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NIGERIA-CHINA TRADE RELATIONS: AN IMPACT ASSESSMENT OF BILATERAL ASYMMETRY (2012-2022)

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ABSTRACT

This study is an assessment of the trade relations between Nigeria and China as it affects the Nigerian economy. The focus is to examine the nature of trade between Nigeria and China for the period (2012-2022), to assess the economic impact of this trade relations on the Nigerian economy and to proffer possible solutions on how Nigeria – China trade relations can be improved upon. Using case study research design, the study assessed population of 6853 and a sample size of 55. Interviews were conducted by administering a set of open – ended semi – structured questions to respondents purposively selected among staffers of federal ministries, agencies, parastatals, banks and regulatory associations that interface on Nigeria-China trade relations. Secondly, descriptive statistics was used to analyze data collected from databases of certified statistical bodies warehousing trade data at international, regional and national levels. The assessment revealed that the trade relations between Nigeria and China are having an adverse effect on the growth, development, expansion and consolidation of local industries in the country. Also, there is high level of import dependence because of the leaders' inability to diversify the economy from mono-product (crude oil) and make substantial contribution to the economy, especially, in the area of producing manufactured goods for both export and local consumptions. The study therefore recommends that the current trade liberalization policy of the Nigerian State (despite its good intents) should be overhauled as it largely favours China. Therefore, governmental control of influx of manufactured goods as against unchecked trade liberalization is a sure way to nurture the Nigerian economy towards industrialization.

Keywords: Liberalization, Mercantilism, Bilateralism, Interconnectivity, Productivity, Aid

INTRODUCTION

The trade relations between Nigeria and China span decades. This study was informed by the desire to evaluate these relations in the context of the unique attributes China has brought to the Nigerian economy. Presently, China is the number

one trading partners of Nigeria with a high degree of consistency in that position taking a huge chunk of the trade percentage in the period reviewed and the prospect of reducing that figure is not in the offing going by the indices on ground.

The dominance of China in terms of trade, investment and financial assistance (including loans and aids) made China a good representative for this study. Also, a lot of concerns have been raised concerning China's conducts when it comes to trade relations with Nigeria. These include the lopsided nature of the trade, issues of dumping and shipment of substandard goods, accusations of exploitation and the dependence mode of trade relationship. While these sentiments might be unfounded, they are however worth looking into because similar sentiments have been expressed against China in other parts of the world (World Bank, 2022). Therefore the objectives that guided the conduct of this research include to: examine the nature of trade relations between Nigeria and China from 2012 to 2022, assess the economic impact of this trade relations on the Nigerian economy and also to proffer possible solutions on how the trade relations can be improved upon.

A cross-section of literature was reviewed in line with the stated study objectives. In respect to the theoretical framework, mercantilism and global strategic rivalry theories provided the guideline for the research. Mercantilism is one of the oldest international trade theories that advocate for State control of international trade forces in order to promote the State's economic interests abroad. Global strategic rivalry theory on the other hand focuses on how multinational corporations can gain competitive edge over rivals in the market places. These two theories suit appropriately China modus operandi in Nigeria.

Triangulation of qualitative and quantitative research method was used for this study. The method is the combined usage of both the qualitative and quantitative methods in single research. The essence was to enable a holistic and in-depth investigation of the numerical and empirical angles of the data collection and analysis. In the qualitative aspect of the data collection, the researchers conducted one-on-one interview on 55 respondents on a population of 6,853 using purposive sampling method. The quantitative aspect collated data using historical statistics data collection method to source information from different databases. Thematic analytical technique was used for the qualitative data while descriptive statistics was applied in the analysis of the quantitative data generated.

In summary, the findings of this research indicated that the trade relations between Nigeria and China are grossly lopsided in favour of China and this has been persistent since the initiation of their trade relations more than five decades ago. This conclusion is because of the huge volume of goods disparity and the class of goods traded between the two countries. Also, it was discovered by the study that the trade relations have had negative impact on the development and growth of local enterprises in Nigeria and the possibility of changing the current trend with the trade structure on ground is not in the horizon.

Review of Nigeria-China Trade Relations

The impacts of Nigeria-China trade on the Nigerian economy have been analyzed copiously. The 52nd anniversary of Nigeria bilateral economic relations with China that

was marked on the 10th of February 2023 (a reflection of what has happened within these decades of economic relations) naturally showed a remarkable progress against the humble background from where the relationship is coming from. The indicators of this progress include the monumental growth in trade volume, both of import and export of the two countries.

However, what is more noticeable is the increasing disparity in volumes of what China is exporting to Nigeria as against what Nigeria is exporting to China. Also substantial, is the growing volume of Chinese Foreign Direct Investment (FDI) in Nigeria, cutting across various key sectors of the Nigerian economy (especially in the Oil and Gas sector). Equally substantial is the profile of Chinese loans and financial aids to Nigeria (especially in recent times that has become a major concern to most Nigerians).

Thus, the economic relations between the two countries present an interesting review. While few of the studies reviewed for this study viewed the trade relations as positive and beneficial to both parties, majority in their findings concluded that the trade relations have not been of help to the development and growth of the Nigerian economy. According to Aisien and Adesuwa (2019), “the trade relations between Nigeria and China although has some positive impacts on the Nigerian economy in both short and long run, but in the area of export it has some significant outcomes and also show some negative connotations”.

As at 1971 (when the economic relations were taking effect) the Chinese economic profile and that of Nigeria were not far apart

in terms of GDP and per capita income. China’s GDP as at that year was \$99.80 billion (USD) (with a huge population of approximately 1.4 billion) and the per capital income was \$119 (USD). At this time, China was classified as one of the most impoverished nations and a Third World country. On the other hand, Nigeria GDP was \$9.18 billion (USD) (with a population of approximately 150 million) and the per capital income was \$162 (USD), higher than that of China (Macrotrends, 2023). There were however opportunities for their respective economic growths given their regional geographical locations and positioning. China is the dominant country within the Asian eastern region and so also is Nigeria within the sub-Saharan African region. Today, the stories of the two countries are quite different, while China has prospered beyond expectation; Nigeria on the other hand, presents a contrary story in terms of economic growth and development. As at 2022, China’s GDP was \$17.96 trillion (USD) and the per capital income stood at \$12,720 (USD) with a total wealth of \$84.48 trillion (USD) (Hassan, 2023). This astronomical progress has catapulted her to the second position as the most industrialized country in the world after the United States of America.

To unravel the circumstance behind this contrast in a journey of two humble beginnings with one prospering and the other clearly not doing so well, this research in essence is to examine the role of Nigeria-China trade relations in Nigeria’s economic growth within the period under consideration (2012 to 2022). Just like in the

case of impact assessment review, opinions vary about the nature of the trade relations between Nigeria and China. This ranges from lopsidedness to win-win situation; friendly and cordial to exploitative and new-colonial; positive partnership and beneficial to dependent and imbalance, etc.

Relying on the theory of unequal exchange and using data from both primary and secondary sources, Atsiya & Marietu (2019), opined that the trade relations between Nigeria and China is unequal as a result of the nature and types of goods being exchanged and the lack of export diversification on the part of Nigeria. The win-win expectation that has been advocated for the two countries, is yet to be realized because of the dependence on mono-product, excessive loan, poor implementation and evaluation processes by the Nigerian Government in dealing with China. Serious economic reforms are required on the part of Nigeria to achieve this objective they concluded.

Also subscribing to this notion of unequal nature of the trade relations between Nigeria and China, Oluwabiye & Duruji (2021), affirmed that China is enjoying the larger share of profits and this has largely affected the level of food security in Nigeria. They asserted that despite the current unequal nature of the trade relations, it is still more balance than the relations Nigeria is having with the West. All that Nigeria needs to do, in their view, is to diversify in her export portfolio to China in order to be more competitive. According to Osimen & Micah (2022), the nature of Nigeria – China economic trade relations has been that of trade policy inconsistency. In their view,

aside the fact that the trade relations has consistently been in favour of China, China have reneged in most of the trade agreements (topmost of which is the policy of technology transfer). Evidence of this is the close to non-availability of Chinese technology in Nigeria. The trade relations in their view are asymmetrical, exploitative and lopsided. Chinese loans to Nigeria in the present context cannot solve the country's problem. Rather, Nigeria should restructure her trade relations with China by strengthening her negotiation capability, they affirmed.

In the opinion of Taylor (2018), as the trade relations between Nigeria and China progress, the structural nature of their relationship will become more and more obvious. Nigeria trade pattern with China is informed by skewness as a result of import of manufactured goods dependency by Nigeria and export of few raw materials to China. Also as posited by Okeke (2021), transparency and open competitive bidding (especially when it comes to borrowing from China) are needed. Thus, Nigeria needs to pay more attention to inward solution to her economic challenges in order to avoid falling more and more into China's loan trap. The series of loans Nigeria has collected from China are also indications that the trade relations are not in Nigeria's favour.

While investigating the consequence of Nigeria-China trade relations on local production in Nigeria, Okeke (2021), used descriptive survey research design to elicit responses from 420 manufacturing firms in Nigeria. He concluded that, high importation of Chinese products had a positive effect on

local products in Nigeria as well as Nigeria-China trade relations. This however contradicted his recommendation that the Nigeria Government should encourage setting up of Chinese companies in Nigeria as against importation of Chinese goods.

Using sourced and analyzed cross-country data, Whare (2015), examined the differential effects of trade on economic growth. Her findings indicated that developed and developing economies are positively impacted by trade but in Least Developed Countries (LDCs) the economic impact is largely insignificant and this include mostly Africa countries. She asserted that what LDCs/Africa need is structural transformation in order to reap any significant benefits as in the case of other country's groups. Her conclusion however recognized only technological transfer and foreign direct investment as the legitimate source of transformation. This conclusion is too narrow as the only source of transformation of Africa and indeed, the Nigerian economy.

In their review of the impact of international trade, Iwuoha & Awoke (2019), while using Johansen's co-integration and Vector Error Correction Method (VECM) examined the impact of regular change of government in Nigeria to determine the trade impact on economic growth in the country. Their findings indicate that Gross Domestic Product (GDP) and net export, trade openness, real exchange rate, interest rate and Foreign Direct Investments (FDI) in Nigeria would have equilibrium relationship in the long term. In their conclusion they indicated that net export (although positive) is clearly insignificant to economic growth.

On the other hand, trade openness, real exchange rate, interest rate and FDI had a significant negative impact on the Nigerian economy during the researched period. The study although provided some detailed information than most other studies, did not account for the effects of the above variables, as well as trade, on critical sectors of the Nigerian economy.

An assessment of the bilateral trade relations between Nigeria and China was also conducted by Halidu & Atnadu (2022). They used secondary sources of data and dependency theoretical approach. The study revealed that trade imbalance persists between the two countries and this has made Nigeria to be heavily dependent on China for her needed goods and fund for sustenance. They further stressed that although the trade relations were beneficial to both countries, the benefit is however heavily lopsided in favour of China. Nigeria therefore needs to increase the level of her manufactured goods in order to narrow or close the benefit gap between the two countries for the country to move towards some form of economic independence. The reliance on only secondary data (including books, journals and newspapers) only to evaluate trade relations without including statistical data or primary opinion to gauge the feelings of persons engaging in trade relations gives the study pageantry connotation.

In a similar study conducted by Rindap (2015), it was acknowledged that although the trade relations between Nigeria and China have some limited benefits, the overwhelming trade imbalance has been

persistent throughout the years of their trade relations. The key recommendations he brought forward include taking advantage of Chinese demands, including crude oil to ask for concessions in the areas Nigeria need assistance. Nigeria should leverage on those areas that she can develop comparative advantage over China to close the trade disparity between them. However, this study lacks detailed empirical review of the nature and dimension of Nigeria and China trade relations.

Also in line of impact assessment of the bilateral trade relations between Nigeria and China, Umo-Udo & Orifa (2018), used historical descriptive method, dependency theory and content analytical technique to examine the period from 1999 to 2016. The study's findings indicated that the trade relations have developed a wide dimension of trade imbalance. China, in their view, is gaining far more than what they are investing in the Nigerian economy. The study also concluded that the growing unemployment rate in Nigeria is an indication of negative trade relations. They recommended the adoption of a cooperative mechanism that would enable Nigeria increase her export of manufactured goods to China. Learning from the Chinese model of economic transformation and adopting same to local environment was also recommended. They conclusively addressed the issue of corruption by recommending severe punishment for offenders to help the country to improve her positive net balance of trade with China. However, the study did not apply adequate level of crucial statistical data to determine the pattern of trade relations between the two countries and

their impacts on Nigeria's domestic economy were not sufficiently discussed and recommendations in their stead were not offered.

Using ex-post facto research design to carry out a study on Nigeria – China trade relations, Opusunju, Akyuz & Inim (2020), evaluated the trade relations for a period covering 29 years (1990 – 2018). Accessing import and export data from CBN Statistical Bulletin and using T- test, charts and table and SPSS as analytical tool, the study concluded that Nigeria has not gained much from trade relations with China within the period reviewed. The study recommended that for Nigeria to gain more, the industrial sector needs to be re-strategized by the government so as to be able to produce and export goods to China. Nonetheless, it further recommended that the Chinese should continue to export finished goods to Nigeria. This particular recommendation is counterproductive as it negates the intent of the Nigerian productive sector to develop her potentials.

The evaluation of review literatures shows that most of the studies acknowledged that the trade relations between Nigeria and China have not contributed substantially in any positive way to the growth and development of the Nigerian economy. The relations have been lopsided in favour of China from the beginning of the trade relationship. Although there were a handful of studies that acknowledged the positive impact of the trade relations on the Nigerian economy, but the unanimous position of all the studies is that China has benefited more in the trade relations.

Theoretical Framework

Since the advent of global trade some centuries ago, a lot has been written about its prospect as a catalyst for global integration and economic growth. Evidently, this has been the case as there has been enormous economic growth, prosperity and global interconnectivity. Global wealth today shows a quantum gap from where it was a century ago. The world is labeled a 'global village' today because of technological advancements, an offshoot of globalization. The origin of international trade goes back to thousands of years and its modern form started after the Industrial Revolution. It has however gone through stages of change. According to the article 'A brief History of International Trade and its Importance Today', ATI (2022) the first route of inter-connection between the Eastern and Western parts of the world was the Silk Road. This accounted for the trade route in that era as it connected Asia, Middle East and Europe for over 2,000 years.

International trade theories are simply the different theories to explain international trade. Trade is the concept of exchanging goods and services between two persons or entities (Saylor.org, 2023). According to The Economic Times (2023), "trade is simply an exchange of goods and services between two or more parties and it is voluntary in nature". International trade is the concept of this exchange between people or entities in two different countries. In the course of these exchanges there are great deals of theories, policies and business strategies that constitute international trade. Each of these theories tries to assert the best pathway to navigate the conduct of

international trade. Two of these theories that have evolved over the past centuries that are used in this study are Mercantilist Theory and Global

Strategic Rivalry Theory (GSRT).

The choice of these two theories, mercantilism and GSRT, is based on an extensive study done on China international engagements. China seems to have mastered, in recent years, the principles of these two theories as she relates with the rest of the world in political and economic transactions. China is globally perceived as a country that goes into international trade with the expectation of maximizing the highest possible benefits. In the eyes of China, all trade engagements can only be considered worthwhile, if there is a positive return. Also, in this regard, China is considered the biggest encourager and supporter of local industries with all means necessary to gain advantage against external competitors. Therefore any serious study of China international policy without the input of these two theories will have fundamental flaws. An understanding of these theories vis-à-vis how they relate to China's foreign policies will serve as a good foundation to carry out this study.

Research Design

The Case Study design was adopted for this study by taking an in-depth look at Nigeria's trade with China. The study of Nigeria global trade engagements through the lens of her trade with China is very apt for some obvious reasons. China is the leading trading partner of Nigeria and has been maintaining that position for some years. China is the highest

exporter of goods into the Nigerian market and thus has the most impact on the Nigerian economy than any other country.

Sources of Data Collection

As indicated already, qualitative and quantitative research designs were triangulated for this study. In reference to the qualitative aspect of data collection, the research used the one-on-one interview method. It is a personal interview that is carried out with one respondent at a time and as such, it provides a good opportunity to gather precise data about respondents' beliefs, feelings and motivations.

The quantitative aspect adopted the historical statistical data collection method. Databases of the under listed statistical bodies responsible for warehousing national, regional and international data were sourced. They include Central Bank of Nigeria (CBN), National Bureau of Statistics (NBS), Ministry on Trade and Commerce, World Bank, United Nations Conference on Trade and Development (UNCTAD), United Nations Commodity Trade (UN Comtrade), World Integrated Trade Solution (WITS), The Organization for Economic Co-operation and Development (OECD), Africa Trade Statistics (ATS) and World Trade Organization (WTO). The above served as the major sources of statistical data for this study. Other sources include Newspapers, Magazines, Articles,

Published and unpublished works, textbooks.

Population of Study

The focus of this research is the entire citizens of the Federal Republic of Nigeria, who happen to be the direct recipients of the consequent of Nigeria trade with China. In this regard, they are the ones that every recommendation of this work is targeted. However, for the purpose of data collection for this study, the population was narrowed down to the staffers of trade departments of the under listed ministries, agencies and bodies for their expertise (as persons directly responsible for monitoring and coordinating Nigeria trade with China). A breakdown of the total population of 6,853 is as follows: Ministry of Industry, Trade and Investment (Trade Department) = 1,050; Ministry of Foreign Affairs (Trade Department) = 1,200; the Nigerian customs Services (Tariff and Trade Department) = 1,880; Nigeria Export Promotion Council (NEPC) = 580; Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) = 480; Standard Organization of Nigeria (SON) = 723; Nigeria Export – Import Bank (NEXIM) = 500; Bank of Industry (BOI) = 350; The China Chamber of Commerce (Trade Department) = 40 and the Nigeria Association of Chamber of Commerce, Industry, Mine and Agriculture (NACCIMA) = 50.

Table 1: Population and Sample of the Study

S/NO	Ministries and Agencies	Population	Sample
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1	Ministry of Industry, Trade and Investment (Trade department)	1,050	8
2	Ministry of Foreign Affairs (Trade department)	1,200	8
3	Nigerian customs Services (Tariff and Trade department)	1,880	12
4	Nigeria Export Promotion Council (NEPC)	580	5
5	Small and Medium Enterprises Development Agency of Nigeria (SMEDAN)	480	4
6	Standard Organization of Nigeria (SON)	723	6
7	Nigeria Export – Import Bank (NEXIM)	500	5
8	Bank of Industry (BOI)	350	3
9	The China Chamber of Commerce (Trade Department)	40	2
10	Nigeria Association of Chamber of Commerce, Industry, Mine and Agriculture (NACCIMA)	50	2
	Total	6,853	55

The respondents from the above organizations were engaged in semi – structured open-ended set of questions that were later transcribed and thematically analyzed using the inductive approach.

Sample and Sampling Technique of the Study

The purposive sampling technique also known as the judgmental sampling technique was used to select respondents for this research. This was to ensure that persons with requisite knowledge, experience and relevant information with respect to Nigeria – China trade relations were the ones selected for this interview. Based on the foregoing, a sample of fifty-five (55) respondents was drawn from the population as indicated in the Table 3 below with the help of the Departmental Heads of the various ministries and agencies. Range of respondents selection method adopted was 1 – 199 = (2), 200 – 399 = (3), 400 – 499 = (4), 500 – 599 = (5), 600 – 799 = (6), 800 – 999 = (7), 1000 –

1199 = (8), 1200 – 1399 = (9), 1400 – 1599 = (10), 1600 – 1799 = (11) and 1800 – 1999 = (12).

Ethical Considerations

The conduct of this research was guided by research design and practices that duly followed the established ethical principles of research. These principles include a research interview guide that incorporates the informed consent principle and other requirements. This informed consent clause was read out to all respondents before proceeding to administer the questions. Also the principle of anonymity was strictly enforced as respondents' basic bio-data were not required in the conduct of the interview. However for the purpose of reporting and capturing the individual views of the respondents, nominal codes of 001 to 055 were randomly assigned to the respondents in order to further enforce the anonymity clause.

Data Analysis

This research results were jointly presented as an analysis of both the qualitative and quantitative data obtained from respondents in the semi-structure interviews as well as the historical data

from statistical databases. This is because the data from the qualitative and the quantitative sections are connected and are complimentary to each other in analysing the interview questions.

Analysis of Historical/Descriptive Data

Table 2: Nigeria – China Trade Figures 2012 to 2021 (USD Thousand)

China Import and Export Trade With Nigeria 2010 - 2021 in USD Thousand						
Year	Nigeria Import	Nigeria Export	Total	Variance	Nigeria Import Percentage	Nigeria Export Percentage
2012	9,296,312.85	1,273,793.01	10,570,105.86	(8,022,519.84)	88	12
2013	12,042,612.84	1,546,602.88	13,589,215.72	(10,496,009.96)	89	11
2014	15,393,422.62	2,656,039.31	18,049,461.93	(12,737,383.31)	85	15
2015	13,701,240.18	1,240,700.78	14,941,940.96	(12,460,539.40)	92	8
2016	9,713,912.55	907,008.03	10,620,920.58	(8,806,904.52)	91	9
2017	12,153,161.39	1,624,049.60	13,777,210.99	(10,529,111.79)	88	12
2018	13,404,782.45	1,853,091.96	15,257,874.41	(11,551,690.49)	88	12
2019	16,622,615.02	2,656,374.98	19,278,990.00	(13,966,240.04)	86	14
2020	16,787,426.63	2,485,363.22	19,272,789.85	(14,302,063.41)	87	13
2021	22,636,158.37	3,034,654.77	25,670,813.14	(19,601,503.60)	88	12
Total	141,751,644.90	19,277,678.54	161,029,323.44	(122,473,966.36)	88	12
Source of Data	World Integrated Trade Solution, 2022 Report					

The above table 2 represents the trade position between Nigeria and China during the period 2012 to 2021. The total trade figure stood at \$161 billion USD out of which Nigeria cumulative import during the period was \$141.75 billion USD representing 88 percent of the total trade while total export to China was \$19.27 billion USD making an average of 12 per cent. Therefore during the period reported (10 years) Nigeria total trade deficit to china stood at \$122.47 billion USD.

This statistical data supports the notion that trade relations between Nigeria and China is grossly lopsided in favour of China. While China exports to Nigeria moved from \$9.29 billion USD reported in 2012 to \$22.63 billion USD in 2021, Nigeria on the other hand exported \$1.27 billion USD in 2012 which moved to \$3.03 billion USD in 2021. This analysis in essence shows a trade disparity of \$11.58 billion USD and implies that the ratio of growth of Nigeria import from China is

faster than the ratio of growth of Nigeria export to China.

Table 3: China Share of Nigeria Total Import 2012 to 2021

China Percentage of Nigeria Total Import 2010 – 2022				
Year	Total Import	China	China Percentage	Other Countries
2012	35,872,509.44	9,296,312.85	21	79
2013	44,598,201.12	12,042,612.84	21	79
2014	46,532,265.38	15,393,422.62	25	75
2015	33,830,878.66	13,701,240.18	29	71
2016	35,194,301.01	9,713,912.55	22	78
2017	31,270,090.27	12,153,161.39	28	72
2018	43,011,523.21	13,404,782.45	24	76
2019	47,369,079.91	16,622,615.02	26	74
2020	55,455,401.89	16,787,426.63	23	77
2021	52,068,286.98	22,636,158.37	30	70
Total	425,202,537.87	141,751,644.90	25	75

Source: WITS 2022.

Another dimension of why the trade relation is in favour of China is the noticeable increase in the China share of Nigeria import market. As the above data have shown, within the review period China percentage of Nigeria import volume grew from 21% in 2012 to 30% in 2021. This is an indication of how Nigerians have been favouring the consumption of Chinese goods and this is majorly attributable to the relatively cheaper and affordable nature of Chinese goods compared to those from other advanced and industrialized countries.

Data Presentation

Data presentation according to Vedantu (2023), is a “process of using various graphical formats to visually represent the relationships between two or more set of data”. It can be used to communicate trends, statistics and facts to a given

audience. In the context respect to this study of Nigeria and China trade relations, the data to be evaluated are those that show relationships in terms of import and export between Nigeria and China with special focus on the period from 2012 to 2022. The process of this presentation will be a combination of both graphical formats and illustrative quotes as represented by both quantitative and qualitative data generated.

The structure of this presentation is categorized into three themes. In the first theme namely, the nature of Nigeria – China trade relations, it was used to address the first set of interview questions which are:

- 1) what is your assessment of the trade relations between Nigeria and China?
- 2) why is the trade relations considered to be in favour of China?

- 3) how do you think a balanced trade relations between the two countries can be achieved?

The second thematic analysis tagged: Effects of Nigeria - China trade relations on the productivity of Nigeria's local industries, dwelt on the 2nd set of interview questions namely:

- 1) how do Nigeria – China trade relations affects domestic industries in Nigeria?
- 2) what is your opinion of the assertion that China is dumping her finished goods on the Nigerian market, thereby affecting the growth of Nigeria local industries?
- 3) there are reported cases that Chinese firms do not comply with global best practices in treating most local employees? What is your take on this assertion and why is this so?

The last theme named: Ways to improve Nigeria - China trade relations, including a re-examination of the existing trade relations, was used to analyze the third and last set of interview questions, namely:

- 1) are there areas in the current trade relations in your observation that need to be improved upon?
- 2) what are the challenges facing the Nigerian Government in the attempt to effectively implement her trade policies with China?
- 3) in specific terms, what should the Nigerian Government do to improve the benefits from Nigeria trade with China?

Theme 1 Presentation: The Nature of Nigeria-China Trade Relations.

There was an overwhelmingly acknowledgement by all respondents that the trade relations between Nigeria and China was consistently lopsided in favour of China within the period under consideration. They further noted that the net positive balances of the trade relations were constantly accruing to China since the inception of Nigeria - China economic relations. Some of the respondents felt compelled to use higher emotional concepts such as exploitation and neo-colonialism to describe the nature of the trade relations because of the high level of skewedness. They considered China took undue advantage of her economic powers, such as loan incentives and investment potentials to subject Nigeria to her whim and caprices. They noted that it would be very difficult for Nigeria to rival China after decades of accumulated trade imbalances that have run into billions of U.S dollars. Views of some respondents are highlighted below:

The trade relations between Nigeria and China could be regarded as friendly laced with mutual respect. However a critical evaluation of the trading figures shows a lopsided trading engagement. Since the early 70s when concrete relations were established, the trading relations have always been in favour of China and this position has been expanding as the years rolled by. Unless this position is reversed the trade relations cannot be mutually beneficial (Field Report 024, 2023).

While this trade imbalance was strongly harped on by the respondents, it was

however also acknowledgement by all respondents that the trade relations between Nigeria and China could be classified as a cordial and friendly one. The relationship was adjudged to be without the usual tensions as seen in most trade relations around the world. For instance a respondent alleged that "China trade relations with the U.S. although huge in volume are full of tension, mutual suspicion and counter accusations of trade infringements" (Field Report 032, 2023). It was the general opinion of the respondents that since the commencement of trade relations between Nigeria and China, there have not been a major trade hiccups or infractions that has fundamentally altered the course of their trading partnership. This position was clearly expressed by most of the respondents of which few views are reported verbatim thus:

Nigeria trade with China is one of the good partnerships Nigeria has ever engaged in in the last couple of decades. Since the commencement of the trade relations, Nigeria and Nigerians have had cause to be appreciative of this type of mutual and beneficial relationship. The trade relation has exposed Nigerians to cheap and affordable products which ordinarily are quite expensive buying from Western countries even when those products are of equal value, standard, specifications and function. (Field Report 012, 2023).

It was also expressed by a number of respondents that Nigeria should try to continually encourage this cordial nature of the trade relations between her and China because it offers opportunities for economic growth now and in the future for the country if managed strategically for the overall interest of Nigeria. In spite of the established cordiality in trade relations between the two countries, the derivable benefits have not been seen in the economic growth of Nigeria, a respondent expressed.

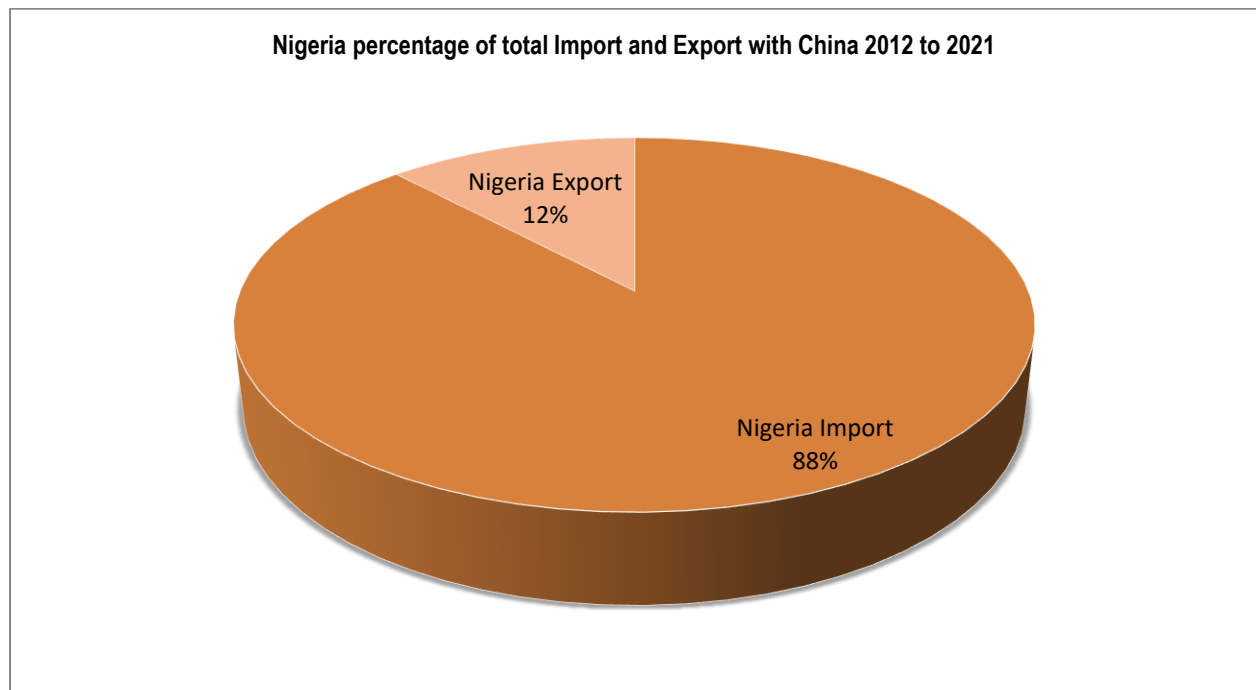
Since 1971 when the trade partnership was established, the benefits have always been lopsided in favour of China. This conclusion is evidence in both the statistical data collated as well as from the opinions of respondents gathered from field work conducted. A further validation of the above trade imbalance is the acknowledgement by all respondents interviewed that the structure of trade beneficiary is heavily tinted in favour of China. Regrettably in the view of most of the respondents, the prospect of changing this narrative in favour of Nigeria is not in the offering at any time soon as China has the wherewithal of dominance in the trade partnership. Summing this up, a respondent asserted that:

China's advantages in trade relations have benefited its economy due to her manufacturing dominance. They are known as the "world's factory" due to their vast manufacturing capabilities and low labour costs. This allows China to produce a wide range of goods at competitive prices, which attracts

countries like Nigeria to import these goods. Also, their large population and production capacities enable economies of scale, reducing production costs. This allows Chinese products to be more affordable compared to those produced in smaller economies like Nigeria. (Field Report 019, 2023).

Statistical data as reported in Table 3 indicates that between 2012 and 2021 (the period under review) the trade position between Nigeria and China was as reported in percentage format in Figure 1 below.

Figure1. Nigeria Import and Export Trade with China by Percentage 2012 to 2021



Source: WITS 2022

Theme 2: Effects of Nigeria – China Trade Relations on the Productivity of Nigeria’s Local Industries.

As already noted, this second theme addresses the next set of three questions in the interview guide namely: How do Nigeria – China trade relations affect domestic industries in Nigeria? What is your opinion of the assertion that China is dumping her finished goods on the Nigerian market, thereby affecting the growth of Nigeria’s local industries? Lastly, there are reported cases that Chinese firms do not comply with global best practices in treating most local

employees? What is your take on this assertion and why is this so?

On question 1 above, Nigeria as a developing economy parades a couple of industries that are yet to be globally competitive in terms of quality of products, low prices, innovation building and a couple of other advantages that more technologically advanced countries have for their enterprises that make them competitive with imported goods. Any local industry that is yet to be strongly entrenched will find it difficult to withstand a formidable foreign competitor that is already established. The pervasiveness of Chinese

products in the Nigerian market has posed a serious challenge to local producers. Opinions from the respondents interviewed were emphatic that the overwhelming presence of Chinese goods in Nigeria (although provide job opportunities for retailers), provide cheaper and more affordable products to Nigerians. This has had serious advert effects on the survival of local industries. Some views of the respondents are presented below:

The Chinese are able to produce cheaply due to high level of industrialization and 1st class infrastructure as well as cheap funding. These are issues Nigerian manufacturers are battling with and they make our production cost to be on the high side; hence making them globally uncompetitive. When the Chinese products are imported into Nigeria, the local ones are unable to compete in terms of cost, and the populace naturally will go for cheaper items and not necessarily the better quality. This trend impacts negatively on local manufacturers (Field Report 030, 2023).

However, the overwhelming views of most respondents are on the context that although there are some tangible benefits in the trade relations between the two countries, the negative impacts outweigh the benefits. Foremost in their views is the uneven competition brought by the Chinese businesses into the Nigerian market. Instances were sighted of local companies, especially in the textile sector, that have

folded up because of their inability to cope with the competitive nature of the market. They equally asserted that Chinese goods and services are pervasive in the Nigerian market and created little or no room for local industries to strive or gain adequate market share that would lead to breakeven and growth. As succinctly put by a respondent below, the effects of Chinese trade on Nigerian domestic industries have been detrimental:

There are a couple of factors affecting the effective performance of Nigeria local industries, of which the overwhelming influx of Chinese goods into the Nigerian market is one of them. Chinese industries when placed side by side with Nigerian companies enjoy several advantages that the Nigerian companies do not. Back home in China, these companies have massive governmental supports in terms of tax rebate, business friendly environment, access to technological know-how, easy access to low and cheap credit facilities, large market share, few external competitors etc. These factors and many more give them competitive advantage for a better and efficient production at a very low cost. When such companies with better experience come into the Nigerian market, it will be difficult for local companies to compete with them in terms of pricing and in some cases quality of products (Field Report 016, 2023).

A respondent on a milder tune put it thus:

Nigeria-China trade relations have mixed effects on domestic industries. While they offer opportunities for technological advancement and infrastructure development, they also pose challenges in terms of competition, trade imbalance, and the risk of deindustrialization. It's important for Nigerian policymakers and industries to carefully manage trade relations to ensure that the benefits outweigh the negative impacts on domestic industries (Field Report 044, 2023).

When it comes to the issue of dumping of Chinese good on the Nigerian market and how this has affected the local industries, respondents also have divergent views. Some were of the opinion that since the advent of globalization, the world has become a global village with little or no governmental controls over the movements of goods and services in and out of countries. As such, there is the high fluidity in the movement of goods and service between Nigeria and China with little the government can do to tame the tide. It should also be noted that movement of goods from region of efficient in production to region where they are needed but with less efficiency or technological know-how in their production is also a determinant in the Nigeria – China trade dynamics. This view is as captured by one of the respondents thus:

The assertion that China is dumping her finished goods on the Nigerian economy is not valid. The world is a global village, there is very little a nation can do to prevent entry of

products from other countries into its market and across its border. The WTO was also set up to ensure fair trade among nations. The unfavourable infrastructural challenges and high cost of doing business make Nigerian manufactured goods uncompetitive. Also Nigerians insatiable taste for imported product has not helped the situation. The high volume of imported goods from China by Chinese and Nigerian business people presents an outlook of dumping for Nigeria and this will naturally affect the local industries. (Field Report, 2023).

Some respondents while believing that there are reported cases of dumping of Chinese goods in Nigeria via illegal entrances equally blame the situation on porous borders ineffectively manned by agencies responsible for border management due to corruption. The Standard Organization of Nigeria (SON) was also urged to improve on their mandate by ensuring goods coming into the country are legal and of standard.

In the views of some respondents, the supposed perception of dumping is a reflection of how China has been able to master the act of industrialization and efficiency in the way of production of goods at a low cost. This efficiency and low cost of production have given them advantage in international market, especially in areas where such industrialization prowess is yet to take foothold. In a similar opinion shared by a couple of respondents they asserted that:

My opinion is at variance with this assertion. This is because the international market is open for all

depending on how countries take advantage of trading opportunities. The two countries whose formalized trade ties dates back to 1971 had almost equal opportunities to develop their economic base and reap from the bilateral trade relations. The Republic of China initiated and implemented economic reforms and policies dating back to 1979. Economic liberalization and rapid industrialization through large scale investment in physical and human capital spurred the country from a developing economy to a major economic power on the basis of value-added manufacturing, merchandise trading and holder of huge foreign reserves. Nigeria had failed to diversify its economic base, focusing more on export of raw materials and crude oil (Field Report, 2023).

Most respondents also alluded to the fact that a huge chunk of the goods coming from China into the Nigeria market are brought in illegally by subverting the formal process of entrance. This is done with the connivance of dubious Chinese exporters, unscrupulous Nigeria Importers and corrupt border officials that enable such illegal and sometimes substandard goods find their way into the Nigerian market. Also in the view of most respondents, the huge appetites of most Nigerians for foreign goods have also made the Nigerian market very attractive for the influx of cheap Chinese goods. Overall analysis have shown that the influx of foreign goods into the Nigeria market is creating a huge negative impact on Nigeria local industries that find it extremely difficult to

compete with foreign companies, especially the Chinese ones.

The responses gathered on the issue of alleged maltreatment of local employees by most Chinese employers formed the last question of this theme 2 analysis. In the opinion of most respondents, these complaints of maltreatment, bad and risky working conditions are not unfounded but in most case the issues are not reported to the appropriate authorities but swept under the carpet. In their views, aside the Chinese, other expatriates like the Lebanese also indulge in the unwholesome practices against local workers, especially the casual ones. One respondent cited a case when a Chinese national was jailed 20 years in Rwanda for maltreatment against a local worker, he said:

The inability of our leaders to follow Nigerian Labour Laws to the letter is the bane of the injustices Chinese employers or companies meted out to Nigeria workforce. For example in May 2022 in Rwanda, a court sentenced a Chinese employer to 20 years imprisonment for maltreatment of Rwanda employees and this prompted the Chinese Embassy in Kigali to issue stern warning to all the Chinese companies domiciled in Rwanda to follow the Rwandese Labour Laws. In Nigeria, we have never heard of serious actions against any Chinese companies with all the attendant abuses or injustices we heard that are reported on the mainstream media. (Field Report 015, 2023).

The overriding conclusion on this issue of maltreatment stated by most respondents is

for government to take complaints of inhuman treatments in whatever shape or form seriously and sanction such companies that indulge in it appropriately.

Analysis of this theme 2 clearly summed up the adverse effects the influx of Chinese goods is doing to Nigeria industrial development. The negative impacts on the Nigerian economy seriously outweigh the positive contributions the trade relationship is making on the economy. However the onus is on the Nigerian government and people to walk the talk of righting this obvious abnormality in the trade relations that is likely to compromise the path to industrialization of local industries in Nigeria.

Theme 3: Ways to Improve Nigeria - China Trade Relations.

This third and last theme dealt with issues pertaining to building a good trade partnership that will impact positively on the Nigerian economy. The following set of questions was asked and their analyses are as presented below. The questions include: (1) Are there areas in the current trade relations in your observation that need to be improved upon? (2) What are the challenges facing the Nigerian Government in the attempt to effectively implement her trade policies with China? (3) In specific terms, what should the Nigerian Government do to improve her benefits from the trade relations with China? Analysis of the opinions of respondents on the question pertaining to areas that need improvement in the trade relations between Nigeria and China showed a unanimous response that there are various issues that both countries need to address in order to create a more robust and beneficial trade relations (especially for the Nigerian

economy). They were of the opinion that China needs to make more concessions to Nigeria, especially in the area of agricultural development and in the area of granting of tariff free access to Nigerian exporters shipping goods to China. This will also include the policy of granting visa on entrance to Nigeria businessmen just like the one Chinese businessmen are currently enjoying from Nigeria Government. This concession in their opinion will go a long way to ease and increase trade interactions between the two countries and for Nigerians to have easier access to China market.

It was also in the views of respondents that technological transfer and skill development should be demanded of the Chinese as a requirement for an improved trade relations. A relationship of over five decades should have strong evidence of impacted technological know-how, skill developed and machineries that Nigerians have learnt and acquired from China (but this have not been the case). It was also expressed that the Chinese should show more visibility in the Nigerian manufacturing sector by siting goods production companies across the country instead of exporting nearly all her finished goods directly from China into the Nigerian market. This will enable Nigerians to gain the productive know-how of such products more easily. The trade policy that every Chinese company intending set up a company in Nigeria should have at least, a Nigerian graduate in its employees is encouraging and should be monitored constantly for compliance.

Another key area that was addressed by the interviewees was for the Nigerian Government to enforce stricter quality

control measures. The constant experiences of Nigerians with low quality Chinese goods flooding the Nigeria market should be monitored and controlled in order to minimize the health hazards associated with unhealthy imported goods. In line with the above, the issue of illegal goods entering the country without following due process was another matter most respondents believed need to be address in order to improve the quality of trade between the two countries. Unauthorized entrance gives room for low quality goods and goods that do not meet the right human consumption standard to enter the country. Tales of contaminated and counterfeit goods from China are reported regularly in Nigeria according to one respondent. This needs to be addressed and culprits sanctioned. All these were put in context by the selected respondents thus:

First, addressing the trade imbalance by promoting Nigerian exports of value-added products and diversifying the export basket would create a more balanced trade relationship. Second, ensuring Chinese investments focus not only on infrastructure but also on technology transfer and skills development could boost local industries. Third, implementing stricter quality control measures for imported Chinese goods would enhance consumer safety and confidence. Fourth, negotiating transparent and favourable loan terms for infrastructure projects can prevent potential debt challenges. Lastly, enhancing cultural understanding and collaboration mechanisms can foster a more holistic and mutually beneficial

trade partnership (Field Report 053, 2023).

Under sub-theme 2, as it relates to the challenges the Nigerian Government faces in her trade relations with China, the study was able to garner varying responses. Foremost in their opinions is the issue of corruption at all levels in the trade chain. Corruption permeates the entire system, from the Chinese exporters to Nigeria importers and government officials. This singular problem has made the effective implementation of trade agreements very challenging for the Nigerian Government. In their view, government needs to tackle this issue squarely and decisively by applying stricter sanction for any erring act.

A constant fluctuation of the local currency, the Naira, against the Dollar is another challenge some respondents harped on that confronts the Nigerian Government. This has made trade very unpredictable for Nigerian entrepreneurs and importers. In their view the Nigerian Government needs to solve this problem speedily in order to boost the confidence of both local and international traders in the Naira. The issue of mounting indebtedness of Nigeria to China is another huge problem confronting the Nigerian Government as she engages in trade relations with China. This increasing indebtedness in the view of most respondents is creating a feeling of superiority on the part of the Chinese and in some cases the terms build into these loans act as impediments to smooth and mutually beneficial trade relations.

Some respondents were also clear that the issue of brain drain is a big challenge

confronting the Nigerian Government and it needs to be halted if the economy is to be revamped. They asserted that losing a chunk of good hands to other countries at this critical time when the economy is yet to be industrialized is a challenge the government needs to urgently put a stop to by creating enabling environment for jobs generation and encouraging same for the private sector. Structural deficiency of the Nigerian economy is yet another challenge impeding the Nigerian Government of positive trade relations with China. Reliance on mono-product of oil as well exporting mainly natural resources is a big economic defect the government needs to address in order to harness improved trade returns from China. More fundamentally is the challenge of how to protect local industries from the undue and unequal competition posed by the surging influx of Chinese goods into the country. China is an advanced economy with huge advantage in producing at an efficient cost and Nigeria does not stand a chance in gaining market superiority over China according to most respondents. The views of some respondents captured some of these issues as quoted below:

Firstly, the trade imbalance, driven by Nigeria's reliance on oil exports, affects the overall economic equilibrium. Secondly, ensuring that Chinese investments in infrastructure projects benefit the Nigerian economy without exacerbating debt concerns requires careful negotiation. Thirdly, addressing quality control issues with imported Chinese goods is crucial for consumer safety and trust. Fourthly, protecting domestic industries from

competition with cheaper Chinese imports is a challenge for fostering local economic growth. Lastly, navigating cultural and regulatory differences can pose obstacles to effective cooperation and policy implementation. (Field Report, 28, 2023).

In this last and sub-theme 3, interviewees were asked the question of what in specific terms the Nigerian Government needs to do in order to reap better dividends in the trade relations with China? Analysis of their opinions shows firstly, that the Nigerian Government needs to work towards ensuring trade balance by encouraging more exports of diversified range of products that can be sourced within the country aside crude oil that has been the main stay of the economy. Adding value to the existing products currently exported to China is another way of getting better returns on exports. When goods are exported in their primary or raw state (without being processed), they will attract low pricing but when value is added (by processing them to semi or finished goods) they will attract higher prices. Thus, the Nigerian Government should encourage Nigerians to consume more of made in Nigeria goods by leading by example. When government start to patronize goods produced locally, like textile and vehicles, many Nigerians will follow suit.

Most respondents also admonished the Nigerian Government to be wary of the type of trade policy they sign-off on. Trade policies ought to be formulated with the interest of both parties equally covered. Nigeria trade and investment policies should

take into consideration the ultimate need of Nigeria to industrialization and run an export oriented economy. They equally advocated for follow-up on trade policies by ensuring that their implementations do not deviate from the agreed terms. As such, massive industrialization and economic diversification is a route the country must take now or never. The views below drive home this point thus:

To enhance Nigeria's benefits from trade with China, especially in terms of boosting manufacturing capacity, the government should focus on a range of strategies. These include investing in better infrastructure, simplifying customs procedures, enforcing quality standards, facilitating technology transfer, supporting local industries, protecting intellectual property, promoting sustainable practices, and fostering collaborations between the public and private sectors. Additionally, efforts to improve financing access, encourage innovation, and expand market reach can contribute to a more robust manufacturing sector and overall economic growth. (Field Report, 013, 2023).

The analysis of the field work shows that the objectives of the research were to a very large extent addressed by the responses gathered. The nature of the trade relations between Nigeria and China, its impact on the Nigerian economy and what the Nigerian Government needed to do to eliminate or address the trade deficits were all given adequate attentions by the interviewees.

China Respondents Perspectives

Responding to the same set of questions, the responses of the Chinese interviewed for the study were not completely far apart from the views of most local respondents but from a slightly different perspective. For instance, they agreed that the trade relation is lopsided in favour of China. However, this lopsidedness is not the making of China but is dependent on Nigeria capacity to export. China is in dire need of most products, especially natural resource and they urge Nigeria to develop the capacity to export those needed products to China in order to boost Nigeria earnings from her trade with China.

They regard Nigeria – China trade relations as a win-win for both countries and that China is in Nigeria not as exploiter but as a strategic partner determine to assist Nigeria to grow economically even up to industrial level. They asserted that the presence of China in Nigeria have contributed immensely to the growth of the Nigerian economy both in term of infrastructural development, siting of production companies, financial assistance and Foreign Direct Investment.

They conclusively opined that China main objective in Nigeria aside from economic reason, is to help Nigeria develop the capacity to manufacture goods and this is the reason most Chinese companies have started to set up production centers across the country.

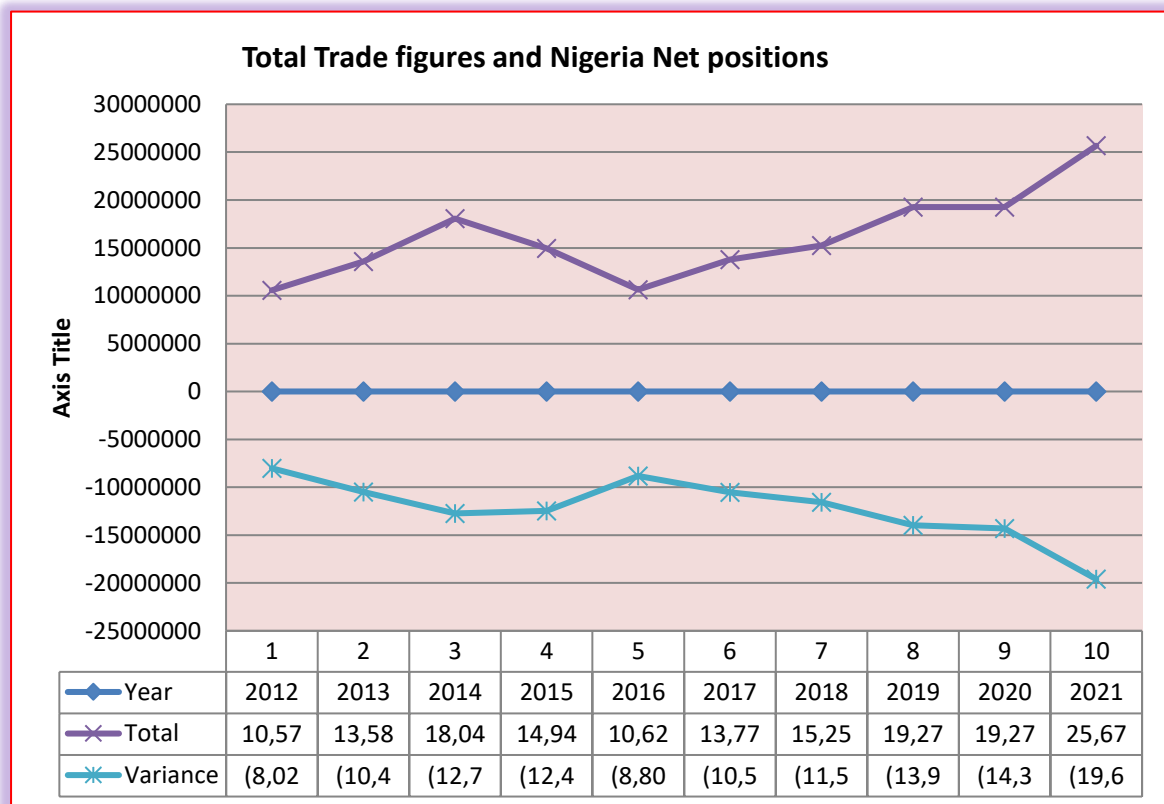
Discussion of Findings

The persistent lopsided nature of the trade relations between Nigeria and China should be of concern to both the Nigerian Government and people. This consistent negative trade imbalance with China could lead Nigeria into a permanent trade deficit in the next couple of years. Nigeria is currently

not producing nor exporting any major manufactured goods that are capable of offsetting the current trade structure. The sole reliance of oil as the main source of foreign exchange is not a guarantee for a sustainable and prosperous economic future for the country. The fact that this asymmetric nature of trade relations has been persistent since the inception of Nigeria and China trade relations in the early 1970s is an indication

that the trade direction is not going to change anytime soon. What can change in the immediate however, are the policies the government should adopt to correct this trade imbalance. According to Ejiroghene (2022), this “lopsided trade relation will not change rather it is going to grow worse given the continuous widening of the trade imbalance in favour of China”.

Figure 2. Nigeria Total Trade with China by Variance 2012 to 2021



Source: WITS 2022.

For instance, in 2012 (as indicated in Figure 2 above) the deficit trade gap was \$8.02 billion USD and this has grown to \$19.60 billion USD making a huge 144 percentage expansion. Expectedly, by 2050 the gap would have widened by about 430 percent. The implication of this is that this deficit would have thrown the total trade

return of Nigeria into a permanent trade deficit that it will be very difficult for the country to recover from.

The only way out of this quagmire is for the country to take a pause and carry out a review of her entire trading arrangements with China and make some fundamental changes that would jumpstart the

country's pathway to industrialization. According to Obuje (2022), "Nigeria needs to look inward rather than continue to engage in trade relations that is obviously not in her favour but that is encroaching deeply into her total trade figures with other countries". For instance, if hypothetically Nigeria had not engaged in trade relations with China in 2021, she would have recorded a positive trade balance of \$14.76 billion USD instead of a negative trade balance of \$(4.84) billion USD as at 2021 Annual Total Trade report that she posted during that period representing a huge fall in her total trade balance. The above hypothetical scenario is a representative of what the country has been subjected to since entering into trade relations with China. The implication of a situation like this is that Nigeria continuous trade relations with China under this structure as it is today will continue to consolidate under-development and under-industrialization for the Nigerian economy. Further implication of this reality is that the Nigerian local manufacturers are either been driven out or are facing serious competition with Chinese enterprises. The opportunity to grow and consolidate domestic industries is getting slimmer as the competition becomes more and more fierce. This situation has generated heated debate on the actual nature of Chinese trade with Nigeria couple with series of accusations leveled against China for sponsoring dumping of substandard goods in the Nigerian market.

Also critical in this trade relations review is the overall nature of the goods being

traded. As highlighted in this study, goods traded are classified into manufactured and non-manufactured goods. While manufactured goods accounts for an average of 68 percent of global goods traded, non-manufactured goods trailed with an average of 32 percent of the total trade. The major dichotomy of these two set of goods is the fact that manufactured goods come with a wide range of diversified goods; the non-manufactured goods are majorly natural resources and agricultural produce. Industrialized nations trade majorly on manufactured goods as against developing economies that trade mostly on non-manufactured goods. The major implication of this is that for a nation to be prosperous, it must as of necessity have a set of manufactured goods in its export basket to other countries. What China is exporting to Nigeria is majorly manufactured goods, which represents about 90% of her total export to Nigeria, Nigeria on the other hand only export about 6 percent manufactured or semi-finished goods to China. Conversely, the percentage of Nigeria non-manufactured export to China on the average is about 92% and the non-manufactured goods China export to Nigeria on the average is about 8 percent. This huge disparity in the type of goods traded by both countries is a great testament of the nature of their developmental strides. The implication of this pattern of trade relations is such that it is virtually close to impossible for Nigeria to derive adequate or comparative benefits comparable to that of China in their trade relations. A trade relation with

this type of structure will not be beneficial to Nigeria.

Trade relations that do not assist an economy in both short and long run to develop the trade potentials of local industries of a country cannot be considered as beneficial to the economic growth of such a country. After over five decades of trade relations between Nigeria and China, there are no tangible indications that Nigerian local industries are gaining adequately from the trade relations as there are no positive signs that Nigeria capacity to export finished goods and diversify the economy is in the offering. It is imperative that the trade relations between Nigeria and China be revisited for better quality benefits for Nigeria.

Conclusion

No doubt, Nigeria trade relations with China are an exercise in trust. Both countries have over the years tried to maximize their comparative advantages. However, the lopsidedness of the relationship in favour of China could be an

inhibitor to the industrialization of Nigeria if not revisited.

Equally of critical importance is the increasing volume of trade Nigeria is having with China. The impact of this lies in its ability to cripple domestic production in Nigeria. It must be emphasized that most local fabrications today in Nigeria are hands-on from such goods imported and through repair efforts which serve as the learning process. Consequent on the increase of Chinese investments in Nigeria, adequate training facilities should be put in place to afford Nigerians the technical know-how on how to manage the complex production machines in their work place. This will serve as a training ground for local employees working in these companies. Unfortunately, the current speed of technological transfer does not seem to match trade policy agreements where they exist and certainly not at the pace Nigerians would have wanted it to be after more than five decades of trade relations. In most cases such technology transfers came accidentally and not through intended and agreed efforts on the part of the Chinese. Therefore the depth of such transfers is still very shallow and largely uncoordinated.

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