

NIGERIA TRADE & TARIFFS UPDATE (2021)

Nigeria is a member of two Regional Economic Communities (RECs) - the Economic Community of West Africa (ECOWAS) and the Community of Sahel-Saharan States (CEN-SAD).

The African Continental Free Trade Agreement (AfCFTA) entered into force on 30 May 2019.

Nigeria deposited its instrument of ratification and schedule of tariff concessions, along with other ECOWAS member states.

Intra-Africa total trade (imports & exports) 2021

15%

Nigeria's intra-Africa trade as share of its Global trade

US\$7.5 bn

Nigeria's intra-Africa trade in 2021

Nigeria enjoys a trade surplus with Africa

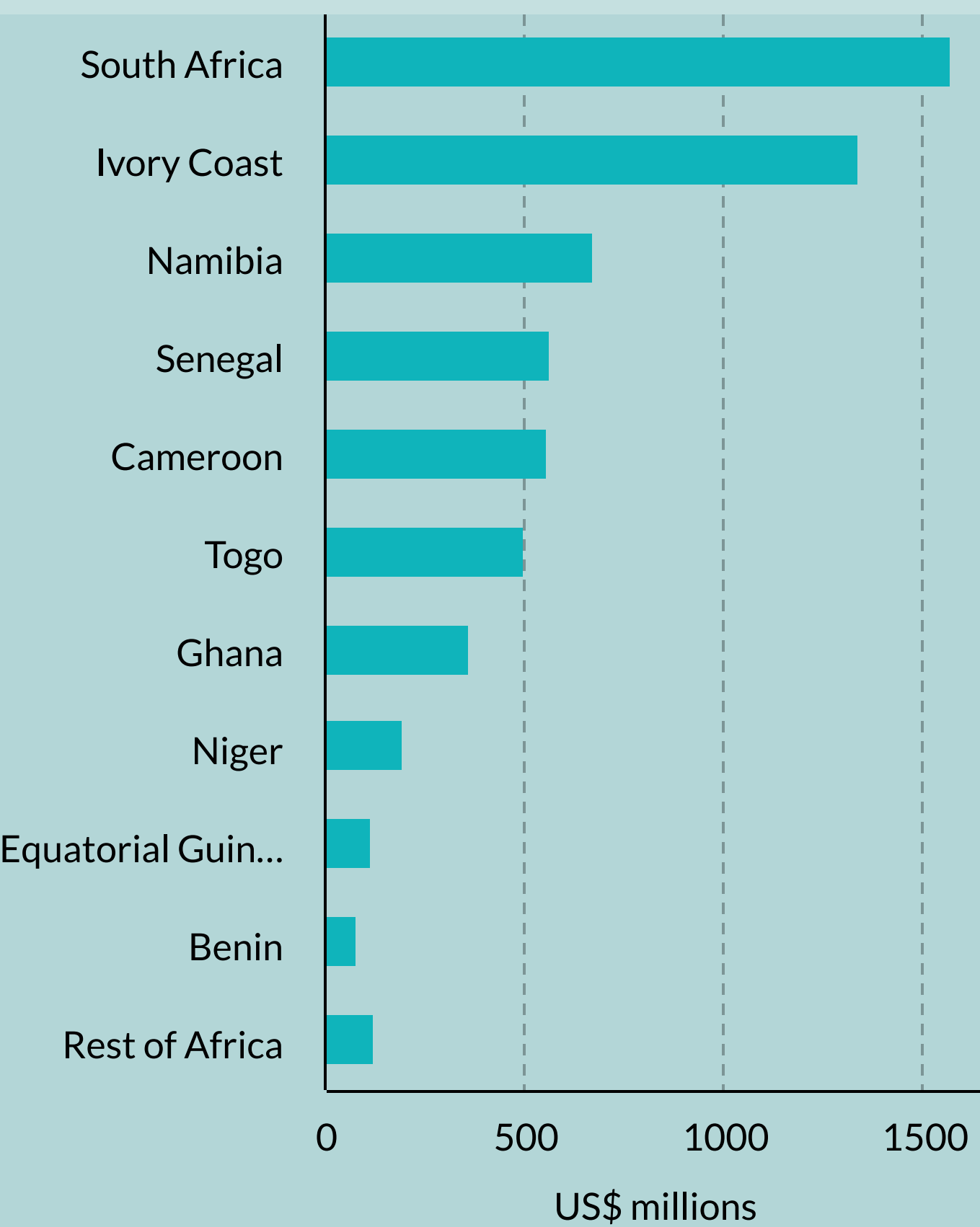
Exports accounted for 81% (US\$6.1 billion) in 2021

8%

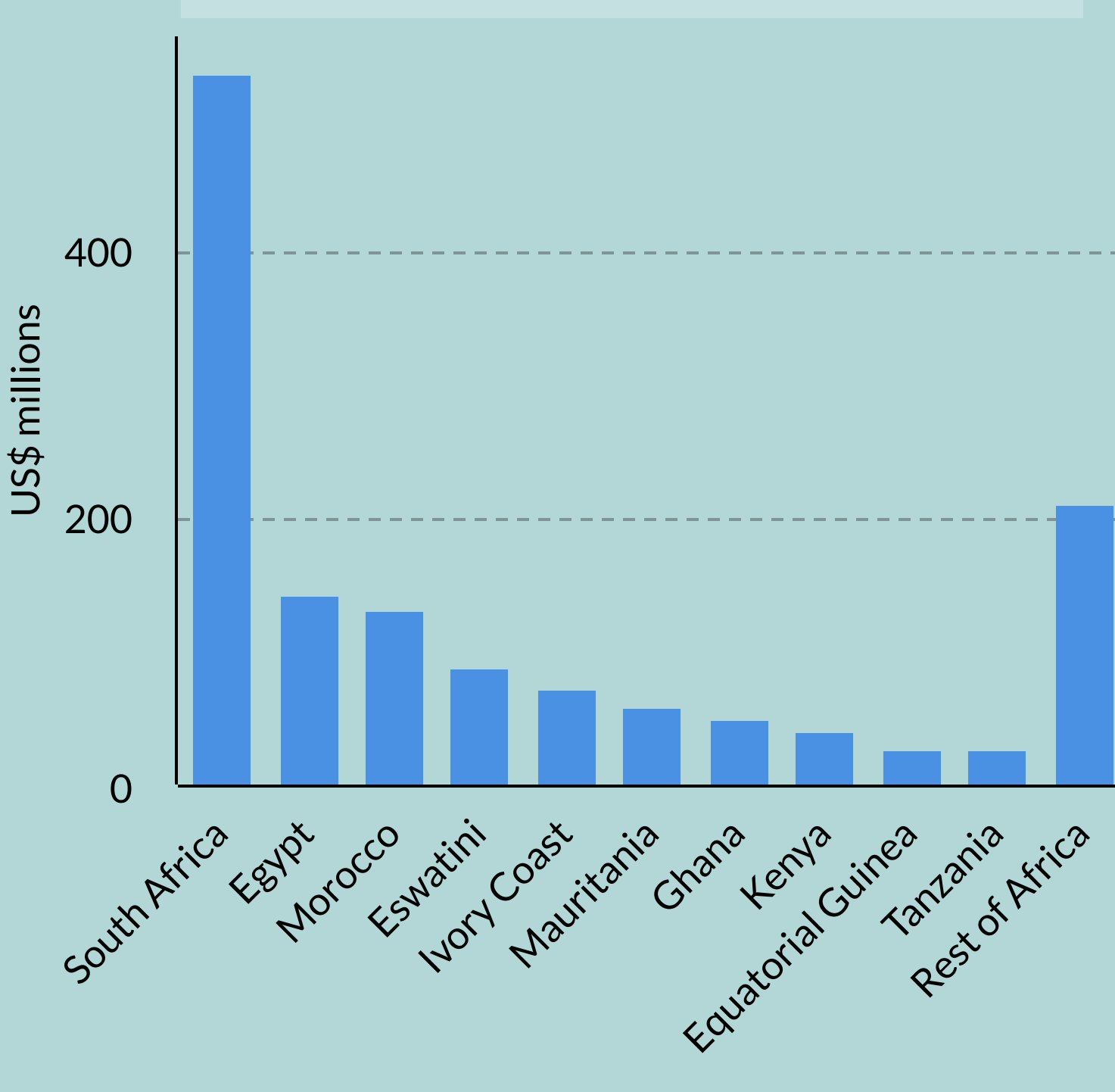
Between 2020 and 2021 intra-Africa trade declined.

Intra-Africa trade has been on a decline by value since 2018 mostly attributed to oil price shocks and more recently by disruptions due to the Covid-19 pandemic

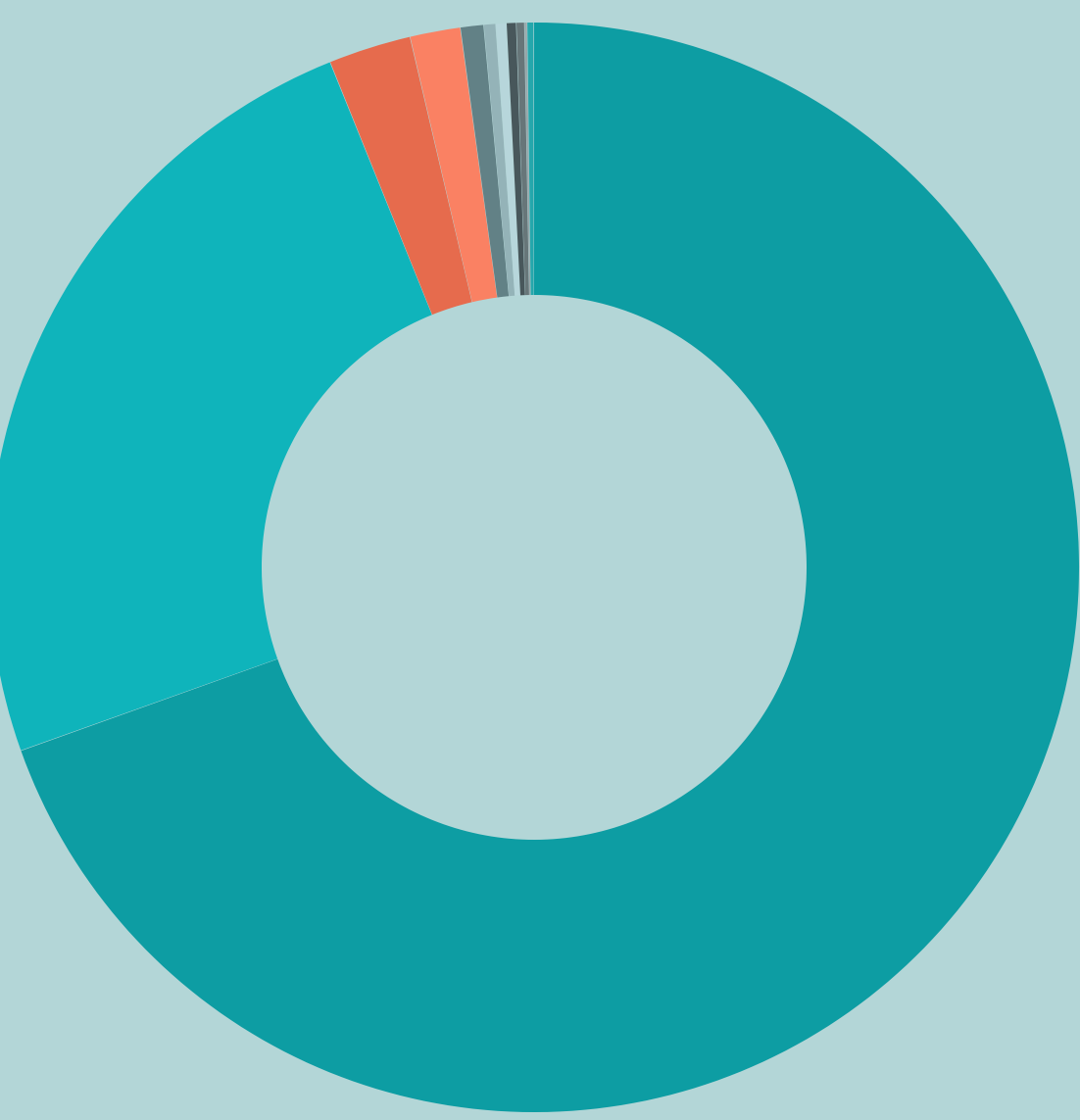
Top 10 intra-Africa export destinations (2021)



Top 10 intra-Africa import sources (2021)



Nigeria's intra-Africa exports by product group (2021)

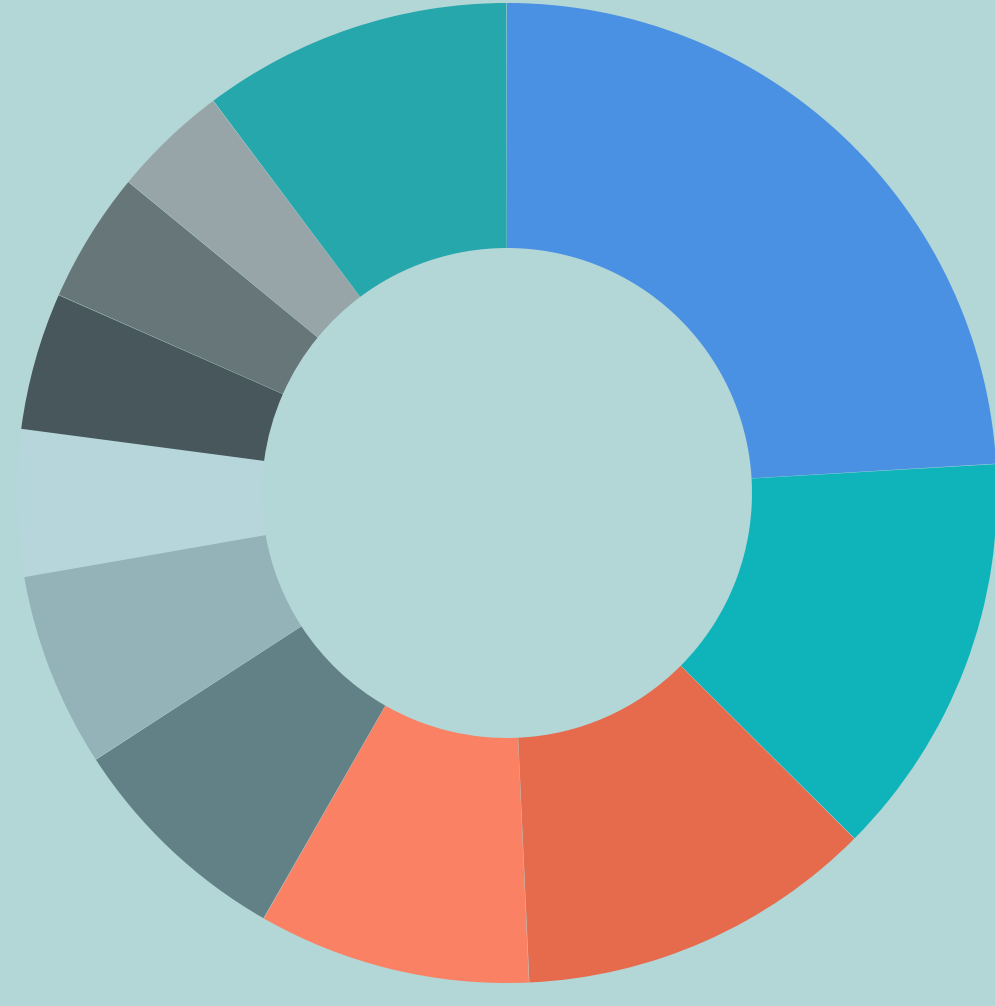


- Mineral products (69.54%)
- Transport equipment (24.36%)
- Food, beverages & tobacco (2.44%)
- Chemical products (1.5%)
- Machinery (0.69%)
- Base metals (0.35%)
- Vegetable products (0.31%)
- Plastic products (0.3%)
- Non-metallic minerals (0.23%)
- Paper products (0.08%)
- Other (0.2%)

- Nigeria's exports are concentrated in mineral products, the bulk of which is crude oil
- Transport equipment is also a major export for Nigeria
- Agro-based products account for less than 3% of total exports
- Top 10 intra-Africa export destinations account for 98% of Nigeria's intra-Africa exports
- The bulk of Nigeria's intra-Africa exports are destined to the ECOWAS (over 60%);
- South Africa and Namibia are also Nigeria's key trading partners accounting for 26% and 11% share of Nigeria's intra-Africa exports in 2021 respectively

Nigeria's intra-Africa imports by product group (2021)

- High-value manufactured goods account for the bulk of imports
- Top 10 product groups account for about 90% of Nigeria's total intra-Africa imports
- Nigeria imports from a few African countries. Top 10 African countries account for 85% of Nigeria's intra-Africa imports
- Outside of ECOWAS in Top 10, Nigeria trades in SADC - South Africa (39%); Eswatini (6%); North Africa - Egypt (10%); Morocco (10%) and East Africa - Kenya (3%); Tanzania (2%).



- Chemical products (24.06%)
- Mineral products (13.4%)
- Plastic products (11.82%)
- Machinery (9.01%)
- Food, beverages & tobacco (7.56%)
- Vegetable products (6.41%)
- Live animals, animal products (4.83%)
- Textiles & clothing (4.54%)
- Transport equipment (4.32%)
- Base metals (3.82%)
- Other (10.23%)

5 year growth performance (exports)

Nigeria's intra-Africa exports grew by 5% (CAGR) over review period 2017 - 2021

Exports to top destinations South Africa, Ivory Coast grew by -4%; 20% (CAGR) respectively for review period 2017 - 2021

Transport equipment, Specialised equipment and Machinery, recorded the highest growth rates of 101%; 74% & 69% (CAGR) respectively

5 year growth performance (imports)

Nigeria's intra-Africa imports grew by 7% (CAGR) over review period 2017 - 2021.

South Africa & Egypt grew by 11% & 19% respectively. Nigeria's imports from Morocco, -the 3rd ranked source declined by 1% over the review period (2017-2021)

Precious stones and metals, Wood products, & Raw hides recorded the highest growth of 92%; 51% & 42% (CAGR) respectively for period (2017-2021)

Export markets showing significant growth

Nigeria's exports to Namibia, Liberia, Burkina Faso, showed significant growth over period 2017-2021, growing by 189%; 88%; & 67%, respectively

Despite Nigeria's export market being concentrated in ECOWAS, it also trades in SADC and EAC, albeit with few countries

Nigeria needs to diversify beyond oil exports and expand its market into rest of Africa. Nigeria has potential to expand trade in agro-based value added goods among others

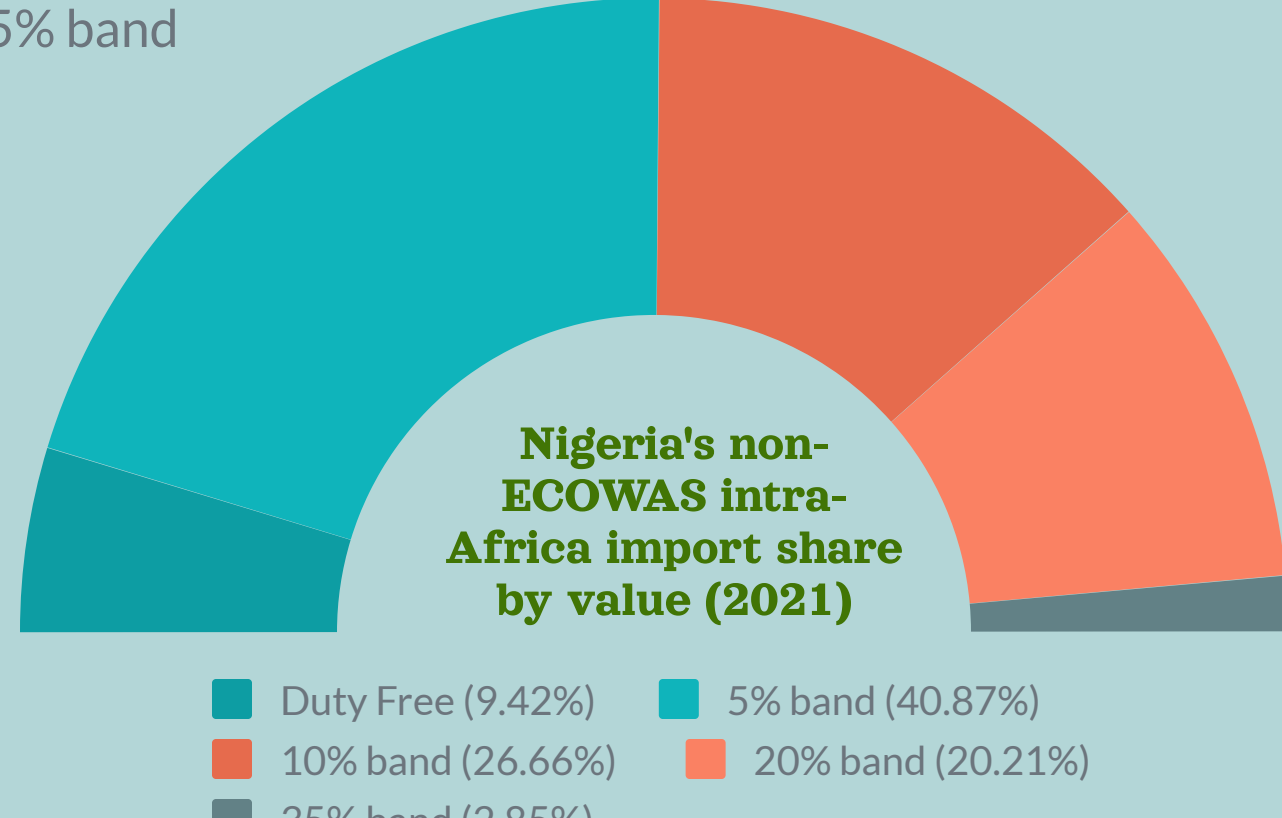
MARKET ACCESS - Nigeria's tariff regime (ECOWAS)



- The ECOWAS CET has five tariff bands - duty-free, 5%, 10%, 20% and 35%
- Duty free > Essential social goods
- 5% band > Raw materials and Capital goods
- 10% band > Intermediate goods & inputs
- 20% > Finished goods
- 35% > Specific goods for economic development.

ECOWAS Trade Liberalization Scheme (ETLS)

- ETLS is a trade instrument aimed at encouraging free trade among ECOWAS Member States
- ETLS is designed to ensure the free movement of goods, capital and persons and the rights of residence and establishment
- Its consists of elements such as the rules of origin and other elements of the procedure to benefit from the ETLS
- Products covered include agricultural products, handicrafts, crude products and industrial products
- The ETLS is open to every enterprise located and operating in any of the 15 ECOWAS Member States that intend to export the product within the region
- Companies must register their products and comply with RoO requirements



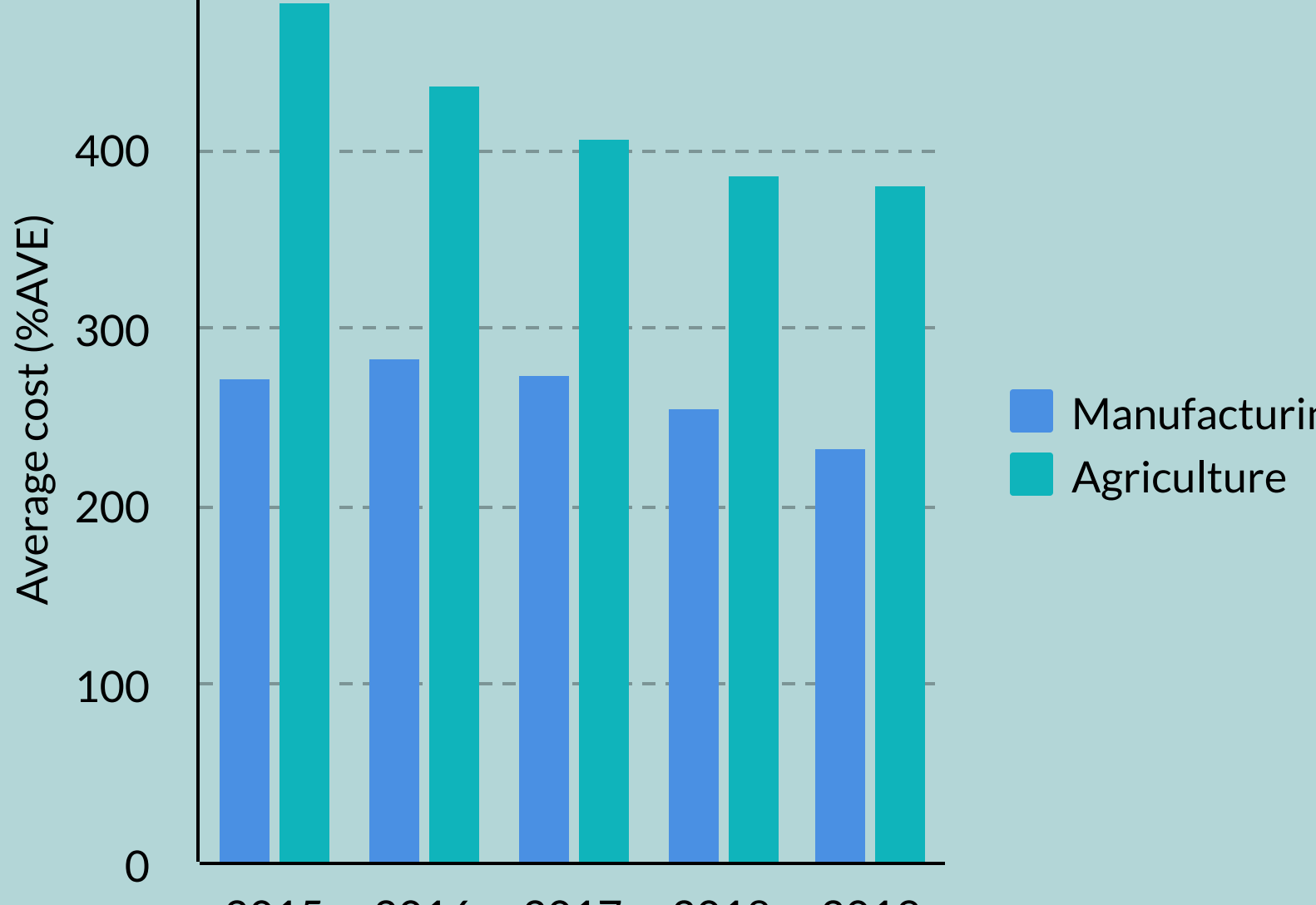
Nigeria's average intra-Africa non-tariff trade costs for manufactured & agricultural goods (2015-2019)

NIGERIA'S MANUFACTURED PRODUCTS NON-TARIFF TRADE COSTS (2019) AD VALOREM EQUIVALENT

Highest average non-tariff trade cost countries	Lowest average non-tariff trade cost countries
DRC- 546%	Ghana - 84%
Burkina Faso- 360%	Togo - 113%
Mauritius- 333%	South Africa- 154%

NIGERIA'S AGRICULTURAL PRODUCTS NON-TARIFF TRADE COSTS (2019) AD VALOREM EQUIVALENT

Highest average non-tariff trade cost countries	Lowest average non-tariff trade cost countries
Burkina Faso - 572%	South Africa - 182%
Benin - 477%	Egypt - 318%
Ivory Coast - 441%	Ghana - 329%



Sources: ITC TradeMap; World Bank WITS (TRAINS); World Bank ESCAP Trade Cost databases; <https://etls.ecowas.int/about-etls/>