

1 INTRODUCTION

1.1 GENERAL PROFILE OF NIGERIA

Profile of Nigeria, in brief, is as under:-

Official Name:	Federal Republic of Nigeria
Form of State:	Federation composed of 36 States and Federal Territory
Form of Govt:	Presidential form of Government
Capital:	Abuja
GDP (nominal):	US \$ 446.5 billion (2019)
GDP per Capita:	US \$ 2,222 (2019)
GDP Growth Rate:	-3.4 % (2019)
GDP Composition:	Agriculture (21.6%), Industry (18.3%), Services (60%) ¹
Total External Debt:	US \$ 27,676.14 Million ² (2019)
Domestic Debt:	US \$ 56,377 billion (2019)
Tax to GDP Ratio:	5.7% (2019)
Inflation (CPI):	12.2% (2019) http://www.nigerianstat.gov.ng/
Unemployment:	14.0% (2019)
Population:	195 million ³
Currency:	Naira
Exchange Rate:	1 USD = 362.9 Naira.
Time Zone:	GMT + 1
Area:	923,768 Km ²
Languages:	English is official language. Other major languages are Hausa, Yoruba, Igbo, Edo, Urhobo, Ibibioa, Fulflde, Kanuri.
Ease of Business:	Ranking is 131 on ease of Doing Business Index of World Bank.

¹www.nigerianstat.gov.ng/

²www.dmo.gov.ng – Debt Management Office

³National Population Commission-www.population.gov.ng

LOCATION OF NIGERIA IN AFRICA



MAP OF 36 STATES OF NIGERIA



1.2 ECONOMY OF NIGERIA

- i) Nigeria is the biggest economy in Africa with a population of 195 million and huge urban centres like Lagos, Kano, Port Harcourt etc. It is the leading oil exporter in Africa, with the largest natural gas reserves in Africa. Many neighbouring and land locked countries of the region depend upon the Atlantic Ocean ports of Nigeria. Lagos boasts biggest port of West Africa and serves as a gateway to the largest market of the region.
- ii) The economy of Nigeria advanced 2.55% year-on-year in the fourth quarter of 2019 compared to an upwardly revised 2.28% rise in the previous period. It was the strongest expansion since the third quarter of 2015, mainly driven by the oil sector (6.36% vs 6.49% in Q3), amid higher crude oil production (2.00 million barrels per day, up from 1.91 mbpd in the same period a year earlier) and more favourable prices. The non-oil sector increased 2.26%, quickening from a downwardly revised 1.84% advance in the prior period, boosted by telecommunications & information services (10.26% vs 12.16% in Q3), crop production (2.52% vs 2.41%), financial services (22.33% vs 0.61%) and manufacturing (1.24% vs 1.10%). On a quarterly basis, the GDP grew 5.59%, following a 9.23% expansion in the previous period. In 2019, the economy expanded 2.27%, the most since 2015, and compared to 1.98% in 2018. Nigeria experienced its first full year recession in 25 years, with global oil prices reaching a 13-year low and oil production was crushed by militant attacks in the Niger Delta. The federal government recently announced production has increased to about 2 million barrels.
- iii) The economic recession and the subsequent depreciation of the Nigerian Naira contained imports dominated by manufactured products. In June 2015, restrictions were introduced on access to foreign exchange from the Central Bank of Nigeria (CBN) for 41 categories of imports (ranging from rice, textile, soap, to private jets etc), with a view to discouraging flight of international reserves and supporting domestic industries. Despite its current modest contribution to GDP (10% in 2018), oil still accounts for about 90% of export earnings and 70% of government revenue. Nigeria aims to become one of the top 20 economies as stipulated in Vision 2020 and its Economic Recovery and Growth Plan (ERGP) 2017-2020. In order to translate the

Vision into reality, Nigeria has identified four priority sectors for its economic diversification efforts: agriculture, solid mineral mining, construction materials, and manufacturing.

- iv) Nigerian Govt. is currently focusing on decreasing reliance on imports, increasing value addition in supply chain, self-sufficiency in food, intra regional trade, increase in exports, diversification of economy to decrease dependence on oil, foreign investment etc. Intra-Africa trade is still low; between 15 and 17 per cent compared to North America trade which is approx. 40 per cent. Trade between Western European countries is around 60 per cent. Economic Community of West African States (ECOWAS) as well as Common Market for Eastern and Southern Africa (COMESA) are working to devise ways of deepening trade across the continent.

2 OVERVIEW OF IMPORT PROCEDURES AND REGULATIONS

3.1 CUSTOMS CLEARANCE PROCEDURE FOR IMPORTS:

The steps involved in import procedure are as follows:

- Electronic Form M is pre-requisite for all imports. Importer is required to process e-Form M through any authorized dealer bank. The validity of e-Form M is 180 days and can be extended for another 180 days by the Authorized Dealer Bank. Pro-forma invoice, insurance certificate, regulatory certificate/permits (e.g. NAFDAC, SONCAP Pharmaceutical Board of Nigeria, etc.) are submitted for issuance of Form M. Copy of Form is attached. The requirements for opening Form are as follows:
 - Certificate of Incorporation / Registration of the company in Nigeria.
 - Registration with Federal Inland Revenue Services (FIRS).
 - Tax Identification Number (TIN).
 - Valid e-mail address tagged to Tax Identification Number.
- Authorized Dealer Bank processes Form M and initiates clearance of the Pre-Arrival Assessment Report (PAAR).
- The completed Form M is submitted to the Nigeria Customs Service (NCS) for approval.

- Upon receipt of the Form M with the necessary attached pre-import documents as detailed above the NCS will review the application and either accept or reject it within one working day.
- If “accepted” the NCS will register the e-Form M in the Single Window Trade system.
- If “rejected” the NCS will state the reasons for rejection and the documents will be automatically returned for rectification.
- When the e-Form M has been accepted by the NCS, the importer will inform his exporter to begin shipment preparation for products regulated by SON. This includes inspection, testing and certification in order to get a SONCAP Certificate (SC) required for the Customs clearance of goods at any Nigerian Port.
- After the SONCAP Certificate is issued (where applicable), the goods can be shipped to Nigeria to be cleared with the Pre-Arrival Assessment Report (PAAR) after activation of the SONCAP Certificate on the Trade Portal.

3.2 **TARIFF:**

- Nigerian tariff is on 10 Digits and same is advalorem. Nigeria has not only high tariff rates but same are also very unpredictable. Nigeria's national tariff deviates from the ECOWAS CET because of the imposition of the Import Adjustment Tax (IAT).
- Its final bound tariff rate average is 117.3% and the tariff binding coverage is only 19.2% of total tariff lines. Due to low binding coverage and high average bound rates, Nigeria has huge margin to increase tariffs. For instance, tariff of Cement is 50% (20% is duty and 30% is Import Adjustment Tax). Incidence of duty and IAT on Rice is 60%, on Sugar is 70% and on Cotton fabric is 45%. In case of Pakistan final bound tariff rate average is 60% and tariff coverage is 98%. Indian final bound tariff rate average is 48.6% and coverage is 73.4%.

3.3 **IMPORT ADJUSTMENT TAX (IAT):**

The import adjustment tax (IAT) is one of two complementary national measures that are designed to allow ECOWAS member States to adjust gradually to the

impact of the CET over a transitional period of five years, until 1 January 2020 The IAT can be applied on any goods originating in third countries. It may be used to strengthen the level of protection of a product under the CET if a member State considers it insufficient, or to lower it if deemed exaggerated. The maximum rate of the IAT corresponds to the differential between the tariff rate applied previously and the new ECOWAS CET rate on the products in question.

Nigeria applies the IAT to strengthen the level of tariff protection for certain products or to reduce the tariff protection granted by the ECOWAS CET to other goods. The IAT applies to a list of product categories grouped under 97 tariff lines. It ranges between 5-60%. The highest rate of the IAT is charged on cereals (60%)

3.4 **SUPPLEMENTARY PROTECTION TAX (SPT):**

This instrument is available to protect the local industry in case of sudden increase in imports of goods which can potentially damage the national industry. For example, if import of a product increases by 25% of the average value of imports of last three years, this instrument can be invoked.

3.5 **VALUE ADDITION TAX (VAT):**

VAT is applied at a flat rate of 7.5% to all taxable goods and services, including imported goods. VAT is calculated on the duty-inclusive c.i.f. value of imports and on the sales price of domestically produced goods. Exports are zero-rated. Medical and pharmaceutical products, tractors, fertilizer and agricultural equipment etc are exempted from VAT.

3.6 **BACKWARD INTEGRATION POLICY (BIP):**

Nigeria is following a policy of import substitution in certain sectors where Nigeria has competitive advantage like Cement sector on the basis of availability of lime stone, Sugar and Rice on the basis of favourable weather and fertile land. This policy is a mixture of high tariff, import restrictions like banning altogether (i.e. bagged cement, flavoured sugar), denial of foreign exchange (e.g. Rice, textile), and duty relief favours on investment in local in production.

4. **IMPORT PROHIBITIONS:**

Import prohibitions may be applied to protect domestic industries; to reduce balance-of-payments deficits; and on moral or safety grounds. Nigeria has two lists of prohibited goods:

4.1 **IMPORT PROHIBITIONS LIST BY TRADE:**

The list of prohibited items include bagged cement, birds eggs (excluding hatching eggs), juices in retail packing etc. **Appendix-1.**

4.2 **ABSOLUTE IMPORT PROHIBITIONS LIST:**

This list is primarily based on moral and safety grounds. Exhausted tea, obscene material, counterfeit goods, goods unfit for consumption etc.

5. **NON TARIFF BARRIERS:**

Nigeria follows a complex set of Non-Tariff Barriers which range from absolute import prohibitions, as discussed above, to technical compliance requirements and measures aimed at discouraging imports of certain identified items for obvious reasons of import substitution and enhancing exports.

5.1 **TECHNICAL BARRIERS TO TRADE:**

5.1.1 **SANITARY AND PHYTOSANITARY MEASURES:**

The legal framework of SPS includes Food and Drug Act, the Food, Drugs and Related Products (Registration, etc.) Act, Animal Disease (Control) Act, and the Agriculture (Control of Importation) Act. National Agency for Food and Drug Administration and Control (NAFDAC) is relevant body for food and safety, Department of Veterinary & Pest Control Service (DVPCS) under the Federal Ministry of Agriculture and Rural Development (FMARD) regulates animal health issues, and the Nigeria Agricultural Quarantine Service (NAQS) for plant health.

5.1.2 **NATIONAL AGENCY FOR FOOD AND DRUG ADMINISTRATION AND CONTROL (NAFDAC):**

Registration of drugs and food products with National Agency for Food and Drug Administration and Control (NAFDAC) is mandatory prior to imports.

- It is a cumbersome procedure. It involves fee of 80,000 Naira for Orphan drugs, 250,000 Naira for Prescription only Medicine (POM) and 1,000,000 Naira for Over the Counter (OTC) medicines.
- Procedures includes authorisation of local person, application for registration of drugs by authorised person, permit for import of samples, visit of manufacturing facility, multiple registrations (Registration of Manufacturer, Trade mark, Pharmaceutical Society of Nigeria), testing, labelling requirements etc. Separate application for each product / strength.
- If any query is not addressed in 30 days, application is suspended. Application is to be processed in 100 days.

5.1.3 **LABELLING AND PACKAGING REQUIREMENTS:**

- All products sold in the Nigerian market are required to bear a label indicating the name of the product, its country of origin, specifications, date of manufacture, batch or lot number, and the standard(s) to which it complies. The labelling must be in English, in addition to any other language, and metric units of measurement must be used. Pharmaceutical and chemical products must carry expiry dates or shelf life, and specify active ingredients, where applicable, on their packaging. Information on performance life and rating may be required on electrical appliances, depending on the product.
- Food products must comply with specific labelling requirements from NAFDAC, such as: production batch number; net contents, including essential ingredients in metric weights for solids, semi-solids, and aerosols, and metric volume for liquids; food colourings and additives; and a best-before date. It is mandatory for all products that have been registered by NAFDAC to display a NAFDAC registration number.

5.1.4 **NATIONAL QUARANTINE SERVICE (NAQS):**

- The Nigeria Agricultural Quarantine Service (NAQS) regulates enforcement of animal, fisheries and plant health measures in connection with imports and exports of agricultural products. It works under the Federal Ministry of

Agriculture and Rural Development. NAQS operates a "single window" to electronically process documentation requirements (e.g. permit applications and issuance) and arrangements for inspection of consignments.

- Under the Animal Diseases (Control) Act, import of animals, animal products, hatching eggs, poultries, biologics, and infectious agents is prohibited unless a permit is granted from DVPCS. Importers must apply to DVPCS for an International Veterinary Certificate (i.e. an import permit) for each batch of imports.
- For imports of live animals (including poultry) and animal products (including meat), a sanitary certificate from the veterinary authorities of exporting countries is a prerequisite document for application for an import permit. According to the authorities, Nigeria's sanitary requirements, standards and guidelines are based on the provisions of the OIE Terrestrial Animal Health Code. Once an import permit is granted, a copy of the permit will be forwarded to NAQS for enforcement at the borders.
- No imports of aquatic products are allowed in the absence of a quarantine permit of entry from NAQS issued within 24 hours before departure from the country of origin. Upon arrival, the aquatic products are subject to NAQS inspection and quarantine treatment.
- Import of plants, seeds, oil, artificial fertilizers and other similar products is subject to an import permit issued by NAQS.

5.1.5 **STANDARDS AND TECHNICAL REGULATIONS:**

- Standards Organization of Nigeria Act, 2015 envelopes the technical barriers to trade (TBT). Standards Organization of Nigeria (SON) is the agency for developing and enforcing Nigerian Industrial Standards (NIS). All standards in Nigeria are mandatory technical regulations. Products currently covered include buildings, chemicals / petroleum, electronics, food industry, mechanical engineering, textiles and leather sector etc.
- Both imported as well as locally produced goods require conformity assessment and certification prior to selling in market in terms of the Standards Organization of Nigeria Conformity Assessment Programme (SONCAP) for

imported goods and the Mandatory Conformity Assessment Programme (MANCAP) for domestically produced goods. Under SONCAP, all imported products are subject to pre-shipment certification. A SONCAP Certificate (SC) is a mandatory customs clearance document in Nigeria. Exporters of goods to Nigeria must supply their local SON country office with a valid test report and photographs of the product they wish to export to Nigeria.

5.2 **LIMITED ACCESS TO FOREIGN EXCHANGE:**

Access to foreign exchange market has been closed on import of 41 items which include rice, textiles, cement, vegetables, meat etc. Technically import has not been banned as these items can be imported only by using own funds without recourse to Nigerian foreign exchange markets. This has been a very serious and effective tool in discouraging imports.

5.3. **NON AVAILABILITY OF FOREIGN EXCHANGE:**

Non availability of foreign exchange in the country has also serious implications as importers or investors cannot repatriate foreign exchange after earning amounts earned in local currency.

5.4. **DISCRIMINATORY POLICY IN ALLOCATING FOREIGN EXCHANGE:**

Discrimination in providing foreign exchange effectively discourages trade. President / CEO of Erisco Foods Limited, Chief Eric Umeofia closed the tomato paste factory after the expiry of a 30-day ultimatum given by the management of the company to the Federal Government to compel the Central Bank of Nigeria to provide foreign exchange for imports of raw materials as well as machinery for the factory which are required to keep the manufacturing plants running and also profitable⁴. They alleged discrimination in providing foreign exchange to the importers.

5.5 **DIFFERENT RATES OF FOREIGN EXCHANGE:**

⁴www.vanguardngr.com dated 6th November, 2019

There are more than three different rates of foreign exchange simultaneously available in Nigeria. It ranged from Central Bank of Nigeria (CBN) rate from 360 Naira to 400 Naira of open market against US \$ in April, 2020. Besides, huge fluctuations like US \$ touched more than 500 Naira in February 2018 discourages serious business commitments.

5.6 **CLOSING OF LAND BORDERS:**

In order to discourage smuggling, import of rice and motor vehicles is not allowed through land borders⁵.

⁵<https://www.vanguardngr.com/2019/10/rice-imports-remain-banned-land-borders-customs/>



NATIONAL BUREAU OF STATISTICS

FOREIGN TRADE STATISTICS

Top Trade Partners - Q4 2019

NIGERIA'S LARGEST EXPORT DESTINATIONS

Exports		
	% of Total	GDP Rate
INDIA	13.17%	4.7%
SPAIN	10.35%	1.8%
FRANCE	7.78%	0.8%
NETHERLANDS	7.47%	1.5%
GHANA	7.40%	5.6%

NIGERIA'S LARGEST IMPORT PARTNERS

Imports		
	% of Total	GDP Rate
INDIA	22.57%	4.7%
CHINA	20.49%	6.00%
USA	9.05%	2.30%
NETHERLANDS	8.61%	1.50%
BELGIUM	5.76%	1.2%

BY CONTINENT, NIGERIA MAINLY EXPORTED TO

Exports		
EUROPE	41.2%	
ASIA	29.71%	
AFRICA	19.9%	
THE AMERICAS	7.54%	
OCEANIA	1.5%	

BY CONTINENT, NIGERIA MAINLY IMPORTED FROM

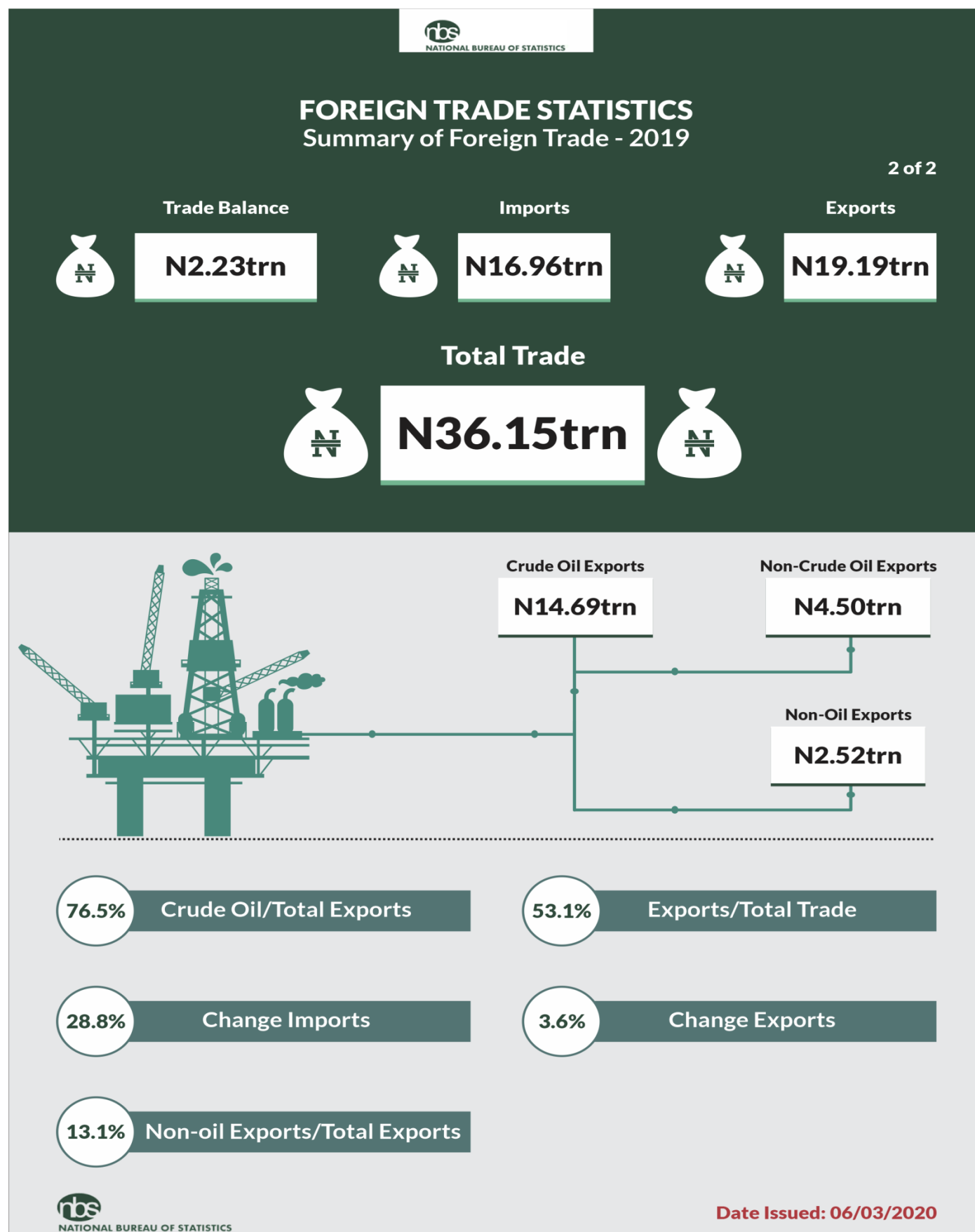
Imports		
ASIA	56.24%	
EUROPE	28.98%	
THE AMERICAS	12.50%	
AFRICA	2.13%	
OCEANIA	0.15%	



NATIONAL BUREAU OF STATISTICS

Date Issued: 06/03/2020

7. INTERNATIONAL TRADE OF NIGERIA:

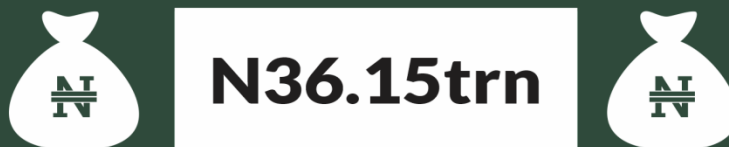


FOREIGN TRADE STATISTICS

Total Trade - 2019

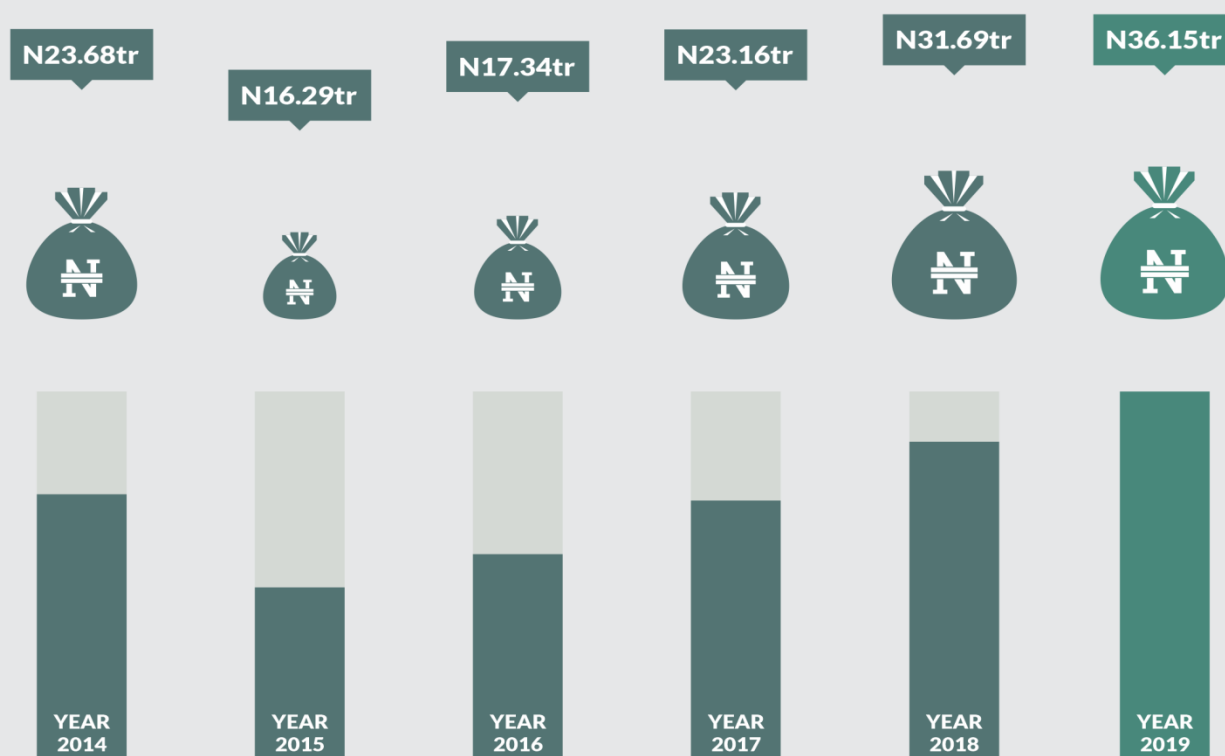
2 of 2

The Total Trade for 2019 was



14.05% more than 2018 total trade figure

2019 HAD THE FIFTH RISE IN TOTAL TRADE SINCE 2015



FOREIGN TRADE STATISTICS

Import and Export - 2019

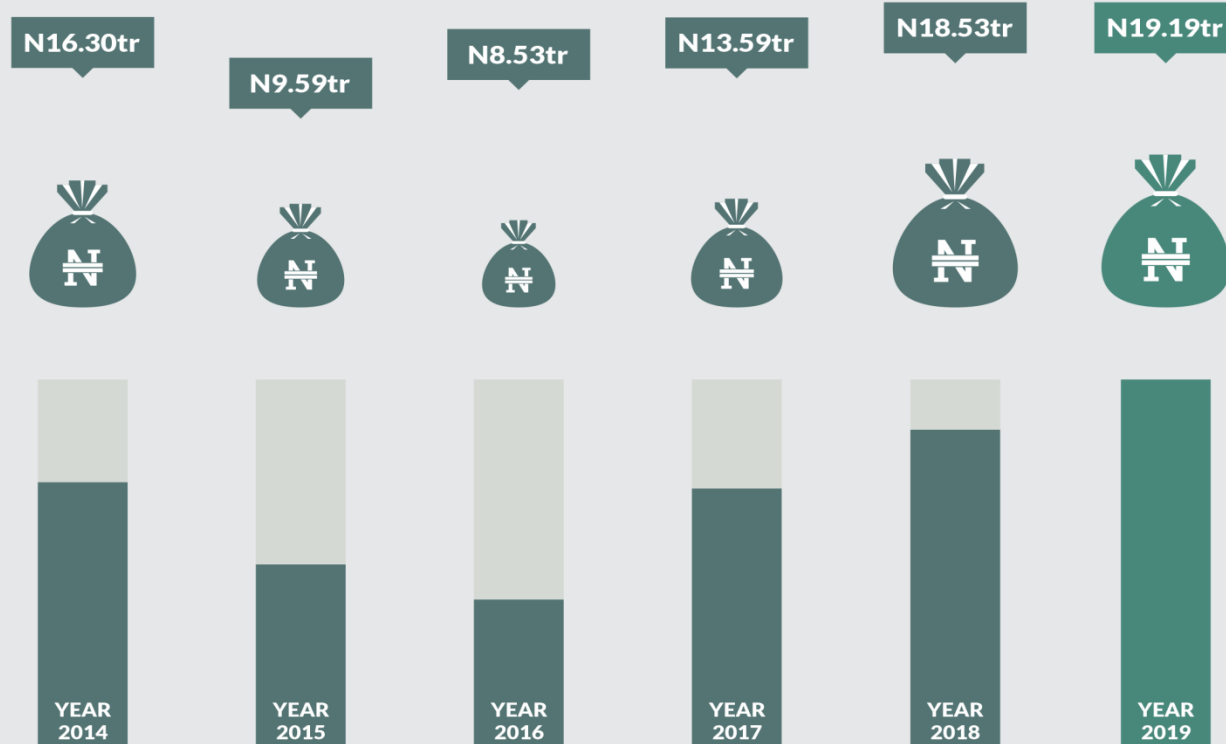
3 of 3

Export Rose To

**N19.19tr**

3.56% more than 2018 export figure

2019 EXPORTS HAD THE THIRD CONSECUTIVE RISE





NATIONAL BUREAU OF STATISTICS

FOREIGN TRADE STATISTICS

Import and Export - 2019

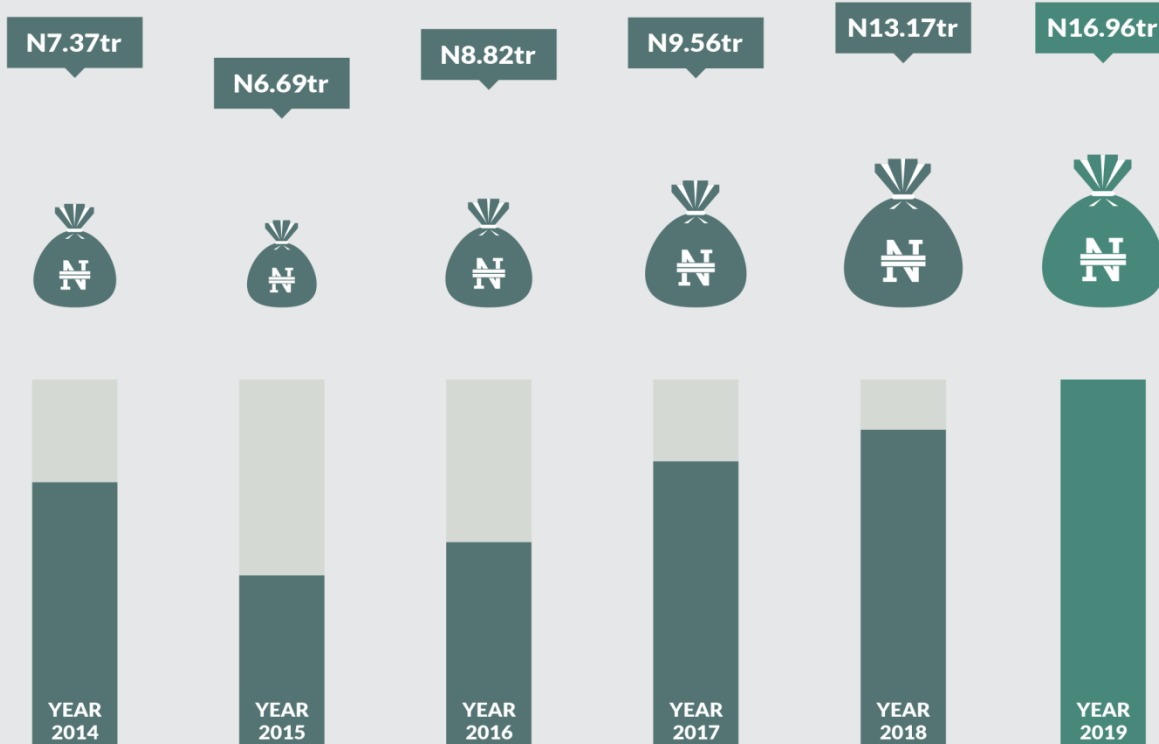
2 of 3

Import Rose To

**N16.96tr**

28.82% more than 2018 import figure

2019 IMPORTS HAD THE FOURTH CONSECUTIVE RISE



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Date Issued: 06/03/2020



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FOREIGN TRADE STATISTICS - Q4 2019

Monthly Export, Import and Total Trade Value by Sectors (N'million) and market shares by sector

	Exports	Imports	Total Trade
	% Share of Total Exports	% Share of Total Imports	% Share of Total Trade
 AGRICULTURAL GOODS	1.43% N68,163.31	4.36% N233,330.20	2.98% N301,493.51
 RAW MATERIAL GOODS	0.44% N21,124.49	6.28% N335,811.12	3.53% N356,935.61
 SOLID MINERAL GOODS	0.04% N1,914.94	0.35% N18,487.56	0.20% N20,402.51
 ENERGY GOODS	0.13% N5,990.56	0.00% N9.73	0.06% N6,000.30
 MANUFACTURED GOODS	10.67% N509,228.30	73.13% N3,912,209.65	43.69% N4,421,437.94
 CRUDE OIL	76.08% N3,629,239.19	0.00% N0.00	35.86% N3,629,239.19
 OTHER PETROLEUM OIL PRODUCTS	11.21% N534,909.84	15.88% N849,780.36	13.68% N1,384,690.20
 TOTAL	100.00% N4,770,570.63	100.00% N5,349,628.63	100.00% N10,120,199.26



NATIONAL BUREAU OF STATISTICS

Date Issued: 06/03/2020

7 **PAK- NIGERIA BILATERAL TRADE:**

7.1 **BRIEF DATA OF TRADE:**

- Pakistan exported goods worth \$ 37.6 Million in 2018-19 and \$ 241.516 Million in 2018-19 to Nigeria. It included pharma products, textile, tents, tractors, surgical goods etc. Exports have registered slight decrease because the Nigeria Govt has imposed different kinds of non-tariff and tariff barriers to discourage imports to offset negative trade balance resulted due to fall in oil exports.
- Imports from Nigeria amounted to \$ 241.516 Million in 2018-19. Major import was LNG which amounted to approx. \$237.835 Million..
- The volume of trade between Pakistan and Nigeria during the last four years is as under:

(Value US \$ million)

Year	Pakistan's Exports	Pakistan's Imports
2015-16	34.8	32.4
2016-17	50.7	25.4
2017-18	55.8	225.951
2018-19	37.6	241.516

Source: TDAS

TOP IMPORT CATEGORIES OF NIGERIA IN LAST 5 Years

Code	Product label	Imported value in 2015	Imported value in 2016	Imported value in 2017	Imported value in 2018	Imported value in 2019
TOTAL	All products	33,839,240	35,947,713	28,839,569	36,477,277	47,387,304
84	Machinery, mechanical appliances, nuclear reactors, boilers; parts thereof	5,274,874	5,974,406	3,925,045	5,172,631	8,969,293
27	Mineral fuels, mineral oils	6,262,494	10,275,474	8,061,285	10,838,245	7,374,154

87	Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	2,565,594	1,666,151	1,492,827	2,242,493	5,627,852
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television . . .	2,704,620	2,458,035	1,744,312	2,055,931	3,719,068
90	Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical . . .	439,540	457,531	303,165	546,762	3,357,085
39	Plastics and articles thereof	1,533,337	1,548,336	1,340,737	1,384,566	1,530,889
70	Glass and glassware	131,220	99,342	75,275	47,735	1,507,656
30	Pharmaceutical products	428,395	514,392	358,869	514,201	1,453,370
10	Cereals	1,752,536	1,317,070	1,435,646	1,207,730	1,302,494
73	Articles of iron or steel	1,201,803	819,609	670,120	682,007	1,005,477

Source: Trade Map Value: US Thousand Dollars

POTENTIAL PRODUCTS OF PAKISTAN AND COMPETITORS:

Trade potential of different sectors of Nigeria for Pakistani products has been analysed both on the basis of the potential for export of Pakistan in respective sectors and global imports of Nigeria in the relevant sector. Besides, the share of traditional competitors of Pakistan like India and China has been taken into account for determining potential for Pakistan. Major potential products are as follows:

i. **PLASTICS:**

In 2018-19, Nigeria imported Plastics products of different categories (Chapter 39) valuing \$ 1530 Million. It includes polymers of ethylene, polypropylene, resins, foils, tubes, sheets, films, tapes, articles etc. China hold major share amounting to \$ 358 Million, followed by Saudi Arabia (\$ 174 Million), USA (\$ 192 Million), However, Pakistan exports to Nigeria amounted to approx. \$ 0.13 in 18-19 .

Pakistan has certain manufacturers of first order like Tetra Pack, Novatex, Gatron, Astro Plastics, Engro Polymer etc. who can increase market share.

ii. **VEHICLES AND PARTS (Chapter 87 of Tariff):**

AGRICULTURAL TRACTORS (HS 8701.90.1900): Nigeria has 84 million hectares of arable land, with only 40% cultivated. It provides livelihood for population over 60%. Therefore, Nigeria is focusing on Agriculture as a preferred sector. In 2018-19, Nigeria imported tractors worth \$ 39 million. India is the major exporter having share of approx \$ 24 million. Certain Nigerian businessmen also indicated interest in Pakistani tractors during PATDC event and query was accordingly forwarded to relevant quarters in Pakistan. Export of tractors will pave way for export of allied agricultural implements as well.

AUTOPARTS (HS 8708, 8714): Nigeria imported auto parts / kits of vehicles like, buses, cars (HS 8708) etc amounting to \$ 71.5 Million and \$ 45 Million for motorcycles (HS 8714) etc. In 2018-19, Pakistan did not exported goods of HS 8708 and HS. In category of 8708, Chinese share is \$ 29 Million followed by America (\$ 9 Million), Japan (\$ 3.7 Million).

iii. **PHARMACEUTICALS:**

Nigeria imports pharmaceutical products (Chapter 30) of \$ 514 Million in 2018-19. India has major market share in pharmaceutical industry in Nigeria. They are maintaining their own hospitals as well. In 2018-19 Pakistan's export to Nigeria

was approx. \$ 4 Million. This sector has great potential for Pakistan. However, trade prohibitions of Medicament falling under Headings 3003 & 3004 are as follows:

- a) Paracetamol tablets Syrups
- b) Cotrimozazole tablets and Syrups
- c) Metronidazole tablets and Syrups
- d) Chloroquine tablets and Syrups
- e) Haematinic formulations:
 - (i) Ferrous sulphate and ferrous gluconate tablets
 - (ii) Folic acid tablets
 - (iii) Vitamin B Complex tablets (except modified release formulations).
- f) Multivitamin tablets, capsules and syrups (except special formulations)
- g) Aspirin tablets (except modified release formulations and soluble aspirin)
- h) Magnesium trisilicate tablets and suspensions
- i) Piperazine tablets and syrups
- j) Levamisole tablets and syrups
- k) Ointments penicillin/gentamycin
- l) Pyrantelpamoate tablets and syrups
- m) Intravenous Fluids (Dextrose, Normal Saline etc)

iv. **ARTICLES OF IRON OR STEEL:**

Nigeria imported articles of iron and steel amounting to \$ 1005 Million in 2019. On the other hand, Pakistan exported articles of iron and steel more than \$ 100 Million in 2018-19. Pakistani industries like International Industries, Korangi, Karachi, Huffaz Steel, Nooriabad, Hyderabad etc. can potentially export products to Nigeria.

v. **TEXTILES:**

Nigeria imported textile products of \$ 600 Million in 2018-19. However, they are maintaining cascading principle of tariff as rate of duty is 5% on polyester yarn, 10% on semi-finished products and may go up to 45% on cotton fabric. VAT is 7.5%.

Nigerian manufacturers are not producing quality products and Pakistan has potential for penetration on this market as well. Nigerians are also keen to learn from Pakistani experience in textile sector.

vi. **CHEMICALS:**

Pakistan has been exporting chemicals to Nigeria like hydrochloric acid, ethyl alcohol etc. However, there is a lot of margin for chemicals in Nigeria. They are focussing on manufacturing sector and we can develop trade linkages regarding exporting textile chemicals as well.

vii. **HALAL FOOD:**

Nigeria is a big market for halal food as there are around 100 Million Muslims. However, meat and processed products of meat are all banned. There is a great opportunity for investment in the sector of processed poultry meat as Pakistan has leading chains which are producing quality processed products.

viii. **PHARMACEUTICAL AND SURGICAL GOODS:**

Reports already submitted

ix. **SPORTS GOODS:**

Nigeria is a very good market for sports goods as well as sports gear as they love to play games like football, tennis, squash etc.. This market offers good opportunities in this sector.

x. **SURGICAL GOODS:**

Report already submitted

xi. **AGRICULTURAL MACHINERY:**

Self sufficiency in agriculture and food security is prime focus of Nigerian government. Since, they have huge arable land, they are desperate for agricultural machinery and advanced varieties of seeds and plants. Pakistan has great opportunity in this entire area of agriculture.

xii. IMPORTS OF OIL AND GAS FROM NIGERIA:

Nigeria is a leading oil producer and exporter in the world. It boasts largest gas reserves in Africa. Pakistan is importing LNG in huge quantity from Nigeria. In 2018-19 Nigeria exported 237 Million worth of petroleum products under HS heading 2711 to Pakistan.

One LNG terminal at Port Qasim to handle imported LNG is operational and second terminal is also under construction. Besides, national reliance on imported LNG is going to increase substantially as certain new power plants are also LNG based.

9. STRATEGY TO ENTER NIGERIAN MARKET

9.1. COMPARISON WITH INDIAN STRATEGY:

In 52nd annual meeting of Africa Development Bank held in Ahmedabad, 2017 India, Mr. Modi stated that India is the 5th biggest investor in Africa with accumulated investments of \$ 54 billion in last 20 years. During the Third India-Africa Forum Summit, held in October 2015 in New Delhi, India offered \$10 billion for development projects over the next five years. Indo-Africa Agri business Summit was also held in Indore in June, 2017 to find ways for greater cooperation. India's private sector has been at the forefront of Africa-India ties, and from 1996 to 2016, nearly a fifth of Indian overseas direct investments went to Africa. This approach has earned rich dividends as total trade between India and Africa was **\$ 11.5 b in 2005-06**, which grew to **\$ 56.9 billion in 2016**. Now relying on the current infrastructure and manufacturing development drive and slogan of India-Africa partnership, they are struggling to increase it upto **\$ 100 billion** in next two years.

9.2 UNDERSTANDING NIGERIAN CULTURE:

The trade manuals successful in other parts of the world may not be successful in Nigeria. Key for access to Nigerian market lays in understanding different ethnic cultures of Nigeria as well as the general trade practices prevalent in this market.

Since, English is spoken everywhere in Nigeria, its a great tool to familiarise with them quickly.

9.3 **INVESTMENT OF BIG COMPANIES:**

Indian companies have made huge investments in all sectors of Nigeria. For example, M/s Olam is maintaining a rice farm of 4,500 acres in Nassarwa State which is managed by IndianS, M/s Bajaj is in motor cycle Industry, M/s TATA is in car manufacturing etc. Big companies create space for deployment of nationals which, in turn, lead to penetration in market.

9.4 **PERMANENT PAKSITANI REPRESEMTATIVES:**

India has huge diaspora in Nigeria. For instance, there are around 200,000 Indians in Lagos whereas Pakistanis are less than 200 and same too are mostly engaged in jobs instead of private business ventures. Our exporters normally look for distributors in Nigeria. On the other hand, Nigerian culture of buying goods is different from other economies. A renowned Pakistani company of Pharmaceutical sector is working very well because of their Pakistani staff well conversant with Nigerian trade practices. On the other hand, certain other Pakistani companies had to pack up because of issues with local distributors. Our exporters need to be encouraged to send Pakistani representatives for market penetration and make up for the absence of diaspora.

9.5 **PARTICIPATION IN TRADE FAIRS:**

TDAP must ensure 100% subsidy for all trade fairs of West Africa. Participation level of Pakistani companies has been very low in following famous Trade Fairs in Nigeria:

- **West Africa Food Expo Lagos:** It is the biggest Food Expo in entire West Africa. More than 10 Indian and 5 Sri Lankan companies participated in West Africa Food Expo of May, 2017. However, even a single Pakistani company was not present.
- **Medic West Africa, Lagos:** It is the biggest healthcare event of this region. More than 15 Indian pharmaceutical companies and two surgical companies were there. TDAP has planned to participate in it in 2020.

- **Food and Beverages West Africa:** This will be organized in Dec 1-3 2020, Atleast 10 Pakistani companies must participate in it. Commercial Section sent a detail proposal of the said exhibition regarding its significance for Pakistani food sector.

9.6 **SECTOR SPECIFIC DELEGATIONS:**

Sector specific delegations must continuously visit Nigeria.

9.7 **SECTOR SPECIFIC COUNTRY EXHIBITIONS:**

Pakistan may organize Sector specific Trade Exhibitions in Lagos.

9.8 **WAREHOUSING:**

Warehousing facility in Lagos can help our exporters store their goods and supply in line with demand.

9.9 **QUOTA BASED IMPORTERS IN BIG SECTORS:**

Quota based importers in sectors like Cement, Rice have tariff preferences for importing these products. They offer opportunity for gaining access.

9.10 **JOINT VENTURES:**

Joint ventures with Nigerian businessmen is a key used by Indian companies to capture market. Pakistan can follow this approach in a measured way to enter market.

9.11 **INVESTMENT IN AGRICULTURE AND MANUFACTURING NIGERIA:**

Nigeria has identified certain priority sectors including agriculture and manufacturing to diversify the production base. It has an opportunity for Pakistan. For example, Pakistan has enormous experience in complete textile chain whereas Nigerians are looking for investment in textile sector, joint ventures can potentially open market for Pakistani products in the textile chain. Likewise, investment in agriculture can help introduce agricultural machinery manufactured in Pakistan.

9.12 **INVESTMENT IN RETAIL SECTOR:** There are Lebanese retail stores in Nigeria flooded with Lebanese products and Indian retail stores with Indian products. It offers another opportunity for Pakistani investors.

- 9.13 **INVESTMENT IN MEDICAL SECTOR:** Major market share of private hospitals is with Lebanese, Turkish and Indian hospitals. This sector has huge potential for investment. It can also lead to medical tourism. More than 40,000 Nigerians annually visit India for medical treatment.
- 9.14 **JMC REGULAR MEETINGS:** JMC is the forum of official interaction. First JMC held in September, 1992, Second in June, 2014 and third was to be held in August, 2017 but same has been deferred. Since, JMC is the highest forum, its regular convening can help push the interest of business.
- 9.15 **PERFORMANCE OF JOINT CHAMBERS:** MoU for establishing **Pak-Nigeria Joint Chamber of Commerce and Industries** was signed during the President's visit to Nigeria on 10th June 2014. However, same is not working. It can serve as regular meeting forum for trade issues.
- 9.16 **CULTURAL INITIATIVES:**

The influence of Indian culture can be easily gauged from following:

- Hindu festival of 'Divali' is celebrated in nearly all international schools of Nigeria.
- 'Bollywood Africa' is an Indian movie channel which plays Indian movies dubbed in African accent.
- Other drama channels of India are also watched in every Nigerian household.
- Theatres play all new Indian movies in Lagos, Abuja etc.

We need to take such initiatives by sending cultural delegations, dubbing our selected movies in African accent etc. Interestingly, Indians also arranged concert of a Pakistani singer a couple of years ago. Besides, we should also make small documentaries about potential of our industry as well as agriculture and same should be dubbed in Nigerian accent as they appreciate products in their accent.

9.17 **REDUCTION IN COST OF TRAVELLING:**

Frequent travelling of Pakistani exporters to Nigeria will help in understanding the market dynamics. Travelling to Nigeria is comparatively very expensive from Pakistan. Air ticket cost varies from \$ 1,200 to \$ 1,600 with travelling time upto 24 hours. Lagos to Bombay may be as cheap as \$ 400. Issue may be taken up with airlines for finding a convenient way to reduce the cost.

9.18 **EASY VISA POLICY:**

Visa policy needs to be relaxed and cost is to be reduced to increase frequent travelling. Nigerian embassy in Pakistan charges more than \$ 250 per visa and requires police verification report as well. It makes travelling to Nigeria expensive. Visa fee should be reduced. Besides, visa fee waiver or nominal fee on reciprocal basis for participation in trade fairs may be taken up with Nigeria.

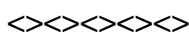
9.20 **BANKING ISSUES:**

Tough policies of banks in Nigeria for opening LC also discourage transactions. Possibility of opening a bank branches in respective countries may also be discussed with Nigeria.

10. **GENERAL INFORMATION**

10.1 **MAJOR TRADE FAIRS:**

- Manufacturer's Association of Nigeria's Trade Fair,
- West Africa Food Expo Lagos,
- Abuja Trade Fair,
- Medic West Africa, Lagos,
- Kaduna Chamber Agricultural Trade Fairs,
- Lagos Chamber Trade Fair,
- Kano Chamber Trade Fair,



Appendix-I

IMPORT PROHIBITION LIST

1. Live or Dead Birds including Frozen Poultry – HS Codes 0105.1100 – 0105.9900, 0106.3100 – 0106.3900, 0207.1100 – 0207.3600 and 0210.9900
2. Pork, Beef – HS Codes 0201.1000 – 0204.5000, 0206.1000 – 0206.9000, 0210.1000 – 0210.2000
3. Birds Eggs – HS Code 0407.0000; **excluding hatching eggs**
4. Refined Vegetable Oils and Fats – HS Code 1507.1000.00 – 1516.2000.29 **[but excluding refined Linseed, Castor and Olive oils. Crude vegetable oil are however NOT banned from importation]**
5. Cane or Beet Sugar and Chemically Pure Sucrose, in solid form containing added flavouring or colouring matter – HS Code 1701.91.1000 – 1701.99.9000 in retail packs
6. Cocoa Butter, Powder and Cakes – HS Codes 1802.00.0000 – 1803.20000, 1805.001000 – 1805.00.9000, 1806.10.0000 – 1806.20.0000 and 1804.00.0000
7. Spaghetti/ Noodles – HS Codes 1902.1100 – 1902.30.0000
8. Fruit Juice in Retail Packs – HS Codes 2009.11.0012 – 2009.11.0013 – 2009.9000.99
9. Waters, including Mineral Waters and Aerated Waters containing added Sugar or Sweetening Matter or Flavoured, ice snow – HS Codes 2201.1000 – 2201.90.00, other non-alcoholic beverages HS Code 2202.10.00 – 2202.9000.99 **[but excluding energy or Health Drinks {Liquid Dietary Supplements} e.g. Power Horse, Red Ginseng etc.]** HS Code 2202.9000.91 and Beer and Stout (Bottled, Canned or Otherwise packed) HS Code 2203.0010.00 – 2203.0090.00
10. Bagged Cement – HS Code 2523.2900.22
11. Medicaments falling under Headings 3003 and 3004 as indicated below:
 - Paracetamol Tablets and Syrups
 - Cotrimoxazole Tablets Syrups
 - Metronidazole Tablets and Syrups
 - Chloroquine Tablets and Syrups

- Haematinic Formulations; Ferrous Sulphate and Ferrous Gluconate Tablets, Folic Acid Tablets, Vitamin B Complex Tablet [except modified released formulations].
- Multivitamin Tablets, Capsules and Syrups [except special formulations].
- Aspirin Tablets [except modified released formulation and soluble aspirin].
- Magnesium Trisilicate Tablets and Suspensions.
- Piperazine Tablets and Syrups
- Levamisole Tablets and Syrups
- Clotrimazole Cream
- Ointments – Penicillin/ Gentamycin
- Pyrantel Pamoate Tablets and Syrups
- Intravenous Fluids [Dextrose, Normal Saline, etc.]

12. Waste Pharmaceuticals – HS Code 3006.9200

13. Mineral or Chemical Fertilisers containing two or three of the fertilising elements nitrogen,phosphorus and potassium (NPK 15-15-15), excluding organic fertiliser HS Code 3105.10.00.00 – 3105.90.00.00

14. Soaps and Detergents – HS Code 3401.11.1000 – 3402.90.0000 (in retail packs only)

15. Mosquito Repellant Coils – HS Code 3808.9110.91 (Mosquito Coils).

16. Rethreaded and used Pneumatic tyres but excluding used trucks tyres for rethreading of sized 11.00 x 20 and above 4012.2010.00

17. Corrugated Paper and Paper Boards – HS Code 4808.1000, and Cartons, Boxes and Cases made from corrugated paper and paper boards HS Code 4819.1000, Toilet Paper, Cleaning or Facial Tissue – HS Code 4818.1000 – 4818.9000 excluding baby diapers and incontinence pads for adult use 4818.4000.41 and Exercise Books – HS Code 4820.2000

18. Telephone Re-charge Cards and Vouchers – HS Code 4911.9990.91

19. Carpets and other Textile Floor Coverings falling under HS Code 5701.10.000 – 5705.00.0000

20. All types of Foot Wears, Bags and Suitcases HS Codes 6401.1000.11 – 6405.9000.99 and 4202.1100.10 – 4202.9900.99 **[but excluding Safety Shoes used**

in oil industries, Sports Shoes, canvas shoes all Completely Knocked Down (CKD) blanks and parts]

21. Hollow Glass Bottles of a capacity exceeding 150mls (0.15 litres) **of all kinds used for packaging of beverages by breweries and other beverage and drink companies** – HS Code 7010.9021.29 and 7010.9031.00
22. Used Compressors – HS Code 8414.3000, Used Air Conditioners – HS Codes 8415.1000.11 – 8415.9000.99 and Used Fridges/ Freezers – HS Codes 8418.1000.11 – 8418.69.0000
23. Used Motor Vehicles above **fifteen (15) years from the year of manufacture** – HS Codes 8703.10.00 – 8703.90.0000
24. Ball Point Pens and parts including refills (excluding tip) HS Code 9608.10.0000
25. Tomato Paste or Concentrate put up for retail sale – 2002100000, 2002902000, 2002909000