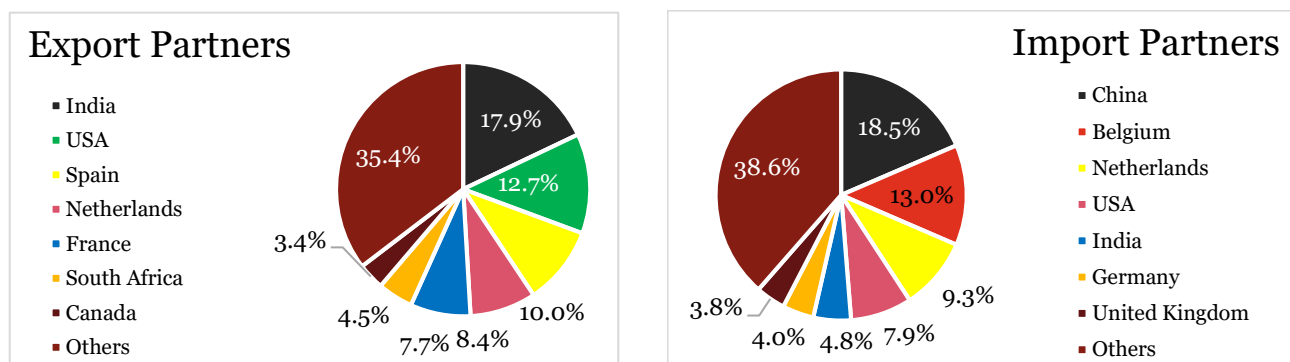


Figure 5: Nigeria's global top export and import partners (2017) Source: Trade Map

The value chain distribution of **Nigeria's export and import trade with the world** is summarized in the figures below:

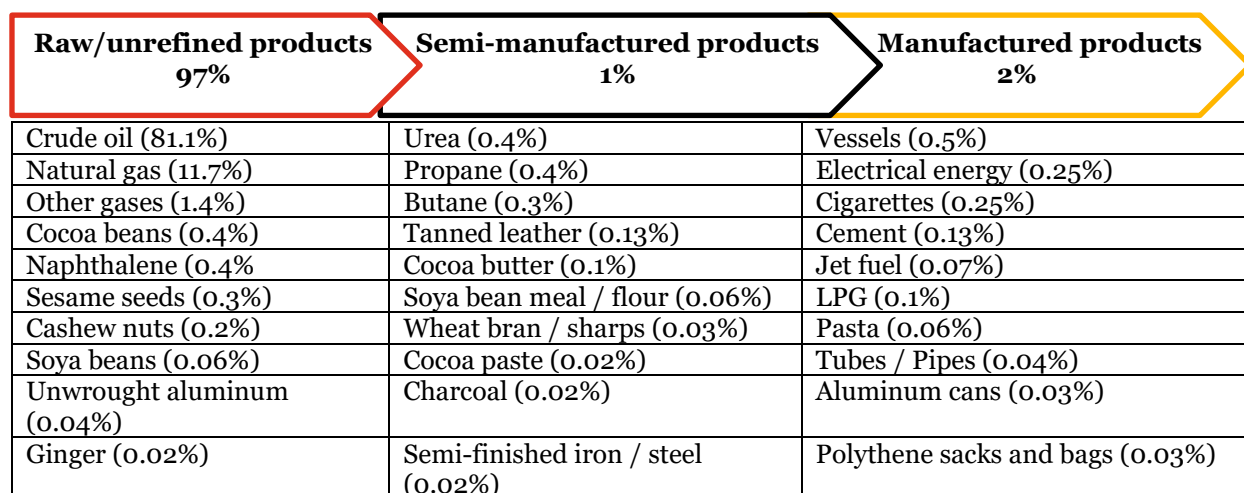


Figure 6: Value chain of Nigeria's export trade with the World

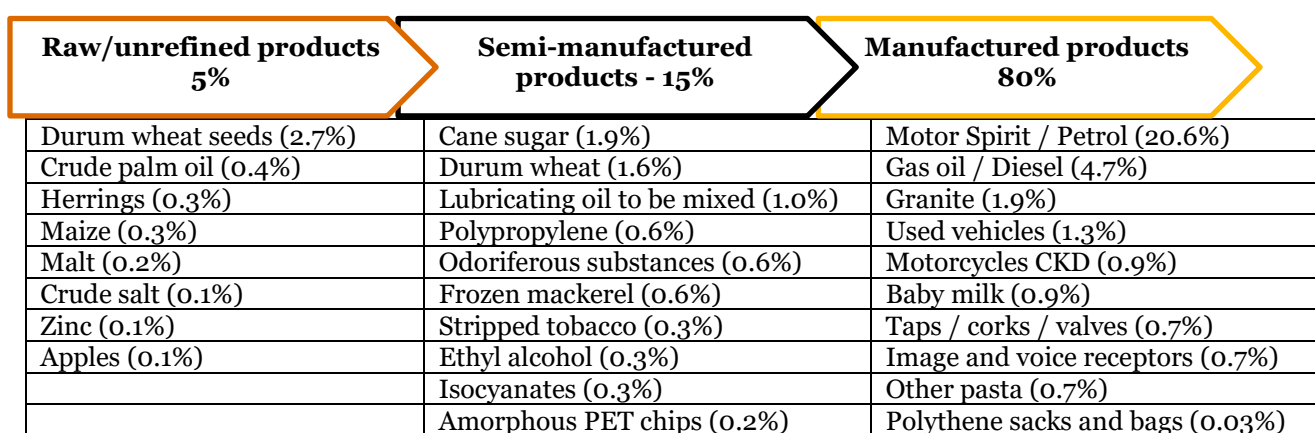
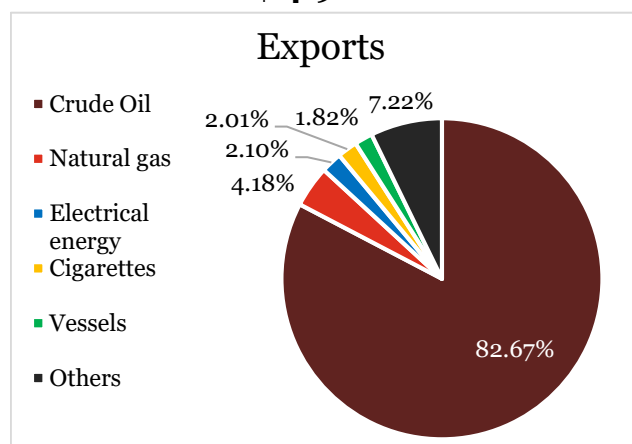


Figure 7: Value chain of Nigeria's import trade with the world

Nigeria's intra-Africa trade pattern is illustrated in the diagrams below:

**Nigeria's Intra-African exports
= \$ 4.9 billion**



**Nigeria's Intra-African imports
= \$ 1.1 billion**

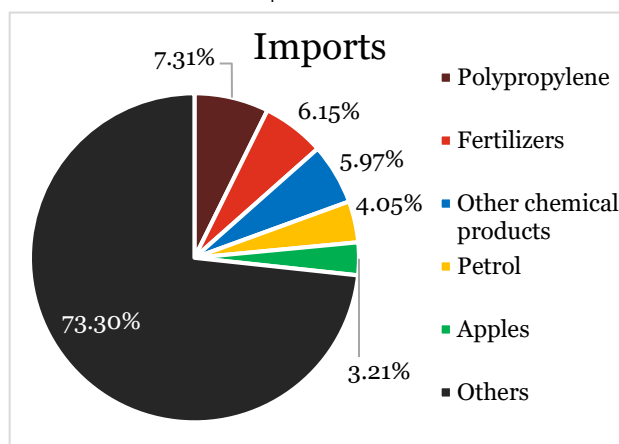
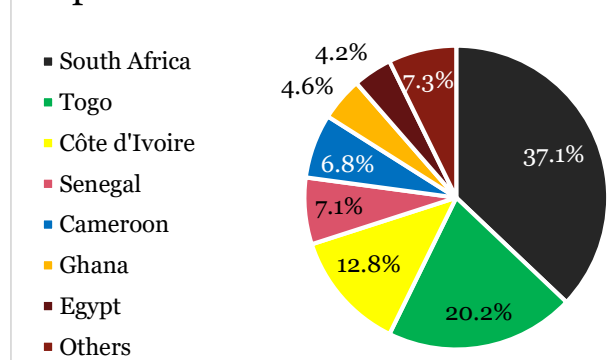


Figure 8: Nigeria's Intra African trade product distribution (Source: Trade Map - 2017)

Nigeria's top intra-African export partners South Africa, Togo, Côte d'Ivoire, Senegal, and Cameroon account for 84% of the country's total exports. On the import side, the leading partners South Africa, Morocco, Côte d'Ivoire, Swaziland and Egypt make up 75% of the country's total imports⁷.

Export Partners



Import Partners

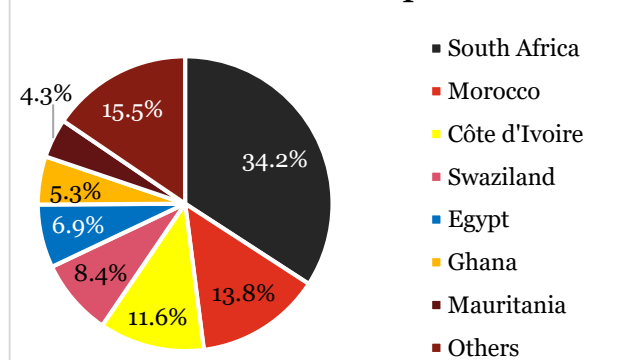


Figure 9: Nigeria's intra African trade partners (Source: Trade Map - 2017)

⁷ ITC

The value chain of ***Nigeria's intra-African trade*** is illustrated in the figures below:

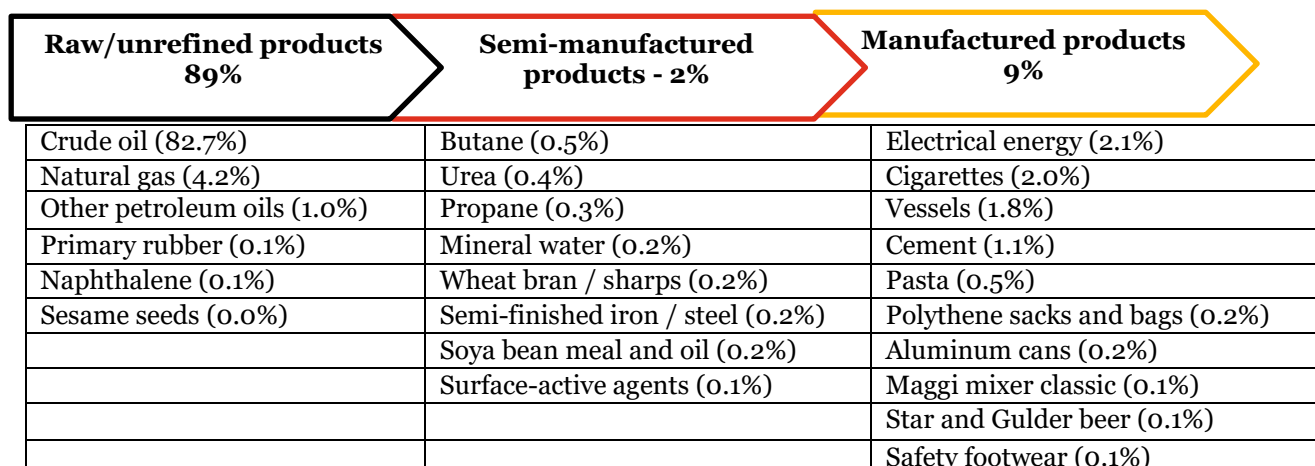


Figure 10: Value chain distribution of Nigeria's exports to Africa (Source: Trade Map – 2017)

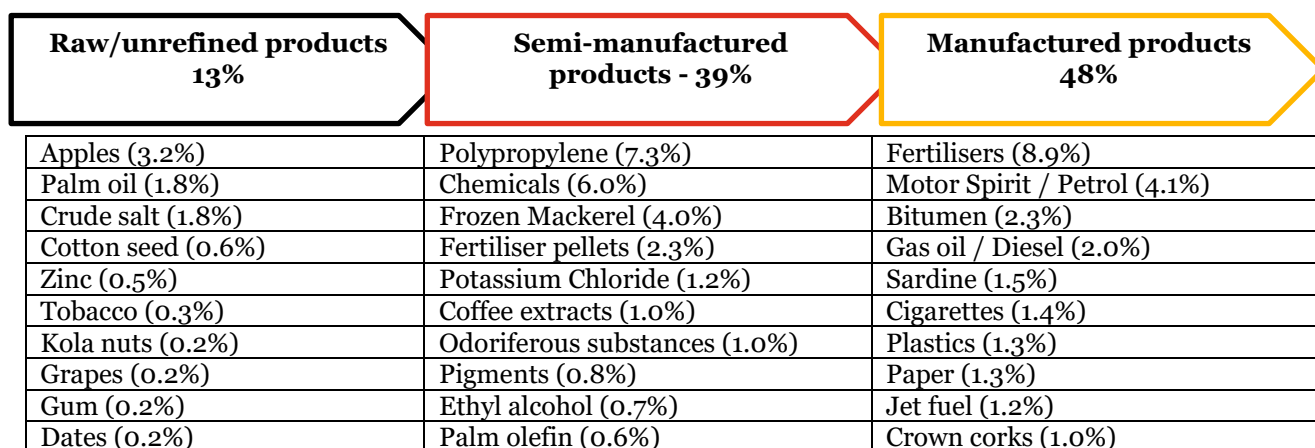


Figure 11: Value chain distribution of Nigeria's imports from Africa (Source: Trade Map - 2017)

2.2.2 Nigeria's Trade in Services

Nigeria's global trade in services in 2017 was \$23.26bn, making Nigeria the 4th highest African country in trade in services. However, while Nigeria imported \$18.2bn of services, it exported only \$5bn, leaving a huge deficit of \$13.2bn in its trade in services.

Nigeria's trade in ***transport, travel*** and ***other business services*** accounted for 86% of its services imports and 76% of exports. Travel services amounted to \$8.33bn or 36% of Nigeria's total trade in services.

Travel services include a country's citizens' expenditure for business and personal travel on short term trips abroad (<1 year) including travels abroad for education, health and leisure⁸. Travel services imports amounted to \$5.8bn and exports amount to \$2.54bn. This suggests that developing Nigeria's health and education institutions to global standard can add up to \$5.8bn per annum, directly to Nigeria's economy.

Transport services⁹ contributed \$5.9bn to Nigeria's trade in services in 2017. Import was \$4.6bn and export was \$1.3bn. Similar to travel services, growing the capacity of the local

⁸ IMF Balance of Payment Manual 5th Edition (Classification of Services)

⁹ Transportation services covers all modes (sea, air, land, coastal, inland waters and pipeline).



transport sector can potentially boost Nigeria's economy by value of import of the transport services.

Trade in financial services (including insurance and pension) which is seen as an area of Nigeria's competitive advantage contributed \$1.7bn to Nigeria's trade in services (\$1.35bn import and \$0.36bn exports).

Considering the level of liberalisation and its large population, Nigeria serves up a large potential local market for services. Notwithstanding, there are other large African markets for players who seek to export these services. Examples of these countries include Egypt, Angola, and South Africa.

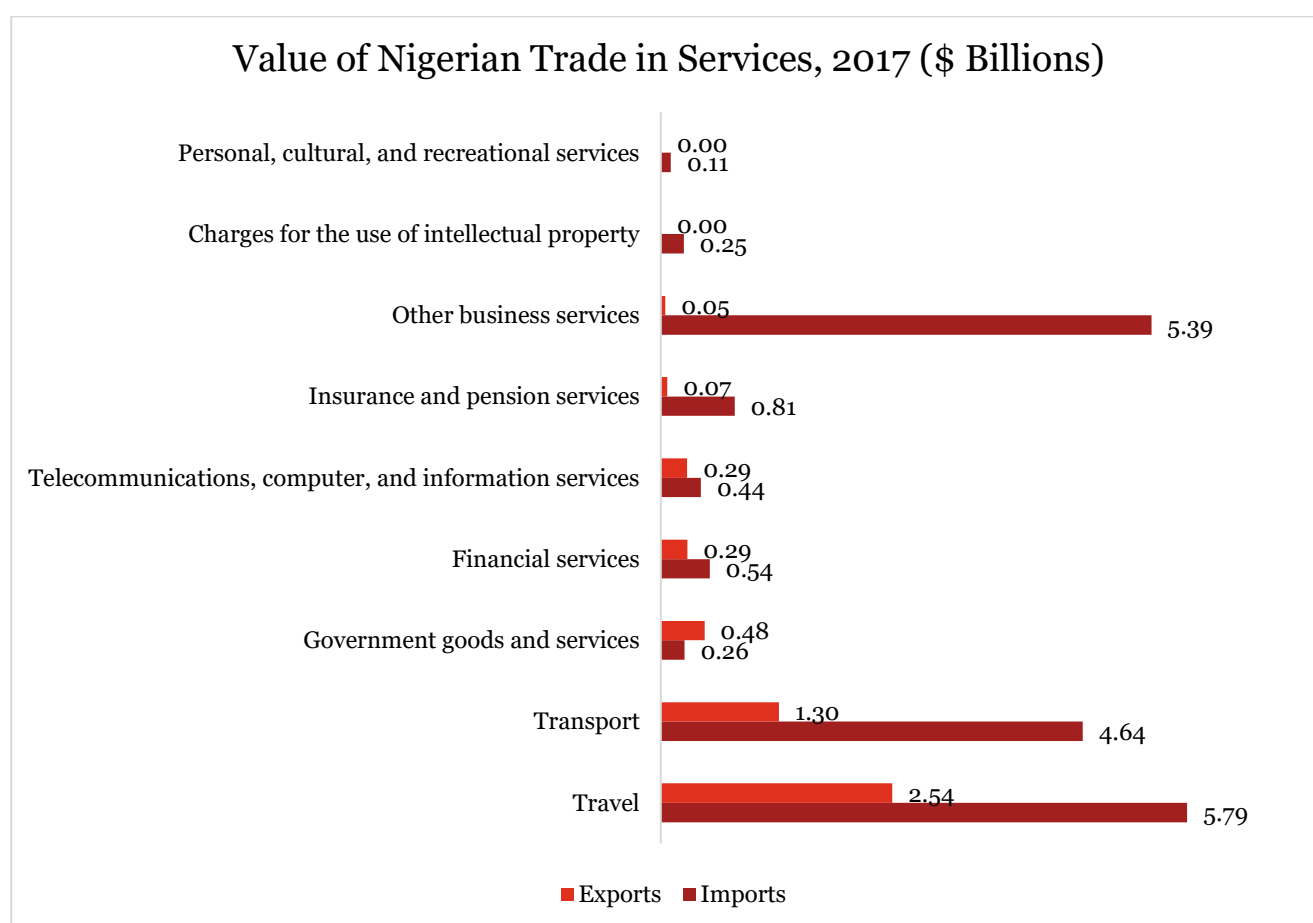


Figure 12: Value of Nigerian Trade in Services (Source: International Trade Centre (ITC))

2.2.3 AfCFTA and Nigeria's Development Agenda

The implications of AfCFTA on Nigeria's national development agenda was assessed by reviewing the degree of alignment between the AfCFTA and Nigeria's Economic Recovery and Growth Plan (ERGP).

The ERGP has three (3) broad objectives namely: to restore and sustain growth, invest in people and to develop a globally-competitive economy. It is guided by five (5) principles which include leveraging the role of private sector innovation and drive, unlocking the constraints to growth, allowing markets to work, promoting national cohesion and social inclusion, as well as upholding core values. Under the plan, the key execution priorities are to:



- i. Stabilize the macroeconomic environment, by aligning monetary and fiscal policies, accelerating non-oil revenue generation, drastically reduce costs and privatizing selected public enterprises/assets;
- ii. Achieve agriculture and food security by delivering agricultural transformation;
- iii. Improve transportation infrastructure by delivering targeted high priority transportation projects and enabling private sector financing of infrastructure;
- iv. Ensure energy sufficiency in power and petroleum products by urgently increasing oil production, expanding power sector infrastructure and boosting local refining for self-sufficiency; and
- v. Drive industrialisation focusing on small and medium enterprises by accelerating the implementation of the national industrial revolution plan and improving ease of doing business.

Reviewing the above against the core provisions of the AfCFTA, it was deduced that the AfCFTA could facilitate successful delivery of the ERGP in the following ways:

- i. The AfCFTA offers preferential access to a much bigger single continental market for goods worth \$461bn¹⁰ plus free movement of business persons and investments;
- ii. It provides opportunity to grow and diversify non-oil exports, provided the investments in the productive and services sectors, growth in export capacity and reforms identified in the ERGP materialize.
- iii. Africa's imports are mainly semi, and finished goods aligned to sectors in which Nigeria has or desires to build competitive advantage. These include:
 - a. Mineral fuels (crude oil, refined petroleum, LNG & LPG) valued at \$69.6bn;
 - b. Manufacturing (mechanical and electrical machinery, motor vehicles, plastics, iron & steel products and pharmaceuticals) valued at \$195.4bn;
 - c. Agriculture (cereal- mostly rice, maize, wheat and animal and vegetable oils – mostly palm oil and soya bean oil) valued at \$31.7bn¹¹.
- iv. Similar to products, the AfCFTA offers access to Africa's Services market currently worth \$121.8bn¹², based on value of services imports;
- v. The AfCFTA has identified the following priority five services sectors for liberalization: transport services, tourism and travel related services, financial services, communication services and business services;
- vi. These priority services sectors include Africa's and Nigeria's top three imported services namely: transport (\$30.5bn), travel (\$16.7bn) and other business services (\$15.7bn). financial services and telecommunications attracted \$4.9bn and \$2.7bn worth of imports respectively;
- vii. AfCFTA's dispute resolution mechanism provides the rules and instrument to resolve some of the trade-related issues currently plaguing Nigeria in ECOWAS, including smuggling, abuses of rules of origin and other predatory trade practices; and
- viii. The phase II of the AfCFTA also offers cooperation on all trade-related areas, investment, intellectual property rights, competition policies, customs matters and implementation of trade facilitation matters.

¹⁰ Africa's total imports from the World excluding Nigeria's imports in 2017. Source: Trade Map

¹¹ Value in 2017. Source: ITC's Trade Map

¹² Value in 2017. Source: ITC's Trade Map



- ix. It will likely lower cost of imports from African countries which will reduce prices of products for consumers and cost of inputs for businesses. It will also increase the demand of Nigeria's products in Africa arising from lower cost of production and a liberalized tariff regime;
- x. The improvements in the volume, diversity of products and services and the free trade environment which will result from AfCFTA will improve attractiveness of Nigeria and member states for foreign direct investment; and

The AfCFTA is, however, perceived to include the following risks of:

- a) reducing government revenue due to loss of import tariff and levies;
- b) increasing imports (especially manufacturing imports) as a result of access to cheaper manufactured goods when tariffs are eliminated; and
- c) increasing trade diversion effects resulting from significant rise in incidence of abuse of rules of origin and smuggling. Although abuse of rules of origin is a historical issue with ECOWAS, the severity of its impact increased recently with the signing of Economic Partnership Agreement (EPA) by some ECOWAS countries. It is perceived that AfCFTA will further increase this risk.

The Nigerian economy emerged from recession at the end of Q2 2017, and the steady rebound of major macroeconomic indicators, have renewed confidence in the country's growth prospects. The economy has witnessed a gradual return to macroeconomic stability as reflected in the improved real GDP growth rate of 1.93% in 2018 from 0.82% in 2017¹³. Even sectors such as manufacturing, trade, Information and Communications that had posted negative growth have begun to show signs of recovery.

The recovery of crude oil prices in the international market, and the return of peace in the Niger Delta region, have also facilitated the sustenance of the growth momentum and exchange rate stability. Inflation has also maintained a downward trend reaching 11.44% in December 2018, which is below the ERGP target of 12%.

On the external front, Nigeria's trade balance has maintained a trade surplus of N681 billion as at Q3 2018¹⁴. The level of foreign reserves have also remained stable at over \$40 billion since January 2018, covering about 14 months of imports¹⁵. Similarly, Nigeria has remained a favourable destination for foreign investment as capital importation reached a peak of \$16.8 billion in 2018 which is 38% higher than the \$12.2 billion recorded in 2017¹⁶.

However, interest rates remain elevated while unemployment poses a major challenge, rising from 18.8% in Q3 2017 to 23.1% in Q3 2018¹⁷. Similarly, in the productive sector, significant challenges remain especially in the areas of infrastructure development, business environment, security and rule of law. The difficulties in Nigeria's operating environment is evident in Nigeria's ranking in key global indices.

On the Enabling Trade Index, Nigeria ranked 127th out of 135 countries, below Morocco (49th), South Africa (55th), Kenya (77th), Ghana (100th), Cote d'Ivoire (105th), Egypt (116th), and Ethiopia (117th)¹⁸. Similarly, Nigeria ranked 115th on the Global Competitiveness Index. South Africa ranked 67th, Morocco (75th), Kenya (93th), Egypt (94th), Ghana (106th), Cote d'Ivoire (114th), and Ethiopia (122th)¹⁹.

¹³ National Bureau of Statistics - Nigerian Gross Domestic Product Report

¹⁴ National Bureau of Statistics - Foreign Trade in Goods Statistics (Q3 2018)

¹⁵ Central Bank of Nigeria - Movement in Reserves

¹⁶ National Bureau of Statistics - Nigerian Capital Importation Q4 2018

¹⁷ National Bureau of Statistics - Labour Force Statistics - Volume I: Unemployment and Underemployment Report (Q4 2017-Q3 2018)

¹⁸ World Economic Forum's Enabling Trade Index 2016

¹⁹ World Economic Forum's Global Competitiveness Index



Based on the above it is evident that the Nigerian economy has recovered from recession and is experiencing steady growth. However, growth rates remain below targets set out in the ERGP. As such, any shocks that can lead to economic destabilisation should be avoided.

The impact and readiness assessment of the AfCFTA on Nigeria was therefore conducted with the above in mind. Key findings of this assessment are as detailed in the subsequent sections.

3 Impact Assessment

The impact assessment relied primarily on a regional Computable General Equilibrium (CGE) model that accounted for thirty (30) African countries which constituted about 93% of the continent's GDP. The CGE analysis was supplemented with descriptive and econometric techniques as well as insights drawn from empirical evidence to address the non-modelling questions.

The analysis covered seven (7) areas of impact (external trade effect, trade creation & diversion, GDP, fiscal impact, household impact, real interest rate and return on investment, and productivity effects) across 3 broad scenarios:

- AfCFTA with no action / intervention
- AfCFTA with Tax Base Broadening
 - Income tax broadening
 - Sales tax broadening
 - Income and sales tax broadening
- AfCFTA with a Central Monetary Authority (CMA)

Highlights of the findings are summarised under the key headers below.

3.1 Impact of AfCFTA on Nigeria's Intra-Africa Trade Patterns

Context

Africa's global trade in 2017 was estimated at US\$930.6bn, equivalent to 3% of total global trade in goods and made up of \$504.17bn of imports and \$426.48bn exports. The intra-African trade component amounts to US\$135.4 billion, which is equivalent to 14.6% of Africa's global trade. So, effectively, 85.4% of Africa's current trade is with non-African countries.

In terms of trade balances, ECOWAS, SADC, EAC and UMA are net exporters to Africa while ECCAS and COMESA are net importers. However, at global trade level, EAC, UMA and COMESA have huge negative trade balances.

The elimination of tariffs in the implementation of the AfCFTA will lead to a reduction in consumer prices as domestic prices are forecasted to drop by 0.077% in the baseline scenario, 0.088% with a CMA and by 0.09%, 0.11% and 0.14% with income tax, sales tax and combined income and sales tax broadening scenarios respectively. However, in absolute terms, the values are quite low, due to the reduced value of intra-African imports in comparison to total imports.

As a result of the changes in consumer prices, Nigeria's demand for African products will increase by 2.75% under the baseline scenario, 2.94% under CMA, 2.84% under income tax broadening, 2.45% under sales tax broadening and 4.07% under the combined income and sales tax scenario.

At the same time, the price of exports (to Africa) is expected to rise due to rising demand for Nigeria's products due to the elimination of import duties. The rise in export prices is highest (6.73%) under combined income and sales tax broadening scenario compared to 4.4% to 4.49% under the other scenarios.

In other words, the price effect will lead to an improvement in imports and exports to Africa in all scenarios. Increases in import and export to the rest of the world were also observed under CMA and income tax broadening scenarios implying increases in total trade flows.

With imports exceeding exports, Nigeria's trade surplus with respect to Africa will decline

under all scenarios which will in turn result in deterioration of the current account balance and increase in the real effective exchange rate (REER) or devaluation of the Naira. Trade surplus will decline the most under combined tax broadening scenario and the least under CMA scenario.

Trade creation due to AfCFTA is positive in all scenarios, but it will be outpaced by trade diversion in the form of substitution of imports from non-African countries under baseline scenario and higher exports to non-African countries under CMA and tax broadening scenarios. The increase in exports to the rest of the world is due to increase in REER which will make Nigeria's products more competitive.

Based on net trade creation, total trade flows and other external trade effects discussed above, AfCFTA with income tax broadening presents the most attractive policy option for minimizing the short term negative impact of the AfCFTA.

Table 4: External Trade Effects

Table 4. External Trade Effects

	Scenario I AfCFTA Only	Scenario II AfCFTA With CMA	Scenario III AfCFTA with Tax Base Broadening		
			Income Tax	Sales Tax	Income & Sales Tax
External Trade Effects					
Consumer Price Index	-0.077%	-0.09%	-0.09%	-0.11%	-0.14%
Africa Exports, (Average FOB Price)	4.48%	4.41%	4.49%	4.48%	6.73%
Imports from Africa	2.75%	2.94%	2.84%	2.45%	4.07%
Exports towards Africa	0.29%	0.58%	0.29%	0.19%	0.38%
Africa Trade Surplus	-1.11%	-0.70%	-1.20%	-1.13%	-1.76%
Real Effective Exchange Rate	0.16%	0.13%	0.13%	0.18%	0.22%
Imports from non-Africa	-0.25%	0.01%	0.07%	-0.43%	-0.15%
Exports towards non-Africa	-0.03%	0.13%	0.29%	-0.22%	0.18%
Imports, Total	-0.11%	0.15%	0.20%	-0.30%	0.05%
Exports, Total	0.00%	0.18%	0.29%	-0.18%	0.20%
Trade Creation & Diversion					
Trade creation	0.08%	0.10%	0.08%	0.06%	0.11%
Trade diversion	-0.12%	0.07%	0.17%	-0.29%	0.02%
Net trade	-0.05%	0.16%	0.25%	-0.23%	0.13%

3.2 Impact on Government Revenue and Fiscal Policy

Context

The impact of AfCFTA on key fiscal variables such as government revenue has been a source of concern to stakeholders as any loss of revenue will further constrain government's ability to invest in infrastructure and social programs to boost competitiveness. The result of the assessment of the impact on the AfCFTA on government revenue and fiscal policy parameters are presented in this section.

3.2.1 Impact on Government Revenues

The CGE model predicted that revenue from import taxes will fall by 19.2% if import duties on imports from Africa are eliminated. It also showed that although a decline in income and sales tax will curb the negative welfare impact, activity tax remains unchanged due to higher productivity by domestic firms who now seek to take advantage of higher export prices and market opportunities created by the AfCFTA. Consequently, government revenue and primary savings will fall by only 1.5% and 4.8% respectively. The marginal fiscal impact is established

as the share of intra-African import tariff revenue from 2010 - 2016 averaged at N96.65 billion (i.e. 1.2% of the total revenue²⁰).

“The AfCFTA may imply a reduction of Nigeria’s revenues by around \$80 million a year. This accounts for just 0.02% of the GDP. By contrast the revenue lost to investment incentives is more than \$160 million a year.” Overseas Development Institute (ODI) ²¹

Under scenario II (i.e. AfCFTA with CMA), the investment benefits that arise from the monetary union will dampen the revenue decline and ensure growth as government saving and investment are now compensated by external funding. However, revenue loss will subsist, but will reduce to 1.4% and savings loss will moderate to 4.5%.

However, broadening the income tax base while implementing AfCFTA will increase taxes on income and wealth by 6.3% and boost government revenue and saving by 2.7% and 9.21% respectively. Combined income and sales tax broadening with AfCFTA will achieve similar but lower results (1.96% revenue growth and 7.10% savings growth).

Broadening the sales tax base with AfCFTA will have no impact on government revenue loss and achieve very modest improvement in saving from -4.78% to -4.24%.

Table 5: Impact on Revenue and Fiscal Policy Parameters

	Scenario I AfCFTA Only	Scenario II AfCFTA With CMA	Scenario III AfCFTA with Tax Base Broadening		
			Income Tax Broadening	Sales Tax Broadening	Income & Sales Tax Broadening
Imports Duties	-19.20%	-19.10%	-19.20%	-19.27%	-28.83%
Taxes on income and wealth	-0.10%	0.00%	6.33%	-0.18%	6.24%
Activity taxes	0.00%	0.10%	-0.18%	-0.09%	-0.22%
Sale taxes and duties	-0.20%	-0.20%	-0.38%	-0.27%	-0.52%
Government Revenue	-1.50%	-1.40%	2.71%	-1.51%	1.96%
Government Saving (Primary)	-4.80%	-4.50%	9.22%	-4.24%	7.10%

3.2.2 Impact on Gross Domestic Product (GDP) Growth

The CGE model estimated that GDP growth will fall by 0.14% in the baseline scenario of the AfCFTA, due to a fall in government revenue and the negative net trade creation effect. The negative growth is predictable as higher tariff revenue emanates largely from higher imports of goods and services, most of which do not add to the level of productivity in the country. The consequence of the growth drag is the decline in investment, capital stock and saving. The decline in investment means that Nigeria’s interest rate will not be competitive enough within the continent and may require some complementary policy initiatives such as a CMA or other incentives that can help drive domestic productivity such as infrastructure development and tax rebates for firms.

In scenario II, where the AfCFTA is combined with a CMA, total trade flows will increase, net trade creation is positive and investment from external sources will cushion the decrease in investment flow. Capital stock and saving will decline, but at slower rates. All of these will translate to a modest, but positive GDP growth of 0.05% compared to -0.14% for only AfCFTA.

Broadening of the domestic income tax bracket means that revenue loss is compensated and that there is more investments to enhance the domestic production to satisfy the newly created export market. This will result in GDP growth of 0.112%.

²⁰ African Union (2018) African Trade Statistics Yearbook

²¹ ODI (2018) Nigeria and the African Continental Free Trade Area: Potential impacts and Nigeria’s readiness



Broadening the sales tax results with AfCFTA showed greater decline in capital stocks, investments and saving compared to AfCFTA only. In this scenario, GDP growth will decline to -0.23% compared to -0.14% under the baseline scenario.

AfCFTA combined with broadening of both direct and indirect taxes leads a neutral growth effect, but capital stocks will decline due to tax effect.

The above results once again point to the attractiveness of broadening income tax bracket to mitigate the short-term negative impact of the AfCFTA and to generate the investment to grow domestic production for export to Africa.

Table 6: Impact on GDP

Parameters	Scenario I AfCFTA Only	Scenario II AfCFTA With CMA	Scenario III AfCFTA with Tax Base Broadening		
			Income Tax Broadening	Sales Tax Broadening	Income & Sales Tax Broadening
Gross Domestic Product Growth	-0.140%	0.050%	0.110%	-0.230%	0.000%
Capital Stocks	-0.340%	-0.120%	0.060%	-0.390%	-0.140%
Investment flows, Aggregate	-0.740%	-0.180%	0.460%	-0.800%	0.050%
Saving, Aggregate	-0.640%	-0.510%	0.490%	-0.710%	0.140%

3.2.3 Impact on Household

The fall in government revenue, the negative net trade creation and the resulting decline in GDP under the baseline scenario will result in a fall in household income by 0.116%. Household consumption will also fall by 0.084% despite the fall in prices of products due to elimination of import tariffs.

However, these negative impacts on welfare are mitigated under the AfCFTA with CMA and AfCFTA with income tax broadening scenarios due to increased activities of government resulting from additional investments.

Household income and consumption will grow by 0.015% and 0.073% under AfCFTA plus CMA scenario. Under AfCFTA plus income tax broadening, household income grows even further at 0.06% but consumption stays neutral. Broadening sales tax, on the other hand, results in further reduction in both household income and consumption to -0.2% and -0.17% respectively. Combined tax broadening option moderates the impact of sales tax broadening, but lowers the positive effect of income tax broadening.

Table 7: AfCFTA Impact on Household

	Scenario I AfCFTA Only	Scenario II AfCFTA With CMA	Scenario III AfCFTA with Tax Base Broadening		
			Income Tax Broadening	Sales Tax Broadening	Income & Sales Tax Broadening
Household Income	-0.116%	0.015%	0.060%	-0.200%	-0.040%
Household Consumption	-0.084%	0.073%	0.000%	-0.170%	-0.090%

3.2.4 Impact on Real Interest Rate, Return on Capital and Investments

The negative impact of AfCFTA on fiscal and economic growth will result in a decline in both domestic and foreign savings and investments which will in turn result in a rise in return on capital and real interest rate due to capital shortages. The capital shortages will be reduced under AfCFTA with CMA and AfCFTA with income tax broadening scenarios due to additional capital injections. However, broadening the sales tax will further complicate the situation due to tax effect and will result in real interest rate rise of 0.56% compared to 0.439% under the baseline scenario, 0.227% with CMA and 0.05% with income tax broadening.

Broadening income tax with AfCFTA is particularly more effective since the opportunities presented by AfCFTA attract more investments into Nigeria and the tax from new entrants increases the income tax base. However, domestic savings remain negative also due to tax effect on new entrants. Raising sales tax did not yield similar increase in domestic or foreign investments and combined sales and income tax broadening moderates the impact of income tax broadening. So, once again, income tax broadening emerged the most beneficial strategy for mitigating the impact of AfCFTA.

Table 8: Impact on Real Interest Rate and Return on Capital and Investment

	Scenario I AfCFTA Only	Scenario II AfCFTA with CMA	Scenario III AfCFTA with Tax Base Broadening		
			Income Tax Broadening	Sales Tax Broadening	Income & Sales Tax Broadening
Domestic saving/ investment	-0.120%	0.020%	-0.340%	-0.200%	-0.440%
Foreign saving/ investment	-0.080%	0.050%	0.020%	-0.130%	-0.040%
Real Interest Rate	0.439%	0.227%	0.050%	0.560%	0.330%
A real return to Capital	0.292%	0.186%	0.450%	0.640%	0.770%

3.3 Impact on Foreign Investments

Context

The econometric analysis to assess the impact of AfCFTA on investment flows assumed trade liberalization with zero infrastructure improvements and with 10% increase in infrastructure investments.

The analysis was based on annual data for the period 1990-2017 for foreign direct investment, GDP per capita, exports of goods and services (annual percentage growth) as a proxy for trade dependency, import tariffs, and the quality of port infrastructure as a proxy for infrastructural development²². All the data were sourced from the World Bank (2018) World Development Indicators.

The analysis predicted larger investment inflows when tariffs are removed and infrastructure is also developed. Specifically, foreign private investment (FPI) and foreign direct investment (FDI) both rise from the base by 41.04% and 30.29% respectively without infrastructure improvements. However, with infrastructure improvements, FPI rises by about 51% while FDI increases by about 32.75%.

These findings align with the historical experience of ASEAN²³ countries which, as a regional bloc, collectively realized a rapid growth of 59.32% in foreign direct investment between

²² The analysis found that infrastructure, GDP and export growth rate are positively and more significantly correlated to foreign private investment (FPI)²² compared to institutional quality (instability) and import tariffs which are both negatively and less significantly correlated to FPI. Furthermore, export growth rate was most significantly correlated to FDI.

²³ Association of South East Asian Nations.



2009 and 2012, which shows that their open economies and relatively well-developed infrastructure were critical success factors.

In the context of AfCFTA's trade liberalization agenda, the case for zero tariffs is expected to encourage the free flow of capital and equipment internationally while infrastructure improvements are expected to help lower the cost of production domestically. Together, these changes would have a stronger impact on investment flows. However, since the impact of complete tariffs removal on investment is more pronounced, AfCFTA's trade liberalization represents great potential for generating massive inflows to Nigeria, especially when accompanied by infrastructure improvements.

3.4 Implications for Monetary Policy

Context

Typically, formal regional economic integration occurs in stages, starting with the removal of barriers to trade with a free trade agreement and culminating in common fiscal and monetary policies with the formation of an economic union.

As AfCFTA only seeks to establish a free trade area and not a monetary union, individual Member States retain the independence to decide national monetary policy objectives. Nonetheless, simulating the potential behaviour of monetary policy indicators such as interest rate, inflation rate and exchange rate indicated that these variables can be affected by trade and investment channels.

The effect of the AfCFTA may be viewed from two angles. On the one hand, competitive pressure from liberalisation leads to a simultaneous decline in the price of imports and surge in imports. In view of the country's high import price elasticity, this, in turn, lowers the domestic price of consumables.

On the other, the general price level (in nominal terms) may rise under the AfCFTA and this is primarily transmitted either from imported inflation or through exchange rate channel, which may affect the competitiveness of the economy. The former case will require an increase in the monetary policy rate while the latter would require a reduction in order to check inflation.

Interest rate reflects domestic monetary policy and internal conditions of banks and the economy. The effect on interest rate will depend on the strength of the impact of tariff removal on inflation and exchange rate volatility. In other words, if inflation becomes an issue, raising the interest rate may be necessary. This has the tendency of raising the cost of capital, reducing lending to the economy and eventually a decline in domestic production, including for exports. The reduced lending could also help reduce demand pressure in the foreign exchange market and eventually curb exchange rate volatility. Also, the possible increase in portfolio investment inflow due to higher yield could help boost the supply of foreign exchange and finally reduce the pressure on exchange rate.

Furthermore, the assessment of the dynamic effect of the import duties on key monetary variables revealed that:

Inflation: - Import tariffs have a positive impact on inflation rates in the short and long-term which means that less restrictive trade policy (elimination of tariffs) could result in lower domestic price level especially for an import-dependent country such as Nigeria and therefore reduce inflation.

Interest Rate: - The study showed a negative association between import tariffs and interest rate in the short and long term. This indicates that lower price levels due to AfCFTA will provoke higher domestic demand for goods by consumers. In response, demand for credit will rise and, with it, interest rates.



Exchange Rate: - The study showed that AfCFTA will have an insignificant effect on exchange rate in the short run but will result in exchange rate depreciation in the long term. The depreciation will arise from the combination of surge in imports arising from removal of tariffs, reduction in revenue from import tariff which will put pressure on external reserves and the ability to maintain a stable exchange rate.

Increased demand for import of manufactured and capital products to take advantage of the Africa's export market means more foreign exchange demand and, therefore, additional pressure on the external reserves and higher risk of depreciation of the Naira.

However, increases in export of petroleum, telecommunication and financial services where Nigeria has competitive advantages will strengthen terms of trade and, depending on value of exports, could moderate and mitigate the pressure on exchange rate and could even result in appreciation of the Naira.

3.5 Impact on Manufacturing Sector

Context

A review of Nigeria's trade between 2010 and 2017 showed that at the aggregate level, Nigeria has revealed comparative advantage in the following group of products:

Mineral fuels, lubricants and related materials; Agricultural Products (Food and live animals); Manufactured Products (Beverages and tobacco); Crude materials, inedible, except fuels; Miscellaneous manufactured articles; Manufactured goods classified chiefly by material; Manufactured products (Machinery and transport equipment); and Manufactured goods (Chemicals and related products).

The impact of AfCFTA on the manufacturing sector is based on two gradual liberalization scenarios over 15 years instead of 5 years proposed by the AfCFTA agreement. Scenario one assumed a 5-year standstill period (i.e. no liberalization) followed by 50% reduction in existing tariffs in the second 5 years and removal of the remaining 50% tariff in the third 5 years. Scenario two assumed elimination of tariffs on 5% tariff lines in the first 5 years, liberalization of all the 10% tariff lines in the second 5 years and all the 20% tariff lines in the final 5 years. All 35% tariff lines and currently prohibited items were assumed to go to the exclusion list.

Overall, the study found that a 3-phase liberalization of 5%, 10% and 20% tariff lines to zero will likely result in surge of manufactured goods imports to the tune of about 159.5%, 183% and 251.4% respectively, on the average, during a 15-year period.

In general term, AfCFTA will adversely impact the manufacturing sector in differing magnitude, majorly due to the high cost operating environment that is well over the continental average. Import surge will be significant across most sub-sectors of the manufacturing sector especially for products currently at 20% and 10% tariff rates. The import surge will have significant negative impact on employment, investment and output in some manufacturing sub-sectors, but other sub-sectors will thrive, and some will witness minimal impact. The specific results of the evaluation based on the two scenarios evaluated are presented below:

3.5.1 Impact analysis based on scenario 1

The model predicted the following outcomes under scenario 1:

- 1) import surge on 20% tariff lines will be very significant (i.e. above 100% increase) in 8 out of the 10 sub-sectors with *chemical and pharma; and plastic or rubber* sub-sectors being the exceptions;



- 2) Six (6) sub-sectors will experience very significant import surge under the 10% tariff lines category (*exceptions being motor vehicles assembly; basic metal, iron and steel; printing and Publishing; and non-metallic sub-sectors*);
- 3) Three (3) sub-sectors will witness high level of import surge in the 5% tariff category. These include chemical and pharma; plastic or rubber products; and printing and publishing sub-sectors;
- 4) Import surge will be accompanied by job gains in five (5) sub-sectors (*chemical and pharma; printing and publishing; textile, apparel and footwear; basic metal, iron and steel; and non-metallic*);
- 5) Import surge will be accompanied by new investment in three (3) sub-sectors (*textile, Apparel and footwear; electrical and electronics and printing and publishing*);
- 6) Five (5) sub-sectors (*plastic or rubber products chemical and pharma, wood and wood products; non-metallic; basic metal, iron and steel*) will witness a fall in investment;
- 7) The surge in import and significant drop in investment in the plastic or rubber products subsector will have negligible impact on output and jobs;
- 8) The food, beverage and tobacco sub-sector will retain investment, output and jobs despite the very significant level of import surge;
- 9) Printing and publishing will witness investment, output and job gains with import surge;
- 10) Similarly, chemical and pharma and basic metal, iron and steel will witness growth in output and jobs despite import surge and reasonable decline in investment;
- 11) Wood and wood products sub-sector will witness the *greatest decline in the three assessment dimensions of investment, output and employment, across all tariff lines*.
- 12) the estimated decline in domestic output in the most vulnerable sub-sectors of Motor Vehicle & Miscellaneous Assembly, Chemical & Pharmaceutical and Electrical & Electronic industries range from -10.00 percent to -0.228 percent. This indicates that operators in the sector may close down without policy support and or incentives. As a result of this finding, these sub-sectors and other vulnerable sub-sectors and tariff lines have been included in the Exclusive and Sensitive Lists of the Market Access Offer for the AfCFTA.



Table 9: Impact on Manufacturing (Scenario One Results)

	Current Tariff Rate	Phase	Food, Beverages and Tobacco (%)	Chemical & Pharma Products (%)	Plastic or Rubber Products (%)	Wood and Wood Products (%)	Textile, Apparel and Footwear (%)	Non-Metallic (%)	Electrical & Electronics (%)	Motor Vehicles and Assembly (%)	Basic Metal, Iron and Steel (%)	Pulp, Paper, Printing & publishing
Potential Import Surge	5%	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		2.0	45.5	90.4	55.8	48.1	27.6	33.6	0.0	0.0	38.0	93.9
		3.0	91.0	180.8	111.7	96.2	55.2	67.2	0.0	0.0	76.0	187.8
	10%	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		2.0	120.8	63.8	52.0	50.5	96.2	34.0	100.1	1.1	23.7	29.6
		3.0	241.7	127.7	105.1	101.0	192.4	68.0	200.1	2.2	47.5	59.2
	20%	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		2.0	152.3	26.5	35.6	66.0	226.9	216.7	80.6	194.7	141.2	160.1
		3.0	304.7	53.0	71.3	132.0	113.4	108.3	161.2	389.4	70.6	320.2
Investment	5%	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		2.0	-0.4	-1.2	-42.4	-0.6	15.0	-1.3	0.0	0.0	-2.5	5.0
		3.0	-0.4	-2.4	-84.8	-1.3	30.0	-2.5	0.0	0.0	-5.0	10.0
	10%	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		3.0	-3.1	-25.0	-87.5	-25.0	12.5	-37.5	62.5	0.0	-37.5	6.3
	20%	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		2.0	-1.2	-62.5	-25.0	-18.8	62.5	-62.5	18.8	-1.2	-59.4	6.3
		3.0	-2.3	-9.4	-59.4	-43.8	118.8	-9.4	43.8	-2.3	-9.4	12.5
Output	5%	1.0	0.0	8.0	0.0	-2.0	0.0	0.0	0.0	0.0	-2.0	2.0
		2.0	0.0	62.5	0.0	-24.0	-28.0	-34.0	0.0	0.0	16.0	8.0
		3.0	0.0	12.0	0.0	-48.0	-50.0	-72.0	0.0	0.0	32.0	14.0
	10%	1.0	0.0	6.7	0.0	-2.0	0.0	0.0	0.0	0.0	-2.0	2.0
		2.0	2.0	46.7	0.0	-26.7	-90.0	-36.7	-36.7	-2.0	10.0	4.0
		3.0	4.0	86.7	0.0	-46.7	-16.7	-70.0	-70.0	-2.0	20.0	6.0
	20%	1.0	-2.0	10.0	-2.0	-2.0	-2.0	-2.0	-2.0	-2.0	-2.0	0.0
		2.0	0.0	24.0	-2.0	-30.0	-10.0	-10.0	-30.0	-14.0	30.0	10.0
		3.0	2.0	38.0	-2.0	-64.0	-240.0	-240.0	-56.0	-26.0	64.0	10.0
Employment	5%	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		2.0	-2.1	125.0	-2.1	-45.8	33.3	8.3	0.0	0.0	16.7	100.0
		3.0	-2.1	25.0	-2.1	-91.7	62.5	20.8	0.0	0.0	33.3	75.0
	10%	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		3.0	-2.0	20.0	-2.0	-100.0	24.0	24.0	-72.0	-2.0	24.0	64.0
	20%	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.0	4.0
		2.0	0.0	40.0	0.0	-68.0	12.0	32.0	-18.0	-6.0	32.0	16.0
		3.0	0.0	84.0	0.0	-12.0	28.0	72.0	-40.0	-12.0	68.0	32.0

Legend

Import Surge	
0-50%	
50%-150%	
150% - 200%	
>200%	

Investment, Output & Employment	
>0%	
-0.3	
< -30%	
<-60%	



3.5.2 Impact analysis based on scenario 2

The analysis showed that:

- 1) Products currently at 5% tariff rate in one subsector (electrical and electronics) will experience extra high surge level (>200%) while those at same tariff rate in five (5) sub-sectors (*chemical and pharma; plastic or rubber products; motor vehicle and assembly; and pulp, pepper, printing and publishing*) will witness significant import surge (>100%);
- 2) Products at 10% tariff level in three (3) subsectors (motor vehicle assembly; electrical and electronic; and food, beverage and tobacco) will witness extra high import surge while others except non-metallic, basic metal, iron and steel; and pulp, paper, printing and publishing will witness significant (>100%) import surge levels;
- 3) At 20% tariff level, five sub-sectors will witness extra high import surge (*food, beverage and tobacco; textile, apparel and footwear; non-metallic; motor vehicle and assembly; and pulp, paper, printing and publishing*). Basic metal, iron and steel subsector will witness significant surge, plastic or rubber; chemical and pharma; and electrical and electronics will witness reasonable surge (<100%) and wood and wood product will record zero surge.
- 4) Notwithstanding the more aggressive surge in imports compared to scenario 1,
 - a) Five (5) sub-sectors will witness job gains while three (3) will witness job losses.
 - i) Subsectors that will experience job gains include: chemical and pharma; textile, apparel and footwear; non-metallic, basic metal, iron and steel; and pulp, paper, printing and publishing); while
 - ii) motor vehicle and assembly; electrical and electronics; and wood and wood products will witness job losses;
 - b) One (1) subsector will attract reasonable investment (electrical and electronics), two (2) will record marginal new investment (pulp, paper, printing and publishing and textile apparel and footwear), one will lose marginal level of investment (food, beverage and tobacco) and six (6) will lose reasonable level of investment;
 - c) Motor vehicle and assembly subsector will be worst hit and it will witness the most surge (up to 2160% in the 10% tariff bracket and 483% in the 20% bracket) and will record losses in investment, output and employment
 - d) Electrical and electronics will witness less import surge, higher output loss and job losses than motor vehicle and assembly, but it will attract reasonable investment (28%, 56% and 62.5% in the 20%, 10% and 5% tariff brackets respectively);
 - e) Pulp, paper, printing and publishing sub-sector will witness investment, output and job gains along with the surge;
 - f) Non-metallic subsector will witness job gains despite investment and output loss;
 - g) Wood and wood products will lose investment, output and jobs for products in the 5% and 10% tariff brackets;
 - h) Food beverage & tobacco will record marginal loss of investment but will retain jobs and output.



Table 10: Impact on Manufacturing (Scenario Two Results)

Table 10: Impact on Manufacturing (Second Two Results)													
	Tariff Rate	Phase	Food, Beverages and Tobacco	Chemical & Pharmaceutical Products	Plastic or Rubber Products	Wood and Wood Products	Textile, Apparel and Footwear	Non-Metallic	Electrical and Electronics	Motor Vehicles and Assembly	Basic Metal, Iron and Steel	Pulp, Paper, Printing and publishing.	
			FBT (%)	CCP (%)	PRP (%)	WWP (%)	TAF (%)	NML (%)	E&E (%)	MVA (%)	BMS (%)	PPP(%)	
Potential Import Surge	5%	1	91.0	180.8	111.7	96.2	55.2	67.2	218.2	122.0	76.0	187.8	Legend Import Surge 0-50% 50%-150% 150% - 200% >200%
	10%	2	241.7	127.7	104.1	101.0	192.4	68.0	200.1	2160.5	47.5	59.2	
	20%	3	304.7	53.0	71.3	0.0	226.9	216.7	95.5	483.2	141.2	320.2	
Investment	5%	1	-5.0	-43.8	-81.3	-31.3	25.0	-37.5	62.5	-5.0	-62.5	12.5	
	10%	2	-2.0	-32.0	-76.0	-32.0	10.0	-40.0	56.0	-16.0	-40.0	4.0	
	20%	3	-4.0	-14.0	56.0	0.0	12.0	-12.0	28.0	-4.0	-6.0	17.2	
Output	5%	1	0.0	-66.7	-5.0	-41.7	-58.3	-83.3	-83.3	-15.0	33.3	16.7	
	10%	2	5.0	87.5	0.0	-43.8	-18.8	-75.0	-68.8	-18.8	25.0	6.3	
	20%	3	0.8	40.0	-0.4	-0.4	-20.0	-22.0	-28.0	-32.0	60.0	20.0	
Employment	5%	1	0.0	26.3	0.0	-10.5	31.6	21.1	-52.6	-2.6	2.6	18.4	
	10%	2	0.0	20.0	0.0	-100.0	24.0	24.0	-72.0	-76.0	24.0	64.0	
	20%	3	0.0	72.2	0.0	0.0	25.0	66.7	-22.2	-16.7	66.7	38.9	



3.6 Implications of Predatory Trade Practices on AfCFTA

Context

Nigeria continues to face high incidence of dumping, smuggling and under declaration of imports. It also faces trans-shipment of products from third party countries through ECOWAS countries, in breach of the anti-dumping provision in the Revised ECOWAS Treaty, the protocol on Rules of Origin (ECOWAS Protocol A/P1/1/03) and other ECOWAS protocols and statutes.

Value of goods smuggled into Nigeria via unmanned borders is estimated at N1.6 trillion²⁴ and the comparison of Nigeria's import data against data from exporting countries revealed that the value of undeclared imported goods in 2017 is in the range of \$9.4bn (N2.868 trillion)²⁵.

When Nigeria raised tariff on parboiled rice importation in 2013 to protect local farmers and processors, parboiled rice imports by Benin Republic rose to 300% from 365,212 MT in 2012 to 919,041 MT in 2013. The rise in imports of rice to Benin which has reached 1,811,164 MT in 2017 provides clear indication of the scale of smuggling faced by Nigeria.

Considering that over 90% of imports to Nigeria come from outside Africa, it is foreseen that goods destined for Nigeria may be transhipped through AfCFTA member states, where they will be repackaged in breach of statutory rules of origin. Besides use of transit countries, AfCFTA will also extend the smuggling and transit routes to all Nigeria's neighbours (i.e. Mali, Cameroon).

Besides the loss of revenue to government of Nigeria, uncontrolled influx of goods from third party countries trans-shipped or smuggled through transit countries will threaten both liberalized sectors and those in the sensitive and exclusive lists.

Consequently, not only is the full implementation and strict enforcement of "Rules of Origin" a critical requirement for success for the AfCFTA, import quotas for 3rd party countries may be considered to prevent Nigeria's experience in ECOWAS. In addition, implementation and enforcement should be conducted in a manner that eliminates the risk of introducing a new form of technical barrier to trade.

3.7 Implications of Legacy Trade Agreements on AfCFTA

Context

Regional Economic Communities (RECs), such as ECOWAS are the building blocks of AfCFTA. ECOWAS has been a cornerstone of Nigeria's drive for regional and African integration, national security and diplomatic engagements and ECOWAS with Nigeria's leadership, has made significant progress particularly on peace and security matters.

As a Regional Economic Community (REC), the ECOWAS lags behind its counterparts in Africa specifically, the Tripartite Free Trade Area (TFTA)²⁶ and has not kept pace with the rapid on-going changes in the global economy. This is partly as a result of the Francophone/Anglophone divide that continues to limit the growth of ECOWAS and compounded by "plots" to "contain" Nigeria.

Implementation of ECOWAS protocols has been problematic, the most pertinent being the challenge of undertaking adequate safeguards against unfair trade practices such as implementing provisions of Rules of Origin.

²⁴ Anti-Smuggling Presentation to the Industrial Council (13 April 2018)

²⁵ Mirror data on International Trade Centre's Trade Map

²⁶ The Tripartite FTA resulted from the merger of: Common Market for Eastern and Southern Africa (COMESA); Southern African Development Community (SADC); and, East African Community (EAC).



Based on ECOWAS Member States track record on enforcing Rules of Origin, it can be inferred that dumping, trans-shipment and smuggling will persist or even increase under AfCFTA.

Furthermore, the Economic Partnership Agreement (EPA) signed by all ECOWAS countries except Nigeria²⁷ positions these countries as staging posts for goods from EU countries disguised as goods from ECOWAS. AfCFTA will extend this risk to the 52 AfCFTA countries, whether Nigeria joins AfCFTA or not.

3.8 Foreign Policy Implications of AfCFTA

Context

In a global economy that is governed by the multilateral legal and policy framework of WTO trade rules, and also effectively organized on the basis of approximately 300 notified Regional Trade Agreements (RTSs)/Free Trade Agreements (FTAs), there are consequences to non-membership of RTAs/FTAs. There are also consequences for joining the RTA/FTA after the agreement becomes effective (i.e. an accession member) as against being a founding member.

As the AfCFTA comes into force and is operative, the statistics of the African market and economy are expected to change. As a consequence, the AfCFTA single market for goods and services shall be the largest market in Africa. If Nigeria is in the AfCFTA, Nigeria shall be part of that Single AfCFTA Market. If Nigeria is out, the AfCFTA shall be the largest market in Africa, not Nigeria. An AfCFTA bloc without Nigeria also provides ECOWAS countries in AfCFTA with a much larger market which will not only erode Nigeria's influence, but will also further embolden efforts to contain Nigeria including reduced ability to enforce ECOWAS protocols.

As all Nigeria's neighbours have signed the AfCFTA Agreement, Nigeria may have to negotiate the Rules of Origin with AfCFTA members as a bloc which is likely to be tortuous and difficult to enforce as a third party. A likely consequence of the foregoing is that companies, in accordance with market rationality and behaviour, are likely to (re)locate to the market that provides the biggest/largest access to the African market. If Nigeria is not in the AfCFTA, there is a chance that businesses will relocate or choose not to establish in Nigeria.

It is also likely that Nigeria will experience loss of influence, diminished voice and leadership with the major global economies, including major multilateral institutions (WTO, World Bank and IMF), all of which have now acknowledged and welcomed the emergence of the AfCFTA. Furthermore, the AfCFTA Secretariat shall be funded from the AU Budget which means that Nigeria's contributions to the overall AU budget shall be used in funding the AfCFTA Secretariat without Nigeria having any say in the AfCFTA Secretariat. In some ways, this represents the current state with ECOWAS where Nigeria funds substantial portion of its budget without getting the decision rights nor the expected benefits.

Although there is no "accession provision" in the AfCFTA Agreement, equivalent to the Article XII accession provision in the Marrakesh Agreement establishing the WTO, the reality is that "incumbent members, largely, original members, determine the conditions for subsequent accessions (membership). Should Nigeria decide to join the AfCFTA after the agreement becomes effective, it may be faced with the following situations:

- a) Loss of, or variance, in the "rights and privileges" of a non-original member vis-à-vis original (pioneer) members. From WTO experience, the rights and privileges of

²⁷ ECOWAS Countries that signed the EU-EPA include: Benin Republic, Burkina Faso, Cape Verde, Côte d'Ivoire, The Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Senegal, Sierra Leone and Togo



accession members are limited by their Accession Protocols. In the context of the AfCFTA, such loss may include:

- i) potential loss of concessions already granted to pioneer members (e.g. liberalization transition period) and possibly new conditions from pioneer member states;
- ii) ineligibility to host the AfCFTA Secretariat; ineligibility of nationals of the AfCFTA non-Member to apply for jobs in the Secretariat and occupy positions of strategic decision-making; and
- iii) Exclusions from the AfCFTA Secretariat in setting rules and decisions to shape “globalization / regionalism” in Africa;
- iv) Loss of privileges such as the liberalization level of ambition of 90%; the specific content of the Exclusion and Sensitive List; the start date for liberalization commitments; the duration of liberalization commitments; the scope for the use waivers and conditional exceptions; the use of the Rules and Procedures on the Settlement of Disputes.



4 Readiness Assessment

The assessment of readiness for AfCFTA focused on readiness of Nigeria as well as on selected African countries. Key findings from the assessment are detailed in this section.

4.1 Readiness of African Countries for AfCFTA

In assessing the readiness of other African countries for AfCFTA, the study benchmarked Nigeria against other African countries in terms of export concentration index which measures the vulnerability of a country's export revenue, size of manufacturing and service sectors among other readiness indicators. The readiness assessment was based on average score over a period of 10 years (2008 – 2017).

The review of the export concentration index²⁸ showed that the 10 least exposed African nations are South Africa, Tunisia, Egypt, Morocco, Uganda, Kenya, Mauritius, Togo, Congo Dem. Rep and Senegal. This implies that these countries already have a wide range of export products compared to Nigeria whose export structure is dominated by crude oil.

In order to assess the degree of competitive threat posed to Nigeria's industry by other African countries, the study benchmarked Nigeria's manufacturing value added against those of other African countries. Manufacturing value added measures the contribution of manufacturing to GDP, which is a measure of productive capacity to produce and export semi and fully finished goods which African countries need.

The assessment showed that Nigeria ranks 4th in Africa with manufacturing value added of \$35.45bn. Algeria leads with \$72.2bn, followed by South Africa (\$42.7bn), Egypt (\$42.2bn) and Morocco (\$15.82bn). However, the average manufacturing value-added of the top 20 African countries is about \$5.28bn which is 1/7th of Nigeria's figure.²⁹

The readiness assessment also shows that although countries such as Kenya, Congo Democratic Republic, Cote d' Ivoire, and Namibia all have higher number of export products, they all fare worse than Nigeria in terms of manufacturing. As such, Nigeria has the relative manufacturing capacity to compete effectively in African markets.

Nigeria also maintained the highest current account balance of \$10.12bn in Africa over the 10 year period analysed. Positive current account balance provide a country with buffers against financial shocks. In essence, Nigeria, is most favourably disposed in Africa to handle financial shocks. Other countries that achieved positive current account balance over the period of analysis include: Libya (\$6.2bn), Angola (\$2.45bn), Gabon (\$2.33bn), Botswana (\$ 0.72bn), Cote d' Ivoire (\$0.46bn), ESwatini (\$0.3bn) and Zambia (\$0.1bn).

South Africa, Egypt and Morocco achieved the largest current account deficit of \$13bn, \$7.7bn and \$5.6bn respectively. Algeria's current account average over the period was a deficit of \$0.7bn.

In per capita terms, Nigeria recorded \$1,587.6 while Libya, Angola, Gabon, Botswana and Cote d' Ivoire recorded: \$972, \$82, \$1150, \$314 and \$18.9 respectively.

Morocco ranked top in Africa on the Enabling Trade Index, followed by the SADC Countries of South Africa, Botswana, Namibia and then Kenya. In terms of readiness to trade based on

²⁸ The export concentration index is based on the Herfindahl-Hirschman Index (HHI)

²⁹ World Bank national accounts data, and OECD National Accounts data files.



this index, these countries can be adjudged to be very ready to take advantage of AfCFTA. Other top intra-African trading countries such as Zambia and Cote d'Ivoire are in the mid-tier Group while Egypt, Congo and Nigeria rank lowest.

However, Nigeria's poor showing in the enabling trade index is to a large extent due to its poor rating in market access and slightly below average rating on all other parameters. Egypt on the other hand is constrained by poor rating in efficiency and transparency of border administration.

On the global competitiveness index, South Africa and Morocco ranked in the top band (above 58%) among African countries. In the mid-range (50% - 58% score) were Botswana, Algeria, Egypt, Namibia, Rwanda and Cape Verde. In the low competitive band are Senegal, Cote d'Ivoire, Nigeria, Zambia and Ethiopia.

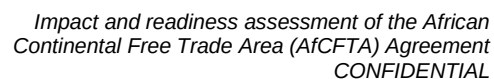
Based on all of the above, it can be concluded that, in relative terms, South Africa and Morocco are the readiest in Africa for AfCFTA; Egypt, Nigeria, Kenya, and Botswana are averagely ready and the rest of African countries could be adjudged, not ready.

Based on discussions with NOTN and publicly available information, most of African countries understand that they are not ready for the AfCFTA. However, they have reasoned that AfCFTA provides them with the opportunity and impetus to undertake reforms and projects to prepare them for international trade. Already, over 30 African countries who have signed the AfCFTA have also signed up for the AfCFTA implementation strategy development programme being organized by the Economic Commission for Africa.

Table 11: African Trade Potential Indices, Top 20 (2008 - 2017)

Country Name	HHI ³⁰	Country Name	Manufacturing Value Add (\$ Bn)	Country Name	Services (\$ Bn)	Country Name	Current account balance (\$ Bn)
South Africa	0.12	Algeria	72.20	Nigeria	225.10	Nigeria	10.12
Tunisia	0.13	South Africa	42.69	South Africa	210.39	Libya	6.20
Egypt	0.15	Egypt	42.22	Morocco	73.64	Angola	2.45
Morocco	0.17	Nigeria	35.45	Kenya	51.63	Gabon	2.33
Uganda	0.17	Morocco	15.82	Ghana	34.99	Botswana	0.72
Kenya	0.2	Tunisia	7.11	Cote d'Ivoire	25.05	Cote d'Ivoire	0.46
Mauritius	0.2	Angola	5.58	Zambia	18.82	ESwazini	0.30
Togo	0.2	Kenya	5.45	Congo, Dem. Rep.	18.82	Zambia	0.10
Congo, Dem. Rep.	0.22	Congo, Dem. Rep.	4.97	Senegal	16.43	Eritrea	0.00
Senegal	0.22	Cameroon	4.38	Botswana	15.77	Somalia	0.00
Namibia	0.27	Cote d'Ivoire	4.28	Namibia	13.45	Equatorial Guinea	0.00
Mozambique	0.27	Ghana	4.25	Mali	11.91	Chad	0.00
Lesotho	0.28	Libya	3.88	Burkina Faso	10.60	Central African Republic	0.00
Ethiopia	0.3	Equatorial Guinea	3.50	Benin	9.98	Guinea-Bissau	-0.03
Madagascar	0.3	Sudan	3.42	Guinea	7.81	Comoros	-0.05

³⁰ * - The Herfindahl-Hirschman Index (HHI) is an index that measures the export concentration of a country. The index varies between 1 (when exports are highly concentrated on a few products) and 0 (when exports are equally distributed among several products).



Confidential



4.2 Nigeria's readiness for African Continental Free Trade Area

Nigeria's readiness for AfCFTA was assessed based from the perspectives of:

- Trade Capacity;** which assessed Nigeria's ability to exploit the African market;
- Trade Infrastructure;** which assessed the ability of current physical infrastructure (power and logistics) to produce and transport goods from farm gate through to trade/export markets competitively.
- Trade Environment;** which assessed Nigeria's trade environment from the perspectives of trade facilitation, ease of doing business, cost of money, fiscal and monetary policies.
- Trade Enforcement;** which assessed Nigeria's ability to enforce its domestic and international trade rules and obligations.

4.2.1 Trade Capacity

Readiness assessment in terms of trade capacity focused on Nigeria's ability to access the Africa market given the current state of market access, productive capacity, service capacity and quality infrastructure.

4.2.1.1 Foreign Market Access

Context

Foreign market access relates to the tariff and non-tariff barriers faced by the exporting country's goods in the destination market. This is a factor of the bilateral and multilateral agreements in force between/among the trade parties.

Minimum readiness requirement is the ability of Nigerian products and services to access foreign markets with limited tariff and non-tariff barriers.

Nigeria has negotiated over 50 bilateral and multilateral trade agreements with African, European, and Asian countries³¹. However, it is yet to derive optimum benefits from these agreements. The severity of Nigeria's foreign market access challenge is evident in the low margin of preference and higher tariffs on Nigerian products in destination markets compared to its peer African countries as shown in the table below.

Table 12- Foreign Market Access

Indicator	Nigeria	Egypt	Kenya	Morocco	S/Africa
Tariff faced (%)	4.5	3.6	3.7	3.5	4
Margin of preference in destination markets (1-100)	7.3	49	68.3	54.7	74.1

Source: Enabling Trade Index

Based on the report of earlier reviews of the performance of Nigeria's trade agreements, the current market access scores were attributed to:

- lack of effective interaction between government and private sector leading to low awareness by the private sector, of the provisions and opportunities inherent in the trade agreements;

³¹ Information provided by Ministry of Foreign Affairs, Ministry of Industry, Trade and Investments



- b) limited interaction between officials and experts of both countries which constrains the ability to identify and resolve implementation issues;
- c) lack of capacity on the part of the private sector to take advantage of the opportunities in the trade agreements; and
- d) inadequate funding for the implementation of agreements such as upgrading to meet standards, technical regulations and sanitary and phytosanitary (SPS) measures in the US market.

Readiness Requirements

By providing preferential access, the AfCFTA will resolve Nigeria's market access challenges within Africa. The agreement also includes provisions to deal with non-tariff barriers and to settle trade disputes. For maximum effect, Nigeria needs to operationalise existing trade agreements. Considering that most of its trade is with non-African countries, it also needs to negotiate trade agreements with most favoured nation and if possible national treatment access clauses for its priority products with its major trade partners especially EU, China, US and India.

4.2.1.2 Quality Infrastructure

Context

Quality Infrastructure is generally regarded as the totality of the public and private institutional framework required to establish and implement the standardization, metrology (scientific, industrial and legal), accreditation and conformity assessment services (inspection, testing and product and system certification) and technical regulation necessary to provide acceptable evidence that products and services meet the specific requirements, demanded by the authorities or the market place.

Assessing the readiness of Nigeria's quality infrastructure for AfCFTA involved a review of the maturity of the governance arrangements, institutions, service providers and user awareness and compliance.

The recent high-profile rejection of Nigerian products by destination countries highlights the need for a robust and internationally acceptable quality infrastructure in Nigeria. For Nigeria's quality infrastructure to be recognized on the strength of its institutions, the international community requires that those institutions should be established and operated to provide services to an economy according to international standards.

Since the inception of the Nigeria Quality Infrastructure Project (NQIP), implemented by UNIDO, the following initiatives have been put in place to improve Nigeria's capacity to meet quality standards³²:

- a) The Nigeria National Accreditation Service (NiNAS) has been set up to provide nationwide accreditation services.
- b) The National Metrology Institute (NMI) is being set up within SON to provide legal and industrial metrology services. The Quality Infrastructure Policy provides for the Weights and Measures Department existing within the Federal Ministry of Industry Trade and Investment, but which lacks the requisite resources to be relocated into the National Metrology Institute.

³² NiNAS



- c) The NQIP project identified 311 laboratories in Nigeria out of which it has validated information for 78 laboratories and which are being prepared for accreditation.
- d) Four (4) certification bodies in Nigeria have been globally certified.
- e) A Consumer Charter has been developed to drive quality awareness.

Readiness
Requirements

To improve the quality infrastructure capacity of the country, the following initiatives need to be carried out:

- a) Expedite the approval of the National Quality Policy (NQP) currently at Federal Ministry of Industry, Trade and Investment.
- b) Constitute a National Quality Council and Office Technical Regulation to be domiciled within the Presidency as an apex body to oversee the promotion and implementation of quality infrastructure and programmes.
- c) Develop and pass the National Quality Bill.
- d) Fund the NQIP implementation budget (NGN 4.6 billion over 5 years) and leverage the funding to attract donor support required to extend the project.

4.2.1.3 Productive Capacity

Context

The productive capacity of a country is the maximum possible output of an economy. According to UNCTAD, productive capacity is the productive resources, entrepreneurial capabilities and production linkages which together determine the capacity of a country to produce goods and services.

The productive capacity targets for Nigeria's priority sectors were directly and indirectly stated in the ERGP and other national and sector development. The capacity targets and the current state are as follows:

- a) The Agriculture Promotion Policy aims to increase agriculture GDP to N21.0 trillion by 2020 at an average annual growth rate of 6.92% (2017-2020). As at December 2018, agriculture's contribution to GDP was N17.5 trillion;
- b) The Sugar Development Master Plan aimed at raising local production to 1.79 million metric tons by 2023. Current projection is that only 0.5 million tonnes can be achieved by 2023³³;
- c) The 7 Big Wins which coordinates the National Oil Policy, National Gas Policy, Downstream Policy, Fiscal Reform Policy, and Petroleum Industry Reform Bill aims to increase oil production to 2.5 million barrels per day by 2020 and expand domestic gas production to meet power generation and manufacturing demand. Current oil production hovered around 2.08 million barrels per day in 2018;
- d) The National Industrial Revolution Plan which aims to grow manufacturing GDP to 10.6% in 2020, translating to an average of 8.48% from 2018 to 2020; it also aims to increase the employment share of manufacturing to 8%;
- e) The Zero Oil Plan which aims to roll out export policies for 11 major products that could generate up to \$30bn annually cotton, rice, leather, gold, soya, sugar, cocoa, petrochemicals and fertilizer, palm oil, rubber, and cement; and

³³ National Sugar Development Council



- f) The Mining Sector Roadmap which aims to grow solid minerals GDP from N103 bn (2015) to N141 bn (2020) at an average annual growth rate of 8.54% (2017-2020).

As shown in the table below, apart from agriculture and oil and gas, the targets in the ERGP are far below the needs of the African market.

Table 13- ERGP Sector targets (- GDP targets; ** - 2020 GDP growth targets)*

S/N	Sector	Sub-Sector	ERGP Target	AfCFTA Potential Market Size
1	Agriculture	N/A	\$68.85bn (N21 trn)*	\$31.7bn
2	Solid Minerals	N/A	\$0.46bn (N141bn)*	\$69.6bn
3	Manufacturing	N/A	\$32bn (10.6%) **	\$195.4bn
4	Oil and Gas	N/A	\$41.32bn (2.5 mbopd)	\$56.7bn
5	Services	Financial services	N/A	\$4.9bn
		Creative Industries	\$1 bn	N/A
6	Construction & Real Estate	N/A	N/A	\$1.57bn

Source: ERGP

The study also showed that Nigeria needs to develop its productive capacity across the value chain in manufacturing, agriculture, services & other industries sectors. The ERGP has identified 167 projects, requiring investments worth \$22.5 billion, which if realised will improve our productive capacity. The ongoing ERGP midterm study is expected to provide additional information on the status of completion on the identified projects.

Table 14- ERGP projects and investment requirement

Sector	Number of Projects	Investment Required (\$ billion)	Jobs Creation
Agriculture	63	1.2	110,134
Transportation		3.52	18,366
Manufacturing	70	5.93	154,776
Solid minerals		3.32	223,524
Gas	8	2.05	10,002
Power	26	6.52	8,952

Source: ERGP

In addition, the Made-in-Nigeria (MINE) project has identified greenfield and brownfield special economic zones (SEZs) projects in 12 states of the country (Abuja, Akwa Ibom, Anambra, Bauchi, Benue, Edo, Enugu, Katsina-Funtua, Gombe, Kwara, Rivers, Bayelsa, Taraba) for development. The purpose of the SEZ projects is to upgrade the SEZs to world-class standards and create an enabling environment for sustainable and globally competitive export-oriented operations in Nigeria.

The Nigeria SEZ Investment Company Limited (NSEZCO) has been incorporated as the delivery vehicle for Project MINE and as the holding entity for all Federal Government equity investments and other proprietary interests in existing and future SEZs. Two pilot projects have also commenced in Aba (Enyimba Economic City) and Lagos (Lekki Model Industrial Park). Despite the laudable efforts of these initiatives, there are no estimates of how much additional production capacity will come on-stream upon completion of these projects.



In order to take advantage of the AfCFTA, Nigeria will be required to improve its productive capacity, and this will involve:

- a) supporting the private sector to undertake/accelerate the 167 private sector investments in the ERGP worth \$22.5bn;
- b) undertaking further studies to quantify accurately, the current productive capacity and the additional product and service generation capacity that the afore-mentioned new investments will add.
- c) defining and executing a strategy to improve its financial credit ratings, provide low cost financing for the services sector, tackle the scourge of piracy and promote its image internationally; and
- d) Expediting the Made-in-Nigeria (MINE) initiative including:
 - i. funding the development of export oriented special economic zones in Abuja, Akwa Ibom, Anambra, Bauchi, Benue, Edo, Enugu, Katsina-Funtua, Gombe, Kwara, Rivers, Bayelsa, Taraba;
 - ii. rewriting NEPZA Bill to achieve reforms recommended by World Bank Global Zones Benchmarking Study;
 - iii. extending the Ease of Doing Business (EODB) reforms to SEZs; and
 - iv. develop world-class technical and vocational training integrated with workplace requirements.
- e) Developing geographical indicators for agricultural and mineral products.
- f) providing export subsidies for certain products.
- g) emphasizing policies that enhance education quality, job market information, re-training opportunities for the upgrading of skills and the acquisition of new skills; to enhance job search through employment services which offer job placement information, interview training, career guidance and counselling.

4.2.2 Trade Infrastructure

The outcome of the readiness of Nigeria's trade infrastructure to enable efficient production of goods and services within its production clusters and convey these goods and services to the markets of demand is presented in this section.

4.2.2.1 Power

Context

Minimum readiness requirement in terms of power is the provision of stable and uninterrupted power to industrial clusters including free trade zones and special economic zones.

The figure below shows the severity of the shortage in power supply in Nigeria. While the 2025 national demand is estimated at 15255 MW, current generation (available) capacity is 11800MW, transmission and distribution capacities available are only 5300MW and 5220MW respectively. The unavailability of power poses very significant challenge to the country's competitiveness landscape.

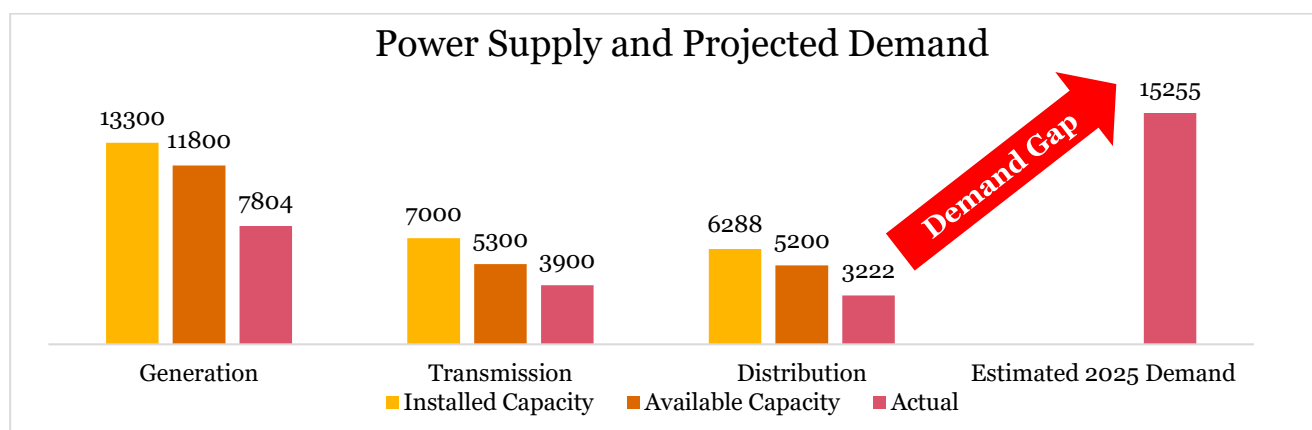


Figure 13: Power Supply and Demand Projection (Source: Transmission Expansion Plan)

With electricity access to only 59% of her population, equivalent to about 73 million lacking electricity, Nigeria lags behind all its peers except Kenya and is listed in the World Bank's list of 'Top 20 countries' with the largest access deficit to electricity.³⁴

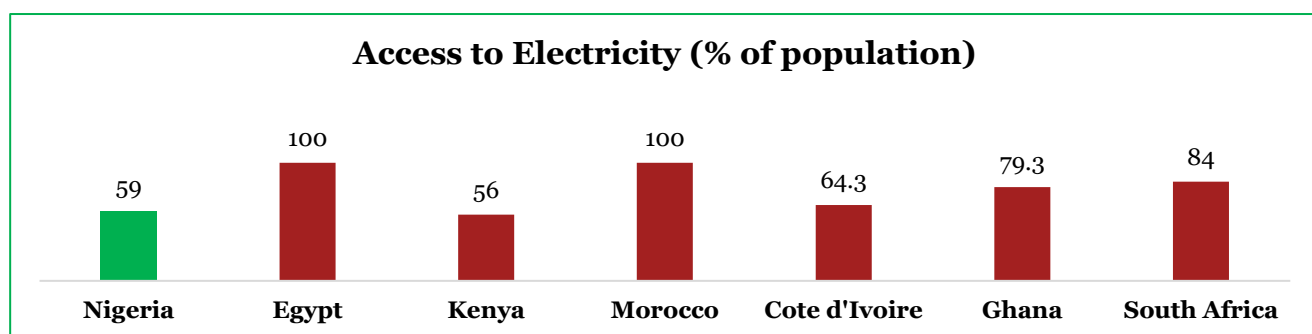


Figure 14: Access to Electricity (% of population) (Source: World Bank)

Nigeria also scored the least amongst its peers in terms of reliability of electricity supply, measured based on number of interruptions and voltage fluctuations.

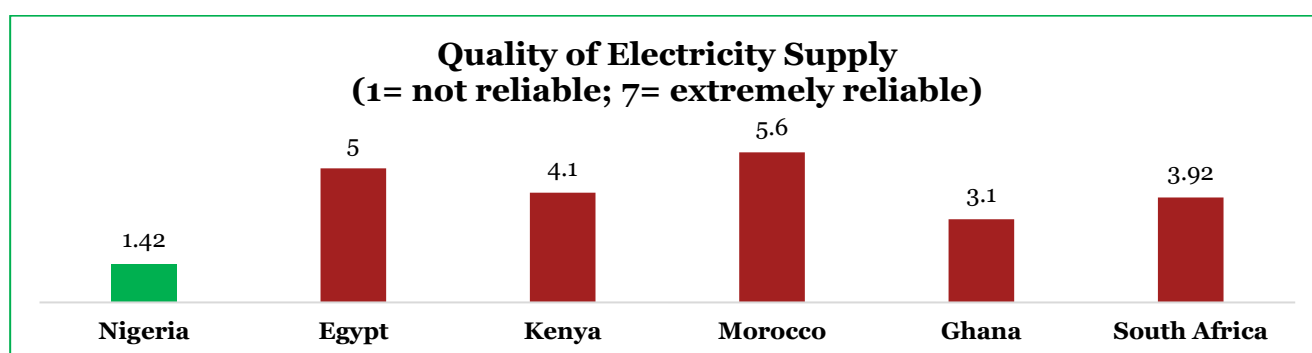


Figure 15: Quality of Electricity Supply (Source: Global Competitiveness Index)

However, there are sector development plans being implemented to address the challenges and a lot has been achieved to date.

³⁴ World Bank



Readiness
Requirements

The Transmission Masterplan identified 72 generation projects with supply capacity of over 20,000 MW and 56 Transmission projects (19 330kv projects and 37 132kv projects)³⁵ to be completed by 2025.

The Power Sector Recovery Programme is also implementing policy, operational/technical, governance and financial interventions to restore the financial viability of the sector, improve service delivery, reduce losses and reset the industry for future growth.

The Distribution Expansion Plan is focused on resolving the stranded 2,000 MW capacity on the grid through direct investment/power supply to manufacturers from the 33kv and 11kv lines.

As electricity is the highest production cost driver for businesses (both manufacturing and services), readiness for AfCFTA also requires that electricity tariff for large consumers (maximum demand users) and strategic sectors be aligned with cost of electricity in key peer countries.

Timely completion of these projects will further improve Nigeria's readiness for the AfCFTA. This is however dependent on quick resolution of the following critical dependencies:

Table 15: Power Readiness Critical Dependencies

S/N	Recommendation	Timeframe		
		Short	Medium	Long
1	Securing the loans and intervention funds from government and development agencies for: i) The power sector recovery programme (N205 bn CBN intervention for NESI ³⁶ , funding for Mambilla hydro etc.) ii) Securing transmission expansion plan (\$200 million-JICA, \$272 million-AFD, \$200 million-AFDB, \$500 million-EXIM bank, \$486 million-World bank, \$210 million-Islamic bank, etc.)	✓	✓	
2	Conclusion and implementation of tariff revision and provision for shortfall in the budget until tariff revision exercise is complete	✓		
3	Implementation of regulatory, administrative and other mechanisms to enforce collections and remittances across the value chain	✓		
4	Sustained and possibly accelerated implementation of the generation, transmission and distribution expansion programme	✓		
5	Policy interventions to improve energy mix through coal-to-power generation and off-grid renewables.			✓

4.2.2.2 Road

Context

Readiness for AfCFTA in terms of road infrastructure means good quality and well-connected road network from farm gate and industrial clusters through aggregation centres to the export terminals. It also includes the availability of Truck Transit Parks (TTPs) to ensure safety of cargo and haulage vehicles while on transit.

³⁵ Transmission Company of Nigeria

³⁶ According to the CBN governor, this fund is already available



Nigeria currently has a road network of about 200,000 km comprised of 35,000 km of federal roads (Trunk A - 18%), 17,000 km of state roads (Trunk B - 15%) and 150,000 km of local government roads (Trunk C-67%). Although the federal roads constitute only 18% of the total road network, they carry over 80% of the vehicular traffic.

Nigeria ranks 93rd out of 136 countries (score of 3.8/7) in terms of availability and quality of road infrastructure on the Enabling Trade Index³⁷. Nigeria's ranking lags peer countries such as South Africa (5.8/7), Morocco and Cote d' Ivoire (5.1/7), Kenya (4.3/7), Egypt (4.2/7) and Ghana (4.0/7).

Nigeria's ranking is striking given that it is heavily reliant on its road infrastructure for trade, due to the limited capacity of other modes of transportation.

The Zero Oil Plan identified two main routes, as the most important roads for trade as they connect the raw material locations and the industrial and service clusters to the ports for export. These are:

- Lakaji corridor (Lagos to Mokwa (A1), Diko (A124), Kano (A2), Jibiya (A9) and
- Port Harcourt to Ngala (A3); and

Three (3) connecting routes, namely:

- Road A237 connecting Kano (A2) to Potiskum (A3)
- Road A234 connecting Diko (A2) to Akwanga (A3)
- Road A121 connecting Shagamu (A1) to Benin (A2) and Road A232 connecting Benin (A2) to Enugu (A3)

Several rehabilitation projects are ongoing on the Lakaji and Port Harcourt – Ngala Corridors as well as on the linkage roads. Some of these projects which had witnessed significant delays due to lack of funding are being funded via the following sources: Sukuk bond, Road Infrastructure Development and Refurbishment Investment Tax Credit Scheme (RIDRITS), the Presidential Infrastructure Development Fund (PIDF) and China EXIM Bank loans.

The feeder roads from farm and factory gates to the above trunk roads are mostly States and Local Government roads. Other road networks relevant for intra-African trade are the Lagos-Abidjan Corridor, Jibiya to Maradi Road, and Lagos to Bamenda. Synergy among all three tiers of government and our neighbouring countries is therefore required to achieve the full readiness for AfCFTA in terms of roads.

In order to achieve readiness for the AfCFTA, Nigeria needs to implement the following:

Table 16: Road Readiness Requirements Implementation Plan

S/N	Recommendation	Timeframe		
		Short	Medium	Long
1	Expedite the completion of already contracted and funded roads on the export road corridors			✓
2	Develop a sustainable financing strategy to upgrade and maintain the quality of the critical trade roads	✓		
3	Conduct a study to determine and prioritise the secondary roads to link agricultural and industrial clusters to the main export roads	✓		

³⁷ The Enabling Trade Index measures the factors, policies and services that facilitate international trade in goods. It is made up of four sub-indexes: (i) market access; (ii) border administration; (iii) transport & communications infrastructure; and (iv) business environment.



Readiness Requirements	4	Conduct condition assessment on the main export corridors to determine additional requirements to achieve required quality	✓		
	5	Liaise with state governments and neighbouring countries to complete the secondary roads and international highways		✓	

4.2.2.3 Rail

Context

Readiness for AfCFTA in terms of rail infrastructure means good quality and well-connected rail network from major agricultural, industrial and trade centres to the export terminals.

Nigeria is currently on Phase 2 (System Modernization) of implementing its 25-year Strategic Vision to modernize the railway system. This means that the country is still dependent on its 3,505km of narrow gauge tracks.

The current rail infrastructure has witnessed a decline in passenger numbers over the years, but continues to support trade activities with an increasing movement of goods and cargo. In 2017, a total of 2.59 million passengers and 165,000 tons of cargo were transported by rail (cement, rail construction material and fertiliser accounted for 76% of goods transported by rail in 2016).³⁸

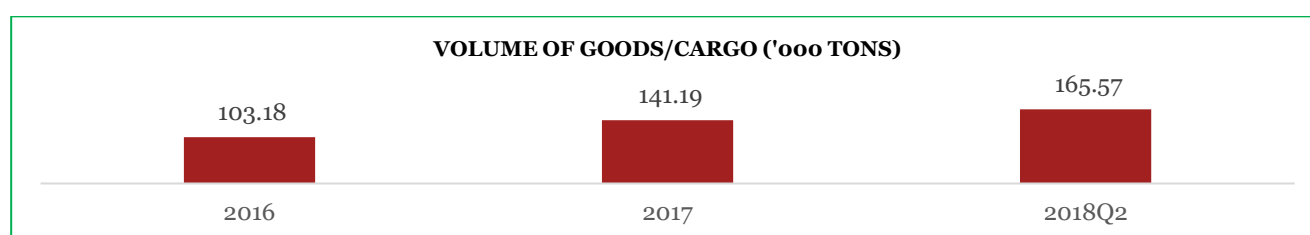


Figure 16: Volume of Goods/Cargo Transported by Rail (Source: National Bureau of Statistics)

³⁸ National Bureau of Statistics

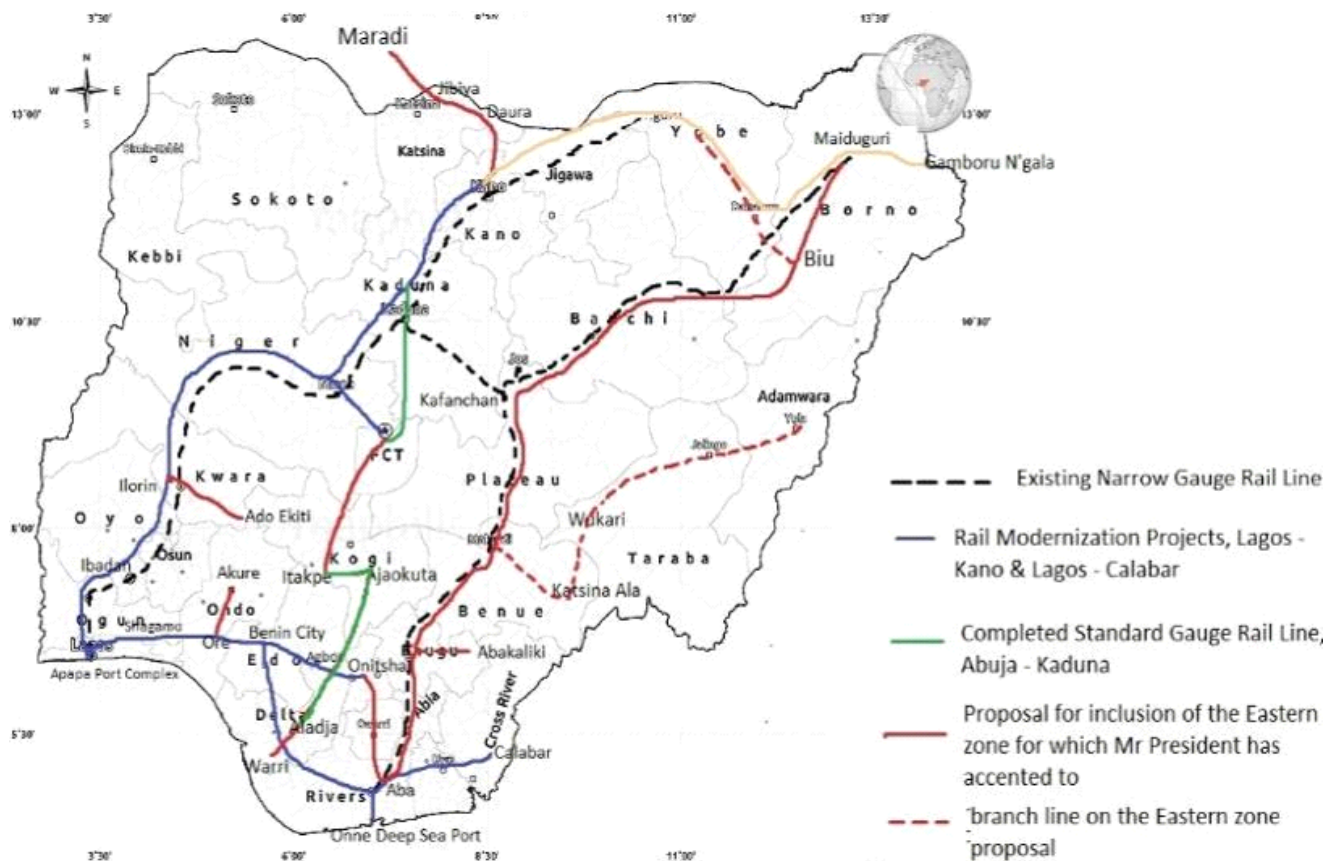


Figure 17: Nigeria's Rail Network Map (Source: Nigerian Railway Corporation)

Readiness Requirements

Readiness for AfCFTA in terms of rail transportation will involve improving rail access to agricultural and industrial clusters. The successful completion of the Abuja-Kaduna and Warri-Itakpe standard gauge rail lines are notable steps towards improving the rail infrastructure to support trade. To ensure the rail infrastructure begins to facilitate trade and reduce the pressure on the roads, Nigeria needs to expedite the completion of the following standard gauge rail projects³⁹:

- Lagos – Ibadan – Kaduna – Kano (*Ongoing – the Lagos Ibadan section is 85% complete*)
- Kano – Katsina – Jibiya (*undergoing procurement process*)
- Port Harcourt – Maiduguri (*undergoing procurement process*)
- Lagos – Calabar (*sourcing finance*)
- Calabar – Port Harcourt
- Itakpe – Abuja

³⁹ Nigerian Railway Corporation



Readiness Requirements

These projects are estimated to cost over \$30 bn (N 9.1 trillion). As such, similar to roads, the government needs to define a sustainable financing model that will assure timely completion while minimizing capital requirements.

In addition to the standard gauge projects, there are ongoing projects to rehabilitate the narrow gauge (NG) lines in the country. In 2018, the Federal Government signed an interim concession agreement on the entire 3,400km narrow gauge line with a consortium led by General Electric, albeit, this concession has been transferred to Transnet. The goal of the concession includes fixing 10 of the 25 existing locomotives and increasing the current speed from 18km/hr to 40km/hr.

From trade perspective, there is need for cost benefit assessment of revamping the narrow-gauge rail lines connecting the ports to the major production clusters versus waiting to complete the standard gauge lines.

Table 17: Rail Readiness Requirements Implementation Plan

S/N	Recommendation	Timeframe		
		Short	Medium	Long
1	Identify a sustainable financing model that assures timely completion while minimizing capital requirements	✓		
2	Conduct a cost benefit assessment of revamping the narrow-gauge rail lines connecting the ports to the major production clusters versus waiting to complete the standard gauge lines	✓		
3	Expedite the completion of the following standard gauge rail projects listed above		✓	
4	Expedite the completion of the ongoing projects to rehabilitate the narrow gauge (NG) lines in the country	✓		

4.2.2.4 Aviation

Context

Readiness for AfCFTA in terms of aviation means the availability of required infrastructure to support trade activities and the movement of persons through the availability of warehousing and cold room facilities for perishable cargo and the capacity of local airlines to support passenger movement.

Nigeria's stock of airport infrastructure is spread across the 36 states, with the 5 international airports accounting for 100% of cargo traffic and 86% of passenger traffic, as shown in the table below:

Table 18: Nigerian Airports

S/N	Airport name	Other Designation	Location	% Cargo Traffic	% Passenger Traffic
International Airports					
1	Murtala Muhammed International Airport	Cargo	Lagos	88.8	47.53
2	Nnamdi Azikiwe International Airport	Cargo	FCT	1.42	25.85



S/N	Airport name	Other Designation	Location	% Cargo Traffic	% Passenger Traffic
3	Mallam Aminu Kano International Airport	Cargo	Kano	4.24	3.2
4	Port Harcourt International Airport	Cargo	Port Harcourt	5.18	7.06
5	Akanu Ibiam International Airport	N/A	Enugu	0.29	2.3
Major Domestic Airports					
6	Kaduna Airport	N/A	Kaduna	0	2.64
7	Margaret Ekpo International Airport	Cargo	Calabar	0	1.17
8	Maiduguri Airport	N/A	Maiduguri	0	1.10
9	Sultan Saddik Abubakar Airport	N/A	Sokoto	0	0.59
10	Yakubu Gowon Airport	Cargo	Jos	0	0.35
11	Yola Airport	N/A	Yola	0	1.14
Other Domestic Airports					
12	Akwa Ibom International Airport	Cargo	Uyo	0	Not available
13	Sam Mbakwe Airport	Cargo	Owerri	0	3.2
14	Katsina Airport	N/A	Katsina	0	0.09
15	Minna Airport	Cargo	Minna	0	0.16
16	Ilorin Airport	Cargo	Ilorin	0	0.66
17	Ibadan Airport	N/A	Ibadan	0	0.28
18	Akure Airport	Cargo	Akure	0	0.18
19	Benin Airport	N/A	Benin	0	1.83
20	Makurdi Airport	Cargo	Makurdi	0	0.001
21	Bauchi Airport	N/A	Bauchi	0	Not available

Source: National Bureau of Statistics

The ERGP estimated that Nigeria's current air infrastructure has a capacity of 15 million passengers and 208,424 tonnes of cargo. In 2017, Nigeria supported passenger movement of 13.4 million (including 3.93 million international passengers) and cargo of 161,000 tonnes equivalent to 90% of capacity for passenger transport and 78% of cargo capacity⁴⁰.

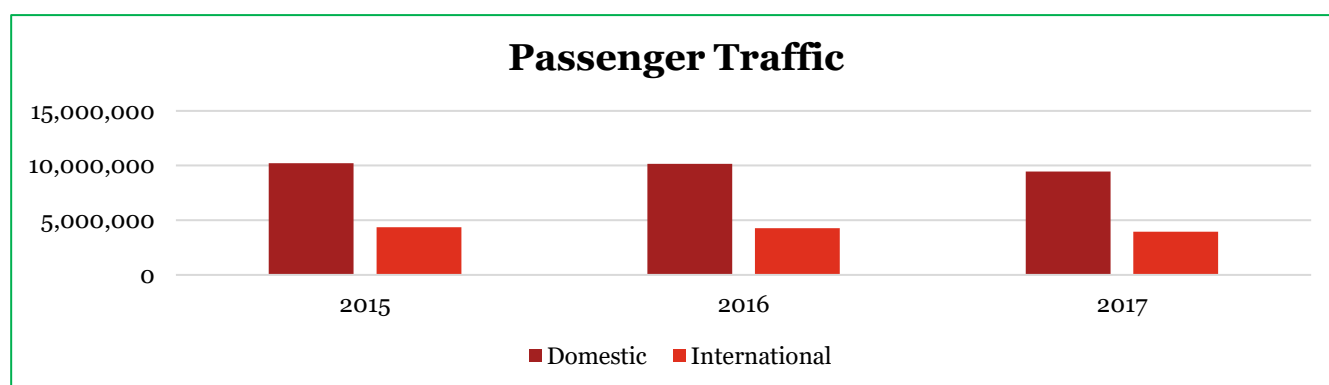


Figure 18: International and Domestic Air Passengers (Source: National Bureau of Statistics)

⁴⁰ NBS

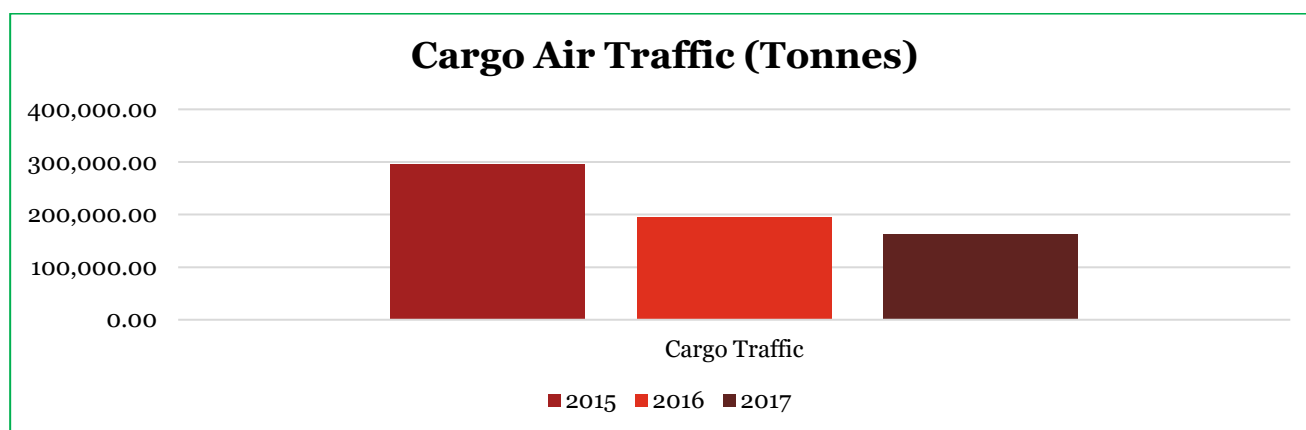


Figure 19: Air Cargo Traffic (tonnes) (Source: National Bureau of Statistics)

International travel, moving passengers and cargo to and from Nigeria, is dominated by foreign carriers, with limited international destinations on offer by Nigerian airlines. This dominance is seen in the negative trade balance of \$2.25 bn incurred by Nigeria for travel services in 2017 (import \$5.79 bn; export \$2.54 bn)⁴¹.

At Africa level, import of travel services in 2017 was valued at \$16.7 bn. The current level of import of air travel is an indication of the capacity of local carriers and level of government support. Although government has provided destination landing slots, these local carriers operate very limited regional and international routes. The key challenges they face include inadequate resources, high operating costs and technical barriers imposed by the destination countries which make it difficult to compete with the global players.

Based on the foregoing, readiness for aviation was evaluated from the perspectives of reducing the current high level of imports (international travel dominated by foreign carriers), increasing Nigeria's share of regional and continental travel and improving the infrastructure to support the sector to operate at the target level.

⁴¹ International Trade Centre – Trade Map



Readiness
Requirements

In order to take advantage of the opportunities provided by the Africa Open Skies agreement, the AfCFTA, and the bilateral air service agreements, Nigeria needs to develop a strategy and targeted policy instruments (including incentives) to support local airline operators. It also needs to ensure strict enforcement of these agreements.

A key challenge with cargo movement is availability of export products to balance the volume of imports, which will in turn reduce freight costs.

In order to address this issue, Nigeria needs to grow its export production capacity and improve the transport links to the airports. The feasibility of operating the major airports as hubs for movement of goods from ECOWAS and neighbouring countries should be assessed.

On air infrastructure, the ERGP has set out targets for the expansion of Nigeria's aviation capacity to handle passenger and cargo traffic of 45 million and 276,848 tonnes respectively by 2020.

Already, new airport terminals in Abuja and Port Harcourt have been commissioned, while those at Kano, Enugu and Lagos are at advanced stages of completion.

This development provides opportunities for service companies to expand their services. For instance, the cargo handling company Skyways Aviation Handling Company Limited (SAHCOL) has listed on the Nigerian Stock Exchange to raise funding for the expansion of its services. Also, Nigerian airline operator (Air Peace) has commenced expansion to long-haul operations to Dubai, Sharjah, London, Houston, Guangzhou-China, Mumbai and Johannesburg.

Based on all of the above, readiness for AfCFTA involves completion of the initiatives outlined in the table below:

Table 19: Aviation Readiness Requirements Implementation Plan

S/N	Recommendation	Timeframe		
		Short	Medium	Long
1	Develop a strategy and targeted policy instruments (including incentives) to support local airline operators	✓		
2	Establish a Maintenance, Repairs and overhaul (MRO) centre		✓	
3	Set-up of an Aviation leasing company (Procurement phase)			✓
4	Establish a free zone area close to the major airports			✓
5	Upgrade the navigation and landing aids airports, to International Aviation Safety assessment (IASA) category 3C to allow big airplanes to land at zero visibility		✓	
6	Provide adequate warehousing and cold room facilities for perishable cargo at the major international and feeder airports		✓	
7	Provide mechanical conveying system and frictionless raised platform		✓	
8	Provide cargo scanners and X-ray machines to speed up screening process	✓		
9	Re-establish the capacity to monitor and enforce the terms of all air travel agreements, especially in the area of reducing technical barriers and biases against Nigerian operators	✓		



4.2.2.5 Ports

Context

Readiness for AfCFTA in terms of ports means the availability of physical infrastructure required and trade enabling procedures to support trade activities across borders.

Nigeria's Port infrastructure ranked very low, 182 out of 185 countries, on the Enabling Trade Index. In comparison, Morocco ranked 62, Egypt ranked 171, Kenya, 112 and South Africa, 143. Nigeria's low ranking on Port is on one hand due to its low Liner connectivity, which measures the degree of a country connection to the global shipping network and indirectly the size of a country productive sector and relevance to international trade. The second indicator of the state of Nigeria's ports is the quality of port infrastructure, which is based on business executives' perception of their country's port facilities.

Nigeria's six (6) Port complexes in Apapa, Tin Can, Port Harcourt, Calabar, Warri and Onne have a combined container handling capacity of 9.18 million per annum with Lagos accounting for 78.5% of the total capacity. Besides capacity concentration in Lagos Ports, depth, number and length of berths also constrain the size of vessels that can berth on non-Lagos ports, with the exception of Onne Port.

Table 20: Nigerian Ports Profile

Port	Access Chanel Depth (m)	Berth Capacity	Handling Capacity (million)	Ship Traffic	Gross Tonnage (million)	Average Turnaround
Apapa Port	13.5	21	3.9	1,350	31.93	5.13
Tin Can Island	13.5	13	3.8	1,151	41.47	4.01
Onne	11	21	0.8	681	42.81	2.14
Delta	9.5	20	0.33	507	6.18	3.48
Rivers	9.5	8	0.2	312	5.27	6.58
Calabar	6.4	7	0.15	174	3.88	5.18

Source: Nigerian Ports Authority

The challenges with port infrastructure include state of port infrastructure (handling capacity) and access to the ports (inbound and outbound logistics and security). To address the infrastructure challenges, a lot of investment has been made in the Lagos Ports since they were concessioned to private companies. Since the concessioning, vessel turnaround time has reduced significantly, although further improvements are being pursued. Therefore, the low ranking of Lagos Ports can be attributed to the poor state of the access roads in and out of the Ports, the state of the railway service and coastal transportation service. Rehabilitation of the access roads to the Ports is expected to commence in 2019 and to be funded via the Road Infrastructure Development and Refurbishment Investment Tax Credit Scheme (RIDRITCS).

Another constraint plaguing the non-Lagos ports is security threat which subsists in the Niger-Delta where Port Harcourt, Onne and Warri Ports are located. The threat to life and property limits the number of vessels to these ports and increase insurance costs significantly.



In this regard, the Nigeria Maritime Administration and Safety Agency (NIMASA) has implemented various initiatives in improving the security within the Blue economy to include:

- a) Deep Blue Sea Project, an integrated surveillance system with satellites and coastal radar systems covering the Gulf of Guinea. This will also provide integration with the Nigerian Navy's Falcon Eye Intelligence system.
- b) The Antipiracy Bill to criminalise offenses to deter the activities of pirates within the Gulf of Guinea.

The following initiatives on improving port infrastructure were identified from the ERGP and submissions to the Committee:

Table 21: Ports Readiness Requirements Implementation Plan

Readiness Requirements	S/N	Recommendation	Timeframe		
			Short	Medium	Long
	1	Issue more licences to build up terminals in existing ports, especially outside Lagos, as a means of increasing port efficiency	✓		
	2	Review local fiscal and regulatory incentives to support the development of industrial cities, parks and clusters, especially around existing ports and transport corridors	✓		
	3	Upgrade high-priority export infrastructure projects (e.g., bulk loading terminals at ports, field-to-market road routes)		✓	
	4	Establish a robust capital project development framework to encourage and increase PPPs to deliver critical projects	✓		
	5	Dredge the Calabar port to increase the access channel depth from 6.4 to 9 meters			✓
	6	Expedite the development of deep-sea ports and inland dry ports;		✓	
	7	Leverage technology to limit physical inspection of containers	✓		
	8	Rehabilitate access roads to Lagos ports, via the Road Infrastructure Development and Refurbishment Investment Tax Credit Scheme (RIDRITCS) to improve port efficiency		✓	
	9	Build truck terminals and truck holding bays with a call up system to manage traffic at the ports		✓	
	10	Secure the International Federation of Freight Forwarders Association (FIATA) certification for Kaduna Inland dry port (KIDP)	✓		
	11	Dredge 1,000km of inland waterways and reinforce river banks to increase the capacity of inland waterways			✓

4.2.3 Trade Environment

The expansion of world trade over the past decades has been driven, in large part, by the changing nature of both production and the reduction of trade barriers through multilateral trade agreements. These agreements such as the World Trade Organisation (WTO) have led to considerable reductions in tariffs on goods crossing national borders. Nigeria, having submitted the instrument of acceptance of World Trade Organisation's Protocol on Trade Facilitation Agreement (TFA) in January 2017 has the potential to reduce trade barriers and increase international trade activities. Today, as the role of traditional trade barriers gradually vanishes, the focus of trade policies has shifted to other non-tariff barriers hindering trade, which include: Trade Facilitation, Ease of Doing Business and Monetary & Fiscal Policies

This section contains a review of the current state of Nigeria's trade environment and requirements for the AfCFTA.

4.2.3.1 Trade Facilitation

Context

Trade facilitation efforts are directed towards reducing the complexity and cost of trade transaction processes and ensuring that associated activities take place in an efficient, transparent and predictable manner.

Nigeria's TFI performance has improved between 2015 and 2017 in the key areas of advance rulings, fees and charges, documents, automation, and governance and impartiality. Performance in the other areas remained stable over the same period. The current state of Nigeria's trade performance can be attributed to the implementation of initiatives by responsible agencies⁴².

The improvement of trade facilitation performance in Nigeria is crucial as it lags behind comparator countries in 7 of 11 indicators.

A major constraint to intra-Africa trade is the prevalence of informal trade which is due to lack of a coordinated mechanism for managing goods in transit. The ECOWAS Protocols on the Inter-State Road Transit of Goods⁴³ (ISRT Scheme) was expected to resolve this gap. However, it is yet to be fully implemented due to absence of a Regional Guarantee mechanism. Ghana and other ECOWAS countries have partially implemented the ISRT Scheme under bilateral MOU arrangements with neighbouring countries (Burkina Faso, Mali). Nigeria through NEXIM as the National Guarantor for the ISRT scheme is yet to commence the project in earnest, as the National Guarantors of Benin Republic and Togo are yet to execute the bilateral MOUs to facilitate the ISRT project within the Abidjan - Lagos corridor.

Overall, the study revealed that Nigeria has made significant strides in improving its trade facilitation scores as monitored on the trade facilitation index. Areas of key improvements include: advance rulings, fees and charges, documents, automation, and governance and impartiality (refer to the figure below).

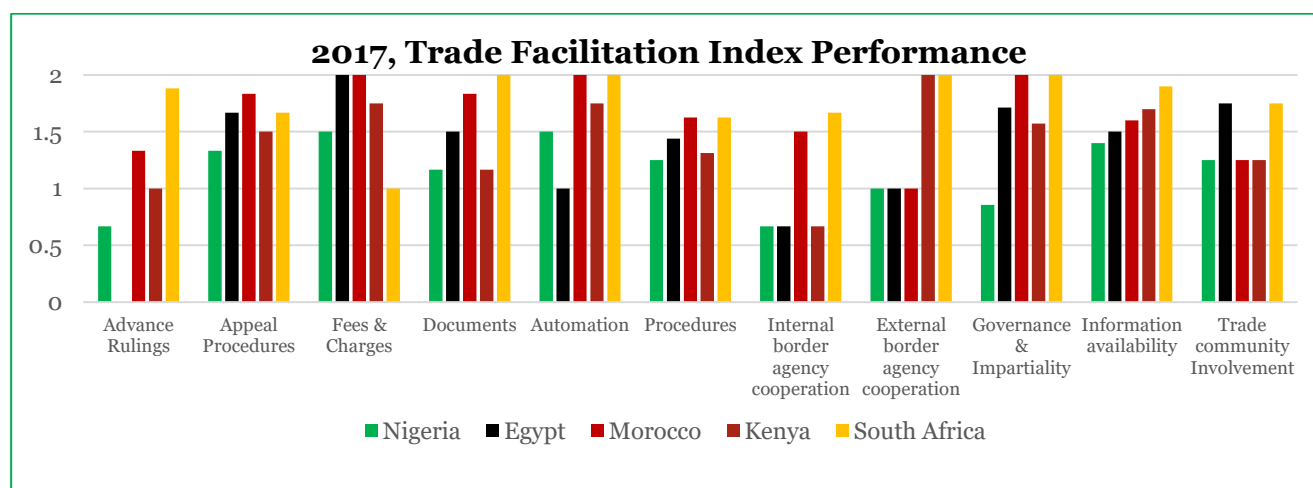


Figure 20: Trade Facilitation Performance (Source: Trade Facilitation Index)

⁴² Nigerian Customs Service, Nigerian Port Authority, Nigerian Shippers Council

⁴³ ECOWAS Protocols A/P1/5/82 and A/P4/5/82



Readiness
Requirements

Key initiatives to enhance Nigeria's readiness for AfCFTA in the area of trade facilitation include:

- establishment of a single source of trade information;
- reduction in export/import time & cost;
- conclusion of outstanding action on the Abidjan-Lagos Trade and Transport Facilitation Project (ALCO Project), including completion of the Seme – Lagos road, reducing dwell time at the ports, implementation of a national single window and the ISRT scheme and reducing incidence of bribery, number of check points, among others;
- resolving issues preventing full implementation of existing Customs cooperation agreements, harmonizing data requirements; and
- updating existing bi-lateral agreements between Nigeria, Chad and Niger to include coordinated border management.
- continuous review and update of existing policies and measures to address supply side constraints of businesses, especially the strategic sectors, products and services.

The estimated timescale to complete the port readiness projects is shown below:

Table 22: Trade Facilitation Readiness Requirements Implementation Plan

S/N	Recommendation	Timeframe		
		Short	Medium	Long
1	Expedite the ongoing initiatives within Customs, Ministry of Trade and other relevant stakeholders to establish a national single window and information contact centre for all trade related information	✓		
2	Improve the availability of information on criteria, procedure and judgement on advance rulings	✓		
3	Implement obligations to the Abidjan-Lagos trade and transport facilitation project (including completing the road from Seme to Lagos, reducing dwell time, implementation of the single window and other outlined project objectives		✓	
4	Review NPA's Import and Export Guidelines to include provision of scanners at ports to reduce physical inspection and clearing times	✓		
5	Establish criteria for Authorised Economic Operators as contained with Customs Bill 2013	✓		
6	Simplify import and export forms to reduce errors	✓		
7	Harmonise and increase transparency of fee and charges	✓		
8	Harmonise publications and stakeholder engagement fora to provide timely information on regulatory changes and appeals procedures	✓		
9	Fast track implementation of the ECOWAS Customs Union which resolves issues around Customs cooperation and harmonising data requirements	✓		



S/N	Recommendation	Timeframe		
		Short	Medium	Long
10	Update existing bi-lateral agreements between Nigeria, Chad and Niger to include Customs cooperation	✓		

4.2.3.2 Ease of Doing Business

Context

In assessing the state of investment facilitation in a country, the Ease of Doing Business ranking index published by the World Bank is the common tool utilised.

In the 2018 report, Nigeria had gone up 24 places to be 145th out of 190 countries, but its performance in 2019 rankings saw the country drop to 146th.

On ease of doing business, the study revealed that the Presidential Ease of Doing Business Council (PEBEC) has made significant strides in improving our position since 2016. However, Nigeria continues to lag behind its neighbouring and comparator countries in 7 of the 10 ease of doing business indicators as shown in the table below:

Table 23: Ease of Doing Business Performance Comparison

S/N	Indicator	Scores (%)		
		Nigeria	Best Neighbouring Country	Best Comparator Country
1	Starting a Business	82.97	Niger (93.69)	Cote d'Ivoire (93.7)
2	Dealing with Construction Permits	57.84	Benin (73.95)	Morocco (79.94)
3	Getting Electricity	42.63	Ghana (74.02)	Morocco (81.34)
4	Registering Property	28.89	Ghana (55.54)	Morocco (67.86)
5	Getting Credit	85	Ghana (60)	Kenya (90.00)
6	Protecting Minority Investors	66.67	Ghana (51.67)	Kenya (78.33)
7	Paying Taxes	53.53	Ghana (66.77)	Morocco (85.72)
8	Trading Across Borders	23.08	Benin (68.94)	Morocco (83.58)
9	Enforcing Contracts	57.9	Ghana (54)	Morocco (60.93)
10	Resolving Insolvency	30.42	Benin (40.68)	Kenya (57.41)

Source: Ease of Doing Business Report

Readiness
Requirements

To make it easier to do business in Nigeria, the country should:

- Review cost of business registration at national level in relation to GDP per capita;
- expand coverage of PEBEC initiatives targeted at establishing land registries, automating and improving timeliness of court proceedings to all States across the country;
- review and promote social reengineering initiatives to deal with the preponderance of unofficial payments during business registration and other trade facilitation mechanisms through creative reward and sanction system such as compensating "whistle blowers" on corrupt officials; and
- designate and train judges on trade matters and consider including this into the AfCFTA framework and leverage the tax appeal tribunal model for dispute resolution, in partnership with the Section on Business Law of the Nigerian Bar Association and the Nigerian Institute for Advanced Legal Studies.

Table 24: Ease of Doing Business Readiness Requirements Implementation Plan

S/N	Recommendation	Timeframe		
		Short	Medium	Long
1	Conduct a study to understand key requirements for trade, key goods traded and challenges of informal traders	✓		
2	Establish trade corridors with attendant policies, aimed at reducing non-trade barriers with neighbouring countries. This will also include required road and storage infrastructure along with simplified border processes to incentivise informal traders		✓	
3	Review border processing costs for import and export activities to incentivise informal traders	✓		
4	Establish trade information centres within border markets to sensitise traders on formal trade rules, regulatory requirements, border processes and costs	✓		

4.2.3.3 Monetary Policy

Context

Typically, formal regional economic integration occurs in stages, starting with the removal of barriers to trade with a free trade agreement and culminating in common fiscal and monetary policies with the formation of an economic union.

As AfCFTA only seeks to establish a free trade area and not a monetary union, individual Member States retain the independence to decide national monetary policy objectives.



Nonetheless, simulating the potential behaviour of monetary policy indicators such as interest rate, inflation rate and exchange rate indicated that these variables can be affected by trade and investment channels.

Nigeria's Monetary Policy Rate (MPR) is currently at 13.5% (as at March 2019) and has been at that rate for the past 24 months. The last time the MPR was changed, it was increased by 200 basis points. The asymmetric corridor however remained at +2.0/-5.0% around the MPR to encourage interbank lending. The cash reserve requirement (CRR) and the minimum liquidity ratio (LR) has also remained unchanged at 22.5% and 30.0%, respectively.

Monetary policy stance remained tight in order to contain inflationary pressures and foreign capital inflows. Historically, there has been a correlation between the monetary policy rate, inflation rate and exchange rate. Between 2015 and 2016 when inflation rose, the MPR was raised with a corresponding increase in the exchange rate. Despite a reduction in the inflation rate from a peak figure of 18.55% in 2016, MPR has remained stable

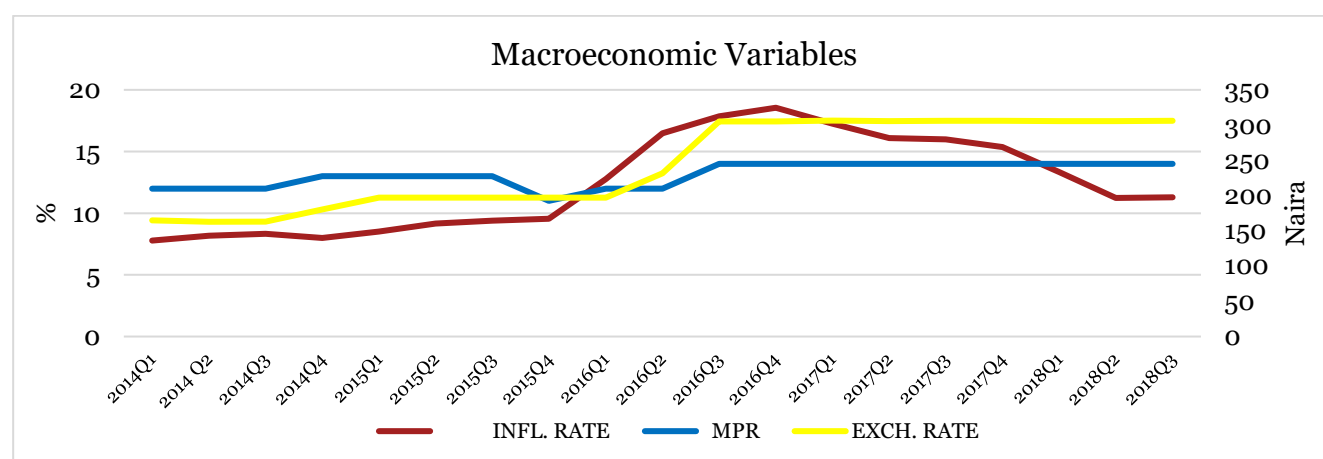


Figure 21: Macro-economic variables (Source: Central Bank of Nigeria)

Nigeria's monetary policy rate has increased by 450 basis points (4.5%) from 9.5% in 2007 to 14% in 2017 compared to the decline of 15% in the volume of trade during the period.

Nigeria's existing monetary policy results in one of the highest lending rates amongst comparator countries. This impacts the cost of money and, by inference, access to finance.

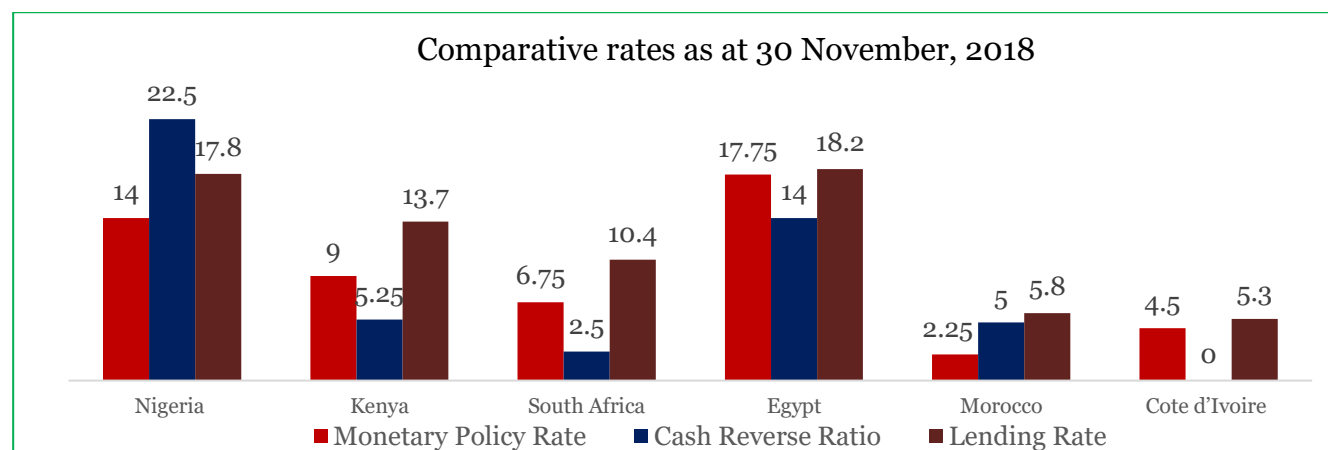


Figure 22: Comparative monetary policy rates as at 30 Nov. 2018 (Source: Central Banks of listed countries)



4.2.3.3.1 *Cost of Money*

Nigeria's cost of money (access to finance & cost of capital) is high for a number of reasons including:

- Shortage of (and access to) finance
- Lack of adequate infrastructure to support business operations leading to high cost of capital
- Increased overhead costs of financial institutions
- High interest rates leading to increased credit risk
- Non-performance of loans and inability of borrowers to meet loan obligations
- Structural rigidities in the economy leading to high cost of raising funds by Deposit Money Banks (DMBs)
- Lack of adequate collateral for MSMEs to access credit

Nigerian banks currently forego profit for safety as the banks' credit to businesses has reduced significantly between 2017 and 2018 while investments in treasury instruments has increased within this period. As a result of this, available financial capital is soaked up by the Government with less for private investment in physical capital. These challenges have led to low levels of access to credit and increased cost of capital.

According to recent Central Bank of Nigeria (CBN) data total assets and liabilities of the commercial banks stood at N36.26 trillion at end-August 2018, representing 0.8% increase over the level at end-June 2018. At N19.30 trillion, banks' credit to the domestic economy, at August 2018 showed an increase of 1.0% above the level at June 2018.

Although the volume of sovereign debt as a proportion of bank assets remains lower than in many other African markets – such as in Ghana, where it exceeds two-thirds – it is increasing rapidly in Nigeria, due to the fact that it provides an attractive source of reliable revenue for the banks. With the CBN primary rate remaining steady at 14%, private sector interest rates of as much as 30% are often not enough to fully cover the heightened risk when compared to the guaranteed returns banks can generate by lending to the federal government. In fact, the IMF noted that credit to the private sector, which was up 22% year-on-year (y-o-y) in December 2016, remained essentially unchanged once fluctuations in the exchange rate over the same period were taken into account.

4.2.3.3.2 *Access to Credit*

Nigeria's access to credit was assessed through the level of financial inclusion and MSME financing. Financial inclusion in Nigeria is driven by the National Financial Inclusion Strategy (2012) which has set a target of achieving 80% inclusion by 2020. The strategy prioritizes six areas: tiered know your customer (KYC) regulations; regulatory framework for agent banking; national financial literacy framework; consumer protection framework; mobile payment system and other cashless policies; and the implementation of credit enhancement schemes and programs.

Since 2005, the Nigerian financial services sector has witnessed increasing activities by both the government and the regulatory authorities aimed at deliberately promoting policies that are intended to grow financial inclusion. The CBN has been at the fore front of encouraging and supporting products that are specifically targeted at the low income and financially excluded, while the government has focused more on both interventionists financing arrangements and building institutions and frameworks that promotes financial inclusion.



Financial inclusion is one of the cardinal objectives of the Nigerian Financial System 2020 (FSS 2020). The FSS 2020 represents a holistic and strategic road map and framework for developing the Nigerian financial sector into a growth catalyst that will enable Nigeria to become one of the 20 largest economies by 2020. Of the six initiatives adopted to strengthen the domestic financial market, four directly address financial inclusion. These initiatives include;

- Development of varied financial products;
- Enhancement of payment processes;
- Development of credit system; and
- Encouragement of a savings culture.

Nigeria is faced with various challenges to achieving the set 80 % financial inclusion target by the Central Bank of Nigeria (CBN) by 2020.

Readiness requirement

Aside the issue of poor infrastructure that could have accelerated the process and its acceptability, industry stakeholders have identified lack of trust, poor training, poor awareness, inadequate consumer protection, high cost of transaction, distance, and complexities in payment system as some of the challenges hindering the speedy development of financial inclusion in Nigeria.

Enhancing Financial Innovation and Access (EFInA) in its 2018 survey on access to financial services in Nigeria stated that affordability, institutional exclusion, and lack of awareness remains the biggest obstacles to financial inclusion. According to the survey, there have been significant gains in financial inclusion as the excluded population declined by 4.8% from 40.1 million to 36.6 million between 2016 and 2018. Banked population went up by 1.4% – the growth has been driven by transaction products while Digital payments increased from 12% in 2016 to 16% in 2018, the usage is driven by the deepening of financial inclusion. Proportion of the formally served has however remained static at just below 50%.

According to the World Bank's Global Financial Index (2017), Nigeria trails Kenya and South Africa in levels of financial inclusion (As shown in Figure 22);

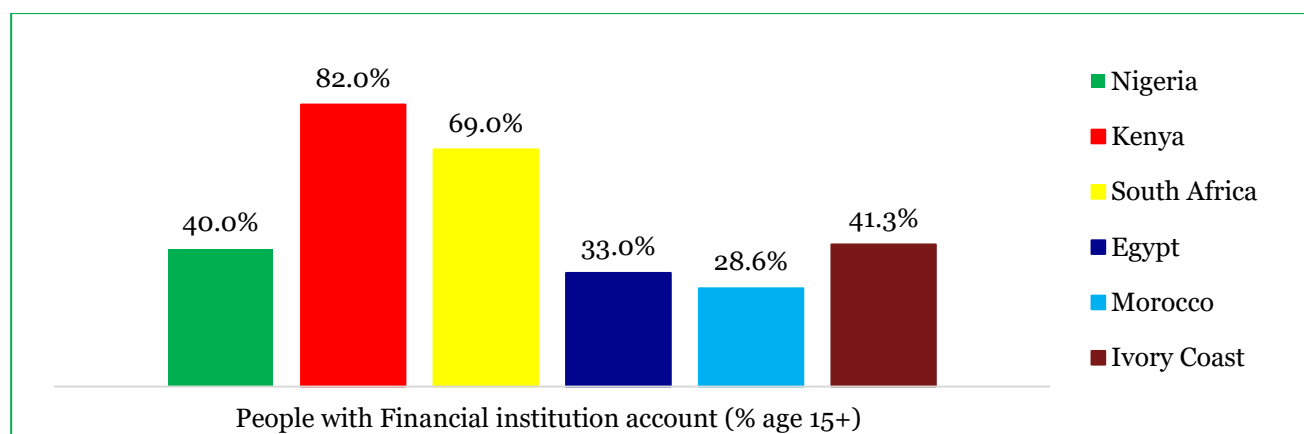


Figure 23: Financial inclusion metrics for comparative countries (Source: World Bank's Global Financial Index)

4.2.3.3 Cost of Capital

The lending rate in Nigeria is a function of the monetary policy rate set by the CBN. Nigeria's lending interest rate is currently at 18.175%⁴⁴. When compared with other African countries, Nigeria ranks amongst the highest. Egypt, however, has a rate that has experienced a steady rise from its 2015 figures (As shown in Figure 22).

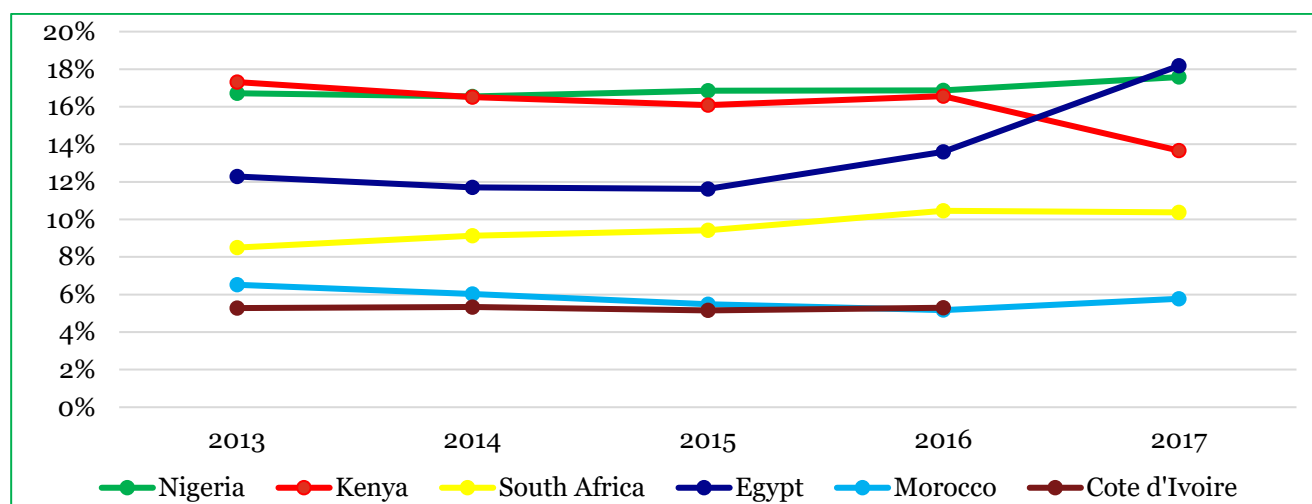


Figure 24: Lending rate across comparative countries (Source: World Bank)

Nigeria's target inflation rate (single digit) is as set out in the ERGP which aspires for a single-digit inflation rate. This is yet to be achieved as the current inflation rate is 11.26%.

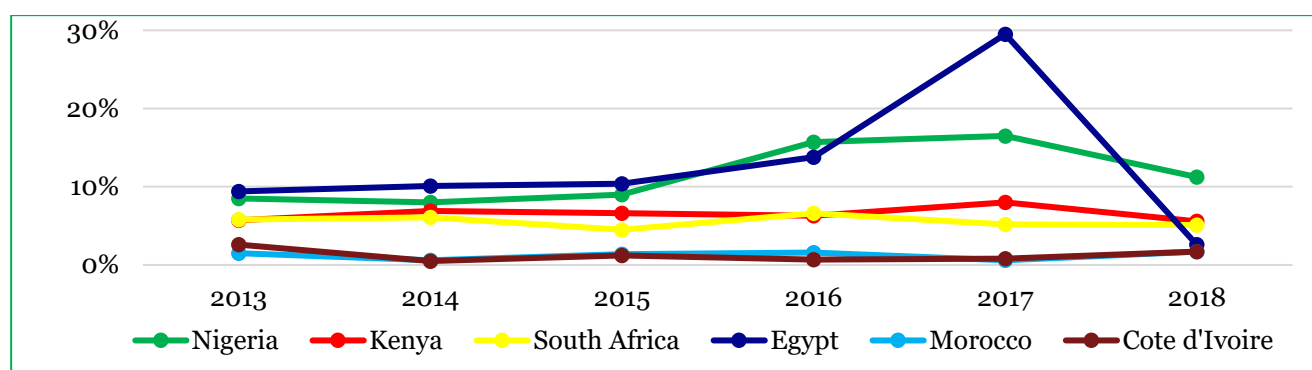


Figure 25: Inflation Rate – Oct 2018 except for Kenya (Nov) (Source: Central Banks of comparator countries)

As seen in the figures above, Nigeria currently has higher lending and inflation rates which result in a higher cost of doing business. In a liberalised market, businesses in better rates are poised to produce goods at a cheaper rate.

In order to manage the high cost of money, Nigeria has put in place a number of development finance programmes, which have been largely targeted at the agriculture sector (MSME and real sector financing also funds agriculture).

When the development finance programmes are compared with the banking sector credit, mining and quarrying sector appear to be underserved (As shown in the figure below). In

⁴⁴ World Bank

considering the quest to grow the non-oil export, agriculture financing should be sustained while mining and manufacturing sectors are also expanded.

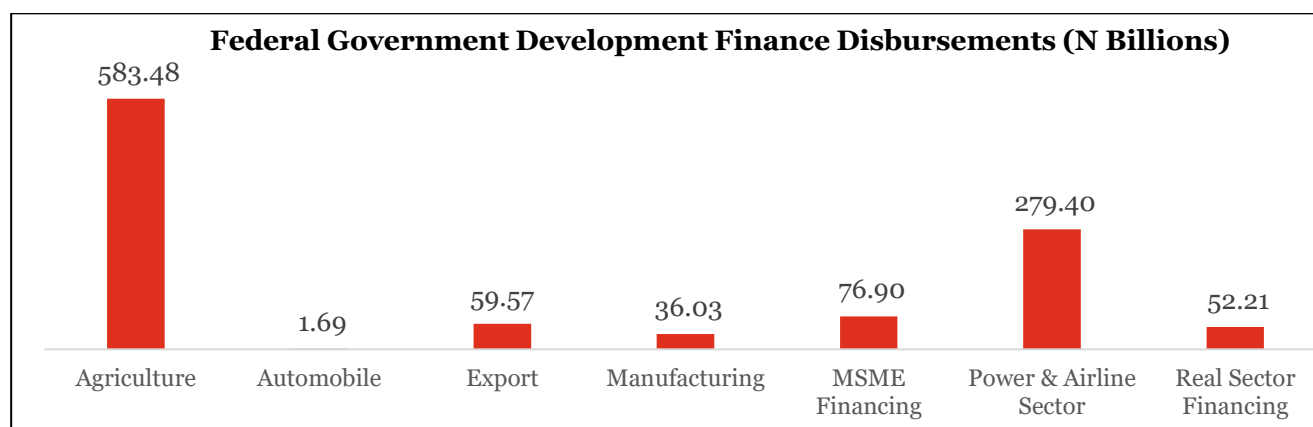


Figure 26: Federal Government Development Programme (Source: CBN, BOI)

*The funds under agriculture had (CACS) had more disbursements than the amount commissioned. See appendix for more information.

The AfCFTA allows for signatories to support the establishment and operation of special economic arrangements/zones for the purpose of accelerating development. Products benefiting from special economic arrangements/zones shall be subject to any regulations that shall be developed by the Council of Ministers. However, the agreement prohibits subsidies and this may result in Nigeria having to review its existing incentive structure for businesses.

4.2.3.4 Fiscal Policy

The objectives of fiscal policies in Nigeria over the years have been quite dynamic and are based on sustainable growth and development. Nigeria's fiscal targets are as spelt out in the ERGP. The following are some selected fiscal indicators contained within the ERGP:

Table 25: Fiscal indicators in the ERGP

	2016	2017	2018	2019	2020
GDP in current prices (billion n.c.)	97,545.99	105,508.49	115,285.15	126,855.43	137,331.64
Deficit (-) or Surplus (billion n.c.)	-2,203.94	-2,356.28	-2,264.10	-1,570.59	-1,535
Revenue (billion n.c.)	3,855.74	4,942.23	4,959.46	5,847.99	6,120.48
Oil Revenue	717.55	1,985.51	1,933.48	2,679.77	2,760.16
Non-oil Revenue	3,138.19	2,956.72	3,025.98	3,168.22	3,360.32
Capital Expenditure	1,587.60	2,058.99	1,780	1,806.60	1,930.90
Financing	2,203.94	2,356.28	2,264.10	1,570.59	1,535
Government debt	12,585.10	19,305.16	20,706.80	20,008.48	21,508.48
Domestic debt (billion n.c.)	10,097.47	12,436.40	13,415.77	13,923.31	14,323.31
Foreign debt (billion n.c.)	2,487.63	6,868.75	7,291.03	6,085.17	7,185.17
Inflation (%)	18.55	15.74	12.42	13.39	9.90

Source: ERGP

In order to achieve the targets above, the ERGP has set out a number of initiatives which are driven individually or collectively by the Federal Inland Revenue Service (FIRS), Nigerian Customs Service (NCS), Ministry of Finance (MoF), and the Central Bank of Nigeria (CBN). Some of these initiatives include actions to:



- Strengthen intervention in critical sectors that can promote economic growth and reduce unemployment;
- Deploy liquidity management tools to reduce inflationary pressure and stimulate all-inclusive economic growth;
- Sustain a market-determined exchange rate;
- Incentivize the inflow of FDI (increase from \$3.1 billion to around \$10 billion by 2020), portfolio investments and remittances;
- Increase non-oil tax revenues by improving tax compliance, broadening the tax net, by employing appropriate technology, and tightening the tax code; as well as introduction of tax on luxury items and other indirect taxes to capture a greater share of the non-formal economy.

4.2.3.4.1 Revenue Generation

Revenues from excise & fees, import duty and other activities of Nigeria Customs constituted 13% of Nigeria's total earnings in 2017. The average revenue from import duties has remained fairly constant at about 57% of the entire earnings from the Nigerian Customs over the past 5 years, 2018 inclusive. When compared with the entire revenue of the Federation, import duties make up about 8% of Nigeria's gross revenue. The percentage contribution of revenues from Customs ranges from 7% (2018) to 16% (2016).

The gross revenue from Customs constitutes about 1% of Nigeria's GDP. A rate that is fairly reflective of Nigeria's trade to GDP percentage. Intra-Africa trade, which constitutes less than 5% of Nigeria's total trade, accounts for about 4% of the total revenue accruable to Nigerian Customs. Revenue on import from Africa countries accounted for about 0.5% and 0.42% of government revenue in 2016 and 2017.

4.2.3.4.2 Foreign Direct Investment (FDI)

The ERGP sets a target of attracting FDI of \$10 billion by 2020 from the current 2017 level of \$3.5 billion. Nigeria will have to put in place competitive incentives that will assist in realizing this target. Policies such as an up to date trade and investment policy will serve as documented evidence of the country's eagerness to attract investors. The recently approved ECOWAS investment code can serve as a guide to developing these policies.

According to UNCTAD's World Investment Report 2018, foreign direct investment (FDI) flows to Africa reduced to \$42 billion in 2017; a 21% decline from 2016 figures. Stronger FDI flows to Africa is expected in 2018 due to a number of factors such as advances in the signing of the AfCFTA.

FDI inflows to Africa are forecast to increase by about 20% in 2018 to \$50 billion. The projection is underpinned by the expectations of a continued modest recovery in commodity prices and strengthened interregional economic cooperation.

FDI outflows from Africa increased by 8% to \$12.1 billion, reflecting a significant increase in outward FDI by South African firms (up 64% to \$7.4 billion) and Moroccan firms (up 66% to \$960 million). Outward FDI by Nigerian firms, in contrast, remained flat at \$1.3 billion, focused almost exclusively on Africa.

Despite experiencing a decline in inflows from 2012, Nigeria still ranks as one of the favourable destinations for FDIs on the continent⁴⁵ (As shown in Figure 25).

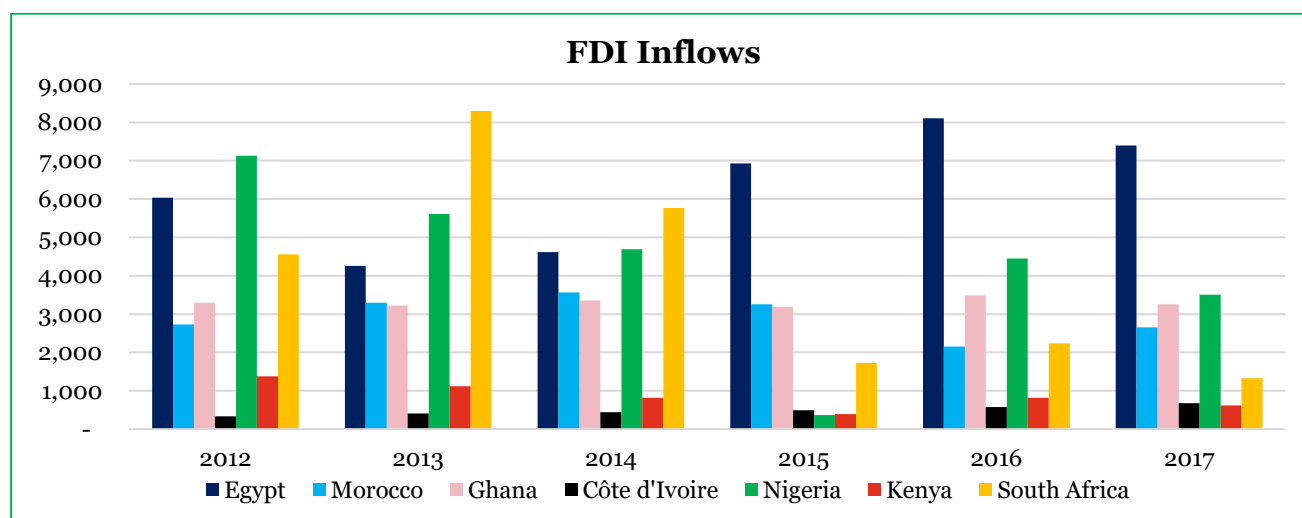


Figure 27: Foreign Direct Investment Inflows (Source: UNCTAD)

Nigeria is second to Egypt in the cumulative amount of FDI inflows amongst the five (5) comparator countries (Ghana was included because it has consistently attracted at least \$3 billion in FDIs) when cumulated over a 5-year period (as shown in Figure 19). Investment in Egypt was down in 2017, but the country continued to be the largest recipient of FDI in Africa. FDI in Morocco was up 23% to \$2.7 billion, including as a result of sizeable investments in the automotive sector⁴⁶.

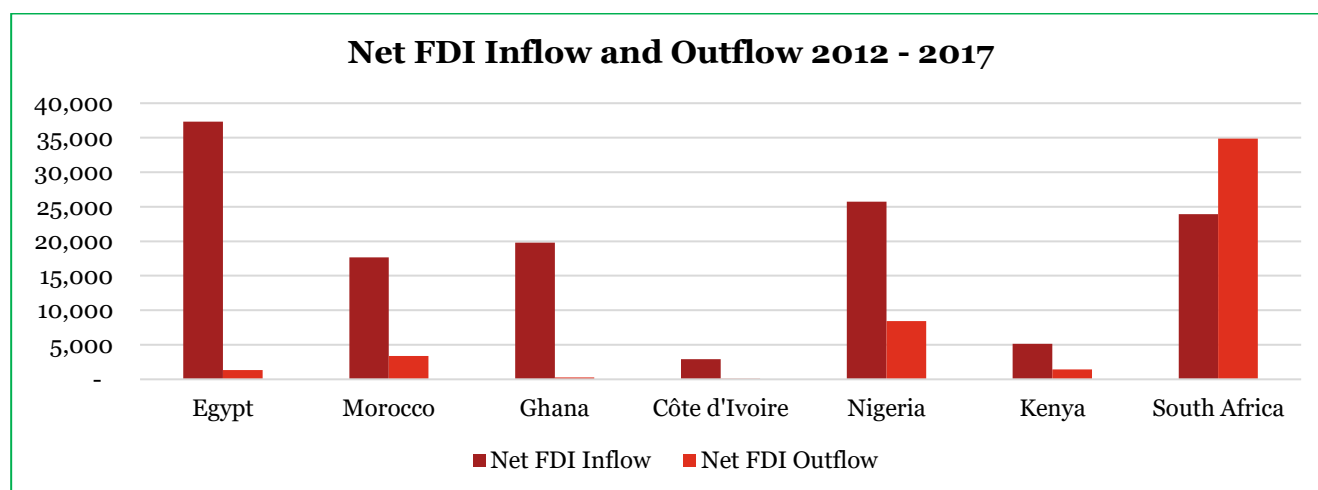


Figure 28: Net FDI Inflow and Outflow 2012 – 2017 (Source: UNCTAD)

4.2.3.4.3 Tariffs

The Federal Ministry of Finance and Tariff Technical Committee (TTC) recently validated the approved Tariff Concessions for Trade in Goods (Goods Market Access Offer). This includes the 10% list of items that will be protected under an Exclusion and Sensitive list of products

⁴⁵ ERGP

⁴⁶ UNCTAD's World Investment Report 2018



under AfCFTA). The protected tariff lines at 10% under the AfCFTA offers a wider scope of protection compared to ECOWAS which provides for adjustment at a maximum of 3% of the total 5,899 tariff lines and restricted to the five-year transition period. This will enable Nigeria protect local industries and promote investment in key sectors. It will also ensure the integrity of the ERGP.

With regards to Trade in Services it would be appropriate and in Nigeria's economic interest to adopt the Draft Market access Schedule of Specific commitments for Trade in Services for use as the ECOWAS Services Negotiating Offer to the AfCFTA.

Readiness
Requirements

In conclusion, to compete favourably in the AfCFTA, Nigeria needs to:

- a) target a single digit interest rate.
- b) broaden income tax base to mitigate impact of liberalization due to AfCFTA;
- c) sustain agriculture financing incentives and expand investment and financing incentives for mining, manufacturing and services sectors in line with provisions of the AfCFTA;
- d) update its exchange rate policy to balance the need for intermediate products imports with export;
- e) aggressively pursue implementation of mobile money licenses for Telcos;
- f) introduce new financial inclusion strategies, especially, in an environment where conventional finance has seemingly failed to ensure financial spread and depth, particularly in segments of the populations averse to existing interest-based financial framework;
- g) assure alignment between the monetary interventions of the CBN with the sector growth needs, particularly through focus on specific value chains; and
- h) strengthen NEPC to expand its focus to include growing the domestic and regional production and supply chains for priority products and services for export in order to enhance results from its export trade promotion activities.

4.2.4 Trade Enforcement

The enforcement of rules and protection of sovereignty is the sole responsibility of a nation in entering into bi-lateral or multi-lateral agreements. Nigeria currently faces several rules enforcement challenges in protecting its borders against smuggling, predatory trade practices, human trafficking, proliferation of Small Arms and Light Weapons (SALW) and transnational terrorism.

This section assesses the readiness of Nigeria's enforcement capacity assessing its ability to enforce rules as it relates with the movement of persons and goods.

4.2.4.1 Enforcement of Trade Rules and Movement of Persons

Context

Nigeria's enforcement capacity was assessed by the prevalence of security challenges, porous and unmanned entry points, reduced coordination of border and security management with neighbouring countries and the



presence of required measures against predatory trade practices (transshipment, trade deflection and dumping).

The total value of products smuggled into Nigeria in 2017 was estimated at N869bn⁴⁷. Parallel trade and the re-exports of imported products are the key forms of smuggling within informal trade as their explicit goal is evading trade barriers. The top smuggled goods are rice, vehicles, arms & ammunition, textile materials, frozen food, and flour as shown in the table below:

Table 26: Top items smuggled into Nigeria

S/N	Product	Estimated Impact
1	Textile	\$2.2billion worth of textile is smuggled against \$40bn local production with \$325m loss from VAT and customs duty evasion.
2	Rice	Over N110billion worth of rice is smuggled yearly with 1.3 MT smuggled from Benin, Cameroon and Niger.
3	Tomato Paste	151,600 MT is smuggled yearly excluding 189.5 MT imported.
4	Frozen Poultry	1.3 MT was smuggled in 2017
5	Firearms and Ammunition	Nigeria is the final destination for 350 million of 500 million illegal arms and weapons smuggled into West Africa.
6	Cigarettes and Tobacco	2.7 billion Cigarettes smoked yearly in Nigeria is smuggled.
7	Pasta and Noodles	Over 90,000 cartons of pasta and noodles were seized in 2017.
8	Vegetable Oil	514,080 litres of vegetable oil were seized in September 2018.
9	Used Cars	N1.4 billion worth of smuggled used cars were seized in January 2018.
10	Narcotics	N367 million worth of hard drugs were seized in Owerri in 2016.

Source: Anti-Smuggling Presentation to the Industrial Policy and Competitiveness Advisory Council (13 April 2018)

Road transportation is the preferred mode of transport for smuggled goods (i.e. lorry, cars and motorcycle) accounting for 90.7% of trade value⁴⁸. The key routes for these smuggled goods have been identified over time with ongoing efforts by customs to reduce smuggling activities.

Nigeria's capacity to interdict the prevalence of predatory trade practices is limited as it operates a pre-independence law, Customs Duties (Dumped and Subsidies Goods) Act 1958 contingency measures. Under the Act, a special duty may be imposed on any goods deemed to be dumped by companies or subsidized by any Government or authority outside Nigeria. The provisions of this Act may be invoked if there is a threat of material injury to potential or established industries in Nigeria, and if the imposition of a special duty does not conflict with Nigeria's international agreements.

Even with this, the Nigerian Office for Trade Negotiations asserts that Nigeria has not submitted any notifications on anti-dumping or countervailing duties to the WTO, which has been attributed to the lack of a national trade remedy infrastructure.

⁴⁷ Industrial Policy and Competitiveness Advisory Council, 2018

⁴⁸ Central Bank of Nigeria – Measuring Informal Cross Border Trade in Nigeria (2016)



Anti-dumping and countervailing Authority have been included in the draft Trade Remedies Bill to be submitted to the National Assembly. The new bill will specify the measures to determine dumping, injury caused, formation of an anti-dumping panel, limitations and steps for conducting investigations and imposing measures.

Furthermore, the Nigerian Office of Trade Negotiations Bill has also been drafted to establish an independent status for the organization against dissolution from any political administration.

In August 2018, Executive Order 007 was drafted to establish the Nigerian Trade Remedies Unit through the Federal Ministry of Industry, Trade and Investment and domiciled in the Nigerian Office of Trade Negotiations with the following functions:

1. investigate and evaluate allegations of dumping and subsidization of products imported into Nigeria;
2. investigate and evaluate request for application of safeguards measures on any product imported into Nigeria;
3. based on the outcome of the investigation and review done by the Unit, determine a rate of duty or other remedy that an agency shall impose on any product, pursuant to the provisions of the Customs, Excise, Tariff, etc. (Consolidation) Acts, or whether an anti-dumping measure, safeguard or countervailing measure should proceed;
4. determine and publish Dumping Duty Notice, Countervailing Duty Notice and Safeguard Duty Notice in respect of goods;
5. investigate allegations on dumping, subsidization, and any other trade matter in relations to economic or commercial interests of Nigeria;
6. check costs of foreign exports on industries and recommend safeguard measures, subject to the expert jurisdiction of the relevant Agency;
7. recommend to relevant Agencies on the propriety of revocation of Dumping Duty Notice, Countervailing Duty Notice and Safeguard Duty Notice;
8. initiate and conduct public awareness programmes that will include training and engagement of stakeholders on trade remedies functions; and
9. prepare and submit annual report of the activities of the Unit to the Honourable Minister of Industry, Trade and Investment for action.

The Executive Order has not been signed which means that none of the above functions of the intended Unit has been implemented. Based on the above, the current state of capabilities to tackle predatory trade practices can be summarized as follows:

1. weak legal framework for responding to injurious trade practices
2. lack of institutional framework to respond to international trade dispute matters as evidenced by Nigeria's ongoing dispute with Ghana
3. Nigeria has no trade remedies infrastructure, hence has never initiated any anti-dumping measure, safeguarding or countervailing measure.
4. limited capacity to enforce Intellectual Property Rights
5. partial implementation of Economic Recovery and Growth Plan (ERGP) and Nigeria Industrial Revolution Plan (NIRP) to improve the production capacities of local industries against predatory trade practices and dumping.
6. prevalence of corruption, which will limit the effectiveness of new initiatives to enhance trade enforcement and border management
7. balancing trade enforcement and facilitation

Nigeria currently faces challenges against comparator nations who have instituted anti-dumping measures and trade remedy mechanisms (as shown in the table below). The absence of this will allow trading partners conduct predatory trade practices against Nigeria. The EPA



agreement signed by fourteen of the fifteen ECOWAS countries have put Nigeria at the risk of transshipment of goods from the EU. Similar to the EPA, the AfCFTA with duty-free movement of goods across Member States will further expose Nigeria to more transshipment and smuggling of goods from third party countries. The risk to Nigeria arises from:

- the current state of Rules of Origin (RoO) implementation in ECOWAS which is ineffective
- lack of political will and/or financial capacity to implement ROO for goods from third party countries especially the global trade partners
- lack of common trade policy within ECOWAS and Africa aligned to priority products and products in the exclusive and sensitive lists.

Readiness Requirements

Trade enforcement readiness needs at domestic level include:

- a) mandating all relevant MDAs to undertake necessary programmes and initiatives to achieve the afore-mentioned ECOWAS level trade enforcement measures;
- b) monitoring of import levels, production outputs, investments and jobs to provide early warning system to authorities to proactively trigger policy adjustments;
- c) driving organizational reforms (including terms and conditions of service, performance management, etc.), ease of doing business and anti-corruption programmes within agencies involved in border management as part of efforts to tackle smuggling;
- d) developing and implementing a medium-term programme to upgrade the strategic, operational, technological and human capacity within border agencies to tackle all forms of smuggling;

Trade enforcement readiness needs at domestic level include expediting the passage of the following bills:

- e) the Trade Remedies Bill to provide legal backing to combat predatory trade practices in accordance with national interest and ECOWAS, AfCFTA and WTO obligations;
- f) the Nigerian Office for Trade Negotiations (NOTN) bill to establish it by law to conduct its mandate of monitoring predatory trade practices and executing remedies; and
- g) the Customs and Excise Management Bill 2013 to implement mutual administrative assistance propositions to empower the NCS coordinate the enforcement of trade rules with neighbouring countries.

With regards to Nigeria's security concerns and implementation of protocols on free movement of persons, the study found that:

- Nigeria with a score of 2.873 out of 4 on the level of security indicator of the Global Peace Index, lags behind comparator and neighbouring countries. The level of insecurity index which considers the prevalence of terrorism activities.⁴⁹

⁴⁹ Institute for Economics & Peace (IEP)

- though the level of ease of conducting human trafficking activities has increased with the implementation of the protocols of free movement of persons at ECOWAS level, the impact has remained largely unchanged over the years.
- cooperation from border communities in curbing the prevalence of smuggling and insecurity had reduced.

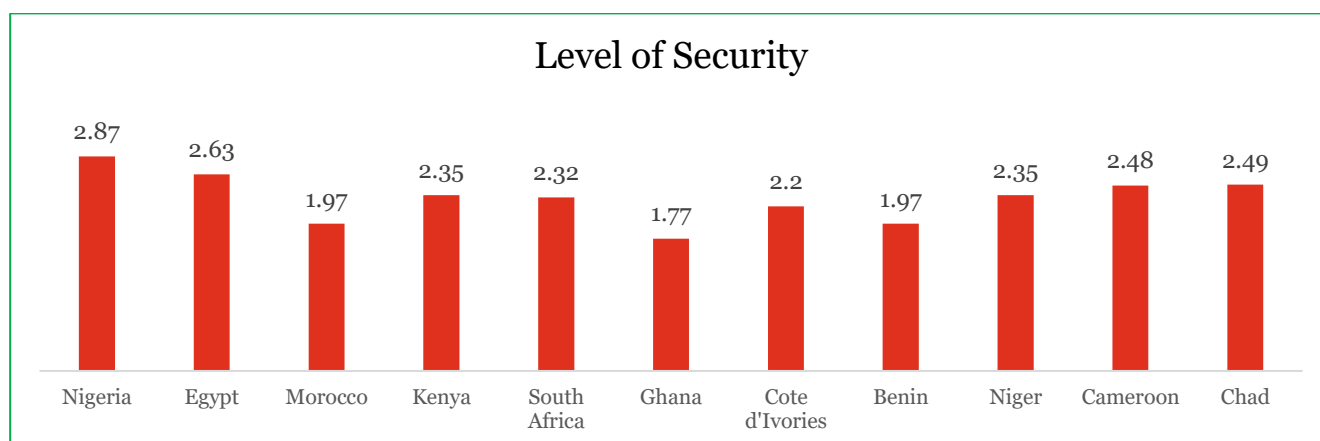


Figure 29: Level of Insecurity (Source: Institute for Economics & Peace)

Level of Insecurity - Maximum score is 4 (0 - Good, 4 - Bad)

Readiness Requirements

To protect national security interest with respect to the implementation of the free movement of persons' protocols, Nigeria should:

- enforce the terms of Nigeria-Benin bilateral agreement on border management
- expedite the implementation of the National Identity Card to track movement of persons across Nigeria's borders;
- establish platforms for whistle blowing to include border communities in monitoring security risks;
- provide additional funding to the NCS to acquire modern equipment for efficient border monitoring and also to enhance the welfare and safety of personnel;
- improve funding and coordination among member countries of the Multinational Joint Task Force against Boko Haram (MNJTF); and
- improve commitment to punishments in Nigerian penal codes for human traffickers and smugglers and its applicability irrespective of nationality.

The readiness initiatives related to trade rules enforcement and the estimated timescale to achieve are outlined in the table below:

Table 27: Trade Enforcement Readiness Requirements Implementation Plan

S/N	Recommendation	Timeframe		
		Short	Medium	Long
1	Mandating all relevant MDAs to undertake necessary programmes and initiatives to achieve the aforementioned ECOWAS level trade enforcement measures	✓		



2	Monitoring of import levels, production outputs, investments and jobs to provide early warning system to authorities to proactively trigger policy adjustments	✓		
3	Drive organizational reforms (including terms and conditions of service, performance management, etc.), ease of doing business and anti-corruption programmes within agencies involved in border management as part of efforts to tackle smuggling	✓		
4	Develop and implement a medium-term programme to upgrade the strategic, operational, technological and human capacity within border agencies to tackle all forms of smuggling		✓	
5	Expedite passage of the Trade Remedies Bill to provide legal backing to combat predatory trade practices in accordance with national interest and ECOWAS, AfCFTA and WTO obligations		✓	
6	Expedite the passage of the Nigerian Office for Trade Negotiations (NOTN) bill establishing it by law to conduct its mandate of monitoring predatory trade practices and executing remedies		✓	
7	Expedite the passage of the Customs and Excise Management Bill 2013 to implement mutual administrative assistance propositions to empower the NCS coordinate the enforcement of trade rules with neighbouring countries		✓	
8	Enforce the terms of Nigeria-Benin bilateral agreement on border management	✓		
9	Expedite the implementation of the National Identity Card to track movement of persons across Nigeria's borders	✓		
10	Establish platforms for whistle blowing to include border communities in monitoring security risks	✓		
11	Provide additional funding to the NCS to acquire modern equipment for efficient border monitoring and also to enhance the welfare and safety of personnel		✓	
12	Improve funding and coordination among member countries of the Multinational Joint Task Force against Boko Haram (MNJTF)		✓	
13	Improve commitment to punishments in Nigerian penal codes for human traffickers and smugglers and its applicability irrespective of nationality	✓		

4.2.5 Adjustment Costs for AfCFTA

Readiness for AfCFTA will also involve providing for the unavoidable adjustment costs. These include costs related to: (i) adoption of the AfCFTA, (ii) conforming with and implementing new AfCFTA related standards, (iii) operationalizing free trade area in a largely under-developed region and (iv) cost of rebuilding production capacity to remain relevant to the AfCFTA trade environment. Details of these costs are as follows:



- a) AfCFTA adoption costs include institutional building; formation of human resources in these structures (coordination and supervision) and costs associated with assuming continental objectives of economic policy nature;
- b) costs related to conforming with and implementing standards defined by AfCFTA include costs related to products quality and assurance, conformity to mandatory sanitary, Phyto-sanitary (SPS) standards and technical standards.
- c) costs related to regional development level include cost to businesses to update their processes and systems to comply with changes that will result with the harmonization of Nigeria's and regional trade rules (e.g. updating systems and documentation to comply with rule of origin, product certification); and
- d) cost of rebuilding production capacity includes training and retraining, cost of upgrading fixed assets, investment in R&D, among others.

4.2.6 Legal Considerations

Context

In assessing Nigeria's legal framework in readiness for the AfCFTA, the issues below were covered:

- ✓ *Nigeria's legal commitment to AU and ECOWAS*
- ✓ *Implications of legacy bilateral/multilateral trade agreements on the AfCFTA*
- ✓ *Local laws in conflict with AfCFTA and remedial actions*
- ✓ *Transitional arrangements to be instituted at AU and Member States to mitigate risks of AfCFTA and proposed action steps to meet the AfCFTA mandate.*

4.2.6.1 Nigeria's Legal Commitments to AU and ECOWAS

Nigeria is a signatory to over thirty-two AU protocols and conventions⁵⁰ which are aimed at promoting the objectives of the Union. Notable among them is the treaty establishing the African Economic Community which Nigeria signed in 1991 and ratified in 1992. At the ECOWAS level, Nigeria has ratified the ECOWAS Revised Treaty and about forty-one (41) Protocols, some of which borders on economic integration and include:⁵¹

- the ECOWAS Trade Liberalisation Scheme (ETLS) Protocols and Regulations
- the Protocol on Free Movement of Persons and Goods
- the ECOWAS Common External Tariff (CET)

Though Nigeria was part of the negotiations for the West Africa-EU Economic Partnership Agreement (EPA) which was endorsed by the Heads of States and seeks to establish a free trade area between ECOWAS and EU, Nigeria has declined to sign the agreement.

4.2.6.2 Implications for Legacy Bilateral/Multilateral Agreements

Nigeria has negotiated and signed several bilateral/multilateral trade agreements. According to information provided by the Federal Ministry of Trade and Investment and the Federal Ministry of Justice, Nigeria has initiated, signed or commenced discussions on over 50

⁵⁰ See appendix for details

⁵¹ ECOWAS Parliament 4th Legislature 2017 First Ordinary Session Nigeria Country Report.

agreements with different countries around the world⁵². In the case of some countries e.g. China and the United States, there are multiple agreements (bilateral trade agreements and memoranda of understanding). Nigeria's agreement with African countries account for almost 30% of total agreements. This suggests a historical aspiration to grow intra-African trade. Agreements with European countries are mostly memoranda of understanding with a few agreements on trade and economic cooperation and bilateral trade agreements which are yet to be formalised⁵³.

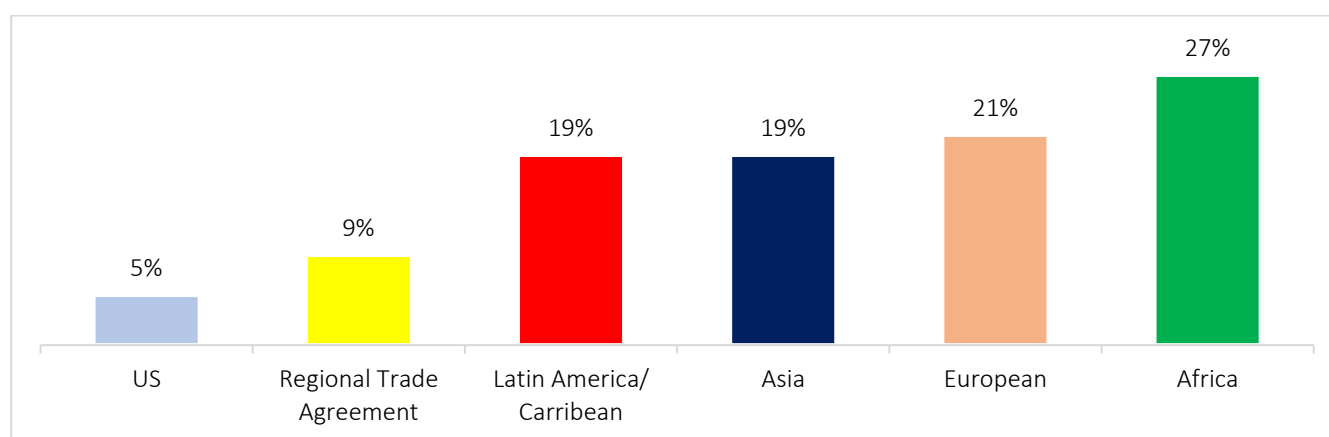


Figure 30- Percentage of Nigeria's Trade Agreements across regions in the world (Source: FMITI & FMJ)

*Nigeria's bilateral agreements with Benin, Cote d'Ivoire, Niger and Liberia are superseded by the ECOWAS Trade Liberalisation Scheme (ETLS) *US count is excluding AGOA which is classified as a regional trade agreement as it is a relationship with the entire continent.

Although Nigeria has signed several bilateral and multilateral trade agreements, much of these agreements have either not been ratified or domesticated for Nigeria to fully take advantage of the trade preferences contained in them. Some identified constraints/problems with the bilateral/multilateral agreements are:

- lack of interaction between government and private sector leading to low awareness by the private sector, of the provisions and opportunities inherent in the trade agreements;
- limited interaction between officials and experts of both countries which constrains the ability to identify and resolve implementation issues;
- lack of capacity on the part of the private sector;
- inadequate funding for the implementation of agreements such as upgrading to meet standards, technical regulations and sanitary and phytosanitary (SPS) measures in the US market.

Notwithstanding the challenges, some of the benefits that have accrued to Nigeria from these agreements include the following:

- increased market access opportunity for Nigeria's non-oil exports
- increased FDI and commercial presence of companies from different countries of interest
- provided technical assistance and capacity building to Nigerian technicians especially in the oil and gas, services and tourism industries
- facilitating exchange of commercial and economic information between the members of the private sectors of the two countries

⁵² See appendix for detailed breakdown

⁵³ FMITI



- increased and promoted trade and economic cooperation through fairs, exhibitions and visits between the private sectors
- facilitated joint venture cooperation between the organised private sectors in Nigeria and the US
- resolved impediments to free flow of trade and investment inflows between some of these countries⁵⁴

The objectives and preference terms in the agreements are not in conflict with AfCFTA as some provisions in the AfCFTA actually accommodate the preferences agreed by parties in the existing bilateral and multilateral relations which are:

- Parties are allowed to negotiate preferences granted to third parties prior to entry into force of the AfCFTA agreement⁵⁵.
- The AfCFTA agreement does not nullify, modify or revoke rights and obligations under pre-existing trade agreements that state parties have with third parties⁵⁶.

4.2.6.3 Current Nigerian Laws that are in conflict with AfCFTA

The general and specific objectives of the AfCFTA as enumerated in Articles 3 and 4 of the Agreement are the cooperation of Member States in the elimination of tariffs, trade barriers, intellectual property rights and competition. Whilst these are necessary for an efficient free trade zone, there are certain local laws that are in conflict with these objectives. These are as follows:

1. Export (Prohibition) Act

This Act expressly prohibits the exportation of certain products such as beans, cassava tuber, yam tuber, all products or derivatives of the aforementioned products and all imported food items. The Act further prescribes life imprisonment as penalty for its breach. This Act is in conflict with the principal objective of the Protocol on Trade in Goods which provides for a liberalized market for trade in goods (Article 2(1)). In line with the ERGP's policy on diversification of the economy through the promotion of non-oil exports, the Act appears to be obsolete. The AfCFTA agreement also provides for the addition of sensitive products of national interest to the 10% exclusive list.

2. Executive Order 5 (EO5)

The order states that service and service suppliers that are readily available in Nigeria should not be sourced from foreign countries. The EO5 may not be in conflict with Article 20 of the AfCFTA Protocol on Trade in Services which provides that parties shall accord to services and service suppliers of any State party treatment no less favourable than it accords to its like services and service suppliers, as the Protocol exempts services supplied in the exercise of government's authority and procurement by governmental agencies.

4.2.6.4 Further Clarifications on the AfCFTA

In conducting the review of the AfCFTA, key sections were noted with various observations and comments which require clarification as described below:

Table 28: Sections of the AfCFTA Agreements that need review/clarifications

⁵⁴ FMITI

⁵⁵ Article 18(2) of the Agreement Establishing the AfCFTA

⁵⁶ Article 18(3) of the Agreement Establishing the AfCFTA



S/N	Part	Observations	Comments
1	Annex 6: On technical Barriers to Trade (Articles 9)	The article focuses on cooperation in accreditation between member states with a view to promoting the use of accredited conformity assessment bodies as a tool to expedite trade within the continent.	• While the need for cooperation in accreditation among member states cannot be overemphasized, the indices and rationale to be used for this accreditation are yet to be seen in the article. • At the ECOWAS level, a Regional Accreditation System (RAS) was developed to ensure quality of products and infrastructure in West Africa. • Member States of AfCFTA need to develop a common accreditation system that will provide an internationally recognized accreditation system to reinforce the mutual recognition of products, services, systems and bodies across the world/ or adopt ECOWAS RAS).
2	Annex 6: On technical Barriers to Trade (Articles 11)	In enhancing transparency within the AfCFTA framework, member states have the right to clarity within the agreement through notification systems periodically.	• Hence all states would have to establish TBT (Technical Barriers to Trade) enquiry points to provide this transparency function.
3	Annex 6: On technical Barriers to Trade (Articles 12)	NIL	• There is need to set up a Technical Assistance and Capacity Building between the AUC/AfCFTA secretariat and member-States that will enhance capacities for effective implementation of the obligations in the Annex.
4	ANNEX 8: Transit-Regulation relating to technical conditions applicable to means of transport of goods within African Continental Free	This concerns Certified Declaration Form for Examination of Content of Means of Transport Form.	• Already, we have a Single Goods Declaration (SGD) document by Customs which further assessments are derived from. The concern is whether this would cause duplication of document or halt use. NCS was contacted and the explanations show that this concern does not arise



S/N	Part	Observations	Comments
	Trade Area under customs seal. Schedule IV		
5	ANNEX 8: Transit- Regulation relating to technical conditions applicable to means of transport of goods within African Continental Free Trade Area under customs seal. Schedule II, Section 1 (b)	No goods can be removed from, or introduced into the seals part of the means of transport without obvious damage to or into without breaking the seals: and they contain no concealed spaces where goods may be hidden.	- The question is whether the regulations took into consideration the technological development in international trade such as the use of scanners to assess the content of a sealed container - The use of Satellite tracking on sealed transit good and Satellite geo – fencing facilities is recommended.
6	ANNEX 8: Transit- Regulation relating to technical conditions applicable to means of transport of goods within African Continental Free Trade Area under customs seal. Schedule II, Section 8	The means of transport shall be provided with a satisfactory device for protecting the Customs seal, or shall be so constructed that the customs seal is adequately protected.	There might be a need to define what a “satisfactory device” is and/or what they mean by “adequately protected”. The lack of specifics would create gaps that could be exploited. However since it is impossible to define every single term used in an agreement the practice has been to rely on jurisprudence
7	Annex 9: Trade Remedies. Section 2	There shall be no obligation on any party to attend a meeting, and failure to do so shall not be prejudicial to that party’s case.	- Though, this is presented as a definition but still raises the question – why are the concerned parties not obliged to attend meetings in the defence of their interest? - Analysis showed that this was an attempt to lessen the burden on state parties in the event that they cannot afford to participate
8	Guidelines on the Implementation of Trade Remedies Guideline 7 (Like Products)	In determining whether a product has characteristics closely resembling those of products under investigation.....several	Subsection (C) – the concern here is for chemical products. Here we cannot determine the likeness from physical appearance. An additional sampling would be required in



S/N	Part	Observations	Comments
		factors were used in guidance including but not limited to physical characteristics and appearance of the products.	order to determine the substitutability of such product. • The Agreement has a provision for amendment in the event ambiguities or un-implementable provisions.
9	Guidelines on the Implementation of Trade Remedies	In the case of fragmented industries involving an exceptionally large number of producers, the Investigating Authority may determine support by using statistically valid sampling techniques.	• There is need to clarify what a “valid sampling technique” is; what factors determine the choice? A suggestion was made to define valid sampling techniques and analysis by members shows that this a standard terminology.

In addition to the above, key notes should be made in line with national interest as follows:

Table 29: Legal Considerations Readiness Requirements Implementation Plan

S/N	Recommendation	Timeframe		
		Short	Medium	Long
1	Criteria for Rules of origin should clearly and accurately be defined that will enable the identification of products originating from within the regional space	✓		
2	All member states of the AfCFTA should reach a consensus on the sensitive products and also an explicit determination of the products excluded from the free trade area should be detailed out	✓		
3	Realistic timelines should be developed for evaluations to formulate informed and shared legal positions	✓		
4	The AfCFTA negotiations process should allow for a review of existing agreements between African countries and regions with their external partners, in particular the Economic Partnership Agreements (EPA) with the European Union, and to revise certain protocols and agreements where necessary	✓		
5	Indices and Rationale for accreditation in the agreement need to be defined	✓		
6	Terms within the agreement need clear definitions to avoid legal issues around interpretation. Such terms can eventually be determined by jurisprudence. E.g. product description	✓		



4.3 Governance Arrangement

Context

Improved coordination and discipline will be required to optimise the opportunities provided by AfCFTA and other trade agreements.

4.3.1 Current Trade Management Structure

Nigeria's current trade ecosystem primarily involves the Federal Ministry of Industry, Trade and Investment (FMITI) through the Department of Trade (DoT) and the Nigerian Office for Trade Negotiation (NOTN).

4.3.1.1 Department of Trade (DoT), FMITI

FMITI is statutorily responsible for managing all issues relating to Nigeria's trade. Prior to the establishment of the NOTN, FMITI's Department of Trade had led the negotiation of Nigeria's trade agreements and the various commitments to the World Trade Organisation (WTO) and Economic Community of West African States (ECOWAS). The functions of the Department of Trade are:

- Initiation, formulation and implementation of trade policies of government
- Promotion and facilitation of domestic and international trade as well as creating a business-friendly environment
- Negotiation of bilateral, multilateral, plurilateral and regional trade agreements as well as creating a business-friendly environment
- Coordinating activities of relevant MDAs to facilitate movement of goods and people
- Liaising with the relevant MDAs to ensure improvement in the provision of trade support infrastructure
- Maintaining a database for trade information
- Ensuring compliance with international standards

The department is led by the Director of Trade who is assisted by five deputy directors (DD) across various key areas of UNCTAD, multilateral trade, bilateral trade, trade promotion, trade information and complaints (TIC). Below is the organogram of the department:

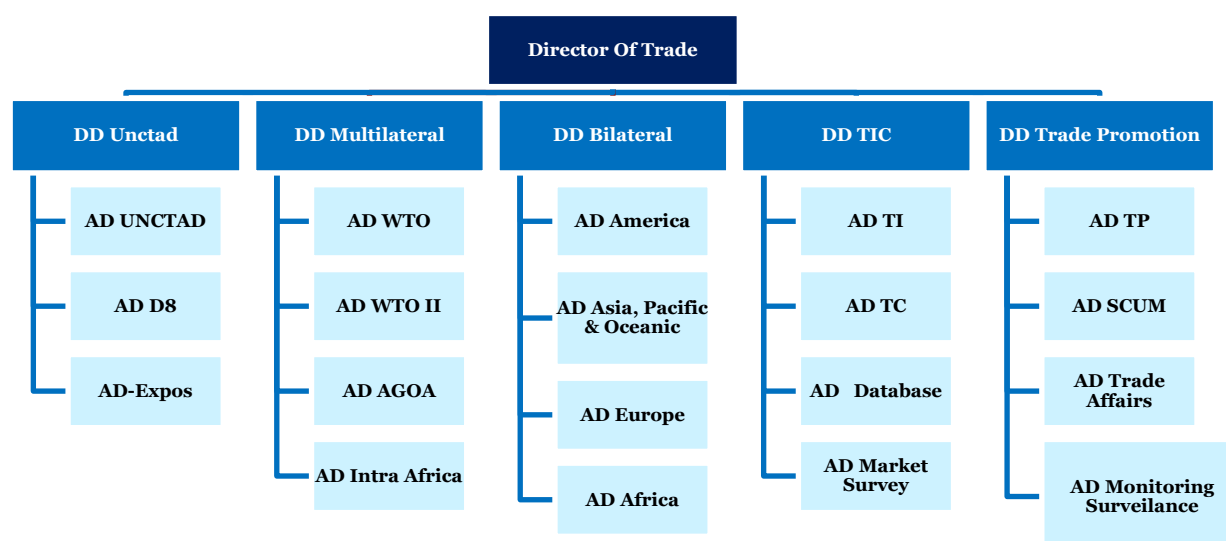


Figure 31: Structure of the Department of Trade, FMITI

4.3.1.2 The Nigerian Office for Trade Negotiations (NOTN)

The Federal Executive Council (FEC) approved the establishment of NOTN at the FEC weekly meeting held on Wednesday, 10th May 2017, to lead Nigeria's trade discussion with the following mandate:

- The NOTN is the institutional framework and foundation for Nigeria's trade policy infrastructure. It will prepare and update Nigeria's trade policy in a rapidly changing global economic landscape, so as to maximize Nigeria's gains from trade. It will align domestic trade policy priorities to changing global reality.
- It will act to stop and reverse the failures and costs from the uncoordinated positions from MDAs in trade-related negotiations. The NOTN shall have government-wide responsibility for the conduct and management of Nigeria's trade policy and lead Nigeria's trade negotiations. NOTN shall coordinate negotiations, including the issuance of negotiating instructions to negotiators.
- The NOTN was set up in order to plug a gap by establishing the trade policy framework that prepares Nigeria for engagement in a global economy undergoing rapid change

The inter-ministerial agency is led by the Chief Negotiator who is assisted by the Deputy Chief Negotiator. Seven officers in the rank of 'Assistant Chief Negotiator' alongside the Heads of Departments report directly to the Deputy Chief Negotiator; others are Special Assistants. Below is an organogram of NOTN:

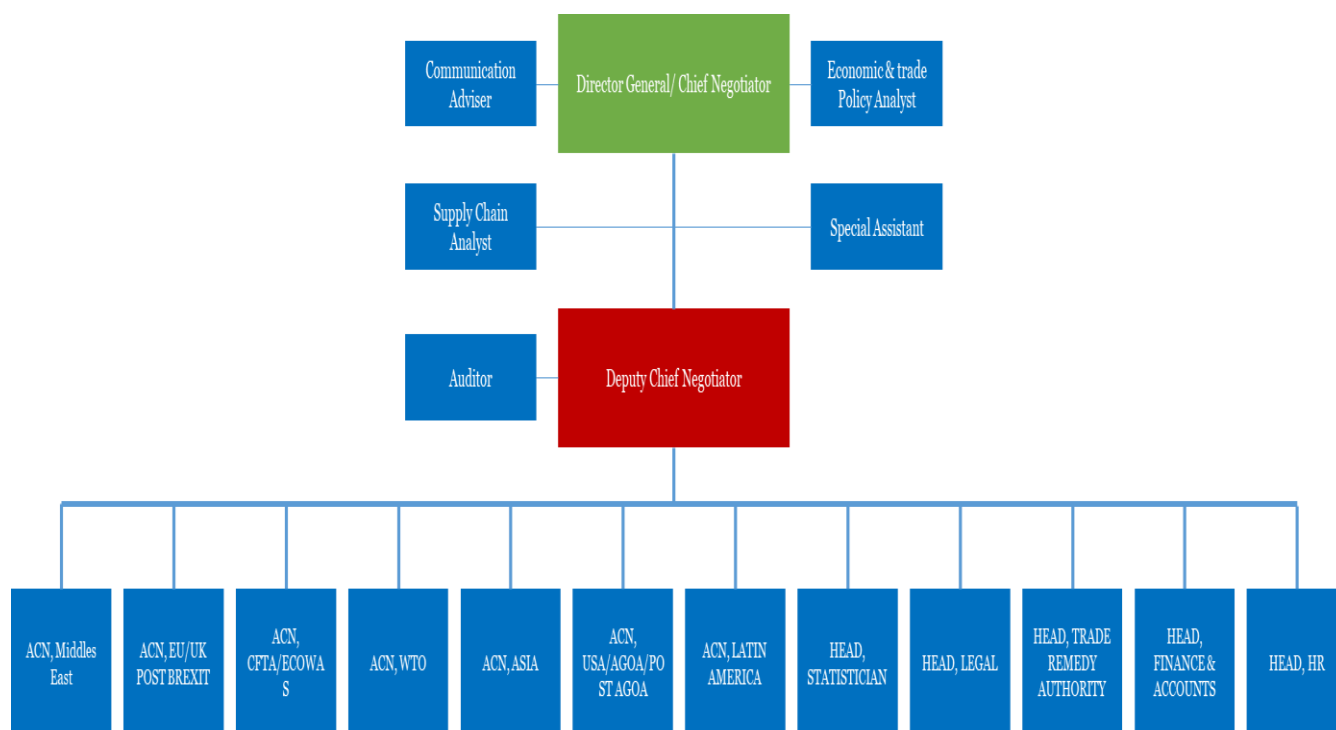


Figure 32: Structure of the Nigerian Office for Trade Negotiations (NOTN)



4.3.1.3 Others

In order to ensure collaboration among the relevant MDAs and continuous dialogue and consultation with key stakeholders, FMITI created a standing body; Enlarged National Focal Point on Trade Matters (ENFP). The ENFP has over the years provided policy advice to FMITI on matters relating to trade negotiations, agreements and other trade relations.

In addition to the ENFP, the Federal Government in 2017, inaugurated the National Committee for the Continental Free Trade Area (CFTA) negotiations. The membership of the committee was drawn from the organised private sectors, MDAs and the civil societies. Similar to the roles performed by ENFP, the National Committee CFTA was charge with the following responsibilities:

- advise government on the CFTA negotiations on goods, services, investment, competition and intellectual property;
- monitor the negotiations and undertake analysis to ensure that the negotiations and emerging results approximate the goals for the negotiations established by government
- identify the opportunities and challenges facing the country in trade with other African countries, both intra and inter-regional economic communities (REC); and, participate in the negotiations, as appropriate.

In 2017/2018 NOTN restructured the ENFP into seven (7) sub-committees, namely:

- Ease of Doing Business and Trade Facilitation (led by the Nigerian Customs Service)
- Investment Facilitation (led by NIPC)
- Services and Digital Economy (led by the National Information Technology Development Agency)
- Intellectual Property (led by Ministry of Justice)
- Agriculture (led by Federal Ministry of Agriculture and Rural Development)
- ECOWAS (jointly led by Ministry of Foreign Affairs and NOTN); and
- Private Sector Development (led by the National Association of Chambers of Commerce, Industry, Mines and Agriculture)

4.3.2 Proposed Governance Arrangements

4.3.2.1 Future State

In order to harmonise and coordinate trade related plans and projects in preparing for the implementation of the AfCFTA and its potential impact, there is a need to establish a National Action Committee on AfCFTA. The key objectives of the Committee will be to ensure that all recommendations of the Presidential Committee on AfCFTA are implemented within specified timelines and to assess the outcomes against expectations. To the above end, the mandate of the Committee should include:

- supporting the MDAs and stakeholders to identify and prioritize AfCFTA trade readiness projects and initiatives;
- supporting relevant MDAs to develop and implement Nigeria's trade policy;
- harmonizing trade related plans and projects among relevant government entities (MDAs), the organized private sector and the public and monitor their implementation;
- maintaining oversight of trade agreements to assure alignment with the trade policy, plans and aspirations of the three tiers of government;
- supporting the MDAs to identify and facilitate appropriate funding sources for the projects;

- monitoring the implementation of regional and continental programmes and initiatives on trade and economic integration;
- conducting specific research and market intelligence as may be required to guide executive decision making and to validate effectiveness of the AfCFTA readiness programmes.

4.3.2.1.1 *Structure of the National Action Committee on AfCFTA*

The proposed structure for the National Action Committee on AfCFTA is shown below:

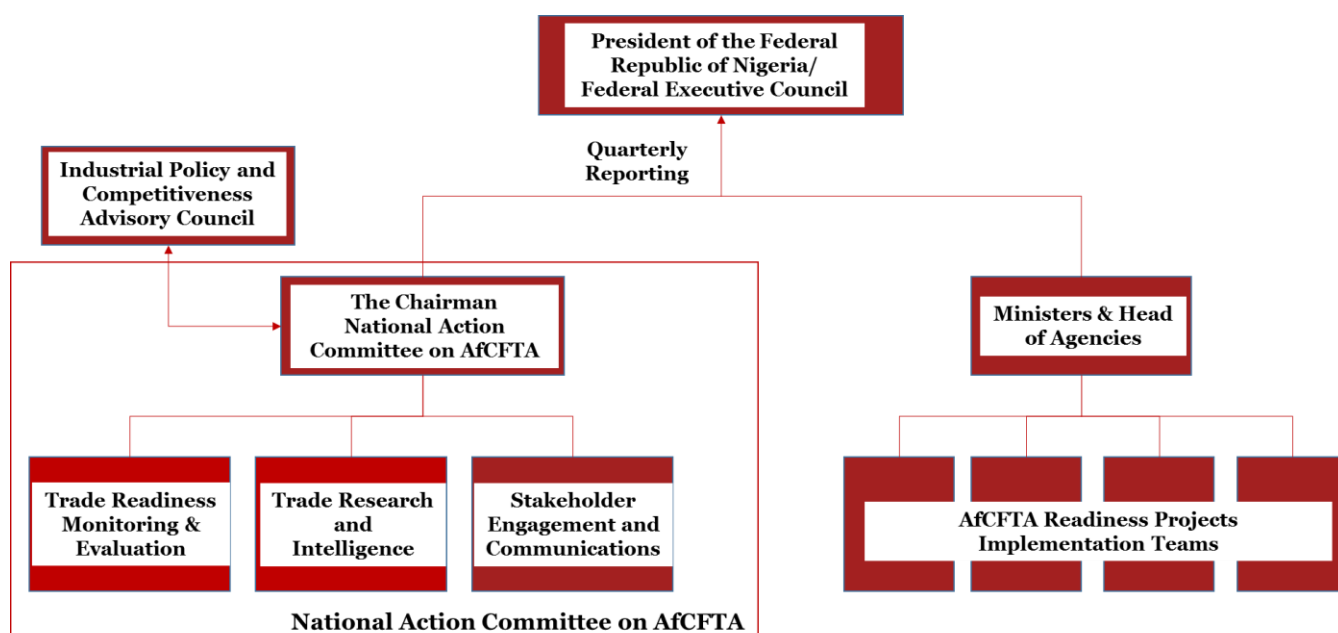


Figure 33: Proposed Structure for the National Action Committee on AfCFTA

The proposed roles of the parties in the structure are as follows:

The President/Federal Executive Council

The President or the Federal Executive Council are the supreme approval authorities and their roles should include:

- approving the establishment of the National Action Committee on AfCFTA
- approving the quarterly and ad-hoc reports of the Committee and recommendations therein; and
- providing steer and overall guidance and direction to the Committee.

The National Action Committee on AfCFTA

The Committee should be headed by a Chairman to be appointed by the President and include representatives of the Federal Ministry of Industry, Trade and Investment, Nigerian Office for Trade Negotiations, Federal Ministry of Finance, and the Federal Ministry of Foreign Affairs, Federal Ministry of Budget and National Planning and experts in program management (monitoring and evaluation), research, communications and stakeholder management. The Committee shall also include a secretary to be selected from the Office of the President. The key roles of the Committee will be to:

- Monitor the implementation of trade readiness projects and other requirements



- support the MDAs to secure funding for the development and operations of trade readiness projects and other requirements.
- support relevant MDAs to facilitate initiatives to drive private sector investments and actions as required;
- manage and resolve operational issues of projects under their purview.
- enable decision making within the public sector, across multiple MDAs.
- Support relevant MDAs to obtain support/agreement from stakeholder groups.

The Trade Readiness Monitoring and Evaluation team shall include focal points of the relevant MDAs and representatives of State Governments, whose role shall be to coordinate information flow between their MDAs and the National Action Committee.

Industrial Policy and Competitiveness Advisory Council

The Nigerian Industrial Policy & Competitiveness Council shall serve in an advisory role in line with its terms of reference to:

- make inputs to Nigeria's AfCFTA readiness initiatives and implementation priorities;
- make inputs as may be required to assure alignment between AfCFTA implementation and trade and industrial policies;
- review performance, trends and issues within the industrial sector, with a view to proposing interventions to enhance investments and competitiveness for trade; and

Cabinet Ministers and Ministerial Project Teams

Cabinet Ministers are accountable for the delivery of AfCFTA readiness projects and programmes under their portfolio. The departments and project teams within the respective ministries, departments and agencies are responsible for the delivery of the AfCFTA readiness projects, programmes and initiatives. The Ministers shall support the Committee by:

- inaugurating project implementation teams;
- prioritizing the readiness projects and initiatives in their budgeting, operations and projects delivery plans;
- interfacing with other MDAs and Stakeholders as may be required to deliver the readiness projects;
- formulating and implementing policies relevant to AfCFTA implementation;
- making inputs to Nigeria's trade negotiations and agreements as may be required to ensure that the practical realities (opportunities and constraints) are factored into the discussions; and
- providing speedy resolutions to implementation challenges



5 Conclusions

Based on the foregoing, the Committee on Impact and Readiness Assessment of the AfCFTA concluded as follows:

- 1) The AfCFTA can potentially complement Nigeria's national development agenda and can act as a catalyst for Nigeria's economic diversification objective as it offers Nigerian products and services, preferential access to the huge African market which currently sources over 85% of its products imports from outside the continent. Preferential market access to Africa is particularly important to Nigeria as lack of access to foreign markets was identified as a key constraint to export of Nigeria's non-oil products to Africa and the world.
- 2) African countries import profiles are skewed towards manufactured products and include a significant number of Nigeria's products classified as priority export products in the ERGP and the Industrial Revolution Plan.
- 3) In the short term, implementation of AfCFTA will lead to a decline in government revenue by 1.5% (equivalent to N131.6bn per annum) and a decline in savings and GDP by 4.8% and 0.14% respectively. Imports will grow faster than exports, so, balance of trade with Africa will deteriorate. But this will be partially offset by the rise in price of exports due to rising demand. The rise in imports will also cause consumer prices and inflation to fall.
- 4) The trade liberalization due to AfCFTA will impose adjustment costs across sectors, especially manufacturing. Notwithstanding the surge in imports, output, employment and investments will remain stable or grow in some manufacturing segments and tariff lines and decline significantly in others. As such, adequate complementary policies must be introduced to address adjustment costs and other adverse effects. Interest rates will likely rise in the short term due to higher demand for credit to satisfy the export market. Exchange rate will also be pressured as imports grow faster than exports.
- 5) The principal threat to the success of the AfCFTA for Nigeria is predatory trade practices (smuggling and abuses of rules of origin) principally on goods from outside the continent. This risk is high for Nigeria considering that 92% of Nigeria's imports come from the rest of the world. The threat is further complicated by the lack of capacity, resources and will on the part of African countries, to effectively and comprehensively enforce their borders. Tackling this threat will require collective efforts at the highest level of ECOWAS and African Union and will involve rules-based import quota restrictions, synchronizing Sensitive and Exclusive Lists, among other initiatives.
- 6) As Chairman of ECOWAS, Nigeria has launched a reform program for ECOWAS which will provide her with a solid foundation for its engagement with Africa especially on tackling predatory trade practices and expanding trade and investment opportunities for Nigerian exporters of goods and services.
- 7) Negotiations on the Annexes of the AfCFTA Protocols on trade-in-goods, trade-in-services and dispute resolution are ongoing and provide opportunity for Nigeria to pursue robust safeguards against the risk of abuse of rules of origin and smuggling. Currently Nigeria attends these negotiations in Observer Capacity, as Chairman of ECOWAS.



- 8) In the long term, the short-term consequences can be addressed by broadening the income tax base which will increase government revenue by 2.71% (N237.8bn). Trade (import and export) with Africa and non-African countries will rise which will attract further investments in the productive sectors. Interest rates which will rise in the short term will modulate in the long term as foreign investments increase. Exchange rate pressured in the short term will recover and appreciate as demand stabilizes and exports overtake imports.
- 9) The increase in production and service capacities and trade within and outside Africa will also create job opportunities for both low and highly skilled persons; and the ease of movement of persons, services, capital and goods which will eventually result from the AfCFTA will improve productivity and specialization through improved mobility of skills.
- 10) In terms of readiness for AfCFTA, the assessment concluded that on the basis of the current state of Nigeria's productive and trade capacity, infrastructure and operating environment, Nigeria is "Not Ready" for the AfCFTA.
- 11) In relative terms, South Africa and Morocco rank the highest in terms of readiness for AfCFTA. Despite their high ranking in Africa, they still rank at mid-tier level, globally and would need to undertake additional work in some critical areas. For instance, South Africa needs to sort out its power sector and human capacity challenges. Egypt, Nigeria, Kenya and Botswana are somewhat ready but require considerable additional work to optimize the benefits of AfCFTA. All other African countries are not ready for AfCFTA and, in joining the AfCFTA, their strategy is to use the AfCFTA as a driving force to implement their readiness requirements.
- 12) For Nigeria, the constraint of lack of productive capacity can be mitigated by positioning the services sectors especially financial services and digital economy as the arrowheads for Nigeria's expansion in Africa, while efforts are intensified to attract private sector investments to the productive sectors.
- 13) Furthermore, the AfCFTA agreement specified that Member States have 5 years window to achieve the trade liberalization ambition of zero tariffs on 90% of tariff lines and 10 years to remove tariffs on items in the Sensitive List. So, a significant number of the readiness projects can therefore be completed within the life of the current administration.

6 Recommendations

Based on the foregoing, it is clear that the decision to join the AfCFTA needs to be based on long-term and strategic national interest considerations.

- 1) On the balance of the benefits, risks and readiness requirements discussed above and considering that AfCFTA is a strategic and long-term project, it is recommended that Nigeria considers and joins the AfCFTA now and use the opportunity of the ongoing AfCFTA Phase I negotiations to secure the necessary safeguards and use the 5-year moratorium to aggressively pursue the completion of the readiness projects.



- 2) Considering that 5-year may be too short to realize the requirements to achieve liberalization of 90% of tariff lines, Nigeria should push to incorporate the following critical safeguards to be incorporated into the Agreement and Protocols and their Annexes:
 - a) replacement of timelines for the achievement of trade liberalization ambitions with readiness criteria to achieve same objective in a staged approach. This will allow countries to liberalize at their own pace;
 - b) positioning the Regional Economic Communities as the foundation for AfCFTA by establishing a programme to resolve issues and challenges in the RECs with potential to adversely impact the economies of their member states when AfCFTA is implemented; and
 - c) establishing projects at AU level to resolve the critical continental level challenges to the success of the AfCFTA including smuggling and abuse of rules of origin, harmonization of trade policies, attracting investments to build capacity and infrastructure and mitigate revenue loss and resolving the challenges in customs and security cooperation.
- 3) In addition, Nigeria should sustain the tempo of the ECOWAS trade reforms she initiated by securing a second term as Chairman of ECOWAS. These reforms include but is not limited to securing approval of the ECOWAS-15 for the new updated Market Access Offer for Trade in Goods and Trade in Services, based on which all ECOWAS Members shall have comparable, if not similar, Sensitive and Exclusive Lists to reduce/eliminate the current arbitrage being exploited by Member States such as Benin Republic on Rice.
- 4) Considering the potential impact of predatory trade (smuggling and abuse of rules of origin) on her economy, Nigeria should consider championing the effort at ECOWAS and AU to design, implement and enforce rules of origin, use of import quotas, continental customs cooperation and other mechanisms to protect its economy.
- 5) At domestic level, it is also recommended that:
 - a) the Hon. Minister of Industry Trade and Investment be mandated to develop an updated AfCFTA negotiation mandate based on the report of this Committee for the President's consideration and approval.
 - b) the Nigeria Office for Trade Negotiations (NOTN) be strengthened by enacting its Enabling Law on an expedited basis;
 - c) the President establishes a National Action Committee on AfCFTA in the Presidency and appoints a Chairman to coordinate relevant ministries, departments and agencies to drive the implementation of the AfCFTA readiness projects and initiatives. This Committee should include representatives of critical private sector stakeholder groups, and the mandate of the Committee should among others include, coordinating stakeholders' inputs to ECOWAS and AU/AfCFTA trade policy and negotiation, trade malpractices investigation and trade dispute settlement.
- 6) The National Action Committee on AfCFTA should among others, work with MDAs and private sector stakeholders to:
 - a) identify and develop blueprints for growing specific segments of the value chains of the priority products and services of interest;



- b) select target markets to grow, define and implement specific actions to monitor and tackle non-tariff barriers in these countries;
- c) define cost structure and sources of funding for the identified AfCFTA readiness programmes, projects and initiatives;
- d) define policies and programmes to address the adjustment cost arising from trade liberalization including measures to support the businesses that will be affected;
- e) monitor and evaluate the implementation of the readiness programmes; and
- f) develop and implement a stakeholders' engagement and communication plan which should include submitting progress reports on the AfCFTA readiness projects to the Federal Executive Council and industry stakeholders on a quarterly basis.



7 Appendices



7.1 Appendix 1: Committee Composition

7.1.1 Steering Committee Members

Sectors	Members
Core	Government Hon. Minister, Industry Trade & Investment (Co-Chairman) Chief of Staff to the President (Co-Chairman) Hon. Minister, Budget & National Planning Hon. Minister, Foreign Affairs Hon. Minister, Finance Hon. Minister, Justice/ Attorney General of the Federation Economic Adviser to the President Governor's Forum Representative Stakeholders President, Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA) President, Manufacturers Association of Nigeria President, National Association of Small and Medium Enterprises (NASME) President, Nigerian Labour Congress (NLC) President, National Association of Nigerian Traders (NANTS) Executive Secretary, Nigerian Shippers Council President, Airline Operators of Nigeria President, National Union of Road Transport Owners President, Nigeria Economic Summit Group Chairperson, Nigerian Coalition of Services Industries
Infrastructure	Honourable Minister, Power Works & Housing Honourable Minister, Transportation Honourable Minister, Communications Managing Director, Nigerian Ports Authority Director General, Nigerian Maritime Administration and Safety Agency
Economic Sectors	Honourable Minister, Agriculture and Rural Development Honourable Minister, Petroleum Resources Honourable Minister, Information and Tourism Honourable Minister of Communications Honourable Minister of State, Mines and Steel Development
Fiscal & Monetary Policies	Governor, Central Bank of Nigeria Chairman, Federal Inland Revenue Service Comptroller General, Nigeria Customs Service
Trade Enforcement	Comptroller General, Nigeria Customs Service Director General, Standards Organization of Nigeria Director General, National Agency for Food and Drug Administration Statistician General/ Director General, National Bureau of Statistics Honourable Minister of Interior Honourable Minister of Defence National Security Adviser Director General, National Intelligence Agency Director General, Department of State Security Comptroller General, Nigerian Immigration Service Coordinating Director, Nigeria Agricultural Quarantine Service
Chairman of the Technical Work Group	Mr. Desmond Guobadia
Secretary to the Committee	Francis Anatogu (Senior Special Assistant to the President on Public Sector - Office of the Chief of Staff)



7.1.2 Committee Secretariat

S/N	Name	Designation
1	Francis Anatogu	Senior Special Assistant to the President on Public Sector Matters (Office of the Chief of Staff) – Committee Secretary
2	Mohammed Salisu	Senior Special Assistant to The President on Development Policy (Office of the Chief of Staff)
3	Ubong Ekanem	Special Assistant to the Permanent Secretary, Federal Ministry of Industry Trade and Investment
4	Jude Etim Etong	Senior Commercial Officer, Federal Ministry of Industry Trade and Investment
5	PricewaterhouseCoppers	Readiness Assessment Consultants
6	Shuaibu Mohammed	Impact Assessment Consultant

7.1.3 Technical Work Group

7.1.3.1 Impact Assessment

S/N	Organization	Representatives	Designation
1	Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA)	Billy Sotubo Gillis-Harry	N/A
2	Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA)	Ushie Christopher A.	Executive Secretary
3	National Bureau of Statistics (NBS)	Rasheedah Oluwaseyi .S	Senior Statistician
4	National Bureau of Statistics (NBS)	Kumusu, Shadrach Ibubu	Senior Statistician
5	National Bureau of Statistics (NBS)	Nasir Rasheed	Statistician
6	Federal Inland Revenue Service (FIRS)	Dr Chukwudi Ezeudeka	Deputy Director Tax Policy
7	Nigeria Office for Trade Negotiation (NOTN)	Abdullahi Sanusi Bayero	Trade Negotiator
8	Ministry of Budget and National Planning (MBNP)	Zumgak Dimka	N/A
9	Ministry of Budget and National Planning (Senior Special Assistant to the President-ERGP)	Sani Yakubu	Senior Special Assistant to the President
10	Nigeria Office for Trade Negotiation (NOTN)	Okenwa Amara	Senior Trade Negotiator
10	National Bureau of Statistics (NBS)	Kayode Olaniyan	Technical Adviser to the Statistician General
11	Office of the Chief of staff of the President	Dr Mohammed Salisu	Senior Special Assistant to the President-Development Policy
12	National Economic Summit Group (NESG)	Ibukunoluwa Akinrinde	Research Fellow
13	Manufacturers Association of Nigeria (MAN)	Mr Adeyemi Folorunsho	Assistant Director
14	Manufacturers Association of Nigeria (MAN)	Mr Oluwasegun Osidipe	Director Economic & Statistics
15	Central Bank Nigeria (CBN)	Dr. Uwatt	Unavailable
16	Nigerian Customs Service	Ubi K.N	A/C
17	Central Bank Nigeria (CBN)	Dr Blessing Gaiya	Assistant Director External Sector
18	Central Bank Nigeria (CBN)	Dr Ezra Kure	Assistant Director Financial Sector
19	Nigerian Institute of Social and Economic Research (NISER)	Dr Damilola F. Arawomo	Research Fellow



S/N	Organization	Representatives	Designation
20	Nigerian Institute of Social and Economic Research (NISER)	Dr. Folarin Gbadebo-Smith	DG NISER
21	Nigerian Shippers Council	Mrs C A Ifeora	Assistant Director
22	Nigerian Shippers Council	Christian Okon	Senior Operations Officer
23	Oil & Gas Free Zones Authority	Chalya LN Salmwang	Senior Officer (SPV)
24	Ahmadu Bello University, Zaria, Kaduna	Dr Mohammed Shuaibu	Lecturer
25	National Association of Nigerian Traders (NANTS)	Chioma Onwu	Unavailable
26	Nigerian Coalition of Services Industry	Mrs Irene Robinson-Ayanwale	Co-Chairperson
27	Nigerian Coalition of Services Industry	Mr Seni Adio	Co-Chairperson

7.1.3.2 Work stream 1- Legal, AU/ECOWAS Level Transitional Arrangements

S/N	Organization	Representatives	Designation
1	Ministry of Foreign Affairs	Ochi Oliver	Senior Counsellor
2	Ministry of Foreign Affairs	Ehi Hilary Iyinbor	First Secretary
3	Ministry of Foreign Affairs	Habila Yusuf Bamaxam	First Secretary
4	Central Bank of Nigeria	Dr. Uwatt	Director of Research
5	Central Bank of Nigeria	Umar Ahmed Bello	Trade & Exchange
6	Federal Ministry of Justice	Irene Ideva	Assistant Director
7	Federal Ministry of Justice	Eva Omotese	Deputy Director International and Comparative Law
8	Federal Ministry of Justice	Obia Chioma Gloria	Principal Officer
9	Nigeria Office of Trade Negotiations	Demitta Gyang	Assistant Chief Negotiator
10	Office of the Vice President	Balkisu Saidu	Senior Special Assistant to the President Legal
11	Office of the Vice President	Dr. Lillian Idiaghe	Special Assistant to the Vice President
12	Federal Ministry of Industry, Trade and Investment	Ubani Jonathan	Chief Communication's Officer
13	Federal Ministry of Industry, Trade and Investment	Jude Etim Etong	Senior Commercial Officer
14	Federal Ministry of Industry, Trade and Investment	Selimat Adeseun Lawal	Senior Commercial Officer
15	Nigeria Export Processing Zones Authority	Augustine Onyekwelu	Assistant Director, Zones Operations – Public
16	Nigeria Export Processing Zones Authority	Mbah Nkechi	Principal Legal Officer
17	The Nigerian Economic Summit Group	Prof. Kenneth Ife	Consultant
18	Nigerian Coalition of Service Industries	Seni Adio, SAN	Co- Chairperson
19	Nigerian Investment Promotion Commission	Damola Olagunju	Principal Legal Officer



7.1.3.3 Work stream 2- Cost of Money, Monetary and Fiscal Policies

S/N	Name	Organization	Designation
1	Bank of Industry (BOI)	Jack, Kings	Regional Manager
2	Central Bank of Nigeria, Trade and Exchange	Umar Ahmed Bello	Director of Trade and Exchange
3	Central Bank of Nigeria, Monetary Policy	Omolara Duke	N/A
4	Central Bank of Nigeria, Monetary Policy	O.L Akinboyo	Assistant Director
	Central Bank of Nigeria, Monetary Policy	G.O Ebuh	P/M
5	Central Bank of Nigeria, Trade and Exchange	M. G. Usman	Assistant Director
6	Central Bank of Nigeria, Monetary Policy	M.O Apinran	Senior Supervisor
7	Central Bank of Nigeria, Monetary Policy	C. I. Onuzo	Senior Supervisor
8	Federal Inland Revenue Service	Eze Emmanuel	Deputy Manager, Tax Policy
9	Ministry of Budget and National Planning/Budget Office of the Federation	Lekan Adedun	Principal Planning Officer
10	Ministry of Budget and National Planning/Budget Office of the Federation	Zumgak Dimka	Planning Officer II
11	Ministry of Finance	Mohammad M. Yakub	Deputy Director, Tax Policy
12	Ministry of Finance	Basheer Abdulkadir	Assistant Director, Tax Policy
13	NASME	Abiodun Ihebuzor	Chairman FCT Chapter
14	National Bureau of Statistics	Nasir Rasheed	Statistician
15	National Bureau of Statistics	Moses Waniko	Statistician
16	National Economic Summit Group	Prof. Jonathan Aremu	Head, Trade Policy, NESG
17	Nigeria Incentive-Based Risk Sharing System for Agricultural Lending	Osagie Ikekhua	Assistant General Manager, Research Strategy Innovation Results Measurement & Impact
18	Nigeria Incentive-Based Risk Sharing System for Agricultural Lending	Paul Iorapuu	Assistant Manager
19	Nigerian Customs Service	K. N. Ubi	Assistant Comptroller
20	Nigerian Customs Service	A.M. Tukur	Assistant Superintendent of Customs 1
21	Nigerian Export-Import (NEXIM) Bank	Mohammed Suleiman	Strategy
22	Nigerian Export-Import (NEXIM) Bank	Tayo Omidiji	Head, Strategy
23	Nigerian Export-Import (NEXIM) Bank	Hafsatu Lawal Garba	Officer, Strategy
24	Nigerian Investment Promotion Commission (NIPC)	Blessing Umogbai	Senior Investment Officer
25	Nigerian Investment Promotion Commission (NIPC)	Rahinatu Idris Shehu	Senior Investment Officer
26	Nigerian Investment Promotion Commission (NIPC)	Maureen Eshemokhai	N/A
27	National Office of Trade Negotiation (NOTN)	Akinpelu Akinwunmi	Statistician
28	Nigerian Coalition of Services Industry	Oghenekevwe Okpobia	N/A
29	Nigerian Coalition of Services Industry	Adeoye Adefulu	N/A



7.1.3.4 Work stream 3- Trade Facilitation and Ease of Doing Business

S/N	Organization	Name	Designation
1	Presidential Enabling Business Environment Council	Ogunbufunmi Ifeoluwa	Legal Associate
2	NEXIM Bank	Hope Yongo	Head, Specialised Adviser
3	National Bureau of Statistics	Abdulhaviz Abubakar	Foreign Trade Statistician
4	Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture	Saleh Yau	Economist
5	National Association of Nigerian Traders	Nwiabu Legborsi	Head of Legal
6	Nigerian Economics Summit Group	Tayo Aduloju	Senior Fellow
7	Manufacturer's Association of Nigeria	Dirisu Ibrahim	Liaison Officer
8	National Agency for Food & Drug Administration Control	Kadiri Haleemat	Chief Regulatory Officer
9	Nigerian Office for Trade Negotiations	Ese Ekorhi	Trade Statistician
10	Nigerian Shippers Council	Muhammad Abubakar	Director Consumer Affairs
11	Nigerian Investment Promotion Commission	Baruwa Oladipupo	Assistant Director
12	Nigerian Customs Service	Aliyu. A.S.	Deputy Controller
13	Bank of Industry	Jack Kings	Regional Manager
14	Standards Organization of Nigerian	Mrs. P. Arumeni	Unavailable
15	Standards Organization of Nigerian	Manji Pious L.	Assistant Director (SONCAP)
16	Standards Organization of Nigerian	Agboola Aderonke	Representative
17	Standards Organization of Nigerian	Amarachi Duruiheoma	Representative
18	National Trade Facilitation Committee	Abubakar Usman	Deputy Director
19	National Facilitation Committee (Federal Ministry of Transportation)	Anthonia Ekpa	Head of Legal/Director of Road Transport
20	National Facilitation Committee (Federal Ministry of Transportation)	Oji Ogechukwu	Chief Admin Officer
21	Nigerian Association of Small and Medium Enterprises	Alhaji Salami	N/A
22	Nigerian Export Promotion Council	Hassan Frances Abba	Policy and Strategy
23	Nigeria Ports Authority	Ugo Madubuike	General Manager Monitoring and Regulatory Services
24	Nigeria Ports Authority	Kenechi Okezie	Senior Manager
25	Nigeria Ports Authority	Charles Okaga	Representative
26	National Information Technology Development Agency (NITDA)	Kasim Sodayi	National Coordinator Office
27	National Information Technology Development Agency (NITDA)	Salisu Kaka	Representative
28	Central Bank of Nigeria	M. G. Usman	Assistant Director
29	Central Bank of Nigeria	Muhammed Salawu	Assistant Director
30	Central Bank of Nigeria	H.K. Muhammad	Assistant Director
31	Nigerian National Accreditation Service	Keren Esmonu	Operations Manager
	Nigerian National Accreditation Service	C. Okanya	CEO
32	Oil and Gas Free Zones Authority	John Alison	Human Resource Manager
33	Nigeria Export Processing Zones Authority	Richard E. Obianu Esq.	Assistant General Manager
34	Bank of Industry	Ogo Ifeoma Akabogu	State manager
35	Nigeria Shippers' Council	Amaka Ifeora	N/A
36	NITDA	Sudeyi	N/A



7.1.3.5 Work stream 4- Energy, Trade and Logistics

S/N	Organization	Name	Designation
1	Nigerian Office for Trade Negotiations	Lara Kupolati	Trade Statistician
2	Federal Ministry of Power, Works & Housing (Power)	Ayodele A. A	Assistant Director
3	Federal Ministry of Power, Works & Housing (Power)	Chile Ushahemba	Civil Engineer
4	Federal Ministry of Power, Works & Housing (Power)	Inyima R.T.	Admin
5	Nigerian Association of Road Transport Owners	Atiku Zailani Ahmed	General Manager
6	Federal Ministry of Power, Works & Housing (Works)	Yiltong D. David	Assistant Director
7	Ministry of Petroleum Resources	Tejumola Olasunkanmi	Principal Chemical Engineer
8	Federal Roads Maintenance Agency	Ajah I. Victor	Civil Engineer
9	Nigerian Association of Small and Medium Enterprises	Auwal Ibrahim	Vice President
10	Oil and Gas Free Zones Authority	Iniobong Jackson	TA to MD/CEO
11	Federal Ministry of Transportation	Akoji Perpetua Dumebi	Assistant Director
12	Federal Ministry of Transportation	Louisa Offiong	CAO
13	Federal Ministry of Transportation	Oji Ogechukwu	CAO
14	Arith & Paul Advertising Agency	Oyinlola Adegun	Head, Business Team
15	Airline Operators of Nigeria	Ewos Iroro	Assistant Secretary
16	Nigerian Maritime Administration and Safety Agency	Moji A. Jimoh	Assistant Director
17	Nigerian Maritime Administration and Safety Agency	Yusuf Usman	Assistant Director
18	CentroTab Energy	Belije Madu	Facilitator
19	Nigerian Coalition of Service Industries	Irene Robinson-Ayanwale, (NSE)	Co-chairman
20	Nigerian Coalition of Service Industries	Seni Adio, SAN, (NBA-SBL)	Co-chairman
21	Nigerian Shippers Council	Adaora Nwonu	Chief Operations Officer
22	Nigerian Ports Authority	Ugo Madubuike	General Manager, Monitoring & Regulatory Services
23	Nigeria Export Processing Zones Authority	Augustine Onyekwelu	Senior Manager, Zones Operations Public Sector
24	Federal Ministry of Transportation	Mr Ibrahim	Director (PRS Aviation)
25	Federal Ministry of Transportation	Mandu A. Adedoyin	Deputy Director Statistics (Aviation)
26	Nigerian Association of Small & Medium Enterprises	Chris John Mamuda	SSA Tech
27	Federal Roads Maintenance Agency	Nyihemba Daniel	CE
28	SBL	Adeoye Adefulu	Secretary
29	Nigeria Communications Commission	Bako Wakil	Ag. Director
30	Nigeria Ports Authority	Charles Okaga	Principal Manager
31	Federal Roads Maintenance Agency	Agbo Solomon	N/A
32	Nigerian Maritime Administration and Safety Agency	Osinusi Kehinde	N/A
33	National Information Technology Development Agency	Kasim Sodangi	N/A



7.1.3.6 Work stream 5- Production, Services and Export Trade Capacity Assessment

S/N	Name of Organisation	Name	Designation	Sub-group
1	African Free Zone Association	Chris Ndibe	Executive Secretary	Product
2	Central Bank of Nigeria Representative- FS 2020 - Presentation	Mr. Umar	Director of Trade and Exchange	Services
3	Federal Ministry of Budget and National Planning Representative (ERGP Implementation Unit)	Folarin Alayande	SSA- President	Product & Services
4	Ministry of Agriculture Representative	Itodo J.E	CARO	Product
5	Ministry of Industry, Trade and Investment Representative	Edirin Akemu	Special Adviser to Honourable Minister	Product
6	Ministry of Industry, Trade and Investment Representative	Onuorah C.F	Deputy Director	Product
7	Ministry of Industry, Trade and Investment Representative	Kaura Irimiyia	Deputy Director	Services
8	Ministry of Information and Culture Representative	Akudo-Ninosu Ugochi	Deputy Director	Services
9	Ministry of Mines and Steel Development Representative	Pade Davies	N/A	Product
10	Ministry of Mines and Steel Development Representative	Papi O. Ogban	Scientific Officer	Product
11	Ministry of Petroleum Resources Representative	Agwu Christopher	Deputy Director	Product
12	National Automotive Design And Development Council	Nasiru Tadejeen	Assistant Director	Product
13	Nigerian Office for Trade Negotiations	Frances Uhomoibhi	Trade Negotiator	Services
14	National Insurance Commission Representative	Mr. Pius Agboola	N/A	Services
15	Nigeria Agriculture Quarantine Service (NAQS) Representative	Dr. O.J Awobiyi	Deputy Director	Export Trade
16	Nigerian Communications Commission Representative	Abubakar Yakubu	N/A	Services
17	Nigerian Communications Commission Representative	Edith Ndukuba	N/A	Export Trade
18	Nigerian Communications Commission Representative	Ugama O.N	N/A	Services
19	Nigerian Export Promotion Council Representative	Arnold Jackson	Assistant Director	Services
20	Nigerian Investment Promotion Council Representative	Umogbai Blessing	Senior Investment Officer	Services
21	National Agency for Food and Drug Administration and Control (NAFDAC)	Kadiri Haleemat	N/A	Export Trade
22	NITDA Representative	Mr Olayinka Adejube	N/A	Services
23	SMEDAN Representative	Ado Bello	Deputy Director	Services
24	Standard Organisation of Nigeria	Mr Tersoo Ornguwen	Director Product Registration	Export Trade
25	National Automotive Design And Development Council	Bako Salilu	SPO	Product
26	National Sugar Development Council	Chris Mbamalu	SA to ES, NSDC	Product
29	National Agency for Food and Drug Administration and Control (NAFDAC)	Hassatu Sirika	N/A	Export Trade



S/N	Name of Organisation	Name	Designation	Sub-group
30	Manufacturers Association of Nigeria	Adeyemi Folorunsho	Asst. Director (Sectoral)	Export Trade
31	Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA)	Usman Abbas	Director	Product
32	Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA)	Jani Ibrahim	National Vice President	Export Trade
33	Nigerian Association Of Small And Medium Enterprises (NASME)	Chris John Mamuda	Senior Technician	Product
34	Manufacturing Association of Nigeria (MAN)	Segun Ajayi-Kadiri	Director General	Services
35	Manufacturing Association of Nigeria (MAN)	Idrisu H. Ibrahim	Liaison Officer	Product
36	Manufacturing Association of Nigeria (MAN)	Oluwasegun Osidipe	Director (Economics & Statistics)	Export Trade
37	National Association of Nigerian Traders (NANTS)	Legbrosi Nwiabu	Head of Legal	Export Trade
38	Nigerian Economic Summit Group (NESG)	Akinrinde Ibukunoluwa	Technical Anchor	Export Trade
39	Nigerian Coalition of Services Industry	Irene Robinson Ayanwale	N/A	Export Trade
40	Oil & Gas Free Zones Authority	Morgan Mmahi	Principal Manager	Services
41	Oil & Gas Free Zones Authority	Ukange Paul	N/A	Export Trade
42	Governor's Forum	David Nabena	N/A	Product
43	Nigeria Custom Service	Tukur	N/A	Services
44	Oil & Gas Free Zones Authority	Irene Eketu	N/A	Services
45	Nigeria Shippers Council	C.A Ifeora	Assistant Director	Export Trade
46	Nigeria Export Processing Zones Authority	Augustine Onyekwelu	Assistant Director	Export Trade
47	Standard Organization of Nigeria	Pankes Paul C.	PSO (Standards)	Export Trade
48	Nigerian Export Promotion Council	Abba Hassan Francis	Policy and Strategy	Export Trade
49	National Association of Nigerian Traders	Ishmael ARIWA	N/A	Export Trade
50	Association of Women MSMEs	Esther Adebayo	N/A	Export Trade
51	Nigeria Coalition of Services	Kunle Ajagbe	N/A	Export Trade
52	NEXIM	Mr. Awami Mohammed	Head of Trade Finance	Services
53	Nigerian Network of Women Exporters of Services	Barr. Nkiru Joy Okpala	President	Export Trade

7.1.3.7 Work stream 6- Trade Enforcement and Movement of Persons

S/N	Name	Organisation	Designation
1	Mr Adeyemi Folorunsho	Manufacturers Association of Nigeria	N/A
2	Bashir Ibrahim Umar	Ministry of Defence	Asst. Director Joint Services Dept.
3	Ochi Oliver	Ministry of Foreign Affairs	N/A



S/N	Name	Organisation	Designation
4	Sanusi Maijamaa Ajiya	Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA)	National Vice President
5	Ugwu Ejimneonye	Nigerian Association Of Small & Medium Enterprises (NASME)	Abuja Liaison Office
6	Hassatu Sirika (Mrs)	National Agency for Food and Drug Administration and Control (NAFDAC)	Assistant Director
7	Faisal H. Wando	Ministry of Foreign Affairs	N/A
8	Aderemi Oyewumi	National Security Adviser (NSA)	Special Adviser to NSA
9	Jesse Dinju	National Security Adviser (NSA)	Principal Staff Officer
10	Leonard Ughajah	Nigerian Economic Summit Group (NESG)	Member
11	Alozie Uwechi	Nigeria Agriculture Quarantine Service (NAQS)	Assistant Director
12	Aliyu Abubakar Sadiq	Nigeria Customs Service (NCS)	Deputy Comptroller of Customs
13	UBI, K.N	Nigeria Customs Service (NCS)	Assistant Comptroller of Customs
14	Tukur A.M	Nigeria Customs Service (NCS)	ASC I
15	Winifred Ofili	Nigeria Office of Trade Negotiations (NOTN)	Principle Trade Negotiator
16	Onayemi Adetola	Nigeria Office of Trade Negotiations (NOTN)	Head, Trade Remedies
17	Adaeze Nawohiri	Nigeria Office of Trade Negotiations (NOTN)	Junior Trade Negotiator
18	Mrs CV Egwuonwu	Standards Organisation of Nigeria (SON)	Director, Standards
19	Jasper Emenike	National Association of Nigerian Traders (NANTS)	ED, Foundation for Community Dev. & Orientation in W/Africa
20	Rasheedah Oluwaseyi Sadiq	National Bureau of Statistics (NBS)	Senior Statistician
21	Philip Obadia	National Association of Road Transport Owners (NARTO)	GM Special Services
22	Olatunji Rasheed	National Agency for the Prohibition of Trafficking in Persons (NAPTIP)	N/A
23	Dr Abubakar Lawal, fsi	Nigerian Immigration Service (NIS)	Comptroller of Immigrations Service



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

7.2 Appendix 2 – Readiness Parameters

Thematic Area	Index Pillar	Indicator	Definition	Nigeria	Egypt	Kenya	Morocco	Cote d' Ivoire	Ghana	South Africa	Average
Legal Bi-lateral and Multi-Lateral Agreements	Domestic Market Access	Tariff Rate (%)	Weighted average applied tariff rate expressed in percentage	9.7	13.6	9.6	10.4	9.9	10.2	6.2	10
		Complexity of Tariff	Complexity of a country's tariff regime.	6.7	5.4	6.4	5.6	6.7	6.7	4.9	6.06
		Share of duty free imports (%)	Share of trade (excluding petroleum) that is imported free of tariff duties	5.1	59.2	46	70.7	10.8	15.9	74	40.24
	Foreign Market Access	Tariff faced (%)	Trade-weighted average tariff faced in destination markets	4.5	3.6	3.7	3.5	3.7	3.8	4	3.82
		Margin of pref. in destination markets (1-100)	The percentage by which particular imports from one country are subjected to lower tariffs than the MFN rate.	7.3	49	68.3	54.7	42.2	34.7	34.1	41.47
Cost of Monetary & Fiscal Policies	Operating Environment	Access to Finance	The ability of individuals or enterprises to obtain financial service, including credit, deposit, payment, insurance, and other risk management services	3	4.1	4.1	3.7	3.3	3.5	5.3	-
		Inflation Rate	The rate at which prices increase over time, resulting in a fall in the purchasing value of money	11.26 (2018) 9.90% (2020)	2.6% (2018)	5.6% (2018)	1.7% (2018)	0.8% (2017)	12.37% (2017)	5.1% (2018)	-
		Interest Rate (Nov. 2018)	The proportion of a loan that is charged as interest to the borrower, typically expressed as an annual percentage of the loan outstanding	14%	17.75%	9%	2.25%	4.5%	17%	6.75%	-
		Financial Inclusion Rate (World Bank)	Financial inclusion is where individuals and businesses have access to useful and affordable financial products and	44% (2014)	14% (2014)	75% (2014)	41% (2014)	34% (2014)	41% (2014)	70% (2014)	-



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

Thematic Area	Index Pillar	Indicator	Definition	Nigeria	Egypt	Kenya	Morocco	Cote d'Ivoire	Ghana	South Africa	Average
			services that meet their needs that are delivered in a responsible and sustainable way.								
		Domestic credit to private sector (2017) to GDP	Financial resources provided to the private sector by financial corporations, such as through loans, purchases of non-equity securities, and trade credits and other accounts receivable, that establish a claim for repayment	14.2%	28.5%	31.0%	63.3%	23.9%	17.3%	144.28% (2016)	-
		Foreign Direct Investment (FDI) (2017)	A foreign investment in the form of a controlling ownership in a business in one country by an entity based in another country	\$3.503 billion	\$7.392 billion	\$0.620 billion	\$2.651 billion	\$0.675 billion	\$3.255 billion	\$1.325 billion	-
		Lending Rate (2017)	The rate of interest charged by a financial institution for lending money	17.58%	18.175%	13.67%	5.77%	5.30% (2016)	13.34% (2015)	10.38%	-
Business Environment	Trade Facilitation Index Performance	Overall Indicators' Summary		0.82	1.5	1.19	1.2	0.70	0.9	1.41	1.10
		Information Availability	Publication of trade information, including on internet; enquiry points	1.05	1.62	1.24	1.3	1.10	0.9	1.4	1.23
		Involvement of the Trade Community	Consultations with traders	1	1.63	1.88	1.43	0.86	1	1.5	1.33
		Advance rulings	Prior statements by the administration to requesting traders concerning the classification, origin, valuation method, etc., applied to specific goods at the time of importation; the rules	0.57	1.67	0	1	0.86	0.29	1.14	0.79



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

Thematic Area	Index Pillar	Indicator	Definition	Nigeria	Egypt	Kenya	Morocco	Cote d'Ivoire	Ghana	South Africa	Average
			and process applied to such statements								
		Appeal Procedures	The possibility and modalities to appeal administrative decisions by border agencies	1.33	1.46	1.33	1.44	0.67	0.67	1.4	1.19
		Fees and Charges	Disciplines on the fees and charges imposed on imports and exports.	1.36	1.43	1.62	1.57	0.93	1.29	1.85	1.44
		Formalities Documents		0.63	1.78	1.25	0.63	0.63	1.13	1.67	1.10
		Formalities Automation	- Electronic exchange of data - Automated border procedures - Use of risk management.	0.62	1.62	0.69	1.46	0.39	1.08	1.62	1.07
		Formalities Procedure	- Streamlining of border controls; single submission points for all required documentation (single windows) - Post-clearance audits Authorized economic operators.	0.94	1.5	1.33	1.21	0.82	1.21	1.47	1.21
		Internal Co-operation	Co-operation between various border agencies of the country; control delegation to customs authorities.	0.46	0.91	0.82	0.73	0.55	0.73	0.82	0.72
		External Border Agency Co-operation	Cooperation with neighbouring and third countries:	0.46	1.09	1.18	1.1	0.46	1.1	0.64	0.86
		Governance and Impartiality	Customs structures and functions; accountability; ethics policy.	0.67	1.78	1.78	1.44	0.44	1.44	2	1.36



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

Thematic Area	Index Pillar	Indicator	Definition	Nigeria	Egypt	Kenya	Morocco	Cote d'Ivoire	Ghana	South Africa	Average
	2019, Ease of Doing Business	Overall Indicators' Summary		52.89	66.03	58.56	70.31	N/A	59.22	71.02	63.01
		Starting a Business	Procedures, time, cost and paid-in minimum capital to start a limited liability company for men and women	82.97	81.22	84.11	82.41	93.70	84.29	92.99	85.96
		Registering Property	Procedures, time and cost to transfer a property and the quality of the land administration system for men and women	28.89	59.32	55	55.97	58.03	55.54	67.86	54.37
		Dealing with Construction Permits	Procedures, time and cost to complete all formalities to build a warehouse and the quality control and safety mechanisms in the construction permitting system	57.84	68.25	71.77	63.49	59.37	66.16	79.94	66.69
		Getting Electricity	Procedures, time and cost to get connected to the electrical grid, the reliability of the electricity supply and the transparency of tariffs	42.63	68.25	71.41	76.8	56.23	74.06	81.34	67.25
		Getting Credit	Movable collateral laws and credit information systems	85	60	65	90	70	45	60	67.86
		Paying Taxes	Payments, time and total tax and contribution rate for a firm to comply with all tax regulations as well as post filing processes	53.53	81.13	52.73	72.37	46.49	85.72	66.77	63.13
		Trading across Border	Time and cost to export the product of comparative advantage and import auto parts	23.08	59.64	42.23	68.06	52.44	83.58	54.84	53.49
		Enforcing Contracts	Time and cost to resolve a commercial dispute and the quality	57.9	54.1	42.75	58.27	55.74	60.93	54	54.81



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

Thematic Area	Index Pillar	Indicator	Definition	Nigeria	Egypt	Kenya	Morocco	Cote d'Ivoire	Ghana	South Africa	Average
			of judicial processes for men and women								
Business Infrastructure	Electricity Infrastructure	Access to Electricity	The percentage of people in a given area that have relatively simple, stable access to electricity	59	100	56	100	64.3	79.3	84	77.51
		Quality of Electricity	A minimal number of interruptions and their duration kept to a minimal period of time	1.42	5	4.1	5.6	N/A	3.1	3.92	3.86
		Total Electricity Generated	Electricity generated from fossil fuels, nuclear power plants, hydro power plants (excluding pumped storage), geothermal systems, solar panels, biofuels, wind, etc.	28000	193200	9750	31600	5870	10906	255100	76346.57
		Electricity Consumption per Capita	Total electricity consumed annually plus imports and minus exports, expressed in kilowatt-hours.	129	1550	161	789	234	305	3787	993.57
	Availability and quality of transport infrastructure	Availability and quality of road infrastructure		3.8 (93)	4.2 (79)	4.3 (69)	5.1 (44)	5.1(43)	4.0(86)	5.8 (17)	4.61
		Road connectivity index (1-7)	Average speed and straightness of a driving itinerary connecting the 10 or more largest cities that together account for at least 15 percent of the economy's total population (1 = worst, 7 = best)	5(63)	5.3 (54)	4.5 (78)	5.7 (33)	5.4(49)	4.5(76)	6.7 (5)	5.3
		Quality of roads (1-7)	In your country, how is the quality (extensiveness and condition) of transport infrastructure for roads (1 = extremely underdeveloped, among the worst in the world; 7 = extensive and efficient, among the best in the world)	2.6(124)	3 (105)	4.2 (60)	4.4 (54)	4.7(42)	3.5(84)	5 (29)	3.91



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

Thematic Area	Index Pillar	Indicator	Definition	Nigeria	Egypt	Kenya	Morocco	Cote d'Ivoire	Ghana	South Africa	Average
		Number of paved roads	This measures the number of roads with a firm surface for travel	200,000km	Not available						
	Availability and quality of transport infrastructure	Available airline seat kilometre (in millions)		254.6	574.1	248.9	465.9	64.6	116.9	884.7	372.67
		Quality of air transport infrastructure (1-7)		3.2	4.8	4.8	4.7	5.2	4.0	6.0	4.65
		Number of airports and their location (nearness to clusters)		8	Not available						
		Runway length	This measures the number of runway length of airports (nearness to clusters).	72.88ft	Not available						
		Cargo airport	This measures the number of cargo airport.	13	3	2	Not available				
	Availability and quality of transport infrastructure	Availability and of rail infrastructure		1.5	2.6	2.8	3.9	2.7	1.8	3.8	
		Functional rail linkages in Nigeria		914-3047m	5,153km ² (2017)	2,101km (2017)	2,109km (2017)	1,180km (2017)	953km	20,953km (2017)	
		Maximum speed		90km/h	140km/h	120km/h	320km/h	60km/h	120 – 170km/h	160km/h	
		Passengers using the Standard Gauge Railways (SGR)	Total number of passengers per annum	2,5937.44	25 million	1 million	38 million	300,000	N/A	N/A	
		Cargo transported through the Standard Gauge Railways (SGR)	Total number of cargo movement	141,186 tones	N/A	N/A	N/A	900,000 tones		97mt	
		Type of Rail		Standard Gauge Rail and Narrow Gauge	Standard Gauge and Narrow Gauge	Standard Gauge and Meter Gauge	Standard Gauge and Narrow Gauge	N/A	Standard Gauge and Narrow Gauge	Standard Gauge and Narrow Gauge (50% - 80% rail lines are electrified)	



**African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report**

Thematic Area	Index Pillar	Indicator	Definition	Nigeria	Egypt	Kenya	Morocco	Cote d'Ivoire	Ghana	South Africa	Average
	Port Infrastructure	Liner shipping connectivity index	The Liner Shipping Connectivity Index captures how well countries are connected to global shipping networks	21.9	62.5	13.7	64.7	22.0	21.9	37.1	
		Quality of port infrastructure (1-7)		2.8	4.3	4.2	4.8	5.2	3.7	4.9	
		Number of ports in Nigeria	This measures the number of ports required to be operational in Nigeria for smooth trading	6	7	8	12	2	2	7	
		Container handling capacity (measured by TEU)	This measures the size of each port infrastructure to receive goods	9,183,000 (2018)	7,430,000 (2017)	1,200,100 (2017)	4,570,000 (2017)	663,000 (2017)	921,000 (2017)	4,634,900 (2017)	
		Average Ship Turnaround time	This measures the time taken between the arrival of vessel and its departure from the port	1.5 days	Not available						
		Time spent at anchor		7 days	Not available						
	Communication Infrastructure	Mobile-cellular telephone subscriptions (per 100 population)	Mobile cellular telephone subscriptions are subscriptions to a public mobile telephone service using cellular technology, which provides access to switched telephone technology	82.2	111	80.7	126.9	129.7	119.3	159.3	115.59
		Internet users	Percentage of individuals using the internet	47.4	35.9	45.6	57.1	23.5	21.0	57.9	41.2
		Availability and use of ICTs	Availability of technologies to access information and the ease of using technologies	3.4	4	3.6	4.7	4.0	3.4	4.7	3.97



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

Thematic Area	Index Pillar	Indicator	Definition	Nigeria	Egypt	Kenya	Morocco	Cote d'Ivoire	Ghana	South Africa	Average
		ICT use for biz-to-biz transactions (1-7)	In your country, to what extent do businesses use ICTs for transactions with other businesses?	4.6	4.7	5.3	4.4	4.4	4.4	5.5	4.75
		Internet use for biz-to-consumer transactions	In your country, to what extent do businesses use the internet for selling their goods and services to consumers?	4.3	4	4.9	4.3	4.1	3.9	4.8	4.33
		Government online service index (0-1)	The quality of government's delivery of online services	0.41	0.47	0.56	0.74	0.45	0.19	0.56	0.48
		Fixed-broadband internet subscriptions	Fixed broadband internet subscriptions per 100 population	0	4.5	0.3	3.4	0.3	0.5	5.3	2.04
		Active mobile broadband subscriptions (per 100 population)	The International Telecommunication Union considers active mobile broadband internet subscriptions all "Standard mobile broadband subscriptions (via a mobile-cellular telephone)" and "Dedicated mobile-broadband subscriptions (via UBS dongle/ modem or as add-on data package to voice package)"	21	50.7	15.5	39.3	66.8	40.4	59.5	41.89
Enforcement Capacity		Anti-dumping measures	Number of investigations carried out against dumping in domestic markets	0	14	N/A	12	N/A	N/A	30	14



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

Thematic Area	Index Pillar	Indicator	Definition	Nigeria	Egypt	Kenya	Morocco	Cote d'Ivoire	Ghana	South Africa	Average
		Trade Remedies Infrastructure	Regulations governing ways a country should act in response to dumping and countervailing	None	Yes	Yes	Yes	N/A	N/A	Yes	
		Internal Border Cooperation		0.667	0.667	0.667	1.5	0.55	0.91	1.667	0.95
		External Border Cooperation	Agreements with border countries	1	1	2	1	0.46	0.55	2	1.14



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

7.3 Appendix 3 – List of documents reviewed

7.3.1 Impact Assessment

S/N	Document	Source
1	Boosting Intra-African Trade; Issues affecting Intra-African Trade, Proposed action plan for boosting Intra-African Trade and framework for the fast tracking of a Continental Free Trade Area	Nigeria Economic Summit Group
2	Desk review of key fiscal targets in budget, ERGP, MTEF	Ministry of Budget and National Planning
3	Brief narratives of fiscal target desk review	National Bureau of Statistics
4	AfCFTA fiscal indicators	National Bureau of Statistics
5	Comparative lessons learned from impact of Free Trade Area	National Bureau of Statistics
6	NACCIMA's position on the proposed 2018 budget	Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture
7	NACCIMA's position on the National Bureau of Statistics (NBS) Foreign and Domestic Debt Report for 30th June 2017	Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture
8	Review of the key provisions of AfCFTA: perspective by the Manufacturers association of Nigeria	Manufacturer's Association of Nigeria
9	Copy of sectoral collection for 2013 - 2017	Federal Inland Revenue Service
10	Assessment of Monetary policy coordination/ settlement system in the EU, ASEAN, UEMOA, RECs	Central Bank of Nigeria
11	Incentives and Constraints of Informal trade between Nigeria and its neighbours	Nigeria Economic Summit Group
12	Balassa index	National Bureau of Statistics
13	Analysis of informal Cross- Border Trade: Nigeria and neighbouring countries	Central Bank of Nigeria
14	Assessment of Nigeria's own enforcement capabilities in selected countries (Indonesia, South Africa, UK)	Ministry of Budget and National Planning
15	Seizures record for the period of 2016, 2017 and Jan- Sept. 2018 fiscal years as at 30th August, 2018	Nigerian Customs Service
16	Yearly analysis of commodity seizures report for the period of January - December 2015, 2016 and 2017 fiscal years	Nigerian Customs Service
19	Summary of commodity seizure report for the month of January till date 2018	Nigerian Customs Service



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

S/N	Document	Source
20	Analysis on the AfCFTA draft market access offer	Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture
21	The position of MAN on smuggling	Manufacturer's Association of Nigeria
22	A review of AfCFTA, EPA, ETLs	Nigeria Economic Summit Group
23	NACCIMA'S memoranda on "Implementation of the economic recovery and growth plan through the industry, trade and investment sector"	Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture
24	World Trade Organization's services sectoral classification list	Prof Jonathan Aremu
25	Regional services policy review ECOWAS	Prof Jonathan Aremu
26	Regional services policy review ECOWAS: Infrastructure services	Prof Jonathan Aremu
27	Summary of monthly revenue figure for the period from January to December 2014 - 2018	Nigerian Customs Service
28	MAN Blue Print	Manufacturer's Association of Nigeria
29	Clean Final Report of MAN	Manufacturer's Association of Nigeria
30	Nigeria's Accession to the African Continental Free Trade Area Agreement: Implications for Monetary Policy	Central Bank of Nigeria
31	ECOWAS Common External Tariff (C. E. T)	Nigerian Customs Service

7.3.2 Legal and AU/European Level Transition Arrangements

S/N	Document	Source
1	Revised ECOWAS Treaty Amendment	ECOWAS
2	ECOWAS Trade Liberalisation Scheme (ETLS) and its impact on Intra-Regional Trade	ECOWAS
3	Protocol on Free Movement – Nigeria	Online
4	Nigeria's Trade Policy (Draft) 2012	Online
5	Import Prohibition document	Central Bank of Nigeria (CBN)
6	Fiscal and Monetary policies documents	Central Bank of Nigeria (CBN)
7	Bilateral/Multilateral trade agreements	Federal Ministry of Justice (FMOJ)



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

S/N	Document	Source
		Federal Ministry of Industry, Trade and Investment (FMITI)
8	Conflict between the oil & gas act of 1996 and the NEPZA act	Nigeria Export Processing Zones (NEPZA)
9	WTO Trade Policy Review – Nigeria	Online
10	Economic Recovery And Growth Plan (ERGP) 2017 – 2020	Online
11	Nigeria VISION 2020 Economic Transformation Plan: Addressing the Nigerian development and the structure of the economy through education	Online
12	Compiled Annexes to the AfCFTA Agreement	Online
13	Agreement establishing the AfCFTA	Online
14	Protocol on trade in goods- AfCFTA	Online
15	Protocol on trade in services- AfCFTA	Online
16	Protocol on rules & procedures on the settlement of dispute- AfCFTA	Online
19	Draft Nigeria Customs Service Bill 2013	Nigeria Customs Service (NCS)
20	List of countries in the American and Caribbean Region that have Bilateral Agreements with Nigeria	Ministry of Foreign Affairs
21	List of Nigeria's Bilateral trade Agreements and other Memoranda of Understanding as at July, 2014	Ministry of Foreign Affairs
22	Collation of information on Treaties	Ministry of Foreign Affairs
23	Instrument of Ratification of Agreement on fishing between the Federal Military Government of the Federal Republic of Nigeria and the Government of the Islamic Republic of Mauritania	Ministry of Foreign Affairs
24	Draft Agreement – Merchant Shipping Agreement between the Federal Military Government of the Federal Republic of Nigeria and Government of Cote D'Ivoire	Ministry of Foreign Affairs
25	Trade Agreement between the Government of the Federal Republic of Nigeria and the Government of Ivory Coast	Ministry of Foreign Affairs
26	Trade Agreement between the Federal Military Government of the Federal Republic of Nigeria and the Government of the Republic of Portugal.	Ministry of Justice
27	Joint Declaration on Economic Cooperation between the Government of the Federal Republic of Nigeria and the Governments of the Member States of the European Free Trade Association (EFTA)	Ministry of Justice
28	International Cocoa Agreement	Ministry of Justice



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

S/N	Document	Source
29	International Sugar Agreement	Ministry of Foreign Affairs
30	Instrument of Approval of the Trade Agreement Between the Federal Military Government of the Federal Republic of Nigeria and the Government of the Kingdom of Morocco	Ministry of Foreign Affairs
31	Memo on CFTA vis a vis EO5	Ministry of Justice
32	Bilateral, Regional and Multilateral Trade Agreements signed by Nigeria	Ministry of Justice
33	Bilateral Trade Agreements (BTAs) signed between Nigeria and other Countries	Ministry of Justice
34	Constitutional Act of the African Union	Online
35	African Trade Report 2018	Online
36	AU Decision on the draft agreement establishing the AfCFTA	Online
37	ECOWAS Treaty and protocols	Online
38	Kigali Declaration for the launch of the African Continental Free Trade Area	Online
39	NEPZA Review	NEPZA
40	Official Journal of the European Union	Online
41	Oil and Gas Free Zones Authority Act 1996	Online https://www.ogfza.gov.ng/wp-content/uploads/2017/10/OGFZA-ACT.pdf
42	Protocol on the Treaty establishing the African Economic Community relating to Free Movement of Persons Right of Residence and Establishment	Online
43	Bilateral Trade and Investment Agreement between the Government of the Federal Republic of Nigeria and the Government of the Republic of Ghana	Ministry of Justice
43	Bilateral Trade Co-operation Agreement between the Government of the Federal Republic of Nigeria and the Government of the Federal Republic of Cote D'Ivoire	Ministry of Justice
44	Bilateral Trade Agreement between the Government of the Federal Republic of Nigeria and the Government of the Federal Republic of Kenya	Ministry of Justice
45	Bilateral Trade Agreement between the Government of the Federal Republic of Nigeria and the Government of the Federal Republic of Niger	Ministry of Justice
46	Agreement between the Government of the Federal Republic of Nigeria and the Government of the Federal Republic of Kenya on Cooperation in the field of Agriculture	Ministry of Justice



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

S/N	Document	Source
47	Nigeria Customs Service Act 2013	Customs

7.3.3 Cost of Money, Monetary and Fiscal Policies

S/N	Document	Source
1	Economic Recovery Growth Plan (ERGP)	Ministry of Budget and National Planning
2	ECOWAS Trade Integration	Central Bank of Nigeria
3	Assessment of Nigeria's Fiscal policy	Federal Ministry of Finance
4	Cost of Money	Bank of Industry
5	Assessment of Nigeria's Tax Policies	Federal Inland Revenue Service
6	African Continental Free Trade Agreement	Online
8	Micro, Small and Medium Enterprises Development Fund Guidelines	Central Bank of Nigeria
9	Power and Airline Intervention Fund Guidelines	Central Bank of Nigeria
10	National Tax Policy	Federal Ministry of Finance/Federal Inland Revenue Service
11	Official Gazette of TP Regulations 2018	Federal Ministry of Finance/Federal Inland Revenue Service
12	Official Gazette of CbC Regulations 2018	Federal Ministry of Finance/Federal Inland Revenue Service
13	Basic Issues in ECOWAS Economic Integration	Nigerian Economic Summit Group
14	Financial Market Integration in ECOWAS	Nigerian Economic Summit Group
15	Nigeria's Concerns over the Economic Partnership Agreement with EU	Nigerian Economic Summit Group
16	CFTA in The Phases Of African Economic Community's (AEC's) Integration Agenda: Opportunity And Challenges For Nigeria's Economy (1) & (2)	Nigerian Economic Summit Group
17	Opportunities and Challenges of the AfCFTA and the Role for Nigeria Customs Service	Nigerian Economic Summit Group



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

S/N	Document	Source
18	Fiscal Policy at a Glance	Online
19	Tax Treaty Negotiation Policy	Federal Ministry of Finance/Federal Inland Revenue Service
20	Value Added Tax (VAT) Act	Federal Ministry of Finance/Federal Inland Revenue Service
21	Transfer Pricing Rules in Nigeria	Federal Ministry of Finance/Federal Inland Revenue Service
26	Copy of MTEF 2016-2018	Online
27	Monetary, Credit, Foreign Trade and Exchange Policy Guidelines for Fiscal years 2018/ 2019	Online
28	Fiscal Responsibility Act, 2007	Online
29	Fiscal Policy at a glance	Online
33	ERGP 2017 – 2020	Ministry of Budget and National Planning
34	List of Nigeria's Bilateral trade Agreements and other Memoranda of Understanding as at July, 2014	Ministry of Justice
35	Compiled Annexes to the on the Establishment of the Continental Free Trade Area	Online- Tralac
36	Agreement Establishing the African Continental Free Trade Area	Online- Tralac
37	The aspirations of the government in the ERGP, Monetary and fiscal policies of Nigeria	Online
38	Tax Policy Positions	Online
39	Africa export by countries	Online- National Bureau of Statistics
40	Africa export to Africa	Online- National Bureau of Statistics
41	Africa import from Africa	Online- National Bureau of Statistics
42	Basic issues in ECOWAS Integration	Nigerian Economic Summit Group



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

S/N	Document	Source
43	CFTA in the Phases of African Economic Community's (AEC'S) Integration Agenda: opportunities and challenges for Nigerian Economy	Nigerian Economic Summit Group
44	Compendium of Investment Incentives in Nigeria	Nigerian Investment Promotion Commission
45	Data on Nigeria trade (Exports & Imports)	Online- Tralac
46	ECOWAS Payment Transactions Across Borders	Nigerian Economic Summit Group
47	ECOWAS Trade integration - Impact on Nigeria	Nigerian Economic Summit Group
48	Financial Market Integration in ECOWAS	Nigerian Economic Summit Group
50	Historic context of Regional Payment and Settlement System in ECOWAS	Nigerian Economic Summit Group
52	Measuring Trade costs in ECOWAS	ECOWAS
53	The roles of economic integration and monetary policy in currency unions	Online
54	Income Tax (Country by Country Reporting) Regulations, 2018	Online
55	Income Tax (Transfer Pricing) Regulations 2018	Federal Ministry of Finance/Federal Inland Revenue Service
56	Revenue Collection	Nigeria Customs Services
57	FIRS Letter for Clarification on AfCFTA	Ministry of Finance

7.3.4 Trade Facilitation and Ease of Doing Business

S/N	Document	Source
1	Nigeria Quality Infrastructure Assessment	World Bank Group- IFC, July 2018
2	Nigerian National Quality Policy & Plan- National Steering Committee	Nigerian National Accreditation Services (NiNAS)
3	A Position Paper on Nigeria National Quality Infrastructure and the Implication for Africa Continental Free Trade Area (AfCFTA)	Nigerian National Accreditation Services (NiNAS)



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

S/N	Document	Source
4	Compendium of Investment Incentives in Nigeria	NIPC & FIRS
5	Export Incentives in Nigeria	NEPC
6	WTO Agreement of Trade Facilitation Agreement	Online
8	Development of Trade Support Facilities/Infrastructure and Benefits to Trade Facilitation and National Economic Growth: Inland Dry Ports, Truck Transit Parks and Logistic Platforms	Nigeria Shippers' Council
9	Sealink Implementation Update by NEXIM/Sealink Implementation Committee	Nigeria Shippers' Council NEXIM Bank
10	Address of The Managing Director Of The Nigerian Ports Authority (NPA) At The Commissioning Of The Command, Control, Communication And Intelligence System (CCCIS) Centre At The NPA, Corporate Head Quarter – Friday July 22nd 2016	Online
11	Comptroller-General of Customs Annual Conference 2007- Theme: “Attaining 48-Hour Clearance At The Ports And Border Stations”	Online
12	Trade Logistics Capacity Assessment stakeholders Perspective (AfCFTA) Nigerian Shippers' Council's Transport Infrastructure Promotion, November 2018	Nigerian Shippers' Council's
13	Implementation of Trade Facilitation in Nigeria- The Country Experience - The Nigeria's Custom	Nigeria Customs Service
14	Transit Guidelines and Route for Efficient Transit Regime	Nigerian Shippers' Council's
15	OECD Trade Facilitation Indicators http://www.oecd.org/trade/facilitation/indicators.htm	Online
16	Press release by ECOWAS on 22 nd October, 2018	Online- http://www.ecowas.int/semi-krake-joint-border-post-between-benin-and-nigeria-now-operational/
17	PEBEC Reforms on Cross Border Trading	PEBEC
18	PEBEC Annual Report June 2018	PEBEC
19	PEBEC National Trading Platform Update	PEBEC



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

S/N	Document	Source
20	On the Ease of Doing Business in Nigeria	PEBEC
21	Doing Business 2019 Nigeria	PEBEC
23	2016 – 2018 PEBEC Reforms Handbook	PEBEC
24	Development of Trade Support Facilities/Infrastructure and benefits to Trade Facilitation and National Economic Growth	Nigeria Shippers' Council
25	International Classification of Non-Tariff Measures	Online- UNCTAD
27	Revised Kyoto Convention	Online- http://www.wcoomd.org/en/topics/facilitation/instrument-and
28	Report of the Inter State Road Transit (ISRT) Scheme Subcommittee that understudied the operation of the existing scheme in Ghana	TWG Secretariat
29	Convention A/P4/5/82 relating to Inter-State Road Transit of Goods	TWG Secretariat
30	ECOWAS Market Integration Gap Analysis	Online- https://www.borderless.com/sites/default/files/resources/mar12/ECOWAS%20Market%20integration%20Gap%20Analysis.%20submitted%2018dec09pdf.pdf
31	NSC's Public Private Partnership : Inland dry ports and Truck Transit Part Projects	Nigeria Shippers' Council

7.3.5 Energy & Trade Logistics Services and Infrastructure

S/N	Document	Source
1	Rail Transportation Data Q2 2018 National Bureau of Statistics, 2018	National Bureau of Statistics
2	Number of Airports in Nigeria (online) National Planning Commission, 2015	Online
3	7.5 passenger movement in airports (online) Proshare Nigeria Pvt. Ltd, 2018	Online



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

S/N	Document	Source
4	National Integrated Infrastructure Master Plan (NIIMP), 2015	Online
5	Economic Recovery and Growth Plan, 2017 – 2020	Online
6	National Transport Policy, 2017	Federal Ministry of Transport
8	Cost of maritime and challenges in Nigeria - (2018) Lagos Chamber of Commerce and Industry (LCCI)	Online
9	Nigerian Ports Handbook 2018	Online
10	Nigeria: Reforming the Maritime Ports	Online
11	Nigerian Inland Waterways Authority	Online
12	Half Year Report of Railway Programs, Projects (Ministry of Transport's Framing workshop presentation)	Federal Ministry of Transport
13	Aviation Road Map	Ministry of Aviation
14	The Power Sector Recovery Programme (2017-2021)	Online
15	The National Gas Policy	Ministry of Petroleum Resources
16	NNPC Monthly Financials Operations Report- July 2018	Online
17	Nigerian Power Baseline Report	Online
18	The National Broadband Master Plan (2013-2018)	Nigerian Communications Commission (NCC)
19	The Transmission Expansion Plan	Online
20	The NCC Strategic Management Plan(SMP) 2014-2018	Online
21	The Universal Service Provision Fund Strategic Management Plan. (2013-2017)	Online
23	Nigerian Electricity Regulatory Commission (NERC) Quarterly Reports; 2017Q3, 2017Q4, 2018Q1, 2018Q2	Online
24	The Framework, Road Map and Financing Options for Mass Transit in Nigeria.	Federal Ministry of Transport



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

S/N	Document	Source
25	Seven Big Wins. National Gas Master Plan.	Ministry of Petroleum Resources
26	Federal Roads Authority Bill 2017. National Roads Funds.	Federal Roads Maintenance Agency (FERMA)
27	Revised Inventory of Federal Highways.	Ministry of Power, Works & Housing (Works)
28	Challenges – road infrastructure, multiple taxes, multiple checkpoints, quality of vehicles, duty paid on trucks, lack of assembly plants, lack of legal and regulatory framework, risk involved in carriage, diversion of products.	National Association of Road Transport Owners (NARTO)
29	National Transport Commission Bill 2016.	Nigerian Maritime Administration and Safety Agency (NIMASA)
30	Truck Transit Parks and Inland dry ports.	Nigerian Shippers Council
31	Nigeria National Transport Policy	Online
32	Transmission Expansion Plan	Online
33	TCN Issues January 2019	Transmission Company of Nigeria
34	Major Capital Project status Update as at December 31st 2018	Transmission Company of Nigeria
35	NESI Generation Statistics	Online- NERC Website
36	TCN Independent System Operator Part 5 Transmission Adequacy Report Outlook for 2017-2027	Transmission Company of Nigeria
37	TCN Independent System Operator Part 4 Generation Adequacy Report Outlook for 2017-2027	Transmission Company of Nigeria
38	TCN Independent System Operator Part 3 Demand Forecast Report Outlook for 2017-2027	Transmission Company of Nigeria
39	TCN Independent System Operator Part 2 Transmission Adequacy Report Retrospective for year 2015	Transmission Company of Nigeria
40	TCN Independent System Operator Part 1 Generation Adequacy Report Retrospective for year 2015	Transmission Company of Nigeria



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

S/N	Document	Source
41	TCN Independent System Operator System Adequacy Report Retrospective for year 2015	Transmission Company of Nigeria
42	Power Sector Recovery Programme: 2017-2021	Online
43	Policy and Data on Power Projects and activities of Ministry of Power, Works and Housing (Power Sector)	Ministry of Power, Works and Housing
44	NAPTIN Profile Presentation	Online
45	4th edition of the National Council on Power (NACOP) Communique	Ministry of Power, Works and Housing
46	Oil and Gas Export Free Zone Regulations Review draft	Oil and Gas Free Zones Authority
47	Oil and Gas Export Free Zone Decree 1996	Oil and Gas Free Zones Authority
48	National Information and Communication Technology (ICT) Policy	National Information Technology Development Agency (NITDA)
49	NIMASA's Submission on AfCFTA	Nigerian Maritime Administration and Safety Agency
50	NIMASA Act 2017	Nigerian Maritime Administration and Safety Agency
51	National Transport Commission Bill, 2016	Nigerian Maritime Administration and Safety Agency
52	Merchant Shipping Act 2007	Nigerian Maritime Administration and Safety Agency
53	Coastal and Inland Shipping (Cabotage) Act	Nigerian Maritime Administration and Safety Agency
54	Agenda 2063	Nigerian Ports Authority (NPA)
55	2050 Africa's Integrated Maritime Strategy	Nigerian Ports Authority (NPA)
56	Nigeria: Economic Outlook; Top 10 themes for 2018	TWG Secretariat WG
57	Nigerian Gross Domestic Product Report 2017 (Expenditure and Income approach)	Nigerian Bureau of Statistics (NBS)



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

S/N	Document	Source
58	Nigerian Gross Domestic Product Report Q2 2018	Nigerian Bureau of Statistics (NBS)
59	Nigerian Gross Domestic Product Q1 2018	Nigerian Bureau of Statistics (NBS)
60	2018 African Economic Outlook: Nigeria's country note	African Development Bank
61	Draft white paper on the report of the Presidential committee on the review of Incentives, Waivers and Concessions	TWG Secretariat
62	Nigeria's National Broadband Plan 2013 - 2018	National Communications Commission (NCC)
63	NCC's presentation on National Broadband Plan (NBP)	National Communications Commission (NCC)
64	NARTO's Impact of AfCFTA Agreement on Transportation	National Association of Road Transport Owners (NARTO)
65	Federal Roads Bill 2017	Online
66	Expert Group meeting on Improving Transit Cooperation, Trade and Trade Facilitation for the Benefit of the LLDCs	UN OFFICE OF THE HIGH REPRESENTATIVE FOR THE LEAST DEVELOPED COUNTRIES
67	ECOWAS Joint Border Post 2013	ECOWAS
68	Convention A/P.4/5/82 relating to Inter-state Road Transit of Goods	Federal Ministry of Power, Works and Housing
69	AON'S concerns for AfCFTA	Airline Operators of Nigeria (AON)
70	Agreement establishing the African Continental Free Trade Area	Online
71	Perspective of Natural Gas Supply for Power Generation in the sub- region	TWG Secretariat
72	Gazette of approved Oil and Gas policies	TWG Secretariat
73	Petroleum Industry and Governance Bill 2018	Ministry of Petroleum Resources
74	National Petroleum Policy	Ministry of Petroleum Resources
75	Nigeria National Gas Policy	Ministry of Petroleum Resources
76	7 Big Wins Short and Medium Term Priorities to grow Nigeria's Oil and Gas Industry 2015-2019	Online



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

S/N	Document	Source
77	The Framework, Road map and Financing options for Mass Transit in Nigeria	Online
78	AON'S concerns in Nigeria's readiness in signing of the AfCFTA and full implementation of Single African Air Transport Market	Airline Operators of Nigeria (AON)
79	Implementation status and next steps of the Power Sector Recovery Program	TWG Secretariat
80	FERMA: Medium term Strategy for road Sector Maintenance Management	Federal Roads Maintenance Agency (FERMA)
81	Revised Inventory of Federal Highways 2016	Federal Roads Maintenance Agency (FERMA)
82	Nigeria Industrial policy and competitiveness Advisory Council: Road Infrastructure Development and Refurbishment Investment Tax	Federal Ministry of Power, Works and Housing
83	Nigeria Industrial policy and competitiveness Advisory Council: Status Update on collaboration with the National Economic Council	TWG Secretariat
84	Nigeria Industrial policy and competitiveness Advisory Council: Overview of the Product Authentication Mark	TWG Secretariat
85	WTO Perspective's Hinterland connectivity, A Key factor of Port competitiveness	WTO
86	Road map of Nigeria: Julius Berger Nigeria	Federal Ministry of Power, Works and Housing
87	Federal Ministry of Power, Works and Housing submission on AfCFTA	Federal Ministry of Power, Works and Housing
88	Corridor Development to enhance Hinterland Connectivity	African Corridor Management Alliance
89	Federal Highways (Control of Dimensions, weights and Axle Load of Heavy Duty Goods Transport Vehicles) regulations 2018	Federal Roads Maintenance Agency (FERMA)
90	NBC: New Development on the 700MHZ frequency band-status update on the digital switchover project	Nigerian Broadcasting Commission
91	GE Nigeria Power Plus: Accelerated delivery of Power leveraging underutilized brown field assets	General Electric (GE)
92	NCC's presentation on AfCFTA	National Communications Commission (NCC)
93	NERC: Industry Challenges & the role of Management; Improving Liquidity, Corporate governance and Technical Challenges of Discos	Nigerian Electricity Regulatory Commission (NERC)



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

S/N	Document	Source
94	NPA: Port Governance Models; our experience	Nigerian Ports Authority (NPA)
95	Crown Agent's 25 year Ports Development Masterplan Final Report	Online
96	CPC'S Draft Report Gap Analysis for Kaduna Dry Port and Operational Feasibility of Kano Dry Port	Nigeria Shippers' Council
97	The Blue Economy: Prosperous, Inclusive, Sustainable	TWG Secretariat
98	Port Autonome De Dakar: Facilitation Du Transit Des Flux De Marchandises Des Pays Enclaves	Nigerian Ports Authority (NPA)
99	UNCTAD: Liner Shipping Connectivity and the Role of the Hinterland	Nigerian Ports Authority (NPA)
100	African Development Bank Group: The Bank Group's response to ports and hinterland Connectivity in Africa	Nigerian Ports Authority (NPA)
101	Masterplan for an Integrated Transportation Infrastructure	TWG Secretariat
102	TCN: Transmission Rehabilitation and Expansion program	Transmission Company of Nigeria (TCN)
103	TCN: Milestones from Feb. 2017 to Sep. 2018	Transmission Company of Nigeria (TCN)
104	TCN: Transmission Expansion Plan	Transmission Company of Nigeria (TCN)
105	Development of Power System Master plan for the TCN	Transmission Company of Nigeria (TCN)
106	Nigeria Electricity and Gas Improvement Project	TWG Secretariat
107	ALCO (ABIDJAN-LAGOS CORRIDOR Organization's Report from July-Dec. 2012	TWG Secretariat
108	ABIDIJAN-LAGOS Trade and Transport Facilitation Project Report July 2016- June 2017	TWG Secretariat
109	The Infrastructure Bank: Hinterland Infrastructure funding	TWG Secretariat
110	NPA: ECOPORTS: From strategy to practice; sustainable (port), Transport and logistics Chain in practice	Nigerian Ports Authority (NPA)
111	Africa and Middle East Regional Environmental Center: Toward Green Ports in Arab, Africa and Middle East	Nigerian Ports Authority (NPA)



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

S/N	Document	Source
112	TANGERMED in brief	Nigerian Ports Authority (NPA)
113	Kenya Ports Authority: Facilitation of Landlocked Transit Cargo	Nigerian Ports Authority (NPA)
114	Port of Antwerp: Session IV: Releasing the potential of Africa's Port Landscape: The Way Forward	Nigerian Ports Authority (NPA)
115	Cotonou Port Authority: Port Governance & Hinterland Strategy	Nigerian Ports Authority (NPA)
116	Kenya Ports Authority: presentation on Infrastructure Governance and Landlord Transit Corridors	Nigerian Ports Authority (NPA)
117	Ghana Ports & Harbours Authority: Africa's Ports Landscape: Infrastructure Perspectives- The case of Ghana	Nigerian Ports Authority (NPA)
118	Connecting West Africa Ports to their Hinterland	Nigerian Ports Authority (NPA)
119	Implementation of Truck Transit park in Nigeria	Nigeria Shippers Council
120	Updates on Ongoing Projects / Green field Projects	Nigerian Ports Authority (NPA)
121	Brief on the Dry Port concept in Nigeria	Nigeria Shippers Council

7.3.6 Production, Services and Export Trade Capacity Enhancement

S/N	Document	Source
1	Understanding The Free Zones Scheme	Africa Free Zones Association
2	Submission By The Industrial Development Department, FMITI (NIRP, Automotive Policy And Other Sector Development Plans)	Federal Ministry of Industry, Trade and Investment (FMITI)
3	Submission Of The National Sugar Development Council To The Technical Work Group For AfCFTA I & R Assessment	FMITI (National Sugar Development Council)
4	AfCFTA Exclusive & Sensitive List of Primary Produce in Nigeria	Federal Ministry of Industry, Trade and Investment (FMITI)
5	National MSME Survey Report	Small and Medium Enterprise Development Agency of Nigeria (SMEDAN)
6	Export products (MANEG)	Manufacturers Association of Nigeria (MAN)
7	Non-tariff Barriers	Nigerian Agricultural Quarantine Service (NAQS)



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

S/N	Document	Source
8	NESG Briefing Paper on the NTC Bill	Nigerian Economic Summit Group (NESG)
9	NCC Strategic Management Plan (SMP 2014-2018)	TWG Secretariat
10	Zero Oil Plan (National Economic Council)	Nigerian Export Promotion Council (NEPC)
11	Competitiveness as a driving tool in global market	Oil and Gas Free Zones Authority (OGFZA)
12	Agriculture-plan-Nigeria	TWG Secretariat
13	Nigeria Industrial Revolution Plan (NIRP)	TWG Secretariat
14	The Role of NEPZA in the African Continental Free Trade Area	Nigeria Export Processing Zones Authority (NEPZA)
15	Submission FINAL of the Ministry of Mines & Steel Dev to the AfCFTA Work stream 5	Ministry of Mines and Steel Development
16	7-Big-Wins-Short-and-Medium-Term-Priorities-to-Grow-Nigerias-Oil-and-Gas-Industry-2015-2019	Ministry of Petroleum Resources
17	NEPC incentivised exportable products & services	Nigerian Export Promotion Council (NEPC)
18	Compendium of Investment Incentives in Nigeria final	Nigerian Investment Promotion Commission (NIPC)
19	Economic-Recovery-Growth-Plan-2017-2020	TWG Secretariat
20	Chronicling our reforms	Industrial Council
21	Services sector report	Nigeria Governor's Forum
22	Services in Sub-Saharan Africa	Nigeria Governor's Forum
23	Compendium of Investment Incentives in Nigeria final	Nigerian Investment Promotion Commission (NIPC)
24	Financial system strategy 2020 "Shaping the Financial Landscape of Nigeria", RETREAT ON FSS 2020 BILLS	Nigerian Association of Small and Medium Enterprises (NASME)
25	Financial System strategy 2020 Legal Working Group Meeting: Priority Ranking of Pending Financial Bills	Nigerian Association of Small and Medium Enterprises (NASME)
26	Facts sheet on trade in services	Nigerian Association of Small and Medium Enterprises (NASME)
27	Bankruptcy And Insolvency (Repeal And Re-Enactment) Bill, 2015	Nigerian Association of Small and Medium Enterprises (NASME)
28	Federal Competition and Consumer Protection Bill, 2015	Nigerian Association of Small and Medium Enterprises (NASME)
29	Gap Analysis; ECOWAS Free Trade Area (Draft)	
30	African Trade Report 2018	TWG Secretariat
31	The Global Competitiveness Report 2017–2018; World Economic forum	TWG Secretariat
32	Factoring Assignments (Establishment, Etc.) Bill, 2016	Nigerian Association of Small and Medium Enterprises (NASME)



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

S/N	Document	Source
33	A Bill For An Act To Provide For The Management, Administration, Operation, Regulation And Supervision Of Payment, Clearing And Settlement Systems In The Federal Republic Of Nigeria And To Provide For Connected Matters	Nigerian Association of Small and Medium Enterprises (NASME)
34	Nigeria Independent Warehouse Regulatory Agency (Establishment, Etc.) Bill, 2016	Nigerian Association of Small and Medium Enterprises (NASME)
35	Nigerian International Financial Centre (Establishment) Bill, 2010	Nigerian Association of Small and Medium Enterprises (NASME)
36	Consideration For A Viable Nigerian Export Trade	Nigerian Economic Summit Group (NESG)
37	National MSME Survey Report	Small and Medium Enterprises Development Agency of Nigeria (SMEDAN)
38	Research Document On Industrial Clusters In Nigeria	Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA)
39	Guidelines For Micro-Scale Enterprises Getting Started With a Food Business	National Agency for Food and Drug Administration and Control (NAFDAC)
40	List of Major Agricultural Products Exported from Nigeria	Nigerian Agricultural Quarantine Service (NAQS)
41	Nigeria's comparative advantage crops by region and agro-ecology	Nigerian Agricultural Quarantine Service (NAQS)
42	List of Priority products from Agriculture Promotion Policy (APP) & Nigerian Industrial Revolution Plan (NIRP)	Nigerian Agricultural Quarantine Service (NAQS)
43	A report on Non- Tariff Barriers	Nigerian Agricultural Quarantine Service (NAQS)
44	Challenges To Export in Nigeria & the Way Forward	Nigerian Export Promotion Council (NEPC)
45	Export Guidelines in Nigeria	Nigerian Export Promotion Council (NEPC)
46	Informal Trade Statistics on Value of Good in Border Markets	Nigerian Export Promotion Council (NEPC)
47	A Presentation on Boosting Inter- Regional Export Trade	Nigerian Export Promotion Council (NEPC)
48	A report from National Coordinating Committee on Informal Trade	Nigerian Export Promotion Council (NEPC)
49	Report on Strengthening Non- Oil Export in Nigeria through activities of the Informal Exporters	Nigerian Export Promotion Council (NEPC)
50	Introduction to The Export Auditing	Nigerian Export Promotion Council (NEPC)
51	The Role of Free Zones on Industrial Development : AfCFTA	Nigeria Export Processing Zones Authority (NEPZA)
52	List of all Oil and Gas Free Zones in Nigeria	OGFZA
53	List of Clusters and their locations	Small and Medium Enterprises Development Agency of Nigeria (SMEDAN)
54	National Quality Infrastructure plan	UNIDO
55	WTO Agreement on Trade facilitation (Unknown & Known)	Nigerian Economic Summit Group (NESG)
56	2016- Nigeria Agricultural Sector Policy Roadmap	Nigerian Economic Summit Group (NESG)
57	NESG NASSBEER trade Bills	Nigerian Economic Summit Group (NESG)
58	List of Products & Services Commercialized by Nigeria	Nigerian Economic Summit Group (NESG)
59	Review of Status Development Plan for the Priority Sectors, Goods, Services and Value segments	Nigerian Economic Summit Group (NESG)
60	Status Report on the Implementation of the National Broadband Plan	Nigerian Communications Commission (NCC)



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

S/N	Document	Source
61	The Green Alternative; The Agriculture Promotion Policy 2016-2020	Federal Ministry of Agriculture and Rural Development (FMARD)
62	Informal Non-Oil Export Trade Statistical Data for the Month of October, 2018; NEPC, Kano Regional Office	Nigerian Export Promotion Council (NEPC)

7.3.7 Trade Enforcement and Movement of Persons

S/N	Document	Source
1	Commonwealth Trade Case Studies: Nigeria	BREXIT
2	NACCIMA- Certificate of Origin - User Registration/Agreement Form	Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA)
3	Regulation relative to Defense Measures to be Imposed on Imports which are Dumped from Non-Member States of ECOWAS	ECOWAS
4	Trade Policy Review: Nigeria	World Trade Organization (WTO)
5	Revised Import and Export Documentation and Timeline for Processing	Central Bank of Nigeria (CBN)
6	Guide to Counter Origin Irregularities (Excluding Fraud)	World Customs Organization
7	Guidelines for Issuance of Export Certificate for NAFDAC Regulated Products.	National Agency for Food and Drug Administration and Control (NAFDAC)
8	ECOWAS - Protocol A/P1/1/03 of 31st January 2003	ECOWAS
9	Review of Trade of Policies	WTO
10	Nigeria: Still no Accountability for Human Rights Violation	Amnesty International
11	ECOWAS Capabilities in Peace and Security	Swedish Defence Research Agency
12	African Peace and Security Architecture: need to refocus EU support	European Court of Auditors



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

S/N	Document	Source
13	Human Trafficking in Nigeria	United Nations Office -The International Movement against all Forms of Discrimination and Racism
14	Firearms Trafficking in West Africa	United Nations Office on Drugs and Crime
15	ID4D Country Diagnostic: Nigeria	World Bank Group
16	Report: Porous Borders and Boko Haram's Arms Smuggling Operations in Nigeria	Al Jazeera Centre for Studies
17	Measuring Informal Cross-Border Trade in Nigeria	Central Bank of Nigeria (CBN)
18	Informality, Regional Integration and Smuggling in West Africa	World Trade Organization (WTO)
19	Regional Integration and Informal Trade in Africa: Evidence from Benin's Borders	Centre for the Study of African Economies: Journal of African Economies. University of Oxford
20	Goods: The Importation of which is Absolutely Prohibited	Nigeria Customs Service
21	Import Prohibition List	Nigeria Customs Service
22	Prohibited items to Export from Nigeria	Nigeria Customs Service
23	Negative Impact of Smuggling on National Priority Sectors - Presentation to the Special Economic Management Team Meeting on Smuggling	Nigerian Economic Management Team- March 2018
24	The Warri Crisis: Fuelling Violence. Lagos	Human Rights Watch
25	Road Map of Border Security for Both Manned and Unmanned Borders	Nigeria Customs Service
26	Demographic Statistics Bulletin	National Bureau of Statistics (2017)
27	Total Population – Both Sexes (XLSX)	World Population Prospects (2017)
28	West African Report: Assessing the Multinational Joint Task Force against Boko Haram	Institute for Security Studies
29	Export Quantity 2016-2018 (by destination)	Thai Rice Exporters Association http://www.thairiceexporters.or.th/export%20by%20country%202018.html



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

S/N	Document	Source
30	The Common External Tariff: Structure, Benefit, Challenges and the Way Forward of the CET	ECOWAS



7.4 Appendix 4- List of Reviewed Reports

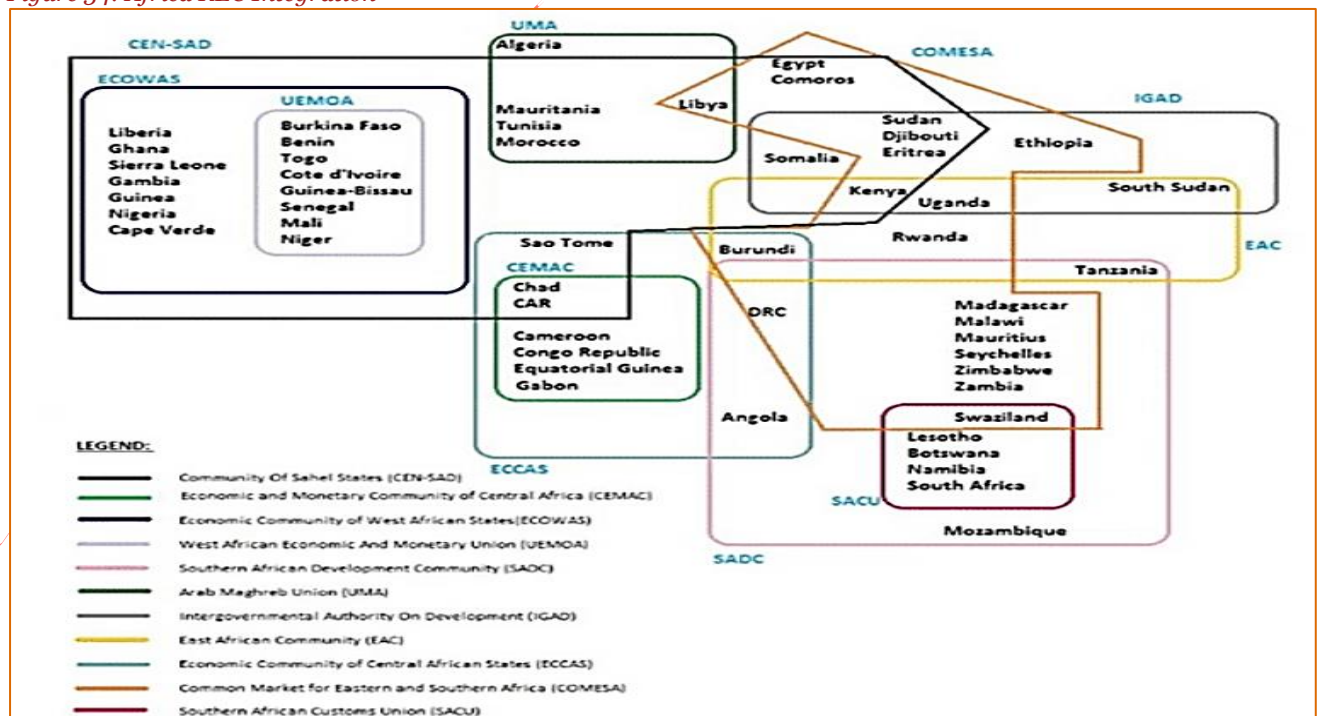
1. Enhancing Nigeria's Active Participation in Negotiating of African Continental Free Trade Area (AfCFTA) - MAN
2. Technical Research Report Economic Impact Assessment of African Continental Free Trade Area (AfCFTA) Agreement Nigerian Economy
3. Nigeria and the African Continental Free Trade Area
Potential Impacts and Nigeria's Readiness - ODI Report
4. Nigeria's Accession to the African Continental Free Trade Area (AfCFTA)
Agreement: Implications for Monetary Policy - CBN

7.5 Appendix 5- Additional Information

7.5.1 African Regional Integration and Trade

Over the years, there has been a proliferation of regional economic and trade blocs in Africa, cutting across sub regions in many cases. Three striking features of these economic groupings are noteworthy and include overlapping memberships (see Figure 1), varying degrees of integration, and differing membership philosophies that range from economic and political to security with sub interests that include customs and monetary cooperation.

Figure 34: Africa REC Integration⁵⁷



⁵⁷ UNCTAD, BMI



Source- UNCTAD, BMI

The existence and membership of several RECs demonstrates strong efforts by African countries to integrate. However, the proliferation of economic groupings has resulted in inefficiencies, duplication of roles and general confusion. This has also led to unnecessary competition among institutions and countries which is counterproductive to the regional integration aspiration of the AU. African countries are not oblivious of these possible negative developments. Thus, based on the recommendations contained in the Economic Commission for Africa (2006), the AU Commission in wide consultations with RECs and individual countries, have put an embargo on establishing more RECs.

Several noticeable achievements have been recorded by RECs in Africa, even though progress remains mixed within the complex structure of regional integration and RECs. CEMAC and WAEMU have succeeded in forming a functional single currency union. This has helped harmonize market frameworks and regulations and facilitate trade and general economic transactions among member states. ECOWAS has succeeded in removing tariffs on raw materials and has made giant strides towards macroeconomic policy convergence and business regulatory frameworks, especially in ensuring all members migrate to the Value-added tax and subsequent harmonization. Efforts are currently being directed towards forming a customs union in the sub-region. In the COMESA, single rules of origin have been designed that has further simplified the customs procedures. Other achievements in this REC include removal of exchange restrictions and import quotas, elimination of non-tariff barriers relating to import licensing, and harmonization of road transit charges. In the EAC, cross border non-tariff barriers have been successfully removed, VAT rates, pre-shipment requirements threshold and banking rules and regulations have been harmonized. SADC now has a harmonized policy on investment, taxation, stock market and insurance, with significant success in macroeconomic convergence.

Despite the relative progress recorded in regional integration, numerous challenges exist that tend to limit intra-African trade integration. These include frail supply-side capacity, infrastructure deficiency (ports, roads, railways, etc.), weak domestic capacity, geography, limited complementarity in resource endowments of the countries, poor trade policies, etc. Specific policies aimed at containing these challenges are imperative for improving intra-African trade integration.



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

7.5.2 Nigeria's Potential Market in Africa

Table 30- Priority products as defined by ERGP and other Development Plans

Products	Nigeria's Export to Africa (\$mil)			Nigeria's Total Global Export (\$mil)			Africa's Total Imports (\$mil)		
	2015	2016	2017	2015	2016	2017	2015	2016	2017
Aluminium	1.6	9.8	10.3	65.5	33.2	33.3	4,345	3,666	4,185
Auto/Auto parts	2.8	0	0.6	9.6	0.4	0.8	39,405	35,050	36,004
Beef	0	0	0	0	0.02	0.1	2,083	1,511	1,554
Cashew	0.13	0	0.3	0	70.9	32.5	55.3	40.9	46.5
Cassava	0	0	0	0	0	0.009	11.3	16.3	6.2
Cement	19.9	29	58.4	19.9	29	58.4	2,437	2,465	2,920
Chemicals	1.1	0.9	1.7	6.3	1.7	1.8	9,985	9,203	11,278
Cocoa	8.9	1.37	0.13	610.5	302.9	238.1	782.6	658.1	673.7
Cotton	2.1	1.1	0.8	16.4	4.7	5.5	2,841	2,658	3,197
Cowpeas	0	0	0	0.1	0	0	12.9	8.9	10.4
Crude Oil	4,851	3,990	4,455	35,098	27,009	36,421	14,116	10,441	10,732
Fertilizer	0.1	0	0	1.2	2.6	0	3,881	3,798	3,946
Fishery	0	0	0	75	58.9	49.6	4,194	3,710	4,252
Flowers	0.2	0.07	0.12	31.7	4.1	8.2	22.8	27.9	19.7
Gas	132.2	230.9	278.7	7,488	4,586	6,169	5,791	6,061	7,002
Ginger	4.3	2.1	1.8	24.9	8.8	8.3	20.4	25.3	23.9
Gold	0	0	0	0	0	0	206.9	116.5	578.5
Gum-Arabic	0	0	0	5	1.7	1.1	8.4	10.1	13
Iron/Steel	14.5	14.2	21.5	55.8	15.7	21.5	32,133	27,733	29,134
Lead	0.3	0.12	0.7	44.5	26.2	27.4	115.1	95.8	93.9
Leather	0.23	0	0	159.5	48.4	73.9	1,388	1,315	1,364
Livestock	0	0	0	0	0	0	936.1	943.9	1,018
Oil Palm	0	0.001	0	0.2	0.1	2.7	3,049	3,535	4,903
Petrochemicals	0	0	20.2	30.7	59.6	165.7	948.3	712.4	802.1
Plastics	31.6	4.7	9.2	44.6	38.9	85.2	18,513	17,645	19,059
Refined Petroleum	187.1	0.096	38.7	715.9	33.6	167	49,809	38,554	46,161
Rice	0	0	0	0	0	0	4,570	4,962	6,720
Rubber	2.4	0.5	4.5	63.9	37.7	55.4	6,048	5,587	5,928
Sesame	6.9	0.7	2	351.3	106.8	135.7	86.3	67.8	88.8
Soya	0	10.5	3.1	0	12.4	26.8	1,179	682.8	1,163
Sugar	0.04	0.2	0.06	0.05	0.2	0.06	4,383	5,689	6,866
Textile/Garment	0.6	0.15	0.2	2.3	0.15	0.2	11,785	10,641	11,683
Tin	0.23	0	0	49.4	0.8	1.6	54.8	43.9	47.2
Yam	0	0.001	0	0.05	0.006	0.013	0.4	1.3	1.4
Zinc	0.15	0	0	6.5	3.4	5.6	566	468.9	594.3

Source: Economic Recovery Growth Plan and International Trade Centre – Trade Map



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

7.5.3 Trade Capacity

7.5.3.1 List of Priority Nigerian Products

	Products	Zero Oil Plan	AP P	NEP C	NIRP (Including NADDC, NSDC)	MMS D	MP R
Agriculture	Cocoa	x	x	x	x		
	Oil Palm	x	x	x	x		
	Rubber	x	x	x	x		
	Cotton	x	x	x			
	Cashew		x	x			
	Cassava		x	x			
	Ginger		x	x			
	Gum-Arabic		x	x			
	Yam		x	x			
	Flowers		x	x			
	Rice	x					
	Soya	x					
	Cowpeas		x				
	Sesame		x				
	Beef		x				
	Livestock		x				
	Fishery		x				
	Poultry		x				
Manufactured	Fertilizer	x		x	x		
	Auto			x	x		
	Cement	x			x		
	Textile / Garment			x	x		
	Plastics			x	x		
	Steel			x	x	x	
Minerals	Gold	x		x		x	
	Lead			x		x	
	Zinc			x		x	
	Tin					x	
Semi-Manufacturing	Petrochemicals	x		x	x		x
	Leather	x		x	x		
	Sugar	x			x		
	Chemicals			x	x		
	Aluminium			x	x		
	Gas						x
Others	Crude Oil						x



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

7.5.3.2 Production Locations

Various states in Nigeria have been identified as major producers of these priority products selected as indicated below⁵⁸:

Product Area	Products	Location
Agriculture	Cocoa	Ondo, Osun, Cross River, Ekiti, Oyo and Edo
	Oil Palm	Cross River, Akwa Ibom, Ekiti, Delta, Bayelsa, Ogun, Rivers, Anambra, Ondo, Enugu, Imo, Oyo, Abia, Edo, and Ogun
	Rubber	Edo, Delta, Ondo, Ogun, Abia, Anambra, Akwa Ibom, Cross River, Rivers, Ebonyi and Bayelsa
	Cotton	Kaduna, Ondo, Kano, Katsina, Oyo, Kwara, Ogun, Zamfara, Jigawa, Sokoto, and Kebbi
	Cashew	Enugu, Oyo, Anambra, Kogi, Osun, Abia, Ondo, Benue, Cross River, Imo, Ekiti, Ebonyi, Kwara and Nasarawa
	Cassava	Imo, Ondo, Anambra, Kogi, Taraba, Cross River, Enugu, Ogun, Benue, Delta and Edo
	Ginger	Kaduna, Taraba, Benue, Niger, Nasarawa and Benue
	Gum-Arabic	Adamawa, Bauchi, Borno, Yobe, Jigawa, Gombe, Taraba, Plateau, Sokoto, Kebbi, Katsina, Nasarawa and Niger
	Yam	Taraba, Benue, Niger, Nasarawa and Benue
	Flowers	Jigawa, Kano, Bauchi states. Also produced in Sokoto, Zamfara, Katsina and Borno
	Rice	Kebbi, Kano, Ebonyi, Anambra, Niger and Taraba
	Soya	Benue, Kaduna, Nasarawa, Kebbi, Kwara, Oyo, Jigawa, Borno, Bauchi, Lagos, Sokoto, Zamfara and FCT
	Cowpeas	Borno, Zamfara, Sokoto, Kano, Gombe and Yobe
	Sesame	Kano, Nasarawa, Jigawa, Benue, in Yobe, Kano, Katsina, Kogi, Gombe, Kwara, Niger, Bauchi and Plateau
	Beef	Oyo, Kano and Katsina
	Livestock	Oyo, Kano and Katsina
	Fishery	Rivers and Lagos
Manufacturing	Fertilizer	Edo, Delta, Bayelsa, Rivers, Akwa Ibom and Cross River
	Auto	Enugu, Anambra, Lagos and Kaduna
	Cement	Kogi, Ogun, Benue, Sokoto, Gombe, and Cross Rivers
	Textile / Garment	Ogun, Kano, Oyo, Abia and Kaduna
	Plastics	Delta, Enugu, Imo, Cross River, Akwa Ibom, Bayelsa, Anambra, Oyo, Ondo, Edo, Abia and Ogun
	Steel	Kogi, Kwara, Kaduna and Delta
	Refined Petroleum	Delta, Rivers, Kaduna,
Minerals	Gold	Sokoto, Kebbi, Zamfara, Katsina, Kaduna, Jigawa and Kano
	Lead	Akwa Ibom, Imo, Anambra, Bayelsa, Enugu, Niger, Benue, Plateau, Cross River, Taraba and Zamfara
	Zinc	Anambra, Taraba, Niger, Kano, Zamfara, Abuja, Enugu, Imo, Cross Rivers, Plateau and Ebonyi
	Tin	Osun, Nasarawa, Kaduna and Jos
Semi-Manufacturing	Petrochemicals	Rivers
	Leather	Kano, Adamawa, Bauchi, Gombe, Niger, Kaduna, Zamfara, Borno, Taraba, Jigawa, Kebbi, Oyo and Kwara
	Sugar	Adamawa, Niger, Kwara, Oyo, Sokoto, Ondo, Taraba, Kogi, Edo, Cross River
	Inorganic Chemicals	Rivers
	Aluminium	Ebonyi, Taraba, Kwara, Ogun, Kogi, Ekiti and Nasarawa
	Gas	Abia, Rivers, Delta, Bayelsa, Edo, Ogun and Imo
Others	Crude Oil	Delta, Rivers, Ondo, Abia, Imo, Bayelsa, Akwa Ibom and Edo

⁵⁸ NEPC



**African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report**

7.5.3.3 Products sector plans

S/N	Initiatives	Current Status	Latest end date	Comments
1	Economic Growth and Recovery Plan (ERGP)	Ongoing	2020	- The Economic Recovery and Growth Plan (ERGP) is a developmental initiative focused on restoring growth, investing in people and building a competitive economy. - The ERGP focuses on 6 sectors (agriculture, manufacturing, services, solid minerals, Construction and Real Estate, Oil & Gas). The country is still falling short of its growth projections for the key sectors
2	Nigeria Industrial Revolution Plan (NIRP)	Ongoing		The strategic approach for the implementation of the NIRP is the development sector specific policies, incentives and programmes for the identified focal areas in the Plan and a large part of the incentives are based on a combination of fiscal, monetary and non-fiscal measures
3	Backward Integration Policy (BIP) for the cement sector	Completed	2017	National cement capacity has increased from less than 3mmtpa in 2013 to 45mmtpa in 2017. Cement is now an export commodity.
4	Sugar Development Council – National Sugar Master Plan (NSMP)	Ongoing	2022	- There are 3 Sugar Refineries with combined installed capacity of 3mMT/annum. Dangote Sugar Refinery Plc (DSR); BUA Sugar Refinery Limited (BUA) and Golden Sugar Company Ltd (GSC) produce refined sugar for industrial and home consumption. - They all depend on imported raw sugar but have signed on to the Sugar BIP plan to increase local production to 500,00MT / annum by 2023
5	National Automotive Design and Development Council	Ongoing	N/A	- Cumulative installed capacity of all Auto Assembly plants has risen from 108k in 2013 to 409k in 2018. Actual production has also risen from 1,665 to over 8,000 in the same time period. - Ongoing development of Auto Industrial Parks in Nnewi, Kaduna and Oshogbo
6	Leather policy	Ongoing		Policy validated and awaiting FEC approval.
7	Cotton, Textile and Garment (CTG) sector	Ongoing		The CTG Policy has been developed and is being reviewed to address gaps in implementation.
8	Policies on Palm oil, Dairy, Iron & Steel, Ceramics, Aluminium, Cables & Wire and Glass industries	Ongoing		Drafts on the Policies have been completed
9	Petrochemicals, Pharmaceuticals, Lubricants, Fertilizers, Diaper / sanitary pads / Napkins / Wipes, Plastics, Salts & Gas	Ongoing		Awaiting Stakeholder validation
10	Paper, Print & Publishing and Wood Policy	Ongoing		Policies are being drafted
11	Ministry of Petroleum Resources – 7 Big Wins	Ongoing	2019	- Nigeria Oil Policy and Nigeria Gas Policy have been approved and gazetted. - The Petroleum Industry Governance Bill (PIGB) has been passed by the National Assembly (NASS) and currently awaiting presidential ascent, the three (3)



**African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report**

S/N	Initiatives	Current Status	Latest end date	Comments
				remaining bills (Petroleum Industry Fiscal Reform Bill, Petroleum Host Community Bill and Petroleum Industry Administration Bill) are currently undergoing legislative review. • Nigerian Gas Flare Commercialisation Programme (NGFCP) has commenced • Revamping of the three (3) Government owned refineries (Port Harcourt, Warri and Kaduna refinery) is ongoing; financiers have been identified, and negotiations on the financing model is ongoing • AGIP and Dangote are establishing refineries with 150,000 and 650,000bpd capacity respectively • Ten (10) Modular Refineries project are at advanced stages of development, with two among them (OPAC refinery at Kwale, Delta state and Niger Delta petroleum recourses refinery at Ogbelle, Rivers state), expected to begin operation before end of 2018, while the remaining eight (8) are expected to come on stream by 2019/2020. • Niger Delta Development Compact has been developed and awaiting approval of FEC. The compact is targeted at ensuring the realization of a developmental projects in the region
12	Ministry of Mines and Steel Development	Ongoing		• Developing a fact base of the supply-demand gaps of key industrial minerals and an understanding of the technical quality and volumes required by the principal end users • Training of key enforcement agencies on identifying solid minerals in their raw state is ongoing • Aligning policies regarding waivers, tariffs and imports to provide smart growth support to domestic processors
13	Agricultural Promotion Policy	Ongoing	2020	The following key value chains have been identified for promotion in line with the ERGP; • Horticulture • Fisheries and aquaculture • Livestock • Crops • Support Services

7.5.3.4 Production Locations

S/N	Initiatives	Current Status	Latest end date	Comments
1	Economic Growth and Recovery Plan (ERGP)	Ongoing	2020	• The Economic Recovery and Growth Plan (ERGP) is a developmental initiative focused on restoring growth, investing in people and building a competitive economy. • The ERGP focuses on 6 sectors. The country is still falling short of it growth projections for the key sectors. • The services contributions to Nigeria's GDP from 2015-2017 has declined in the agriculture, manufacturing, services, construction & real estate and oil & gas sectors while the solid minerals sector had a growth rate of 2.54%.



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

S/N	Initiatives	Current Status	Latest end date	Comments
2	National Strategic Health Development Plan II (2018-2022)	Ongoing	2022	The Plan II was developed along five strategic pillars that focused on priorities that should: enable environment for our attainment of health sector, increase utilization of essential package of healthcare services, strengthen our health system, and protection from health emergencies as well as health financing. Plan II was anchored on the new National Health Policy (2016) which had been developed taken into consideration Nigeria's aspiration to attain Universal Health Coverage (UHC) for all Nigerians and leveraging on the policy to revitalize 10,000 Primary Healthcare Centres across the country as the plan has been fully aligned with the Economic Recovery and Growth Plan (ERGP) put in place by the Federal Government.
3	Financial System Strategy 2020 (FSS2009- 2020)	Ongoing	2020	- The Financial System Strategy (FSS) 2020 is a national reform program aimed at developing and transforming Nigeria's financial sector into a growth catalyst to fast track the achievement of the Vision 20:2020 and engineer Nigeria's evolution into an International Financial Centre and to upscale the inclusiveness of Nigerians into the financial system to 80% by 2020. - After a 2013 review, the vision changed to becoming the safest and most diversified financial system among emerging nations supporting the real sector for economic development. - The strategy is anchored on three pillars: to deepen the Nigerian domestic financial market, to integrate the Nigerian financial market and the international market, and to support real sector in promoting economic growth. - The five sectors for the implementation of the strategy are: insurance, pension, mortgage, financial market (comprising of money and capital market) and the MSME sub-sector. - The impact of the financial system strategy for the last ten years is evident in the payment system space, capital market and the insurance market especially the introduction of the non-interest insurance services like the Takaful.
4	Nigerian Communications Commission (NCC) Strategic Management Plan (SMP) (2014-2018)	Ongoing	2018	NCC through the Strategic Management Plan seeks to: - To have a sustainable, mutually beneficial and transparent relationship with 70% of stakeholder groups by 2018. - Maintain regulatory excellence which is expected to create a minimum of 80% compliance 100% of the time. - Achieve a minimum of 30% broadband penetration in Nigeria by 2018 through the National Broadband Plan (2013-2018), till date 22% has been achieved. The NCC adopted the Open Access Project when it was noticed Nigeria was behind in the world broadband ranking. - The NCC is planning to initiate another Broadband five year plan (2019-2023) to increase further broadband penetration.
5	National Integrated Infrastructure Master Plan (NIIMP) (2014-2043)	Ongoing	2043	- This transport sector aspiration and targets have been broken down into the following sub-sector strategic goals namely: Roads- improving the condition of most highway roads is a central priority; as is expanding the capacity of the national road network to enhance connectivity between the northern and southern economic centres of the country.



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

S/N	Initiatives	Current Status	Latest end date	Comments
				○ Rail- The long-term vision for 2043 envisages a high-speed rail network between major Nigerian cities, and to connect to neighbouring countries in order to become a viable transport option for the ECOWAS region. ○ Aviation- In the short term, the aviation sector envisages rehabilitating and scaling up the existing airport infrastructure, to meet the requirements of increased air passenger traffic. The 2043 goal for Nigeria is to become the undisputed aviation hub in the region. ○ Maritime- Ramping up the performance, efficiency and competitiveness of the ports and inland waterways is a central priority. For that purpose, a set of requirements have to be met, in particular, reducing vessel turnaround time, fostering inter-port competition, and improving safety and security at the ports. Nigeria's aspiration in the maritime sub-sector is to be the major seaport hub for West Africa by 2043.
6	Nigerian Tourism Development Corporation (NTDC) "CHIEF PLAN"	Ongoing		• The "CHIEF PLAN" consists of a 5-point action plan that aims to promote domestic tourism encourage ease of doing business in Nigeria. • "CHIEF" seeks to introduce global best practice for the tourism industry, encourage human capital and infrastructural development and protect Nigeria's cultural heritage, while also pursuing funding for capital projects in the tourism sector. • The "CHIEF PLAN" is itemized as an acronym- ○ C for Corporate governance and regulations ○ H for Human capital development ○ I for Infrastructural development ○ E for Events and Marketing and ○ F for Finance and investments
7	"Education for Change" Ministerial Strategic Plan (MSP) (2016-2019)	Ongoing	2019	• Education for Change aims to urgently raise the National Net Enrolment Rate (NER) to ensure that all out-of-school (OOSC) children be enrolled in basic education schools in the next four years. • The MSP sets out three strategic outcomes namely: improving access, enhancing quality and strengthening sectoral systems. It places priority on the twin challenges of out of school children and mass literacy. • The plan estimates the number of OOSC at 10.5million and illiteracy at 38% of Nigerians or 60million. • For the first time, the MSP offers a plan for pre-primary (nursery) education curriculum and also to close the policy gap which senior secondary languishes outside Universal Basic Education Commission (UBEC). It rightly identifies the absence of a national language policy as problematic.
8	African Centres Of Excellence (ACE)	Ongoing		• The ACE project was launched in 2013 by the governments of Benin, Burkina Faso, Cameroon, The Gambia, Ghana, Nigeria, Senegal and Togo, with support from the World Bank. • The objective of the ACE Project is to promote regional specialization among participating universities within areas that address particular regional development challenges and strengthen the capacities of these universities to deliver high quality training and applied research. • The project consists of two components;



**African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report**

S/N	Initiatives	Current Status	Latest end date	Comments
				- the first is to build capacity in competitively selected institutions to produce in-demand, high skilled, labour and applied research. - the second component will facilitate the regional impact and benefit of the strengthened Africa Centres of Excellence through talent and labour mobility and higher education services. 10 Nigerian Universities won ACE grants: - Redeemers University, Ede, Osun State (Africa Center of Excellence for Genomics of Infectious Diseases, ACEGID); - African University of Science & Technology, Abuja (PAN African Materials Institute, PAMI); - Federal University of Agriculture, Abeokuta (Center for Agricultural Development & Sustainable Environment, CEADSE); - Ahmadu Bello University, Zaria (Center of Excellence on Neglected Tropical Diseases and Forensic Biotechnology, ACENTDFB); - University of Jos, (Phytomedicine Research & Development, ACEPRD); - University of Benin (Center for Excellence in Reproductive Health and Innovation, CERHI) - University of Port-Harcourt (ACE Center for Oil Field Chemicals, CEFOR) - Obafemi Awolowo University, Ile Ife (OAU Knowledge Park, OAK-Park) - Bayero University, Kano (African Centre of Excellence ACE in Dryland Agriculture, CDA) - Benue State University, Makurdi (Centre for Food Technology and Research, CEFTER)
9	Linkages With Experts And Academics In The Diaspora Scheme (LEADS)	Ongoing		- The Linkages with Experts and Academics in the Diaspora Scheme was established by the National Universities Commission, starting in the academic year, 2007 to support the Federal Government efforts to transform the education sector. The major aims of the LEADS are: - To attract experts and academics of Nigerian extraction in the Diaspora on short term basis to contribute to the enhancement of education in the Nigerian University System. - To create appropriate engagement-positions and job satisfaction for Nigerian academics and experts, so that they are not attracted away or wasted internally. - To encourage healthy staff movements, interaction and collaboration across and between Nigerian Universities and other sector of education and National development, and among other benefits, to encourage experts in industry to participate in teaching and research in Nigerian Universities. - To ensure the implementation of the LEADS programme, National Universities Commission (NUC) coordinates and monitors the activities of the Scholar and the host University. - The scheme is limited to the following disciplines: - Information and Communications Technology (ICT) - Management Science and Business Administration - Mathematics - Medicine and Dentistry - Mining Engineering - Natural Sciences



**African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report**

S/N	Initiatives	Current Status	Latest end date	Comments
				- Oil and Gas Engineering - Currently, there are 62 LEADS scholars on the Scheme out of which 16 Scholars are serving in NUC as Consultants and 46 are serving in various Universities. Also out of the 62 LEADS scholars, 34 are from the USA, 16 from UK, 3 from Canada, 2 from Ireland, 2 from Trinidad and Tobago, 2 from Netherland, 1 from Russia and 2 from West Indies. The Universities assigned includes: University of Ibadan, University of Calabar, University of Ilorin, University of Abuja, University of Maiduguri, University of Nigeria Nsukka, FUT Owerri, Bayero University Kano, University of Lagos, University of Benin, University of Jos, FUT Akure, Federal University Otuoke, OAU Ile-ife and NOUN. State Universities in Uli, Ekpoma, Kaduna, Osun and Nasarawa also have scholars serving, Covenant University also has two LEADS scholars currently serving.

7.5.3.5 MSME Sector Plans

S/N	Initiatives	Status	Objective
1	Conditional Grant Scheme (CGS)	Ongoing	Formalizing the informal MSMES by giving them grant with conditions of business registration with CAC, opening of bank account and provision of micro insurance. 6 pilot states: Katsina, Gombe, Benue, Oyo, Ebonyi, & Akwa Ibom. To cover 100 enterprises in each of the LG in the 6 selected states
2	SME Rating Agency	Ongoing	To provide objective opinion on the potentialities and credit worthiness of MSMEs. To design scoring solutions for SMEs.
3	National Collateral Registry (NCR)	Ongoing	To deepen credit delivery to MSMEs whereby they leverage on their movable assets as collateral for loans in their various banks.
4	Repositioning of existing 23 IDCs in preparation for redeveloping and transformation into industrial clusters.	Study completed, and sourcing of investors is ongoing.	To establish state of the art common infrastructure facility centres that would resolve some of the challenges faced by SMEs with particular regard to accessing work space and common amenities like internet access, water, power, roads etc. this is projected to improve the global competitiveness of our SMEs, by reducing overhead costs and enjoying economies of scale.
5	MSME Clinics	18 States have been covered.	To encourage MSMEs to achieve sustainable growth and development. It is a way of bridging the information gap and encouraging MSMEs to be more efficient and capable of global competitiveness.
6	Business Incentive Strategy (BIS): 50% Reduced registration fee for MSMEs for 3 months.	Implementation has commenced from 1/10/2018 to 31/12/2018	To bring in a large number of SMEs into the formal sector and as well as tax net



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

7.5.3.6 Key African Markets and Competition

Products	Top exported sub-products by African countries	Top African exporters	Top imported sub-products by African countries	Top African importers	Top exporters to Africa
Cocoa (\$ 673.7 mil)	- Cocoa Beans - Cocoa Paste - Cocoa Butter	Côte d'Ivoire Ghana Cameroon Nigeria Egypt	- Chocolate - Cocoa Powder	South Africa, Egypt, Algeria, Morocco, Tunisia	Italy South Africa Germany Turkey UAE
Rubber (\$ 5,928 mil)	- Primary Rubber - Tyres - Conveyor Belts	Côte d'Ivoire South Africa Cameroon Egypt Ghana	- Tyres - Conveyor Belts - Tubes	South Africa, Egypt, Morocco, Algeria, Nigeria	China Japan Germany South Africa Thailand
Cashew Nuts (\$ 46.5 mil)	Unshelled Nuts	Côte d'Ivoire Tanzania Ghana Guinea Bissau Burkina Faso	Shelled Nuts	South Africa, Algeria, Egypt, Mauritius, Tunisia	Vietnam Indonesia Mozambique India Syria
Ginger (\$ 23.9 mil)	- Fresh Ginger - Grounded Ginger	South Africa Tanzania Kenya Nigeria Morocco	- Crushed Ginger - Grounded Ginger	Morocco, Egypt, South Africa, Algeria, Botswana	South Africa India China Nigeria Kenya
Flowers (\$ 19.7 mil)	Cut Flowers	Kenya Ethiopia South Africa Tanzania Egypt	Bleached ornamental flowers	Libya, South Africa, Namibia, Mauritius, Angola	Egypt South Africa Kenya Netherlands Malaysia
Sesame (\$ 88.8 mil)	- Sesame Seeds - Sesame Oil	Ethiopia Nigeria Burkina Faso Tanzania Chad	- Sesame Seeds - Sesame Oil	Egypt, Tunisia, Algeria, Morocco, Kenya	Sudan India Egypt Uganda Zimbabwe
Fishery (\$ 4,252 mil)	- Shrimps - Prawn - Crabs	Morocco Namibia Mauritania South Africa Senegal	- Mackerel - Sardines - Shrimps - Prawn	Nigeria, Egypt, Côte d'Ivoire, Cameroon, Mauritius	UAE Netherlands Argentina India Vietnam
Cement (\$ 2,920 mil)	Cement	Senegal Togo South Africa Egypt Ghana	Cement	Ghana, Cameroon, Côte d'Ivoire, Mali, Burkina Faso	Spain Turkey Portugal Senegal China
Plastics (\$ 19,059 mil)	- Polyethylene - Propylene - Pipes, Sacks & Bags	Egypt South Africa Tunisia Ghana Côte d'Ivoire	- Propylene - Tubes - Pipes, Sacks & Bags	Egypt, South Africa, Algeria, Morocco, Nigeria	China Turkey Italy South Africa Spain



**African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report**

Products	Top exported sub-products by African countries	Top African exporters	Top imported sub-products by African countries	Top African importers	Top exporters to Africa
Lead (\$ 93.9 mil)	Unwrought Lead	South Africa Nigeria Cameroon Ghana Tanzania	- Unwrought Lead - Lead Plates & Sheets	South Africa, Egypt, DR Congo, Tunisia, Botswana	Australia United Kingdom South Africa Kazakhstan China
Zinc (\$ 594.3 mil)	- Zinc Ore - Unwrought Zinc	Namibia Burkina Faso Tunisia DR Congo South Africa	- Zinc Ore - Unwrought Zinc	South Africa, Egypt, Morocco, Kenya, Nigeria	DR Congo Saudi Arabia South Africa India Republic of Korea
Tin (\$ 47.2 mil)	- Alloys - Tin Ore - Tin rods	Tunisia Nigeria Mali	- Tin bars, rods and wires - Tin scrap	South Africa, Tunisia, Egypt, Ghana, Algeria	Malaysia China France Italy Indonesia
Petrochemicals (\$ 802.1 mil)	Urea	Egypt Algeria Nigeria Libya South Africa	Urea	South Africa, Zambia, Ethiopia, Malawi, Cameroon	Russia Saudi Arabia Qatar China UAE
Leather (\$ 471.8 mil)	- Tanned leather - Untanned leather	South Africa Egypt Ethiopia Nigeria Uganda	- Parchment dressed leather - Chamois leather	Tunisia Morocco South Africa Nigeria Mauritius	Italy Spain France Brazil India
Articles of Leather (\$ 895.1 mil)	- Trunk - Suit cases - Vanity cases - Executive cases - Brief cases	Tunisia South Africa Morocco Mauritius Ethiopia	- Trunk - Suit cases - Vanity cases - Executive cases - Brief cases	South Africa, Morocco, Algeria Egypt Angola	China South Africa Portugal Italy France
Aluminium (\$ 4,185 mil)	- Unwrought Aluminium - Alloys	South Africa Mozambique Egypt Cameroon Morocco	- Cans - Sheets - Rods	South Africa, Mozambique, Algeria, Morocco, Egypt	China Netherlands France UAE Italy
Gas (\$ 7,002 mil)	- Natural Gas - Butane - Propane	Algeria Nigeria Angola Equatorial Guinea Libya	- Natural Gas - Butane - Propane - LPG	Egypt, Morocco, Tunisia, South Africa, Côte d'Ivoire	Algeria Qatar Saudi Arabia USA Nigeria
Crude Oil (\$ 10,732 mil)	N/A	Nigeria Angola Libya Algeria Congo	N/A	South Africa, Egypt, Côte d'Ivoire, Senegal, Cameroon	Nigeria Saudi Arabia Kuwait Angola Iraq



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

Products	Top exported sub-products by African countries	Top African exporters	Top imported sub-products by African countries	Top African importers	Top exporters to Africa
Refined Petroleum (\$ 46,161 mil)	- Petrol - Gas oil (Diesel) - Light Oils - Lubricants - Jet fuel	Algeria Egypt South Africa Côte d'Ivoire Libya	- Petrol - Gas oil (Diesel)	Nigeria, Egypt, Morocco, South Africa, Kenya	UAE Saudi Arabia Netherlands Belgium India
Iron and Steel (\$ 14,681 mil)	- Ferro alloys - Flat rolled steel - Flat rolled iron	South Africa Egypt Zimbabwe Libya Morocco	- Semi-finished iron and non-alloy steel - Flat rolled iron and steel - Bars and rods	Egypt Algeria Morocco South Africa Ethiopia	China Ukraine Russia Turkey Spain
Articles of Iron and Steel (\$ 14,527 mil)	- Articles of iron or steel - Structures and parts of structures - Appliances for baking, frying, and cooking - Scaffolding equipment	South Africa Egypt Tunisia Morocco Congo	- Iron or steel structures and parts - Articles of iron and steel - Oil and gas pipelines - Flat rolled and welded pipelines	Algeria Egypt South Africa Morocco Nigeria	China Italy South Africa USA Turkey

7.5.3.7 Industrial Clusters in Nigeria

Industrial cluster	State	Specialization
Nnewi Automotive Parts Industrial Cluster	Anambra	Manufacturing (Automotive)
Onitsha Industrial Layout	Anambra	Manufacturing (Beverage and plastics)
Challawa Industrial Layout	Kano	Manufacturing
Idu Industrial Area	Abuja	Manufacturing
Trans Amadi Industrial Layout	River	Manufacturing
Ikorodu Industrial Layout	Lagos	Manufacturing
Amuwo Odofin Industrial layout	Lagos	Manufacturing (Plastics)
Oshodi Industrial Layout	Lagos	Manufacturing (Pharmaceuticals)
Cocoa Industrial Layout	Lagos	Manufacturing (Paints and beverages)
Isolo Industrial area	Lagos	Manufacturing
New Enugu Industrial Layout	Enugu	Manufacturing
Kakuri Industrial Estate	Kaduna	Manufacturing (Assembling)
Azi Nyako Rd Industrial Area	Plateau	Manufacturing (Steel)
Agbara Industrial Layout	Ogun	Manufacturing
Eleyele Industrial Layout	Oyo	Manufacturing
ABA Textile Mills PLC Industrial Layout	Abia	Textile
Osisioma Industrial Layout	Abia	Manufacturing



**African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report**

Industrial cluster	State	Specialization
Kalanbaina Industrial Layout	Sokoto	Manufacturing
Oluyole Industrial Estate	Oyo	Manufacturing (Breweries)
Bompai Industrial Area	Kano	Manufacturing (Plastics)
ABA Textile Milles PLC Industrial Layout	Abia	Textile
Osisioma Industrial Layout	Abia	Manufacturing
Idu Industrial Area	Abuja	Manufacturing
New Enugu Industrial Layout	Enugu	Manufacturing
Kakuri Industrial Estate	Kaduna	Manufacturing (Assembling)
Oluyole Industrial Estate	Oyo	Manufacturing (Breweries)

Oil and Gas Free zones	State	Specialization
Onne Oil & Gas Free Zone	Rivers	Terminal Operation, Oilfield Transit & Services, Heavy Lift Transport, Drilling Fluids Services
Notore Oil And Gas Free Zone	Rivers	Logistics and Construction, Large Fabrication, Berthing and Vessel Handling
Warri Oil & Gas Free Zone,	Delta	Terminal Operation, Oilfield Transit & Services, Heavy Lift Transport, Drilling Fluids Services
Eko Support Services Free Zone	Lagos	Terminal Operation, Oilfield Transit & Services, Heavy Lift Transport

Free zones	State	Specialization
Calabar Free Trade Zone (CFTZ)	Cross River	Manufacturing, assembling, ware-housing services, service provider, oil and gas related activities
Kano Free Trade Zone (KFTZ)	Kano	Agriculture, textile manufacturing
Tinapa Free Zone & Resort	Cross River	Commerce and entertainment
Snake Island International Free Zone	Lagos	Oil and Gas
Ladol Logistics Free Zone	Lagos	Logistical, engineering and other support services for deep water offshore oil and gas exploration
Maigatari Border Free Zone	Jigawa	Tricycle Assembling
Ogun Guandong FTZ	Ogun	Manufacturing
Lekki Free Zone	Lagos	Oil & Gas

Research Institutes	State	Specialization
Cocoa research institute of Nigeria	Oyo	Cocoa, Kola, Coffee, Cashew and Tea
National Horticulture research institute	Oyo	Flowers, Fruits, Vegetables
National cereals research institute	Niger	Cereals (Rice, Soybean, Maize)
Nigeria institute for oil-palm research	Edo	Oil Palm
Rubber research institute of Nigeria	Edo	Rubber
Lake chad institute	Borno	Wheat, Barley and Millet
Nigerian Stored Products Research Institute	Kwara	Perishable goods

7.5.3.8 Testing Laboratories in Nigeria

S/N	Name	Location	Private	Public
1	Felemmat Associates Nig Ltd	Rivers State	✓	
2	Airyolk Nigeria Limited Akwa	Rivers State	✓	
3	Success Company Balsam	Rivers State	✓	



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

S/N	Name	Location	Private	Public
4	Fluids Survey Services Ltd	Rivers State	✓	
5	Bough Resources Nigeria	Rivers State	✓	
6	Limited Chemlab Services Ltd	Rivers State	✓	
7	Limited Cascade Controls	Rivers State	✓	
8	Akwa Success Company	Rivers State	✓	
9	Chemlab Services Ltd	Rivers State	✓	
10	Fugro Nigeria Limited - Environment Laboratory	Rivers State	✓	
11	GCA Energy Limited Gojehog Measurement Solutions	Rivers State	✓	
12	Limited Inspection and Tests Nigeria Limited	Rivers State	✓	
13	Kens Clinton (Nig) Ltd	Rivers State	✓	
14	Makon Engineering and Technical Services	Rivers State	✓	
15	TCR Engineering Services Int'l Ltd	Rivers State	✓	
16	Fugro Nigeria Limited - Geotechnics Laboratory	Delta State	✓	
17	Thermosteel Nigeria Limited	Delta State	✓	
18	Delta State Ministry of Water Resources Development -	Delta State		✓
19	Water Quality Analysis Laboratory	Delta State	✓	
20	Kofa Services	Plateau State	✓	
21	Alpha Chemicom Laboratory	Kaduna State	✓	
22	Centre for Solid Minerals Research & Development, Kaduna Polytechnic	Kaduna State		✓
23	SON - Leather Laboratory	Kaduna State		✓
24	Db Metrol Solutions Services Limited	Kwara State	✓	
25	Analytical Service Laboratory	Oyo State	✓	
26	Geo-Environmental Research Centre Laboratory	Oyo State		✓
27	Hedges Fortis Limited	Oyo State	✓	
28	Jaagee Nigeria Limited	Oyo State	✓	
29	Nigerian Institute of Science Laboratory Technology (NILST) - Biology Laboratory	Oyo State		✓
30	Nigerian Institute of Science Laboratory Technology (NILST) - Chemistry Laboratory	Oyo State		✓
31	SON - Civil Engineering Laboratory	Enugu		✓
32	SON - Mechanical Engineering Laboratory	Enugu		✓
33	Crop Science Laboratory, University Of Nigeria	Enugu		✓
34	CPC-Engineering Laboratory	Abuja	✓	
35	CPC - Microbiology Laboratory	Abuja	✓	
36	CPC - Chemistry Laboratory	Abuja	✓	
37	Unique Analytical & Diagnostic Laboratory Services Ltd.	Abuja	✓	
38	Nigeria Agricultural Quarantine Service Laboratory	Abuja		✓
39	NIPRD	Abuja		✓
40	Nigeria Commodity Exchange Laboratory	Abuja		✓
41	Bobshell Technology Nigeria Limited	Osun	✓	
42	Okeson & Chemical Associates Limited	Anambra	✓	
43	Environmental Laboratories Limited	Lagos	✓	
44	A & B Laboratories and Consulting Services	Lagos	✓	
45	Adis Innovative Solutions	Lagos	✓	
46	Advanta Laboratories Limited	Lagos	✓	
47	Alfa Laboratories Limited	Lagos	✓	
48	Avery Nigeria Limited	Lagos	✓	
49	Bato Chemical Laboratories Ltd	Lagos	✓	
50	C.N. ETI & Associate Laboratory Services	Lagos	✓	
51	Clairgold Oil and Gas Engineering Ltd	Lagos	✓	
52	Clean Environment Systems Ltd	Lagos	✓	
53	Fetab Nigeria Limited	Lagos	✓	



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

S/N	Name	Location	Private	Public
54	Federal Institute of Industrial Research	Lagos	✓	
55	Flow Precision Limited	Lagos	✓	
56	Hydrochrom Resources Ltd	Lagos	✓	
57	Institute of Public Analysts of Nigeria	Lagos		✓
58	Laboratory Services	Lagos		
59	Jawura Environmental Services Limited	Lagos	✓	
60	Joetech Engineering Services Limited	Lagos	✓	
61	Kappachem Laboratory Services	Lagos	✓	
62	Lach Consult and Scientific Support Limited	Lagos	✓	
63	Multi-Consult Laboratories Limited	Lagos	✓	
64	NAFDAC Laboratory Services	Lagos		✓
65	Nigerian Fisheries Laboratories - Chemistry Laboratory	Lagos		✓
66	Nigerian Fisheries Laboratories - Microbiology Laboratory	Lagos		✓
67	Prime Instruments (Nig) Limited	Lagos	✓	
68	Remaben Scientific Services Ltd	Lagos	✓	
69	Saag Chemical Nigeria Limited	Lagos	✓	
70	SON - Additives and Conjugant Laboratory	Lagos		✓
71	SON - Chemical Technology Laboratory	Lagos		✓
72	SON - Electrical/Electronics Laboratory	Lagos		✓
73	SON - Food Technology Laboratory	Lagos		✓
74	SON - Metallic Contaminant Laboratory	Lagos		✓
75	SON - Metrology Laboratory	Lagos		✓
76	SON - Microbiological Laboratory	Lagos		✓
77	SON - Micronutrients Laboratory	Lagos		✓
78	SON - Mycotoxin Laboratory	Lagos		✓
79	SON - Pesticide Residue Laboratory	Lagos		✓
80	Soulmate Laboratories Limited	Lagos	✓	



7.5.4 Trade Infrastructure

7.5.4.1 Power Transmission Projects

S/N	Load Centre	Current Supply	Transmission Line Upgrades	Status	Substation Upgrades	Status	Proximity Plans
1	Lagos	1178MW	Akangba- Apapa Rd 132kV Alimosho- Ogba 132kV Amuwo Odofoin- Apapa Rd 132kV Egbin- Ikorodu 132kV Ikeja West - Alimosho 132kV	Unassigned Unassigned Assigned Unassigned Unassigned	Akangba 132/33kV Alimosho 132/33kV Egbin 132/33kV Ejigbo 132/33kV Ilupeju 132/11kV Isolo 132/33kV Ojo 132/33kV Ogba 132/33kV Ikorodu 132/33kV	Unassigned Unassigned Unassigned Unassigned Unassigned Unassigned Unassigned	Omotosho, Olorunsogu
2	Port Harcourt	341MW	Afam-Rivers IPP 132Kv Itu-Aba 132kV PH Main- Rivers IPP 132kv	Unassigned Unassigned Unassigned	Afam I 132/11kv Afam IV 330/132/11 KV Eket 132/11Kv Uyo 132/33kV	Unassigned Unassigned Unassigned	Alaoji Calabar
3	Kano	187MW	None		Dakata 132/33 kV Dan Agundi	Unassigned Unassigned	Geregu
4	Kaduna	207MW	Kaduna- Zaria 132kV	Unassigned	Kaduna Town 132/33kV Kaduna Town 132/11kV	Unassigned Unassigned	Geregu
5	Aba & Onitsha	194MW	Alaoji – Onitsha 330KV line	Assigned	Aba 132/33KV Onitsha 132/33KV	Unassigned Assigned	Alaoji
6	Abuja	356MW	Apo- Gwagwalada 132kV Gwagwalada- Lokoja 330kV Katampe- Apo 132kV	Assigned Unassigned Unassigned	Central Area 132/33Kv Katampe 132/33kV	Assigned Unassigned	Geregu Ihovbor



**African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report**

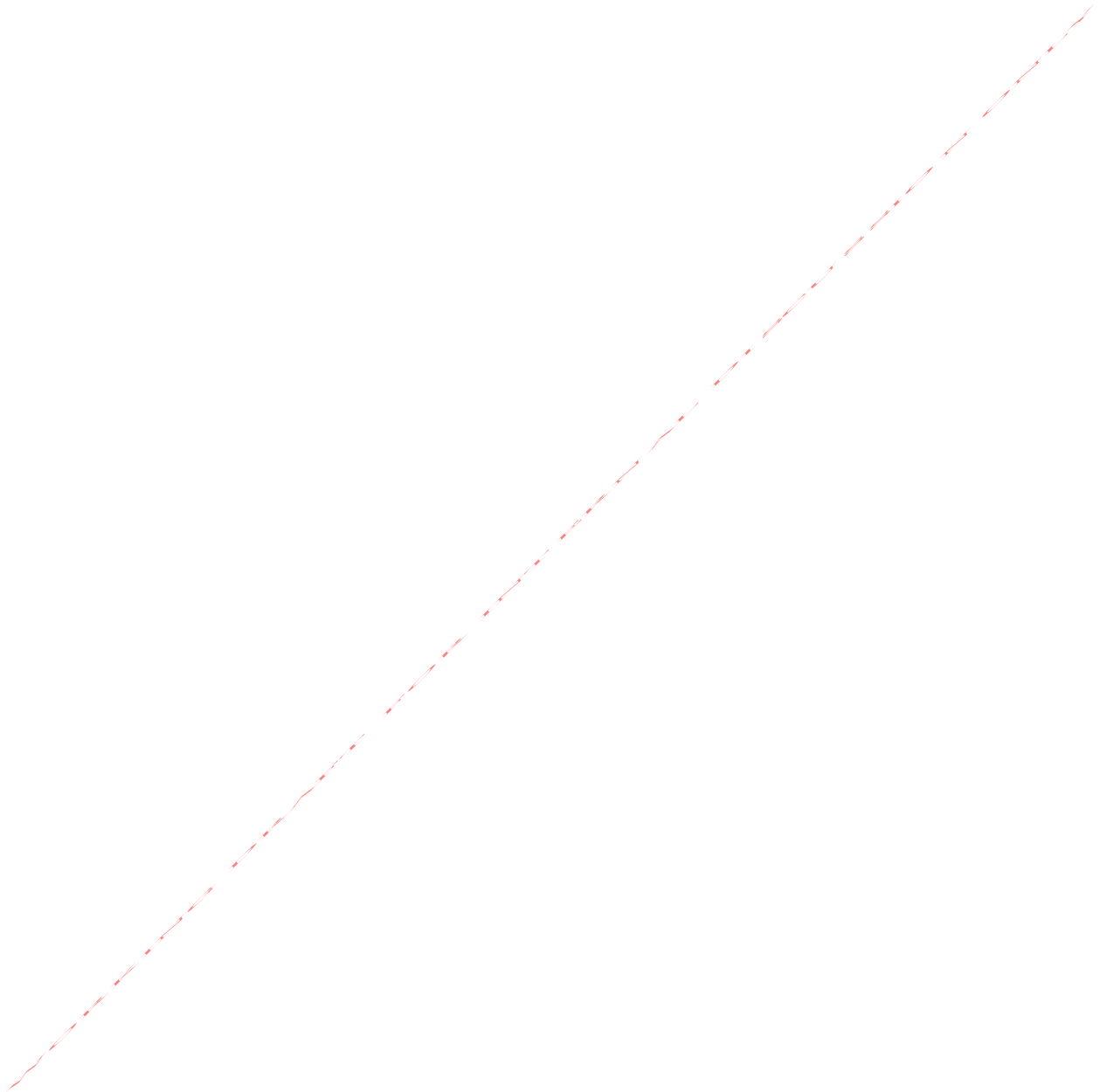
S/N	Load Centre	Current Supply	Transmission Line Upgrades	Status	Substation Upgrades	Status	Proximity Plans
7	Ibadan	107MW	Ayede-Ibadan North 132kV	Unassigned	Ibadan North 132kV	Unassigned	Olorunsogo Omotosho
8	Benin	173MW	None		Benin 132/33kv	Assigned	Ihovbor Sapele

7.5.4.2 Distribution Network Priority Projects

S/N	Load Centre	Current Supply	Incremental	DisCo	Distribution Upgrades Identified by DisCos
1	Lagos	1178MW	800MW	Eko & Ikeja	• Upgrade of Alagbon injection substation from 2 x 15 MVA to 3 x 15MVA and additional 33KV line • Proposed Igando road 1x15mva injection substation • Replacement of underground cable section of Maroko 33KV feeder Ex Ajah Transmission Station • Proposed IBA 33KV feeder Ex OJO TS • Construction of Isheri Oshun 1x15MVA Injection Substation • Proposed Fowler III 33KV feeder Ex Alagbon • Rehabilitation of new Ibeju, Eleko and Elemoro 33KV feeder - Ajah Transmission Station
2	Port Harcourt	341MW	200MW	Port Harcourt	• Construction of Brookstone 33KV Commercial Feeder • Construction of 33KV Dual Circuit to Trans Kalabari to Eagle Island
3	Kano	187MW	250MW	Kano	• Construction of 4No. 33KV lines • Proposed construction of Gaya 33Kv feeder, ex-Wudil TS
4	Kaduna	207MW	150MW	Kaduna	• 2 x 15MVA, 33/11KV Hayin Dan Mani Injection Substation, Rigasa • Install 16 x 500KVA, 11/0.415kv distribution transformers (HDM)
5	Aba & Onitsha	194MW	250MW	Enugu	• Aba – coordinate with Geometric IPP distribution network
6	Abuja	356MW	150MW	Abuja	• Completion of New Karu 2 x15MVA Injection substation • Underground Ring Reconstruction – 3 arm zone • Completion of 7.2km 33 KV Line 132kV for Ado/New Karu satellites
7	Ibadan	107MW	200MW	Ibadan	• Installation of 2nd 15MVA,33/11kV Power Transformer for Iyekogba Injection Substation
8	Benin	173MW	150MW	Benin	• Installation of 2nd 15MVA, 33/11Kv for Iyekogba • New 33kv feeder from Ihovbor to Siluku injection s/s



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report





African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

7.5.4.3 Current State of Trunk A Roads

Legend

Good State	Satisfactory State	Poor State	No Information

S/N	Designation	Route	Current State
1	A1	Apapa Wharf - Iganmu - Western Avenue - Idi - Oro Roundabout across - Ikorodu Road - Ikorodu - Shagamu - Ibadan - Oyo - Ilorin - Jebba - Kontagora - Yelwa - Koko - Jega - Tambawal - Soko - Illela Niger border	
2	A1-1	Malu Road (Oval Interchange) (A1) - Kirikiri maximum security prison	
3	A1-2	Junction of Broad Street with Marina - Eko Bridge - junction with A1 at Western Avenue (Aorta Interchange)	
4	A2	Kongolam (Niger border) - Daura - Kano - Zaria - Kaduna - Abuja - Lokoja - Auchi - Benin City - Warri	
5	A3	Road over railway bridge on the Port Harcourt -township boundary - Aba - Umu Uyo - Owerinta - Umuahia - Umu Duru - Okigwe - Awgu - Oji River - 14.4 kilometres Corner Otukpa - Oturkpo - Aliade - Makurdi - Lafia - Akwanga - Wamba - Jos - Bauchi - Kari Potiskum - Maiduguri - Gamboru	
6	A3-1	The dual carriageway Enugu - Port Harcourt	
7	A4	Calabar Township - Mbarakom - Ugep - Ikom - Ogoja - Katsina Ala - Jalingo - Yola Gombi - Bama - Maiduguri	
8	A4-1	Calabar - Itu - Ikot Ekpene (A342)	
9	A4-2	Calabar - Ekan - Ajasso - Yahe	
10	A4-3	Takum - Bissaula	
11	A4-4	Jimeta - Yoka	
12	A4-5	Jiberu - Sorau	
13	A4-6	A4 - Mubi	
14	A4-7	Bama - Dar-El-Jimeil - Banki - Cameroun border	
15	A5	South of Carter Bridge on Lagos Island - Denton Street - Clifford Street - City Way - Yaba Roundabout - Agege Motor Road Agege - Sango Otta - Abeokuta - Ibadan	
16	A5-1	Benin - Sango Otta (A5)	
17	A6	Onitsha - Nnewi - Ihiala - Owerri - Umu Uvo (A3)	
18	A7	Benin (RNIE6) - Chikanda - Yeshikere - Kosubosu - Kaiama Kishi - Ilorin	
19	A8	Mayo Balewa junction (A13) - Ganye - Jamtari - Mayo Selbe - Gembo on the Mambilla Plateau	
20	A8	Mayo Belwa Junction (A4) - Ganye - Jamtari - Serti - Mayo Selbe - Gembu on the Mambilla Plateau	
21	A9	Niger (N9) - Jibiya - Katsina - Miltara (A2)	
22	A10	junction with A1 - Tegna	
23	A11	Rigacikun (A2) - Pambeuwa	
24	A12	Katsina Ala (A4/A344) - Sabon Gida - Beli - Jalingo (A4)	
25	A13	Garinkunini (A4) - Mayo - Belwa - Namtari - Jimeta - Jiberu - Gombi - Gwoza - Bama	
26	A14	Ilorin (A1) - Oloru - Bode Sadu	
27	A121	A1 North of Shagamu - Ijebu - Ode - Ore - Benin City	



**African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report**

S/N	Designation	Route	Current State
28	A121-1	E1 - Shagamu - Benin City	
29	A122	Ibadan - Ife - Ilesha - Akure - Oluku Junction (A121)	
30	A123	Ilorin - Egbe - Kabba – Lokoja	
31	A124	Bokani Junction - Enagi - Bida - Agaie - Lapai - Izom – Abuja	
32	A125	Kontagora - Tegna - Mando – Kaduna	
33	A126	Soko- - Gusau - Funtua Zaria (A2)	
34	A151	Iddo Railway Terminus - Iddo Flyover - Ijora Causeway - Neck Interchange (A1)	
35	A152	Maryland (A1) - Ikeja (A5) - Ikeja Airport	
36	A232	Benin City - Agbor - Asaba - Onitsha - Awka - Oji River (A3)	
37	A232-1	Dual carriageway from Enugu – Onitsha	
38	A233	Lokoja - Shintaku - Ayangba - Ankpa - Otukpa Junction (A3)	
39	A234	Abuja - Keffi - Akwanga (A3)	
40	A235	Kaduna - Kachia - Kafanchan - Gimi (A3)	
41	A236	Zaria (A2) - Pambegua - Jos junction (A3)	
42	A237	Kano - Wudil - Foggo - Kari (A3)	
43	A342	Aba - Ikot Ekpene - Uyo - Oron – Calabar	
44	A343	Nine Mile Corner (A3) - Enugu - Abakaliki - Ijahe Junction (A4)	
45	A344	Aliade Junction (A3) - Gboko - Katsina Ala	
46	A345	Bauchi - Gombe - Numan - Ngurore Junction (A13)	

S/N	Route	Major cities Connected	Road Network in Nigeria (km)	Current State
1	Lagos – Niger – Algiers	Lagos – Ibadan – Oyo – Ilorin – Jebba – Kaduna – Kano – Daura – Kongolam (Niger) – and all the way through to Algiers	1193	
2	Niger -Nigeria – Cameroon	Maradi (Niger) –Jibiya(Nigeria) – Kastina – Bichi – Kano – Kari – Potiskum – Damaturu – Maiduguri – Dikwa - Fotokol – Maltam – Kousseri - N'djamena	972	
3	Lagos – Cameroon	Lagos – Shagamu – Benin – Onitsha – Enugu – Abakaliki – Ikom-Mfum – Ekok - Mamfe (Cameroon)	737	
4	Lagos – Seme border – Cotonou (Benin)	Lagos – Badagry-Seme krake– Cotnoui	90	



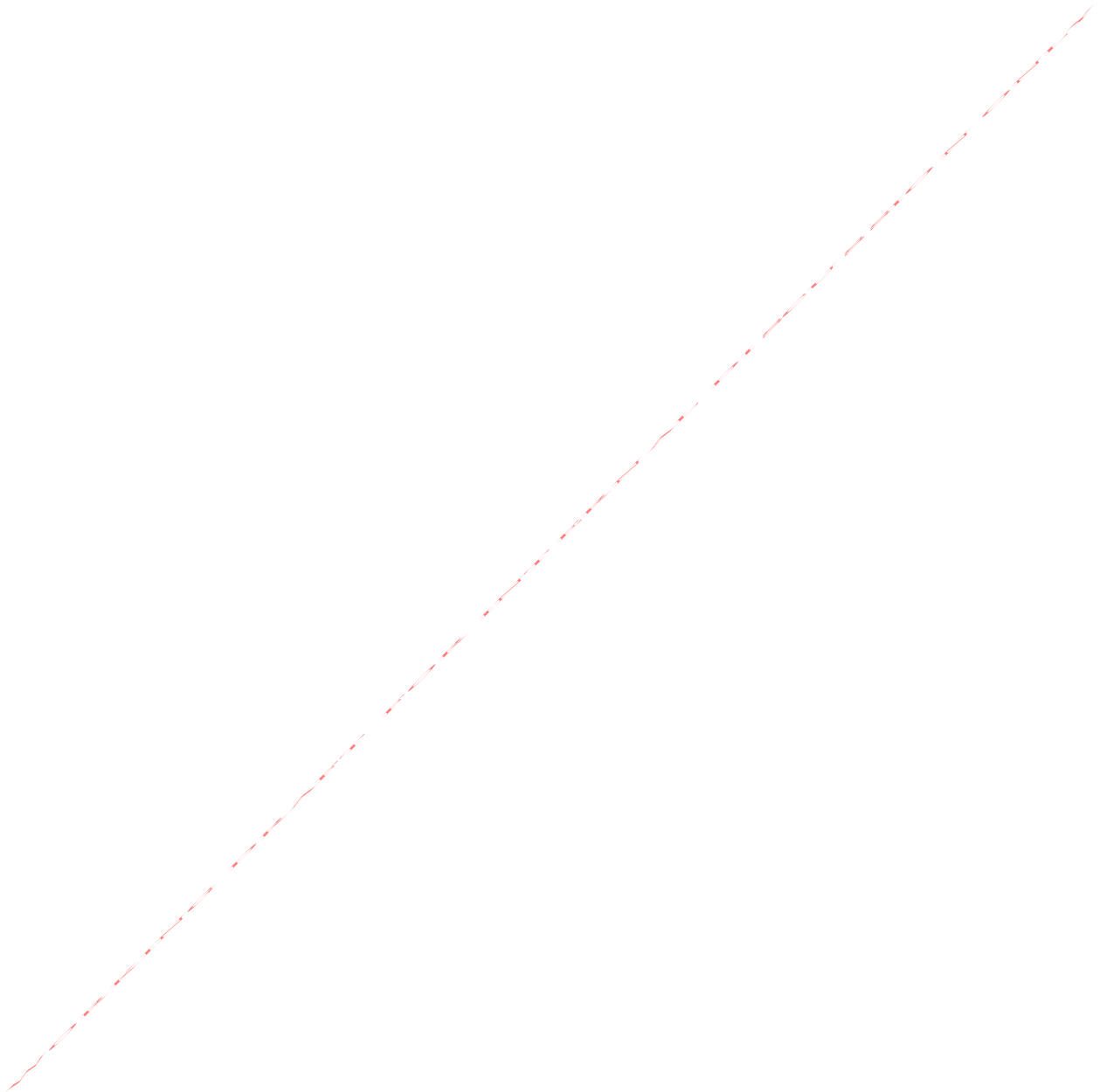
African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

7.5.4.4 Sukuk-Bond Funded Roads

S/N	Project title	Length (km)
1	Construction of Oju/Loko – Oweto Bridge over River Benue to link Loko (Nasarawa State) and Oweto (Benue State) along Route F238	Bridge works
2	Dualization of Abuja- Abaji – Lokoja Road Section I (International Airport link road junction - Sheda Village junction	8.2
3	Dualisation of Suleja-Minna Road in Niger State Phase II (km 40+000-km101+000)	12.20
4	Dualization of Abuja-Abaji-Lokoja Road: Section IV Koton Karfe -Lokoja in Kogi State	11.33
5	Dualization of Lokoja-Benin Road: Obajana Junction-Benin Section I, Phase I: Obajana – Okene in Kogi State	14.3
6	Dualisation of Kano-Maiduguri Road linking Kano-Jigawa-Bauchi-Yobe and Borno States - Section II (Shuari-Azare) in Bauchi State	19.70
7	Dualisation of Kano-Maiduguri Road linking Kano-Jigawa-Bauchi-Yobe and Borno States Section III (AzarePotiskum) in Bauchi State	10.00
8	Dualization of Kano-Maiduguri Road linking Kano-Jigawa-Bauchi-Yobe and Borno States - Section IV (Potiskum-Damaturu Road) in Yobe State	21.92
9	Dualization of Kano-Maiduguri Road linking Kano-Jigawa – Bauchi – Yobe and Borno States (Section V) Damaturu -Maiduguri	23.57
10	Dualisation of Kano-Maiduguri Road linking Kano - Jigawa –Bauchi – Yobe and Borno States Section I (Kano -Wudil -Shuari) in Kano State	21.50
11	Dualization of Kano - Katsina Road Phase I, Kano Town at Dawanau roundabout to Katsina State Border in Kano State.	19.97
12	Construction of Kano Western Bypass as an Extension of Dualization of Kano – Maiduguri Road Section 1	9.00
13	Construction of Kaduna Eastern Bypass in Kaduna State	17.00
14	Rehabilitation of outstanding section of Onitsha-Enugu Expressway: Amansea-Enugu State Border	10.57
15	Rehabilitation of Enugu-Port Harcourt Dual Carriage Section I: Lokpanta-Umuahia in Abia State	23.90
16	Rehabilitation of Enugu-Port Harcourt Dual Carriage Section II: Umuahia Tower-Aba Township Rail/Road Bridge Crossing in Abia State	29.84
17	Rehabilitation of Enugu-Port Harcourt Road Section 3: Enugu Lokpanta	20.00
18	Rehabilitation Of Enugu-Port Harcourt Road Section IV: Aba-Port Harcourt in Rivers State	10.00
19	Dualization of Yenegwe Road Junction-Kolo - Otuoke – Bayelsa Palm (20km) in Bayelsa State	5.5
20	Dualization of Lokoja-Benin Road: Obajana Junction-Benin Section II Phase I: Okene-Auchi, Kogi/Edo States	8.48
21	Dualization of Lokoja-Benin Road: Obajana Junction-Benin Section III Phase I: Auchi – Ehor in Edo State	6.00
22	Dualization of Lokoja-Benin Road: Obajana Junction-Benin Section IV Phase I: Ehor-Benin City, Edo State	17.82
23	Reconstruction and Asphalt Overlay of Benin-Ofosu-Ore-AjebandeleShagamu. Dual Carriageway Phase IV: Ajebandele-Shagamu; KM 162+586 (Ondo State) to KM 261+000 (Ogun State) in Ondo/Ogun States	17.27
24	Reconstruction of the outstanding sections of the Benin – Ofusu – Ore – Ajebandele – Shagamu Expressway, Phase III	22.21
25	Dualisation of Ibadan - Ilorin Road (Route No. 2) Section II: Oyo Ogbomosho Road, in Oyo State	13.64



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report





African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

7.5.5 Trade Environment

7.5.5.1 Ease of Doing Business Sub-National Rankings

S/ N	States	Score 2018	Score 2014	Starting a Busines s	Dealing with Constructio n Permits	Registerin g Property	Enforcin g Contracts
1	Abia	53.9	48.24	77.1	72.72	17.67	17.67
2	Adamawa	54.34	52.83	71.96	73.63	23.93	23.93
3	Akwa Ibom	55.66	53.41	76.17	71.31	21.46	21.46
4	Anambra	53.5	48.6	76.69	70.18	19.33	19.33
5	Bauchi	60.6	56.85	76.06	74.1	28.26	28.26
6	Bayelsa	57.76	54.55	75.35	72.93	24.31	24.31
7	Benue	58.21	55.78	75.91	71.03	30.62	30.62
8	Borno	60.55	56.96	77.66	71.81	29.73	29.73
9	Cross River	49.02	52.67	74.45	73.96	0	0
10	Delta	54.97	51.67	77.46	63.14	25.09	25.09
11	Ebonyi	51.16	50.19	74.36	63.44	22.56	22.56
12	Edo	55.19	52.91	74.69	64.07	21.15	21.15
13	Ekiti	56.81	53.89	75.58	74.76	25.62	25.62
14	Enugu	56.82	48.79	81.7	65.32	31.63	31.63
15	FCT Abuja	59.85	56.57	85.61	65.83	36.45	36.45
16	Gombe	59.58	59.87	75.37	72.27	33.86	33.86
17	Imo	51.21	48.84	73.16	69.12	19.32	19.32
18	Jigawa	64.36	62.2	78.43	79.06	36.79	36.79
19	Kaduna	65.97	54.76	81.43	71.63	45.72	45.72
20	Kano	63.01	58.78	79.73	79.38	32.73	32.73
21	Katsina	62.68	59.31	80.14	73.52	34.1	34.1
22	Kebbi	57.06	55.5	76.38	72.37	17.09	17.09
23	Kogi	57.72	55.07	75.21	69.84	29.27	29.27
24	Kwara	54.68	52.73	74.84	67.6	25.73	25.73
25	Lagos	54.9	49.52	83.67	51.37	27.73	27.73
26	Nasarawa	55.4	55.58	78.35	61.12	24.04	24.04
27	Niger	60.87	58.65	76.94	79.71	30.65	30.65
28	Ogun	57.97	55.01	81.69	73.11	21.21	21.21
29	Ondo	56.74	54.59	71.04	73.89	21.28	21.28
30	Osun	55.07	54.5	72.48	68.56	19.77	19.77
31	Oyo	53.41	52.64	76.76	61.35	22.11	22.11
32	Plateau	55.07	54.29	75.48	63.71	26.57	26.57
33	Rivers	50.58	48.14	79.47	53.21	16.31	16.31
34	Sokoto	56.35	54.66	73.8	73.95	20.37	20.37
35	Taraba	57.7	55.14	77.91	70.55	31.23	31.23



**African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report**

S/ N	States	Score 2018	Score 2014	Starting a Business	Dealing with Constructio n Permits	Registerin g Property	Enforcin g Contracts
36	Yobe	60.02	58.26	78.05	68.34	32.42	32.42
37	Zamfara	57.78	59.12	78.05	58.26	37.39	37.39

7.5.5.2 Fiscal and Monetary Policy

Sector	Initiative	Org. Res.	Timeline	Amount Commissioned (₦)	Amount Disbursed (2015, 2016) (₦)	Comments
Agriculture	Anchors Borrowers Programme	CBN	2015-2025	220,000,000,000	55,500,000,000	Funds have been disbursed through 10 PFIs to finance 256,305 smallholder farmers, working with 69 anchor companies. Additionally, 883,657 and 2,650,968 direct and indirect jobs, respectively, had been created.
Agriculture	Agricultural Credit Support Scheme (N50bn)	CBN	1977 - Dec. 2017	3,000,000,000		Total no of loans stood at 1,101,188 and the value of the loans N109.68bn
Agriculture	Commercial Agricultural Credit Scheme (200bn)	CBN	2009 till date		523,600,000,000	Financed 547 projects, created 1,138,244 jobs
Agriculture	Cottage Agro Processing Fund (N1.1bn)	BOI	2009 till date	1,100,000,000		Debt: 50% Equity: 10% Grant: 40%
Agriculture	National Programme on Food Security	BOI	2010 till date	800,000,000		Debt: 40% Equity:20% Grant: 40%
Agriculture	Rice Processing Intervention Fund	BOI	2009 till date	10,000,000,000	3,839,040,000	Grant: 40% Debt: 60%
Agriculture	Sugar Fund	BOI	2009 till date	1,000,000,000	540,196,000	
Agriculture	Accelerated Agricultural Development Scheme	CBN	2017 till date			Provided employment yearly for 370,000 youth farmers
Automobile	National Automotive Council's Fund	BOI	2003 till date	18,090,000,000	1,685,241,000	N/A
Export	The Non-Oil Export Stimulation Facility (NESF) and Export Development Facility(EDF) 500bn 50bn debentures	CBN		550,000,000,000	- Agriculture: 16.47640991 - Manufacturing: 23.58523808 - Services: 14.91757922 - Solid Minerals: 4.59827968	The interventions are to be funded through the CBN's investments in the ₦500 billion and ₦50 billion debentures issued by the NEXIM for the NESF and the EDF
Manufacturing	Cement Fund	BOI	2011-2015	9,625,012,823.15	9,625,012,823	
	Textile Sector Intervention Facility (TSIF)	CBN		50,000,000,000	26,400,000,000	
MSME Financing	SME Credit Guarantee Scheme (SMECGS)		2010	200,000,000,000		



**African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report**

Sector	Initiative	Org. Res.	Timeline	Amount Commissioned (₦)	Amount Disbursed (2015, 2016) (₦)	Comments
MSME Financing	Micro, Small & Medium Enterprises Credit Development Fund (MSMEDF)	CBN	2013	4,300,000,000	76,900,000,000	
MSME Financing	Refinancing and Rediscounting Facilities for SME's	CBN	N/A	N/A	N/A	N/A
Power Sector Airline Sector	Power & Airline Intervention Fund (PAIF)	CBN	2009	500,000,000,000	279,400,000,000	Provided support for the generation of 1,373.8 megawatts Financed 11 Independent Power Projects (IPPs) Financed the construction of the 120-kilometre natural gas pipeline Funding of hangar.
Real Sector Financing	The Youth Entrepreneurship Development programme (YEDP)	CBN	2016	N/A	209,330,000	N/A
Real Sector Financing	Real Sector Support Facility (RSSF)	CBN	2014-2025	300,000,000,000	52,000,000,000	N/A

The impact analysis and performance report on most of these initiatives are not available

7.5.5.3 Nigeria Readiness Scorecard

Thematic Areas	Readiness Area	Definition	Score	%	Nigeria Readiness Score
Trade Capacity	Products, Services and Export Trade	Product and Service Homogeneity	0.73	27	39.03%
		Human Capacity	51.06	51.06	
Trade Infrastructure	Power	Quality of electric supply	1.42	20.29	37.94%
	Road	Quality of roads in Nigeria	3.8	54.29	
	Rail	Quality of railroad infrastructure	1.5	21.43	
	Aviation	Quality of air transport infrastructure	3.2	45.71	
	Ports	Quality of port infrastructure	2.8	40.00	
	Communication	Communication	45.91	45.91	
Trade Environment	Trade Facilitation	Overall Trade Facilitation Index Score	0.82	41.00	45.58%
	Ease of Doing Business	Overall Ease of Doing Business Score	0.52	52.89	
	Cost of Money	Access to finance	3	42.86	
Trade Enforcement	Enforcement Capacity	Physical Security	3.1	44.29	40.22%
		Level of Security	2.87	28.18	
		Internal and External border cooperation	0.83	41.50	
	Legal	Domestic Market Access	3.7	52.86	



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

		Foreign Market Access	2.4	34.29	
--	--	-----------------------	-----	-------	--

7.5.6 Legal

7.5.6.1 Existing Legal Framework for corporate business in Nigeria

Some of the relevant laws regulating corporate business in Nigeria include the following:

- The Companies and Allied Matters Act CAP C20, Laws of the Federation of Nigeria (LFN) 2004;
- Investment and Securities Act, CAP 124 LFN 20
- The Companies Income (Amendment) Tax Act 2007
- Capital Gains Tax Act CAP C1,(LFN) 2004
- The Public Enterprise (Privatisation and Commercialisation) Act. CAP P38 LFN 2004
- Value-Added Tax Act CAP V1 LFN 2004
- The Labour Act, CAP L1 LFN 2004

The Companies and Allied Matters Act

This is the principal statute regulating the establishment and operation of companies in Nigeria. The CAMA established the Corporate Affairs Commission ("CAC") as Nigeria's companies' registry, and the body responsible for the regulation and supervision of the formation, incorporation, registration, management and winding up of companies. The CAMA also makes provision for the registration of business names and incorporated trustees. Foreign companies that wish to do business in Nigeria are required to do so through a locally incorporated entity.

The Senate of the Federal Republic of Nigeria has recently passed the Companies and Allied Matters Act, 1990 (CAP C20, LFN 2004) Repeal and Re-enactment Bill, 2018 ("the Bill"), following a recommendation of the Senate Committee on Trade and Investment (The Committee). The bill seeks to establish an efficient means of regulating businesses, minimize the compliance burden of small and medium enterprises (SMEs), enhance transparency and shareholder engagement and promote friendly business climate for Nigeria.

Investment and Securities Act

The ISA governs the capital markets and established the Securities and Exchange Commission (SEC) as the apex regulatory body for the Nigerian Capital Market. The SEC Rules regulates the capital market activities and operators, including mergers, acquisitions, take-overs and collective investment schemes.

Public Enterprise Act

Due to the growing demand for infrastructural development, partnerships with the private sector have become an increasingly viable option to successive governments, both at the state and federal levels. As a result, in recent years legislation has been enacted to regulate the participation of the private sector in the development and maintenance of public infrastructure.

The Public Enterprises Act (public enterprise (privatisation and commercialisation) Act CAP P38 LFN 2004 was enacted in 1998 and provides for privatisation and commercialisation of certain public enterprises. It also established the National Council on Privatisation ("the Council") and the Bureau of Public Enterprises (BPE). The Act provides that enterprises listed in Part I of the First Schedule shall be partially privatised while the enterprises listed in Part II of the First Schedule shall be fully privatised in accordance with the provisions of the Act.



African Continental Free Trade Area Agreement – Impact and Readiness Assessment Readiness Assessment Report

The Act provides that the mode of privatisation shall be either by public issue or private placement; or for the further divestment of Federal Government shares. An annual report on privatisation and commercialisation of public enterprises shall be prepared and submitted to the president not later than June 30 of each year.

The functions of the BPE include privatisation, commercialisation and the provision of secretarial support to the Council. The powers of BPE include the power to acquire, hold and manage movable and immovable property, and to enter into contracts or partnerships with any company, firm or person which in its opinion will facilitate the discharge of its functions.

The PPP Office also determines the framework for the engagement of consultants, specialists and advisers for PPPs. Several States in Nigeria have followed the example of Lagos in enacting similar laws.

The Companies Income Tax Act

This Act provides for the imposition of tax on companies, and that tax shall be payable, for each year of assessment, at specified rates on the profits of any company, accruing in, derived from, brought into or received in Nigeria. Companies Income Tax is chargeable at a rate of 30% of a company's profits. Newly registered companies have up to 18 months after registration, or no later than six months after the end of the first accounting period, whichever is earlier, to file tax returns.

In addition to the above, the Act mandates a person (i.e. a body corporate or incorporate, government ministry, department etc.) to deduct at source withholding tax at the rates specified (see chart), to remit the tax deduction to the relevant office of the Federal Inland Revenue Service and to issue a receipt for the tax so deducted.

The receipt should contain information including the nature of service or activity in respect of which payment was made, the gross amount paid or payable, the amount of tax deducted and the period to which the payment relates. The receipt is evidence of tax deduction upon which a company from whom tax is deducted may claim tax credit for the tax so deducted from the relevant tax authority. Currently, the rates of withholding taxes that are to be deducted at sources are between 5% and 10%. Such rates may vary depending on the type of payments for which withholding tax is deductible.

Capital Gains Tax Act

The Capital Gains Tax Act regulates capital gains tax in Nigeria. Capital gains tax is payable on gains that accrue to any person on a disposal of assets for the year of assessment. The tax is chargeable on all forms of property (including options, debts, incorporeal etc.) whether or not it is situated in Nigeria. It is, however, useful to state that capital gains tax will be charged on assets situated outside Nigeria if any amount thereof is received or brought into Nigeria.

The rate of capital gains tax is 10%. Capital gains tax is not chargeable on gains arising from the acquisition of the shares of a company that is either taken over, absorbed or merged.

The following organisations and government bodies are exempt from paying capital gains:

- Ecclesiastical, charitable or educational institutions of a public character;
- Any statutory or registered friendly society;
- Any cooperative society under the cooperative society's law of any state;
- Any trade union registered under the Trade Unions Act; and
- Local government councils.



Value-Added Tax Act

This Act requires companies to pay taxes on goods and services which are consumed by individuals, corporate organisations and others. Value-added tax is charged at a rate of 5% on the value of all goods and services except for certain excepted goods and services, as well as “zero-rated” goods, the latter having been listed in the Act as non-oil exports, goods and services purchased by diplomats, and goods purchased for Nigeria in humanitarian projects.

Labour Act

The main law that governs the labour sector in Nigeria is the Labour Act. The Act, however, is limited in scope to persons who are defined as “workers” – i.e. persons who do not exercise any administrative, executive, technical or professional functions; in other words, the Act is only applicable to junior level workers performing manual labour or clerical duties.

The employment of all other professional employees is governed by their individual contracts of employments and policies and procedures of the company incorporated by reference to their respective contracts of employment. Trade Unions: The formation, registration and organisation of trade unions in Nigeria is regulated by the Trade Unions Act. This Act amended the Trade Unions Acts of 1978 and 1996 as amended, and further liberalised the labour movement and trade unionism in Nigeria, for example by granting employees the freedom to decide which unions they wish to join.

Trade Disputes Act

The Trade Disputes Act regulates the settlement of trade disputes. The Act vest exclusive jurisdiction on the National Industrial Court to entertain matters involving trade disputes and makes it unlawful for any person to commence an action which concerns a trade dispute, or a dispute between unions or within a trade union, in a court of law, breach of which renders the offender liable to a fine, imprisonment or both. The National Industrial Court was established by the National Industrial Court Act 2006.

Employee safety in the workplace

The Factories Act CAP. F1 LFN 2004 and the Employees’ Compensation Act 2010 (ECA) makes provisions to protect employees working in potentially hazardous conditions and regulates the payment of compensations to employees who get injured in the course of their employment.

The Factories Act requires factories whose employees are exposed to occupational hazards to be registered and also provides regulations for the safety of workers, as well as imposing penalties for any breaches of the regulations.

The ECA stipulates a specific set of categories of workplace injury for which an employer will be liable to the employee; it also regulates the payment of compensation to those employees (both in the public and private sectors) who are injured in the course of their employment.

Finally, the ECA establishes the Employees’ Compensation Fund, into which employers are required to make prescribed contributions. The fund is managed by the Management Board of the Nigeria Social Insurance Trust Fund, in the interest of employees and employers.

7.5.6.2 Legal framework for foreign investment in Nigeria

The laws regulating foreign investment in Nigeria include:

- The Companies and Allied Matters Act (CAMA) CAP C20 LFN 2004



African Continental Free Trade Area Agreement – Impact and Readiness Assessment Readiness Assessment Report

- The Nigerian Investment Promotion Commission (NIPC) Act, CAP N117, LFN 2004 (NIPC Act);
- The Foreign Exchange (Monitoring & Miscellaneous Provisions) Act (FEMMP), CAP F34, LFN 2004.
- Immigration Act (the "Immigration Act") CAP I1 LFN 2004
- The National Office of Technology Acquisition and Promotion Act CAP N62, LFN 2004 (NOTAP Act);
- Investment and Securities Act (ISA)

CAMA

CAMA provides that every foreign company intending to carry on business in Nigeria must take steps necessary to incorporate as a separate legal entity with the Corporate Affairs Commission (section 54(1)). Section 56 of CAMA empowers the Federal Executive Council to grant exemptions from the mandatory incorporation requirement to a limited category of foreign companies.

NIPC

The NIPC was established by the NIPC Act as a “one-stop” agency responsible for encouraging and promoting investment in the Nigerian Economy by foreign investors. The Act provides for various investment incentives and guarantees applicable to both foreign direct investments and foreign portfolio investments.

The NIPC Act guarantees that foreign investors are able to transfer their capital, profits and dividends (less 10% withholding tax) attributable to their investments, in any convertible currency unconditionally through an authorised dealer.

Funds can be repatriated abroad to the place from which they were imported to Nigeria through the appropriate channels, and a Certificate of Capital Importation (CCI) is then issued to the importer of the funds. However, the funds must have been imported for the purpose of investment in a lawful enterprise.

Foreign Exchange Act

The Foreign Exchange (Monitoring and Miscellaneous Provision) Act CAP. F34 LFN 2004 provides that no foreign currency imported into Nigeria will be seized, forfeited or expropriated by the government except as provided under the Act Section 17(5). Investments made in foreign currency are imported through an authorised dealer and converted into naira at the official exchange rate. The authorised dealer subsequently issues a CCI to the investor as evidence of the capital importation.

The CCI guarantees to the shareholders and investors the unconditional transfer or repatriation of their profits, dividends, etc. which are attributable to their investment through the Nigerian banks overseas.

Immigration Act

The Act regulates and controls the entry, exit and employment of foreigners in Nigeria. Foreigners seeking residency and/or work are required to obtain a residence permit or a work permit issued by the Comptroller General of Immigrations. Such persons are also required to apply for visas at the appropriate diplomatic Nigerian Mission abroad. The required visas could be either a Subject to Regularization visa or a Combined Expatriate Residence Permit and Alien Card (CERPAC).

NOTAP

The NOTAP Act established the National Office of Technology Acquisition and Promotion (NOTAP), which facilitates the flow of foreign technology into Nigeria.



African Continental Free Trade Area Agreement – Impact and Readiness Assessment Readiness Assessment Report

NOTAP also registers all contracts for the transfer of technology to Nigerian partners and seeks to promote locally generated technologies. The NOTAP Act specifies the types of agreements that must be registered with NOTAP. These include the use of trademarks, the right to use patented inventions, and the supply of technical expertise, engineering and machinery.

The Act further stipulates various scenarios in which an agreement will not be registered, such as where the technology to be transferred is freely available in Nigeria; where the consideration is not commensurate with the technology acquired or to be acquired; and others as listed in the Act. In addition, contracts or agreement in which the transferee is obliged to submit to foreign jurisdiction in the case of any controversy arising from the contract or agreement, such agreement will not be registered.

It is important to add that the same NOTAP Act includes the following language: “Notwithstanding the foregoing provisions of this Section, in any case where the Council [of State] is satisfied that it would be in the national interest so to do, it may direct the director to issue a certificate to an applicant notwithstanding any convergence between the terms and conditions of a contractor agreement and the specifications laid down in subsection (2) of this Section.” Section 6(3) of NOTAP Act Therefore, it appears that NOTAP, through its Governing Council and at its discretion, may accept an agreement for registration notwithstanding certain provisions that appear to be contrary to the NOTAP Act. An application for registration may be made where the project contemplated is considered to be in the national interest.

It is also pertinent to note that where the parties, on the advice of the director and subsequent to a refusal to issue a certificate of registration, make required adjustments in respect of any contract or agreement or terms and conditions thereof, the director may issue the requisite certificate of registration.

7.5.6.3 Current Bilateral/Multilateral Agreement on Trade between Nigeria and other Countries

Bilateral Trade Agreement

S/N	Agreement	Country	Date Signed	Date Ratified
1	Instrument of ratification of the Trade Agreement of the Federal Republic of Nigeria and the Government of People's Republic of China	China	20 th November 1981	26 th November 1984
2	Instrument of ratification of the Bilateral Trade Agreement between the Government of the Federal Republic of Nigeria and the Government of the Republic of Benin	Benin	5 th November 1990	16 th April 1992
3	Instrument of ratification of the Bilateral Trade Agreement between the Government of the Federal Republic of Nigeria and the Government of the People's Republic of Bulgaria	Bulgaria	19 th June 1990	4 th May 1993
4	Instrument of ratification to the Trade Agreement between the Government of Federal Republic of Nigeria and the Government of the Republic of Niger	Niger	19 th August 1993	18 th May 1999
	Instrument of ratification of the Trade Agreement between the Government of the Federal Republic of Nigeria and the Government of the Republic of Niger	Niger	25 th January 2002	3 rd February 2004



**African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report**

S/N	Agreement	Country	Date Signed	Date Ratified
5	Instrument of ratification of the Bilateral Trade Agreement (BTA) between the Government of the Federal Republic of Nigeria and the Government of the Republic of Tunisia	Tunisia	27 th June 2001	31 st December 2001
6	Instrument of ratification of the Bilateral Trade Agreement between the Federal Republic of Nigeria and the Republic of Cuba	Cuba	12 th July 2000	23 rd July 2001
7	Instrument of ratification of the Bilateral Trade Agreement between the Federal Republic of Nigeria and the Islamic Republic of Iran.	Iran	11 th January 2001	23 rd July 2001
8	Instrument of ratification of the Agreement on Trade between the Federal Republic of Nigeria and the Republic of South Africa.	South Africa	29 th April 2000	14 th February 2002
10	Instrument of ratification of Bilateral Trade Agreement between the Federal Republic of Nigeria and the Arab Republic of Egypt	Egypt	28 th May 2002	19 th December 2003
11	Instrument of ratification of the Trade Agreement between the Federal Republic of Nigeria and the People's Democratic Republic of Algeria	Algeria	14 th January 2002	19 th December, 2003
12	Instrument of ratification of the General Agreement on Economic, Trade, Investment, Scientific, Technical, Cultural, Youth and Sports Cooperation between the Government of the Federal Republic of Nigeria and the Government of the Kingdom of Saudi Arabia	Saudi Arabia	20 th October 2003	20 th May 2004
13	Instrument of ratification of the Bilateral Trade Agreement between the Government of the Federal Republic of Nigeria and the Government of Republic of Uganda.	Uganda	25 th January 2003	2004

Multilateral Trade Agreement

S/N	Country	Type of Agreement	Status	Identified constraints/problem in implementation	Assessment of the benefit enjoyed by Nigeria from implementation status attained	Remarks
1	ECOWAS CHARTER & SOME TRADE RELATED PROTOCOLS	The establishment of a common market through; the liberalisation of trade by the abolition, among	- The main instrument for this implementation is the ETLS Protocol - Nigeria has the largest number of registered companies (525) and	- Multiple transit corridor taxes: 13 Taxes in Benin, 15 Taxes in Togo and 10 Taxes in Ghana - Informal sector account for 44% of Nigeria GDP and dominates intra-regional trade.	Gains are only through informal trade. Whilst Nigeria is flooded with sub-standard goods, Nigeria manufacture	- Need for Nigerian Trade attaché in every key African Country for prompt intervention and handling trade related complaints - We urgently need to consider the implementation of SEALINK, ECOWAS Coastal Shipping Line that will run



**African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report**

S/ N	Country	Type of Agreement	Status	Identified constraints/problem in implementation	Assessment of the benefit enjoyed by Nigeria from implementation status attained	Remarks
		Member States, of customs duties levied on imports and exports, and the abolition, among Member States of non-tariff barriers in order to establish a free trade area at the Community level • The adoption of a common external tariff and a common trade policy vis-a-vis third countries; • The removal, between Member States, of obstacles to the free movement of persons, goods, services and capital, and to the right of residence and establishment; • The removal,	registered products (>1,000) • Regional Trade Policy is yet to be agreed by all. • The Free Movement and Supra-nationality • Macro-economic policy convergence continues to elude the region as are other policies to deliver single currency • The Strategic Framework for ECOWAS Private Sector Development; ECOWAS SME Strategy and ECOWAS SME CHARTER have all been developed, approved by Council of Ministers and Ratified by the Authority of Heads of	• The absence of Nigeria Trade Policy did not help matters (last valid Trade Policy was 2002). • ECOWAS Citizenship is challenged and violated by Ghana's Investment Law denying right of residence and establishment • Nigerian Traders encounter similar experiences in South Africa, Angola, Libya etc. • France has more to say on the political economy of ECOWAS Monetary Union as with many proposed regional investment, fiscal, monetary, trade and regional economic integration Agenda involving Francophone countries. • In the context of Safeguard measures, review the use of Import Adjustment Tax, Levy Instrument; and Supplementary Protection Tax instrument to protect our	ed good experience long delays and multiple taxes that increase equivalent taxes by about 29% • The Community Citizenship question has not been tested and Member States should repeal National Investment and Indigenization Laws that are in conflict with Community provisions	from Dakar to Cameroun and possibly South Africa that expressed interest. • ECOWAS Court of Justice lacks jurisdiction on trade and economic issues beyond Human rights • ECOWAS Parliament is an advisory institution and lacks the power to make and amend laws • Nigeria is yet to domesticate the Treaty • Urgent review of exorbitant and restrictive Regional Transit Insurance Covers, international Drivers Permit/Licence and duration; Laissez passez/Entry permit and Road Blocks by multiple Agencies. • Need for significant investment in export quality infrastructure ranging from certification/Accreditations (farm level, process level and export level); more testing and metrology centres; and institutional, technical and organizational capacities to develop quality standards and meet conformity assessment requirements around SPS/TBT/NTB.



**African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report**

S/ N	Country	Type of Agreement	Status	Identified constraints/problem in implementation	Assessment of the benefit enjoyed by Nigeria from implementation status attained	Remarks
		between Member States, of obstacles to the free movement of persons, goods, services and capital, and to the right of residence and establishment; • The establishment of an economic union through the adoption of common policies in the economic, financial, social and cultural sectors, and the creation of a monetary union. • The promotion of joint ventures by private sector enterprises and other economic operators, in particular through	States & Government but with no resources and will to implement • Important for developing international & Regional Trade Capacity and building quality infrastructure at National and Regional levels.	infant industries and trade defence.		



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

S/ N	Country	Type of Agreement	Status	Identified constraints/problem in implementation	Assessment of the benefit enjoyed by Nigeria from implementation status attained	Remarks
		the adoption of a regional agreement on cross-border investments; - The adoption of measures for the integration of the private sectors, particularly the creation of an enabling environment to promote small and medium scale enterprises; - The harmonisation of standards and measures;				
2	US-Africa Growth Opportunity Act(AGOA)	Enacted 2000 – 2008, extended to 2015 and further extended to 2025, allowing 6,400 product categories duty free and quota free to US.	Eligibility requirement include continuous improvement in Rule of Law, respect for human rights and Labour standards	Petroleum accounted for 69% of total exports to the United States. (NBS, 2014) Exports declined from N16.304 billion in 2014 to N9.729 billion in the fourth quarter of 2015, representing a 40.3% decline.	Benefits restricted to Oil export but EU has now overtaken US as the largest importer of Nigerian crude	Efforts must focus on non-oil export to US under AGOA scheme and extensive attraction of FDI and Joint Venture Manufacturing Enterprises to our Free Trade Zones



**African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report**

S/N	Country	Type of Agreement	Status	Identified constraints/problem in implementation	Assessment of the benefit enjoyed by Nigeria from implementation status attained	Remarks
3	EU- ACP Cotonou Partnership Agreement	Nigeria is signatory to Cotonou Agreement with EU (successor to Lomé Agreement) with 78 ACP countries. Signed in 2000 and expiring Feb 2020 with 3 pillars 1) Political 2) Development, and, 3) Financial co-operation	Nigeria is currently negotiating Euro 3.5 billion post Cotonou Partnership for 2020 - 2040	N/A	ACP (except South Africa) benefited from non-reciprocal trade preference during an interim period of 2001 – 2007. After 2007, the unilateral preference were to be replaced by WTO compatible reciprocal economic partnership agreement	N/A

7.5.6.4 Signed but yet to be Ratified Bilateral Agreement on Trade between Nigeria and other Countries

S/N	Agreement	Country	Date Signed
1	Bilateral Trade Agreement between the Government of the Federal Republic of Nigeria and the Government of the Republic of Kenya	Kenya	5th May, 2014



7.5.6.5 Current Signed and Ratified Trade Agreement

S/N	Agreement	Date Signed	Date Ratified
1	Instrument of ratification of the Agreement on Mutual Administration Assistance in matters relating to Custom, Trade and Immigration between the Government of the Peoples' Republic of Benin, the Government of the Republic of Ghana, the Federal Military Government of the Federal Republic of Nigeria and the Government of the Republic of Togo	10th December, 1984	10th March, 1985
2	Instrument of ratification of the Article of Agreement of the International Islamic Trade and Finance Corporation (ITFC).	30th May, 2006	27th July, 2009
3	Instrument of ratification of the Articles of Agreement of the Islamic Trade and Finance Cooperation (ITFC).	30th May, 2006	15th May, 2009
4	Instrument of ratification of the Preferential Trade Agreement among the developing 8 (D8) member States.	13 th May, 2006	14th May, 2010.
5	Instrument of ratification of the Arm Trade, Treaty.	3rd June, 2013	2013
6	Instrument of Acceptance of the Protocol Amending the Marrakesh Agreement Establishing the World Trade Organisation.	27th November, 2014	29th December, 2016.
7	Instrument of ratification of Rotterdam Convention on prior informed consent (PIC) procedure for certain Hazardous Chemicals and Feticides in International Trade.	10th September, 1998	2002
8	Instrument of ratification of the Rotterdam Convention on the prior informed consent (PIC) procedure for certain Hazardous chemical and pesticides in the International Trade	10th September, 1998	20th April, 2000
9	Instrument of acceptance of the Amendment to Article XI (3) (4) of the Convention on International Trade in Endangered species wild Fauna & Flora.	9th May, 1974	31st December 1984

7.5.6.6 Current Nigerian Laws that deal on Trade Matters

1. **Trade (EEC Preferences under the Lomé Convention) Act 2014** – the Act was enacted to implement the provisions of Protocol No. 1 of the ACP-EEC Convention of Lomé and to appoint the Comptroller-General, Nigeria Customs Service as the certifying authority in Nigeria for goods exported from Nigeria under the convention.
2. **Trade Disputes Act CAP T8 LFN 2004** – the Act provides for the settlement of trade disputes and other auxiliary matters thereto.
3. **Trade malpractice (miscellaneous offences) Act 2014** – the Act creates certain offences relating to trade malpractices.
4. **Trade Dispute (Essential Services) Act, CAP T9 LFN 2004** – the Act empowers the President to prescribe any trade union or association the members of which are employed in any essential services as if such Union of Association has been engaged in industrial disputes acts calculated to disrupt the smooth running of an essential service.



African Continental Free Trade Area Agreement – Impact and Readiness Assessment
Readiness Assessment Report

5. **Trade Marks Act, CAP. T13 LFN 2004** –the Act provides for important trade mark issues such as definition of trade marks, rights of a trade mark proprietor, extent of rights, procedure leading to the acquisition of rights, infringing acts and remedies.
6. **Merchandise Marks Act (Cap. M10, LFN 2004)**- the Act prohibits acts such as forgery of trade marks, false application of goods of any trade mark or any mark so nearly resembling a trade mark as to be calculated to deceive and the sanctions thereto.
7. **Trade (General System of Preferences) Act – CAP T11 LFN 2004** – this enactment appointed the Department of Customs and Excise as the certifying authority in Nigeria in respect of goods exported from Nigeria and intended to benefit under the generalised system of preferences of the United Nations Conferences on trade and development.
8. **Trade Unions Act 2014** – the Act made provisions with respect to the formation, registration and organization of trade unions, Federations of trade unions and the Central Labour Organisation.

----- End of Volume II - -----