

Synopsis of the WTO Trade & Policy Review (TPR) Meeting Held on 11th -15th June 2017 in Geneva Switzerland.

The World Trade Organization (WTO) is the only global international organization dealing with the rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations and ratified in their parliaments. The goal is to ensure that trade flows as smoothly, predictably and freely as possible. The main functions of the world body include: (i) administering WTO trade agreements; (ii) serving as a forum for trade negotiations; (iii) handling trade disputes among member-nations; (iv) monitoring national trade policies; (v) offering technical assistance and training for developing countries; and (vi) cooperation with other international organizations. The body currently has one hundred and sixty-four 164 members.

Preparation for the 5th Nigeria's Trade Policy Review (TPR) started about December 2016, following request for inputs into the Country Report prepared by the Federal Ministry of Industry, Trade and Investment for the review of the World Trade Organization (WTO) Secretariat in Geneva, Switzerland.

NIPC actively participated in the review of relevant portions of the country report before it was finalized and forwarded to the WTO Secretariat.

The WTO Secretariat, on request by Nigeria, scheduled a one-day pre-TPR meeting for the Nigerian officials to give them an overview of the WTO, which was meant to give necessary background information about the organization and its activities.

The NIPC delegation, made up of the Executive Secretary and the Director, Policy Advocacy, left Nigeria on 10 June 2017 and arrived Geneva on 11 June 2017 for a pre- TPR briefing on 12 June 2017 by the Institute of Training and Technical Cooperation of the WTO.

Fourteen other representatives from relevant Ministries, Departments and Agencies (MDAs) made up the Nigerian delegation and they included: the Office of the Vice President; Federal Ministry of Industry, Trade and Investment (FMITI); Federal Ministry of Finance (FMF); Ministry of Foreign Affairs (MFA); Ministry of Budget and National Planning(MB&NP); Ministry of Petroleum Resources (MPR); Nigerian Content Development & Monitoring Board (NCDMB); National Bureau of Statistics (NBS); Nigerian Export Promotion Council (NEPC); Central Bank of Nigeria (CBN); Nigerian Shippers Council (NSC); Nigerian Customs Service (NCS); and Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA)

The following day, 13 June 2017, witnessed the commencement of the Trade Policy Review, which was concluded on 15 June 2017. The 14th of June was used by the Nigerian Team to proffer answers to the questions asked by the member countries that attended the TPR, and who offered to make interventions on issues of concern to their countries.

At the end of the TPR on 15 June 2017, the Nigerian Team held a wrap up meeting to assess the whole exercise and to outline follow-up actions and next steps after the review.

The business of the day started with the Chairperson, Ambassador Juan Carlos Gonzalez of Colombia, presiding. He noted, with satisfaction, the quality of the Nigerian delegation to the 5th TPR meeting, which attested to the seriousness attached to the review by the Government of Nigeria and looked ahead for a successful review.

He acknowledged, particularly, the Economic Recovery and Growth Plan (ERGP) of the Government of Nigeria, which aims at creating sustained inclusive growth through structural transformation and diversification of the economy; and encouraged its diligent implementation

He placed on record, WTO members' commendation of Nigeria over its active participation in the WTO, having ratified the WTO Trade Facilitation Agreement (TFA) and accepted the Protocol amending the TRIPS Agreement. He added that members welcomed Nigeria's notification of categories B & C measures under the TFA, but urged Nigeria to fully meet its notification commitments, mainly in the various areas where there were outstanding notification obligations such as Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary measures (SPS).

Nigeria was also urged to eliminate its numerous additional duties and charges on imports. In the same vein, members called upon Nigeria to phase out its long-standing imports prohibition list and local content requirements in the oil sector, which were considered in-compatible with the WTO rules. He reiterated the need for Nigeria to note that several WTO members expressed concerns about Nigeria's restrictions on the 41 categories of items for which importers were not allowed access to foreign exchange from the Central Bank of Nigeria. He then outlined detailed procedure for the TPR, which included the following:

- (i) Presentation of questions in writing in advance of the meeting and main points
- (ii) Answers in writing by the member under review
- (iii) Choice of a Discussant
- (iv) Structure of the meeting, which covers the following four broad headings:
 - a. appreciation of the full range of the Member's trade policies and practices;
 - b. relevant background: wider economic and developmental needs, including the external environment;
 - c. impact of the Member's trade policies and practices on the functioning of the multilateral trading system; and
 - d. general comments by way of assessment and evaluation

- (v) Documentation and press arrangements;
- (vi) Record of the meeting, which will be circulated as a draft to Members for comments on their own statements and placed on the WTO website.

In total 45 representatives of member-countries addressed delegates on the first day of the review process, in keeping with the TPR procedures, with majority of them commending Nigeria for its bold reforms programmes aimed at transforming the economy and returning Nigeria to the path of growth and sustainable development. A few others, however, raised concerns about Nigeria's trade policies and practices as it affected trade relations between their countries and Nigeria.

Summary of the comments made by the countries are presented below:

- General expression of support for Nigeria's ERGP, which is designed to get Nigeria out of economic recession and put her on the path of sustainable development.
- Commendation for Nigeria on the ratification of the WTO Trade Facilitation Agreement (TFA);
- Commendation for Nigeria's Leadership and Active Engagement in the WTO
- Nigeria as a strong supporter of multilateral trading system should do more to increase Market access by eliminating tariff and non-tariff barriers. Ban on some items as meats, dried fish heads, etc. should be lifted;
- The need to intensify and sustain fight against corruption and tackle insecurity to life and properties;
- Removal of Forex restrictions;
- Called for enhanced attention to timely notification obligation
- Nigeria should improve further the ease of doing business;
- Improved tariff regime;
- Improved Intellectual Property Rights (IPR) regime;
- Removal of cumbersome Customs procedures;
- Elimination of Import prohibition list;
- Double taxation agreements;
- Urged Nigeria to consider taking observer status in the WTO Government Procurement Agreement (GPA);

- Enhance the Public-Private Partnerships for the further development of the service sector;
- Ratification of outstanding BITs and BTAs including, WIPO treaties;
- Local content measure concerns; and
- Nigeria's participation in the WTO Eleventh Ministerial Conference (MC11) scheduled to take place from 11th – 14th December, 2017 in Buenos Aires, Argentina.
- It is on record that forty-five (45) WTO members intervened at the review; with Nigeria receiving over 300 questions from 24 Members to which written answers were provided to all written questions. As at 15th June, 2017, Nigeria received additional questions and provided answers to all 311 written and outstanding questions. He urged members to sustain the Questions and Answers (Q &A) process with Nigeria as Nigeria valued the process. He added that, the process was considered healthy, constructive and necessary for the Nigerian economy as it would help in reforming and improving its business environment as well as increase its level of competitiveness.
- He, thereafter, responded to specific issues raised by members, which were of general concerns. The issues are outlined as follows:
- (i) *Economic Recovery and Growth Plan* – he appreciated members commendation of the ERGP programme of Government and requested members to support its implementation, stressing that Government was determined to see to the successful implementation of the programme;
- (ii) *Nigeria's leadership and participation in WTO activities* – He also appreciated members commendation of Nigeria's active participation in the activities of WTO and promised that Nigeria would work together with other members to strengthen the WTO as the primary institution for rulemaking in the multilateral trading system;
- (iii) *MC 11 – Buenos Aires. Argentina* – The head of the Nigerian Delegation assured members that Nigeria was determined to ensure the success of the 11th Ministerial Conference of the WTO member countries slated for Buenos Aires, Argentina, later in the year and solicited the support of members for its success;
- (iv) *Cumbersome Customs Procedures*- He assured members that Nigeria would work on improvement, but placed on record that out of the 188 members of World Customs Organization, only 12 were assessed to be undertaking transparent clearance procedure and Nigeria was one of the 12 so identified.
- (v) *Foreign Exchange Restrictions* – He noted that while the effect of restriction was capable of deterring inflow of foreign capital, the shock occasioned by loss of about 60% of revenue receipts by Nigeria, which threatened the minimum threshold required for import cover informed the adoption of the measure, which was an exceptional and a temporary measure. He noted that twenty-one items had been taken off the list, which was undergoing further review.

- (vi) *Import Prohibition List* – the prohibition of importation of certain items, including dried fish heads, stock fish, etc. were under review.
- (vii) *Tariff Policy Ambiguity* – Members concerns were noted. Low tariff binding of 19% would be implemented; review will be carried out as soon as possible.
- (Viii) *Notifications Obligations* – He admitted the lapses in area of timely notifications and assured members that notifications would be timely, going forward.
- (ix) *Local Content Measure* – He assured members that the measure would be further considered, but it would be with respect to the need for job creation, poverty reduction and Nigeria's efforts to exit recession.
- (x) *WTO Rules* - Nigeria welcomed and was open to the advice to update its legal framework on government procurement and to become an observer to the WTO Government Procurement Agreement (GPA);
- (xi) *Skills shortage and need for Vocational Training* – Nigeria appreciated the advice to develop critical skills. Government was aware of the skills shortage; and the Honourable Minister of Industry, Trade and Investment was already consulting with the Government of Switzerland for apprenticeship system for vocational training.
- (xii) *Insecurity and Corruption* – Nigeria welcomed the encouraging comments of members on the fight against corruption and insecurity; while not being defensive, the Head of the Nigerian Delegation assured members that Government was working hard at tackling the menace of corruption and insecurity and would welcome the assistance and support of friendly nations in that regard. He expressed appreciation to countries like USA, UK, France and the EU for their support. He informed members that Government was registering tremendous progress in its fight against corruption through its whistle blower policy.
- (xiii) *Cost of Doing Business* – Government was tackling this head-on using the business angle to deal with corruption, which contributed largely to increased cost of doing business.

Overall, the Head of the Nigerian delegation affirmed that the review process had been healthy, constructive and beneficial. Review was also timely, but hoped that the intervals could be shortened. He looked ahead for honest partnership with the international community; and given the reforms and changes going on in Nigeria, he appealed that stereotypes must be dispelled to embrace the new Nigeria.

Mr. Isaac A. Idowu
Director, Department of Policy & Advocacy
Nigerian Investment Promotion Commission