



Post-Brexit Nigeria

A Newsletter

Background:

After Independence in 1960, Nigeria sought to relax its trade ties with Great Britain. This led to fresh trade agreements with Eastern bloc countries, Japan and others, as well as a rethinking of strategies for industrialization in favour of import-substitution and restrictive trade regimes aimed at developing the domestic industry. The recurrent tendency of Nigerian leaders is to resort to protective policies whenever they are faced with dire economic challenges. The most recent example is President Buhari's courageous ban on the allocation of foreign exchange for food imports. Previous protectionist mechanisms have also aimed to spur the growth of Nigeria's manufacturing sector and lead it to the status of an industrial economy. But despite repeated resort to protectionist measures to deal with the problems of import dependency over many years, Nigeria has never achieved the policy objective of industrialization. The problem appears to be that most government international trade policies are reactive and frequently made with little input from the private or non-governmental sectors, whether business, civil society or think tanks. Avoiding a repeat of this failure of policy to achieve objectives is the main reason why the emerging issues of international trade that post-Brexit Nigeria

will confront in its relations with the United Kingdom will need both proactive preparation and input from the private sector.

A group of Nigerian thinkers drawn from banking, academia, civil society, government and media met in Asokoro last Saturday to reflect on post-Brexit relations between Nigeria and the United Kingdom. With the importance of our historical and economic relations with the UK to the continuing development of Nigeria in mind, we agreed to meet regularly on an *ad hoc* basis to brainstorm on how Nigeria should prepare for Britain's exit from the European Union. We agreed that no matter which political party wins the December general election in the UK, the Brexit question will persist with parallel uncertainties over British trade policy towards Nigeria and other countries.

Oradi plans to produce and circulate a newsletter to all stakeholders and the relevant MDAs in Abuja on our deliberations as our own contribution to policy thinking on post-Brexit trade relations between Nigeria and the United Kingdom. This is Issue 1 of the Post-Brexit Newsletter which will follow each such meeting.

We welcome your feedback at info@oradi.org

Participants made the following recommendations:

1. A clear and authorized negotiating mandate should be given to a specific unit of government which will have overall responsibility to negotiate trade agreements that will open up the UK market for both Nigeria's primary and its manufactured goods post-Brexit. It was emphasized that such a negotiating unit must be financially independent enough to reject financial grants from agencies of the governments with which it will be negotiating trade agreements. Clear mandates and financial independence are lacking in the offices of those negotiating Nigeria's national trade policy framework. But there is no level playing field for negotiations when the aid agencies of the country with which one is negotiating are paying one's travel and accommodation costs.
2. The African Continental Free Trade Agreement (AfCTA) will complicate the negotiation of future trade agreements with non-African countries. It acutely influences the way Nigeria will relate to other countries because the agreement requires it to prioritize the AfCTA if the country is to adhere to its provisions on the continental market and trade policy.
3. Nigeria's private sectors should be involved in redesigning its trade policy architecture because the foundation of every trade relation is about business-to-business engagement. Nigeria therefore needs to find a way of selecting those Nigerian businesses best positioned to take advantage of the UK or European markets. Owners of such selected Nigerian businesses ought to accompany leaders of government when they travel to the UK to sign bilateral or multilateral post-Brexit trade agreements, or when government officials go there on business missions.
4. The group suggested that in preparation for post-Brexit agreements, Nigeria should identify, classify and review all related agreements that it has with the United Kingdom to avoid influence from outdated trade and investment treaties. The Minister of Foreign Affairs and his staff should see themselves as marketers, working to get business in the UK for Nigeria. The current over-concentration on consular matters should be discouraged. The Ministry of Foreign Affairs and the Nigerian Office for Trade Negotiations should cooperate and develop a strong and sustainable policy in favour of Nigeria's economy.
5. The Nigerian Economic Diplomacy Initiative launched last year by the government to strengthen the participation of Nigeria's Diasporas in the country's economic diplomacy should be revived. That platform, which also aimed to enable the Ministries of Trade and Investment, Foreign Affairs, and the Nigerian Investment Promotion Commission (NIPC) to cooperate and be on the same page as regards issues of trade and investment policies should be prioritized.