

Nigeria: Intra-Africa trade and tariff profile 2020



Regional Economic Communities

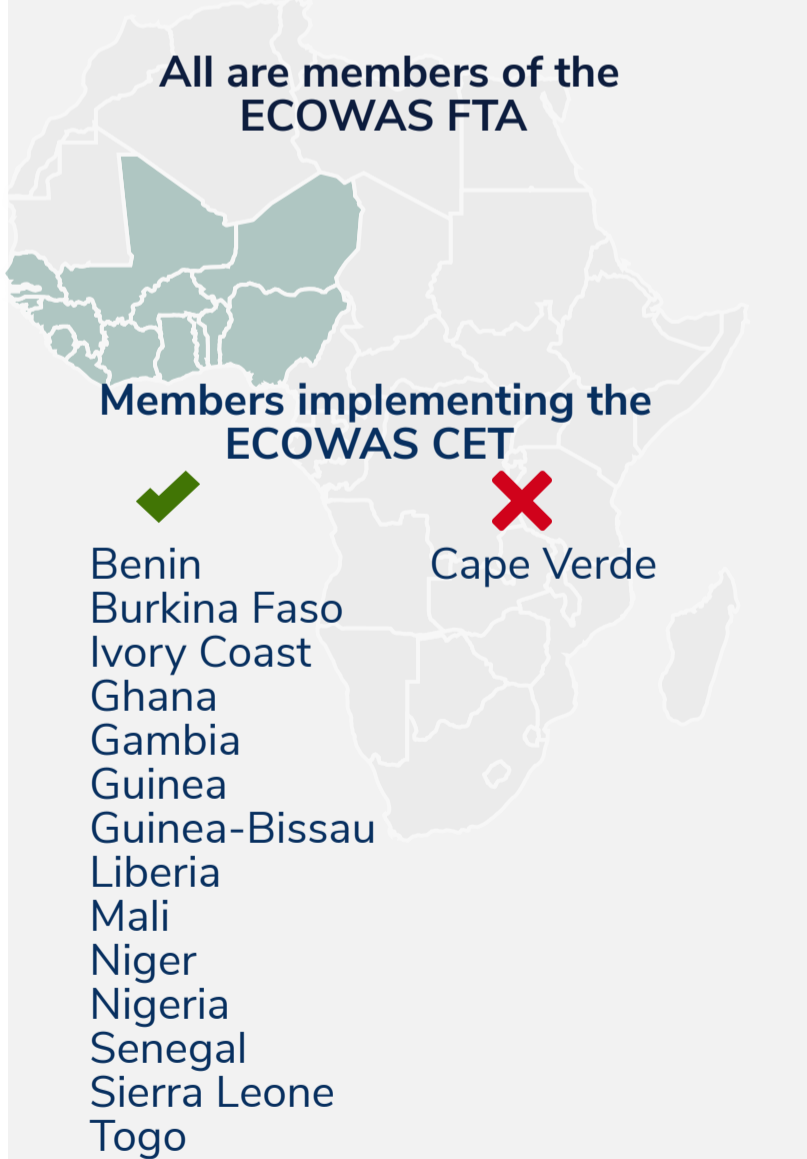
Nigeria is part of two Regional Economic Communities (RECs) - the Economic Community of West Africa (ECOWAS) and the Community of Sahel-Saharan States (CEN-SAD). Nigeria deposited its instrument of ratification and schedule of tariff concessions, along with other ECOWAS member states.

CEN-SAD



CEN-SAD currently has 24 member states aspiring to establish an Economic Union for the free movement of goods, services and commodities. There is currently no free trade agreement in place.

ECOWAS



ECOWAS has 15 member states. All member states are part of the ECOWAS Free Trade Area (FTA), 14 of which are in the process of implementing the ECOWAS Common External Tariff (CET). Qualifying imports from approved ECOWAS producers are imported into Nigeria duty-free, and Nigeria applies the ECOWAS CET on imports from outside the REC.

Intra-Africa exports

For 2020, 19% of Nigeria's world exports were to the rest of Africa. Apart from South Africa, Egypt and Cameroon, the main African destination markets are other CEN-SAD and ECOWAS countries. The value of 2020 intra-Africa exports is US\$6.4 billion. The main export products are crude petroleum oils, vessels, and aircrafts.

Intra-Africa exports 2019-2020 ▼ 42%

MAIN DESTINATIONS

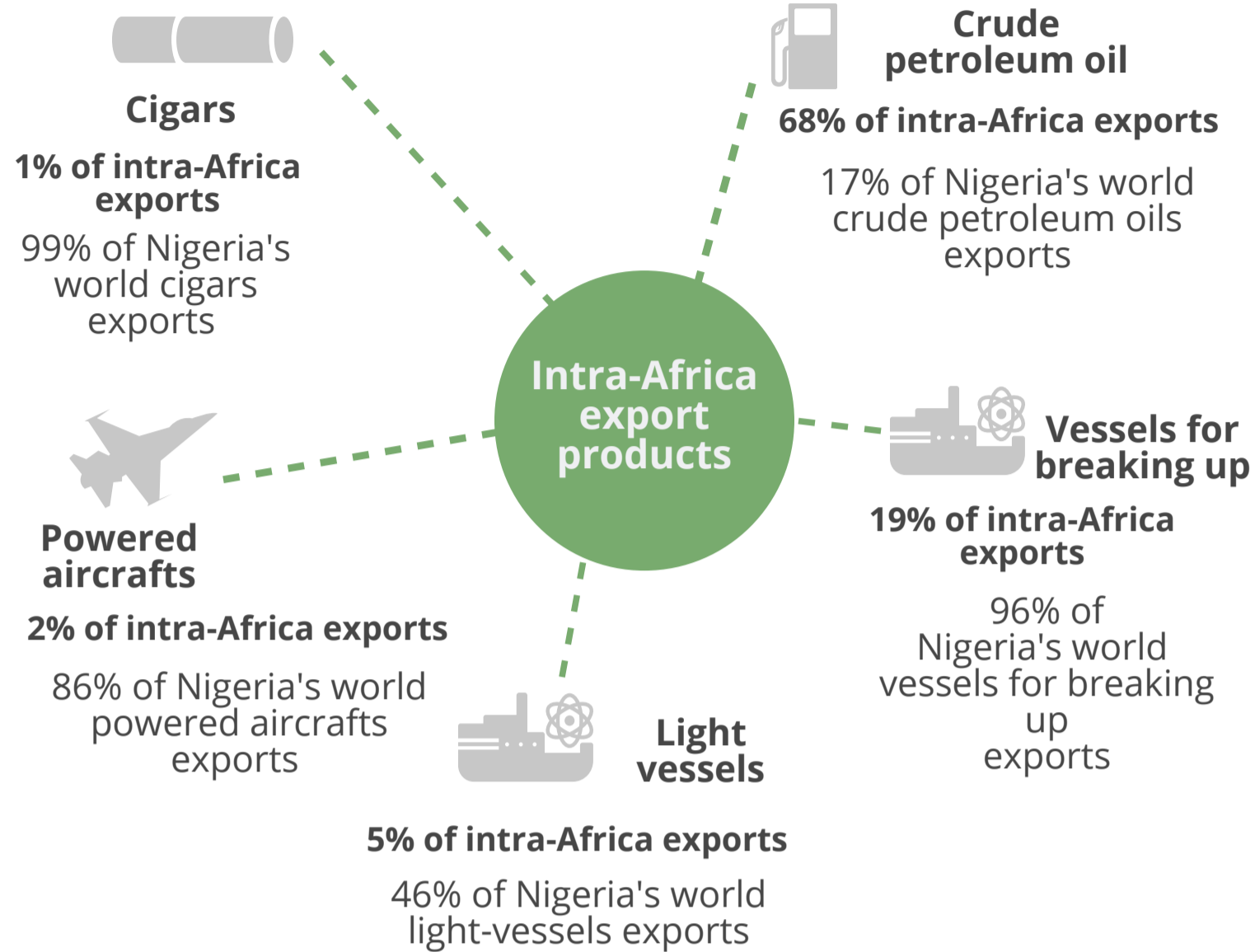
South Africa: 40% of intra-Africa exports

Cameroon: 18% of intra-Africa exports

Ivory Coast: 14% of intra-Africa exports

Togo: 9% of intra-Africa exports

Ghana: 6% of intra-Africa exports



Intra-Africa imports

For 2020, 8% of Nigeria's world imports were intra-Africa imports. Nigeria's intra-Africa imports are mainly from South Africa, Eswatini & Egypt. Between 2019 and 2020, intra-Africa imports declined by 43%. Petroleum oil (excluding crude) & propylene polymers are the main import products.

Intra-Africa imports

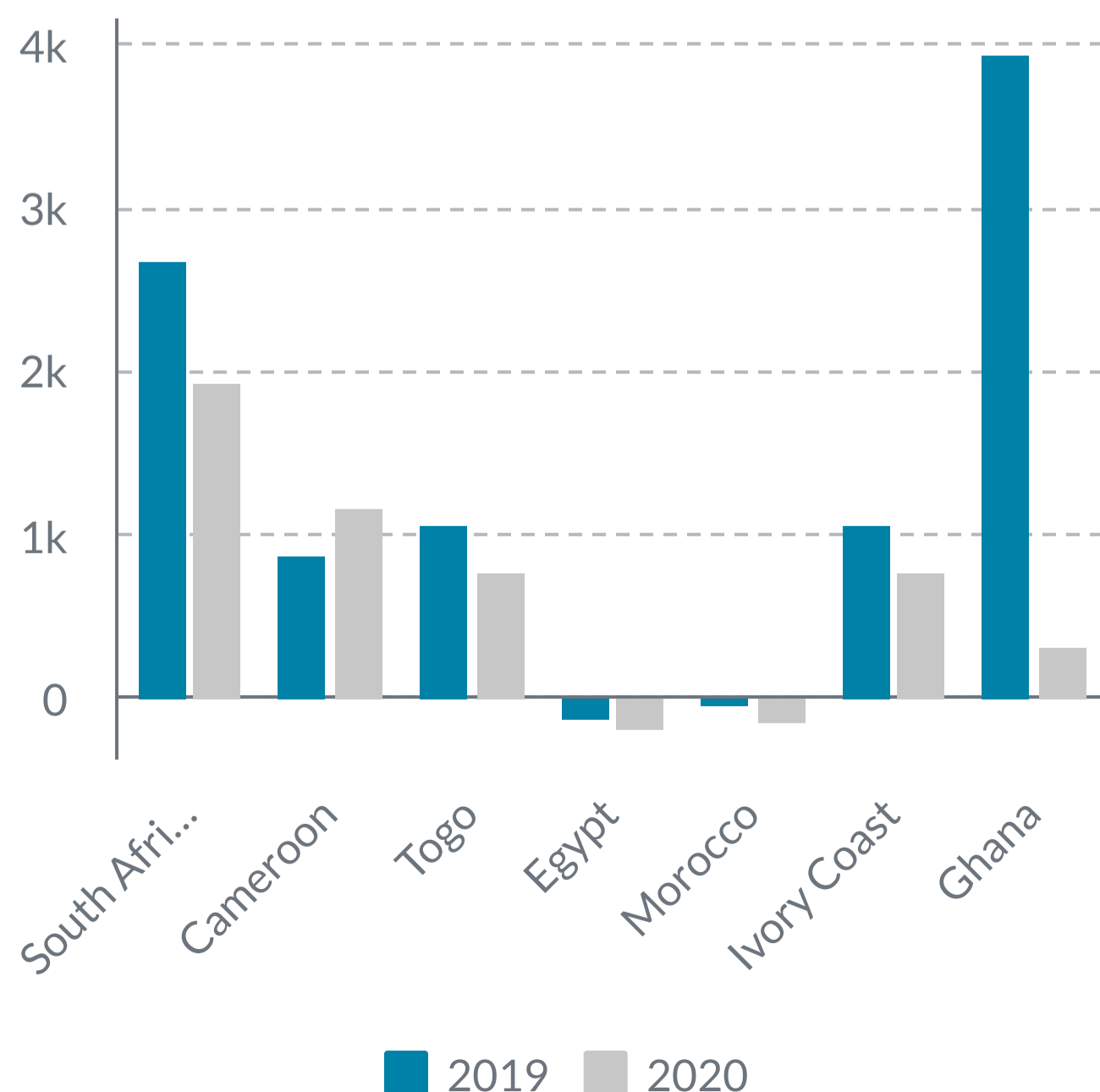


Product	Value	As % of world imports of designated products
Petroleum oils (excluding crude)	8.08%	2%
Propylene polymers	8.08%	30%
Fertilisers	7.07%	100%
Food & beverage industry substances	6.06%	24%
Fresh apples	3.03%	92%
Other	67.68%	

% change in exports and imports (2019 to 2020)

South Africa	Exports: 19% decrease Imports: 28% increase
Cameroon	Exports: 33% increase Imports: 61% decline
Ivory Coast	Exports: 8% decline Imports: 26% decline
Togo	Exports: 12% increase Imports: 23% decline
Ghana	Exports: 91% decline Imports: 8% decline
Equatorial Guinea	Exports: 986% increase Imports: 86% decline

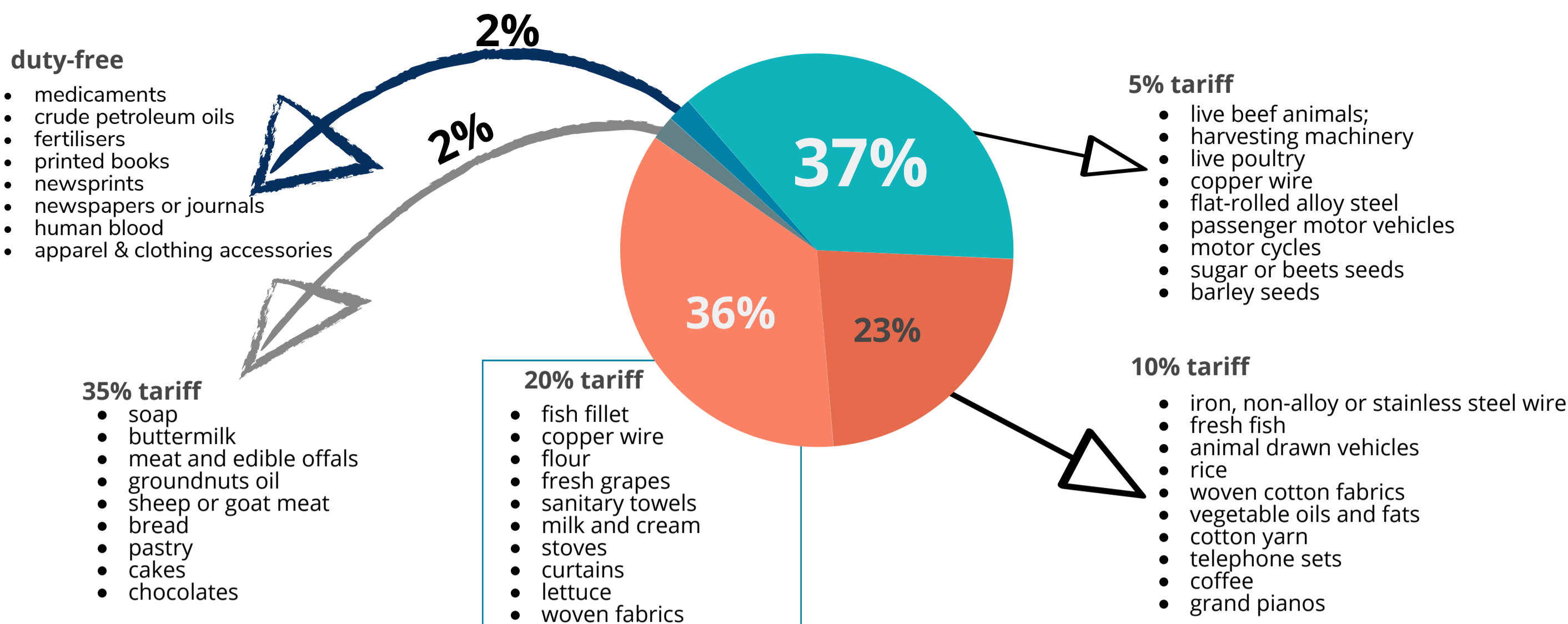
Trade balance with designated countries (US\$m)



Intra-Africa tariffs

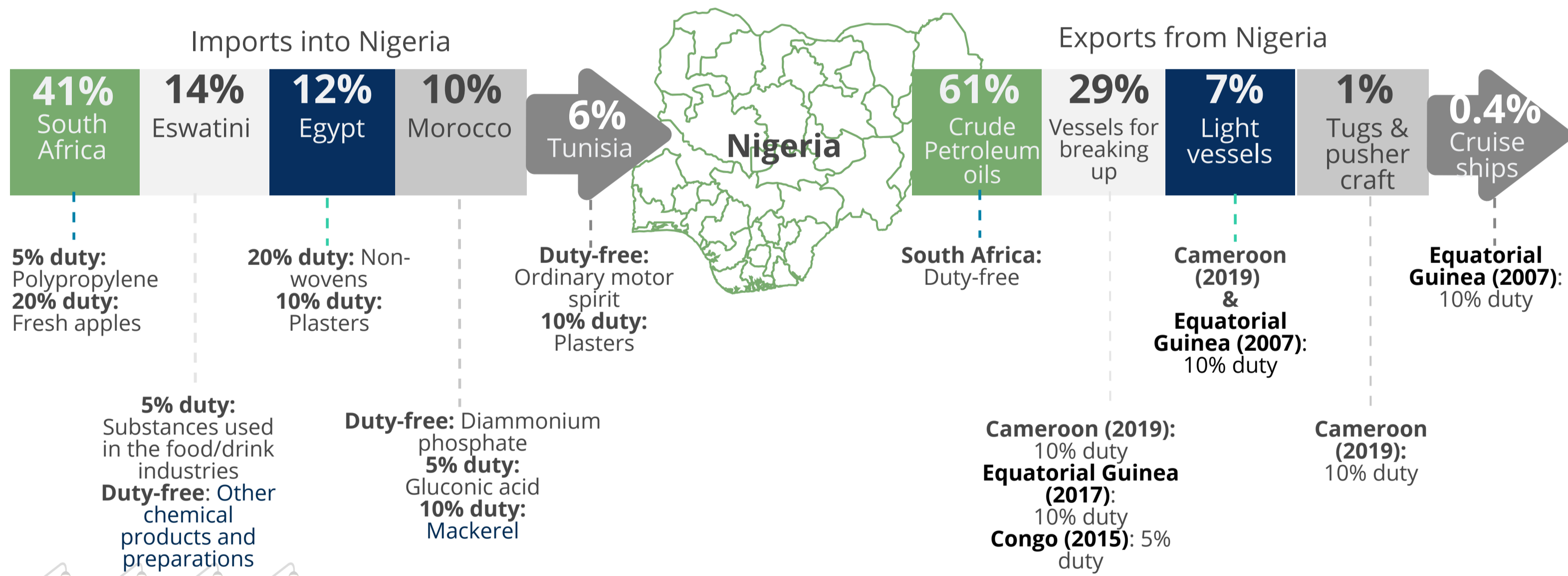
Qualifying goods from ECOWAS member states enter into Nigeria duty-free, while imports from CEN-SAD countries, which are not ECOWAS member states (including Egypt, Morocco, Somalia & Tunisia) and the rest of Africa are levied the MFN applied duty, which is the ECOWAS CET. The ECOWAS CET has five tariff bands - duty-free, 5%, 10%, 20% and 35%.

MFN duty categories & % of national tariff lines in each category

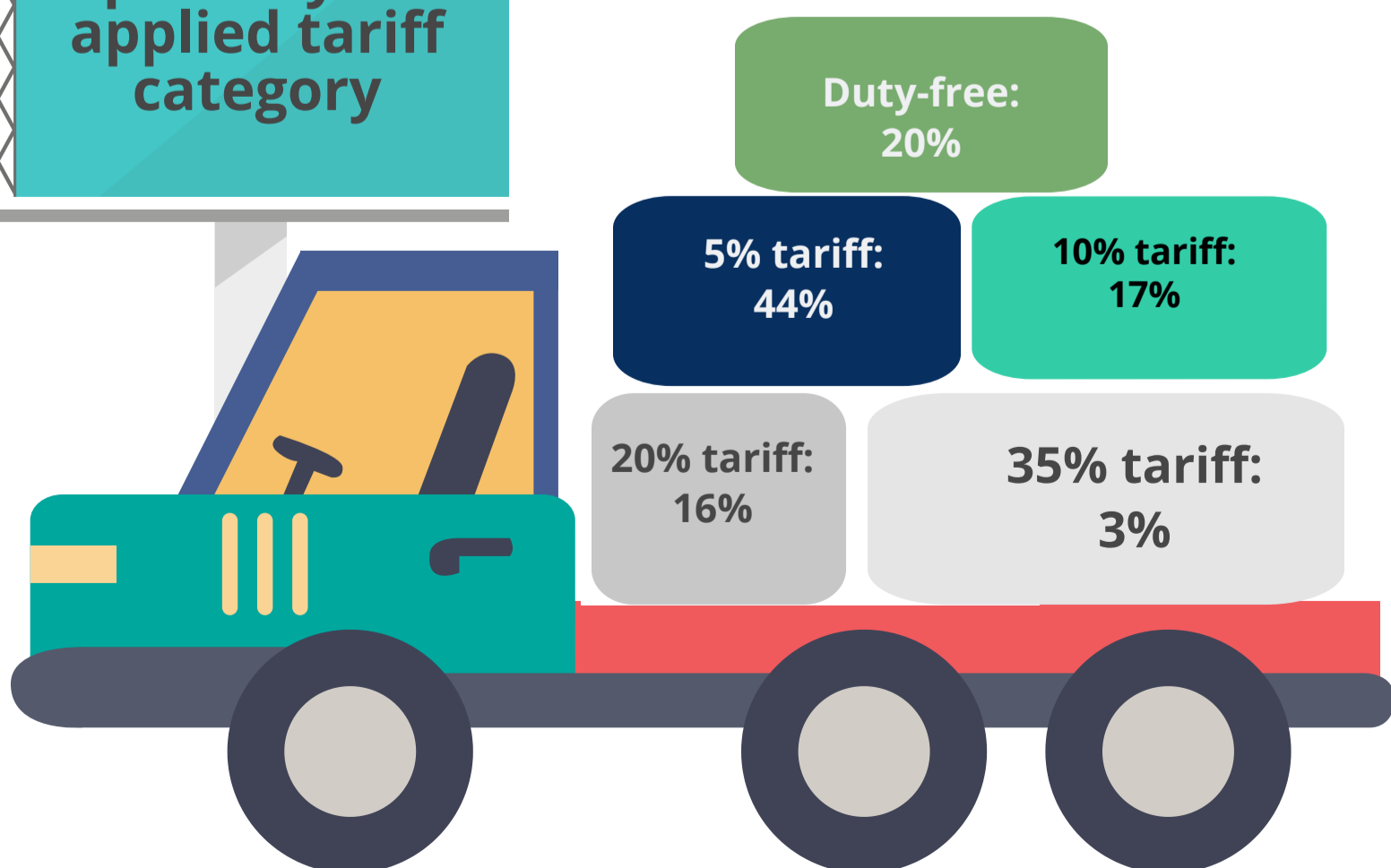


Trade with African countries outside ECOWAS

Only 12% of world and 65% of intra-Africa exports are to African countries not members of ECOWAS. 90% of these exports are crude petroleum oils and vessels for breaking up. In terms of imports, 3% of world and 86% of intra-Africa imports are sourced from countries outside ECOWAS. Imports are mainly polypropylene, diammonium phosphate, substances used in the food or drink industries, ordinary motor spirit, and fresh apples.



% of 2020 imports by MFN applied tariff category



All of Nigeria's world imports of diammonium phosphate, bituminous coal, superphosphates, live horses, citrus fruit, zinc powder & flakes, and polypropylene filament are sourced from African countries outside ECOWAS.

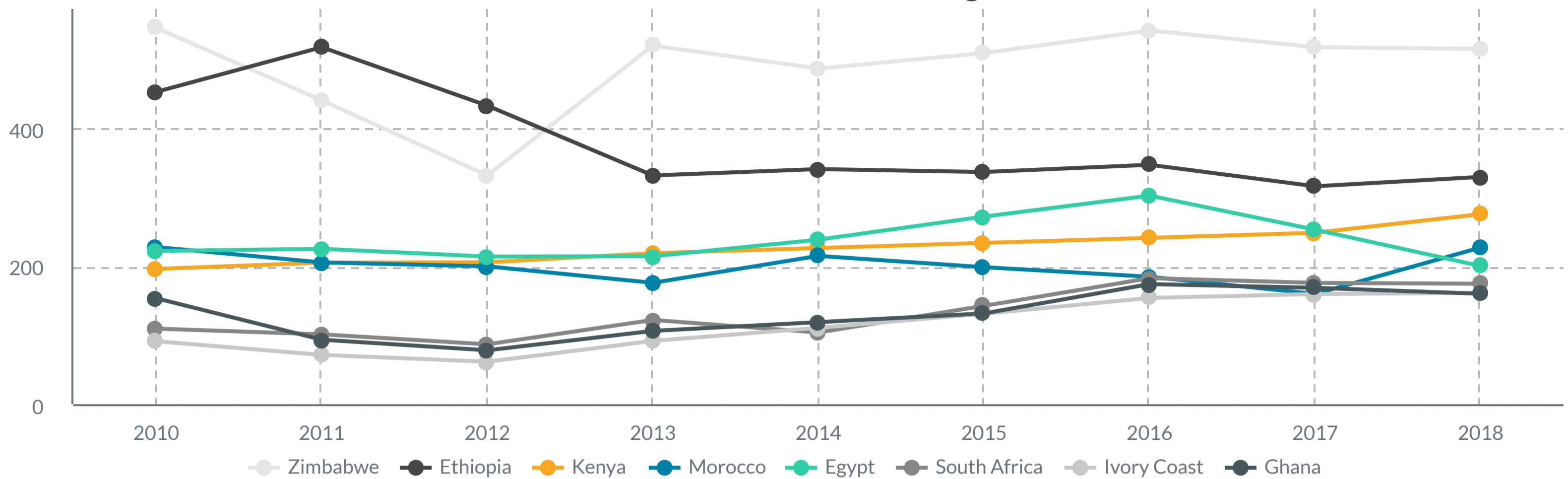
Of the top 20 import products, only 3 products are imported duty-free into Nigeria: diammonium phosphate, ordinary motor spirit and medicaments. The highest tariffs (35% duty) apply to imports of used vehicles with a petrol engine. A 20% duty is levied on imports of fresh apples, non-wovens, and parts imported by motor vehicle assemblers and manufacturers. Imports of chemical products, plasters, drink industry extracts, mackerel, crown corks and frozen horse mackerel face a 10% duty. A 5% duty is applicable to imports of:

- substances used in the food or drink industries
- black fermented tea
- hides and skins
- polyvinyl chloride

Non-tariff trade costs

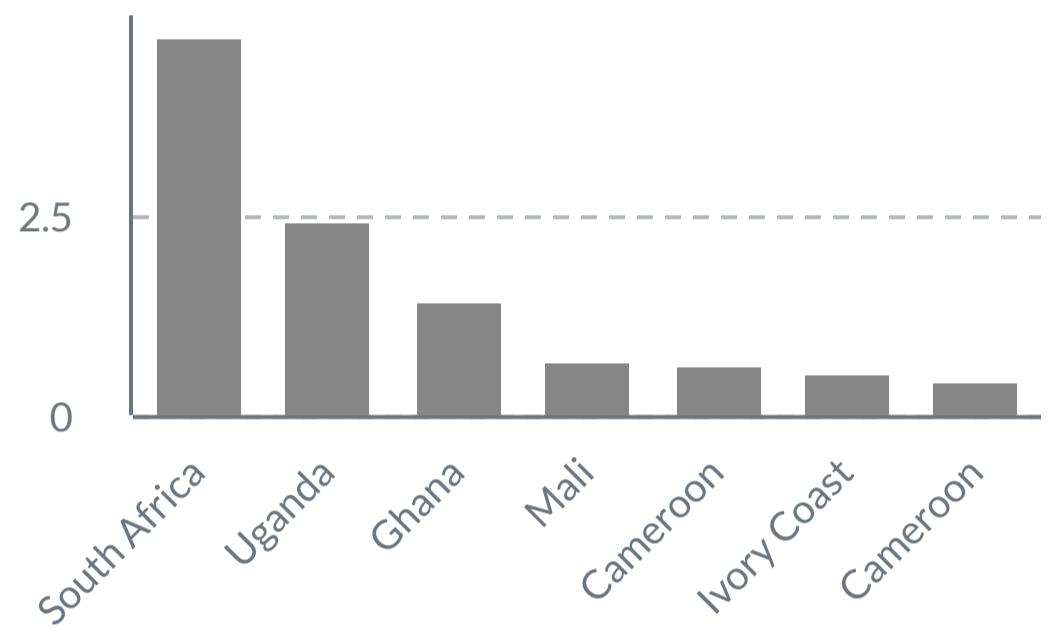
The ESCAP-World Bank trade cost database includes the cost of transportation and the time to complete import procedures and obtain necessary information as non-tariff costs affecting bilateral trade between trade partners. Nigeria's trade with some African countries (including Zimbabwe, Chad, Burkina Faso, Uganda, Ghana, South Africa and Benin) is more costly than trade with Malaysia, India, Brazil, and China. The cost of Nigeria's trade with South Africa is less than with Egypt, Morocco, Kenya and Ethiopia.

Cost of bilateral trade between South Africa and designated countries; 2010-2018

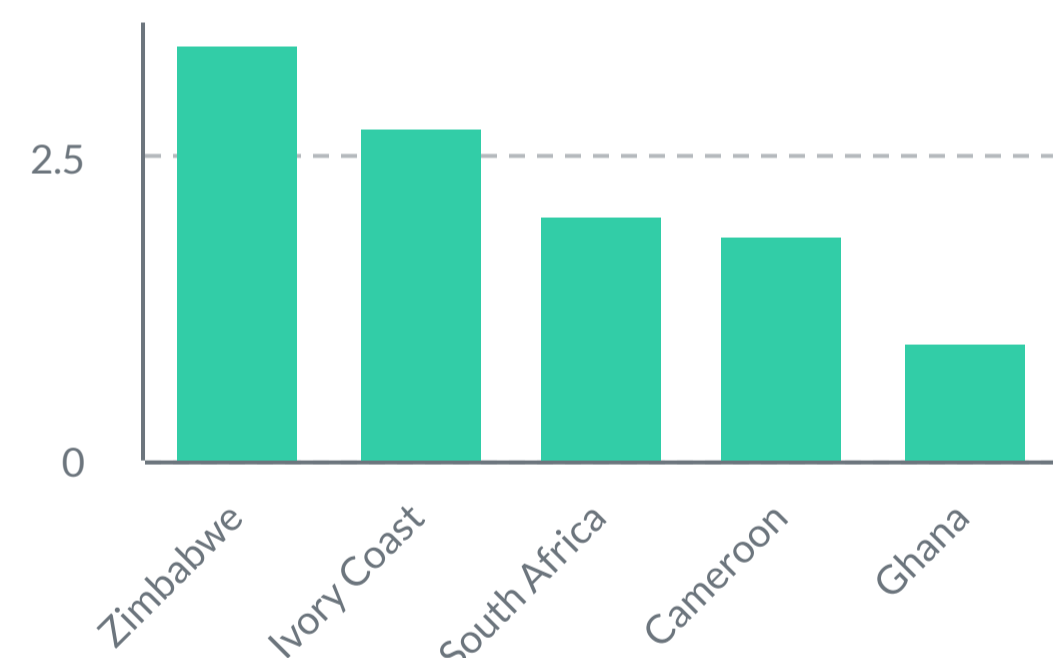


- Most costly export to South Africa via road transportation is gin (US\$10.62 per unit)**
- Road transport of light oils:**
 - Namibia US\$43.52 per unit
 - South Africa (US\$0.06 per unit)
 - Ivory Coast (US\$0.02 per unit)
- Yams exports:**
 - Cameroon (US\$0.88 per unit)
 - Mali (US\$1.20 per unit)
 - South Africa (US\$0.19 per unit)
- Per unit cost of transporting apple juice:**
 - Cameroon (US\$1.24)
 - Mali (US\$0.35)
 - South Africa (US\$0.59)
- The most costly products to export to Ghana: transmission belts, non-alcoholic beverages, acrylic acid and framed glass mirrors**
- The per unit cost of transporting mineral waters (US\$8.55) to Uganda, is higher than the cost of transporting gaskets (US\$5.59).**

US\$ per unit road transport cost for footwear of rubber soles



US\$ per unit road transport cost for woven cotton fabrics



Transportation costs
The UNCTAD transport cost database measures the cost of bilateral transport by product. Transport cost is defined as the difference between the Cost, Insurance and Freight value and Free on Board value of goods. Transport cost across all modes of transport (road, rail, air, and sea) is included. The initial data is for 2016, but is in the process of being updated.

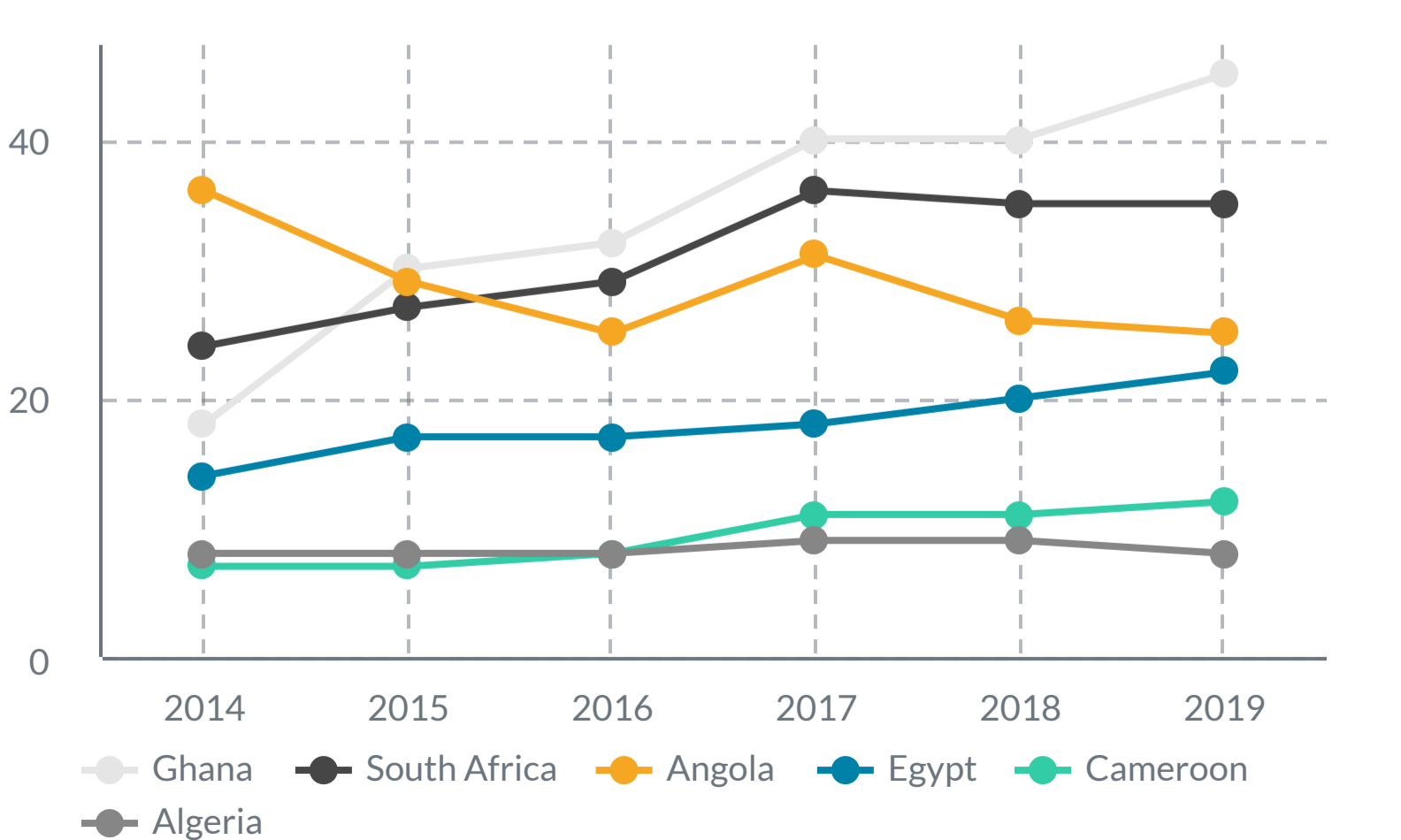
On average, road transportation of tanker trailers is the most costly. Road transport to Togo is the highest due to the high cost of transporting tanker trailers.

Trade in services

The WTO-OECD Balanced Trade in Services Dataset (BaTiS) is an experimental dataset which contains a complete, consistent and balanced matrix of international trade in services. Statistics cover the period 2005-2019, for over 200 reporters and partners, and 12 EBOPS 2010 categories in addition to total services.

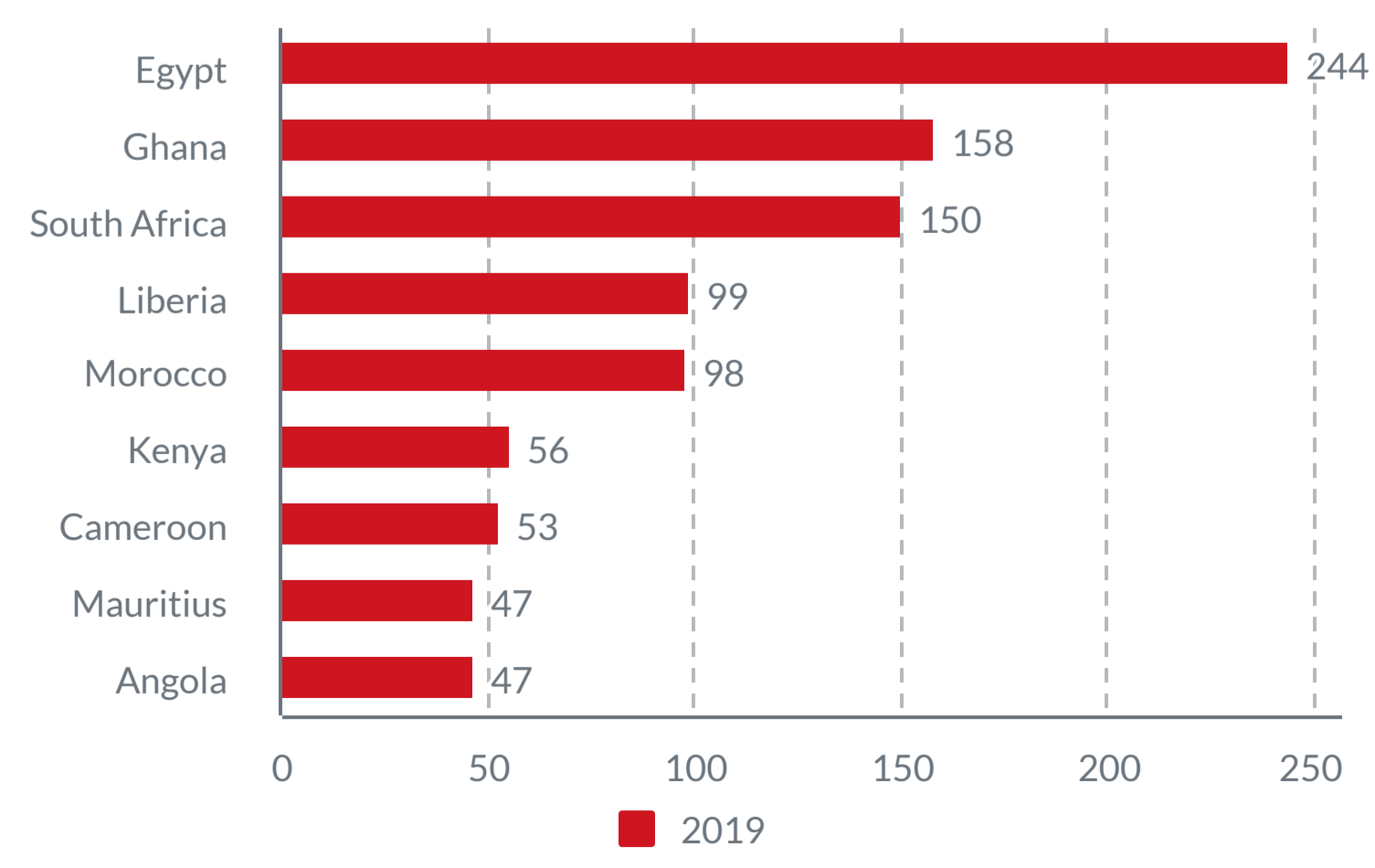
Services exports 2014-2019

Commercial services (US\$ million)



Services imports 2019

Commercial services (US\$ million)



Sources: ITC TradeMap and MacMap for trade in goods and tariffs; World Bank for non-tariff trade costs; UNCTAD for transportation costs; and WTO for trade in services

