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Nigeria-Ghana Trade Relations: Politics, Problems and Possibilities

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Abstract
Although rated as the two biggest economies in West Africa, the relationship between Nigeria and Ghana has been topsy-turvy over the years. Their historical, political and social similarities notwithstanding, the two countries are usually cynical of each other's policies especially on trade matters. This paper assessed the unique and complex trade relations and politics that exist between the two powerhouses in the sub-region and the implications for regional integration in West Africa. The article use extensive interviews of Nigeria-Ghana trade relations elites; and direct personal observation of traders plying the Nigeria-Ghana route in Seme Border, Hillacondji and Aflao Borders. Also, some major markets were visited in Ghana especially where Nigerians are trading including Makola Market, etc. and also in Nigeria where Ghanaians are trading to ensure a visible assessment of obstacles to trade in these places. Secondary sources of data for this study included both published and unpublished works. Data generated from the study were analysed using descriptive methods and content analysis. Given the size and liquidity of their economies in the sub-region, this study submitted that until Nigeria-Ghana put their house in order, regional and market integration would remain unattainable in West Africa. Moreover, the ECOWAS Trade Liberalization Scheme will remain a mirage.
Keywords: Regional Integration, Nigeria-Ghana Trade relations, ECOWAS Trade Liberalization Scheme

Introduction

In ECOWAS, Ghana and Nigeria has enjoyed tremendous cordial and friendly relations as they are foremost business partners in the West Africa region. Their combined population and GDP account for about 61 percent and 68 percent in ECOWAS respectively.[1]They share common values; common vision for the sub-continent and Ghana always supported Nigeria on all major issues within and outside Nigeria as Nigeria also stand by Ghana anytime she has to do so. This relationship has made Nigeria to become one of Ghana's most cherished trading partners. Thus, the economy of the two countries are closely linked as bilateral non-oil trade between the two countries increasing from less than US$15million before 2000 to more than US$130 million in 2010.[2] Beyond trade, substantial migration flows between both countries have existed for a long time. However, there are also some moments and periods of serious hiccups and diplomatic uproar between the two countries. A major economic disagreement occurred between both countries in 2012 when they tried to implement a law considered detrimental to Nigerians doing business in Ghana, raising concerns over ECOWAS treaties and protocols, which both countries are signatories to. Accra likewise has also complained about certain products being restricted from being imported into Nigeria.

A wide condemnation followed the recent Ghanaian economic policies, especially within the ECOWAS community for instance, where their new policies on business ownership and management were at variance with the ECOWAS free trade treaty. The requirement of $300,000 by the Ghana Investment Promotion Council from foreign based business based in Ghana including Nigerian investors negates the commitments under the ECOWAS Trade Liberalisation Scheme. Their style of 'protectionism' as referred to by many analysts is threatening the common economic unit which the region should be enjoying.

In the same vein, Nigeria has been coming up with series of economic policies making it difficult for Ghanaians businessmen and women to operate in Nigeria. In 2005, President Olusegun Obasanjo import ban on 96 Ghanaian items (ranging from textiles, garments, starch, to plastics, etc) made total nonsense of the ECOWAS initiative on liberalisation. This has been repeated by successive governments including the former President Jonathan administration. No doubt, the relationship between Nigeria and Ghana is improving, thanks to the ECOWAS treaty but this process is not without its own challenges and this has hindered the successful realisation of the dream for a secured, united, strong and economically powerful ECOWAS sub region. This is what this paper will be interrogating. Can there be trade relations between Nigeria and Ghana that will be free of emotions and bias? What are the barriers hampering intra-trade relations between Ghana and Nigeria? How challenging is it for citizens/manufacturers in the ECOWAS region to invest in member-states country? What is

[1] Mombert, H and Francis, A. "Removing Barriers to Trade between Ghana and Nigeria: Strengthening Regional Integration by Implementing ECOWAS commitments" *African Trade Policy Notes,* No.30, p.2. *http://www.worldbank.org/afr/trade* (accessed, 12/05/2013).
[2] Ibid.

the nature of Nigeria-Ghana trade relations before and after the ECOWAS Trade Liberalisation Scheme policy? We will attempt to find answers to these questions.

Nigeria-Ghana Trade Relations

Nigeria-Ghana relations dated from colonial time. Aluko[1] describes the relations between Nigeria and Ghana as rooted in their history as colonies of the same British colonial power. The two countries shared similar interests as at the time of independence of Ghana in March, 1957 having inherited from the British government a common official language, common legal, administrative and educational systems. At independence, the two countries joined the Commonwealth of Nations. Economically, both countries have been faced with similar economic problems of mass poverty and misery. Also, Otoghile & Obakhedo[2] noted that contemporaneously, both countries are 'practicing democracy', after seeing their democracies battered by a series of military interventions. Sports wise, both countries have a long history of soccer rivalry.

It is important to state that relations between the two countries have not always been a smooth one. In 1969-70, Ghana expelled large numbers of Nigerian residents. Nigeria responded by suspending oil exports to Ghana (this was before the discovery of crude oil in Ghana) and expelled around 1 million Ghanaians residents in Nigeria in 1983 and another 300,000 in 1985.[3] Relations were restored but the Ghana Investment Promotion Council Act of 1994 brought the tempestuous relationship to the fore again in 2012 when Ghana tried to implement the act in which some Nigerian businesses were closed down.

In the same vein, the bilateral relations between the two countries, Nigeria and Ghana, have come a long way. According to Kolapo,[4] Ghana and Nigeria have been trading in various goods and services for the past 50 years. As the two largest economies in West Africa, the relationship between Nigeria and Ghana is a crucial one for the region. They are also the two biggest oil producers in the region, although with differences in output.

The cordial relationship between the two countries suffered a setback from 2007 to 2009 and again in 2012 when some of businesses owned by Nigerians in Ghana were closed by the Ghanaian Authorities for alleged non-compliance with the 1994 investment law which place restrictions and prohibits non-Ghanaians from engaging in retail trade and related business. This hitch has affected the volume of trade between the two countries, even though the problem has been solved through dialogue by the two Honorable Ministers of Trade and Industries of the countries. However, challenges have persisted in their trade relations.

The products Nigeria exports to Ghana, among others, include milk, cream, sesame seed, cocoa powder, oil cake, siliceous fossil meal, feldspar, petrol, electrical energy, chlorine, silicon dioxide, bottles and Jars. The total value of exports was ₦109,596,846,194 in 2007, increased to ₦217,742,088,484 in 2008 and declined significantly to ₦45,189,329,329, ₦66,490,320,468 in 2009 and 2010 respectively. However, it marginally increased to ₦137, 537, 443, 486 in 2011.[5]

The 10 top products Nigeria exported to Ghana in 2010 are listed in the table below:

Table 1: The 10 Top Products Nigeria exported to Ghana in 2010

Details of 10 Top Products	₦ value
1. Petro. Oils and oils obtained from bituminous minerals, crude	64,354,041,261
2. Corrugated aluminum plates, sheets. Of thickness >0.2mm	179,644,948
3. Cigarettes containing tobacco	179,335,788
4. Sacks and bags (inl.cones) of (excl.ethylene)	147,571,913
5. Milk and cream in solid forms of >1.5% fat unsweetened	140,168,183
6. Stuffed Pasta	126,447,150
7. Plates..(excl.rectangular) of aluminium, not alloyed>0.22mm thick	111,986,741
8. Rectangular (incl.square) plates. Of aluminium, not alloyed >0.2mm	88,423,680
9. Dentifrices	87,388,813
10. Footwear, not covering the ankle, of rubber or plastics	83,678,698

Source: Bilateral Trade Division, Federal Ministry of Trade and Investment, Abuja, 2013.

The products Nigeria imports from Ghana, among others, include butter, dates, kolanuts, and glucose. The total value of imports ₦8, 950,463,578, in 2007, decreased to ₦5, 340,778,779, ₦ 4, 00,768,831 and ₦986,

1.Aluko, O., *Ghana and Nigeria: 1957-70: A Study in Inter-African Discord*, (London: Rex Collings, 1976) p.16.

2 Otoghile, A. & Obakhedo, N.O. "Nigeria-Ghana Relations from 1960 to 2010: Roots of Convergence and Points of Departure", *African Research Review*; (2011) Vol5. (6), Serial No.23, p.132.

3 Eni, H., "Nigeria vs. Ghana: The Looming Trade War", retrieved online at *http://www.tellng.com.index.php?option=com_k2&view=item&id=...* 2/2/2013.

4 Olatunji, K. *Nigeria-Ghana Relations in the first half of the 21st Century; Challenges and Prospects* (A Diplomats Reflections and Perspectives), (Ibadan: Kraft Books Limited. 2012). pp.48-105.

5 Interview: Bode Steve, Senior Officer, Bilateral Trade Division, Federal Ministry of Trade and Investment, Abuja, in discussion with the researcher, May 17, 2013.

154,588 in 2008, 2009 and 2010 respectively. However, it significantly increased to ₦79, 180,617,977 in 2011.[1] The top 10 products Nigeria imported in the country in 2010 are highlighted in the table below:

Table 2: The top 10 products Nigeria imported in the country in 2010:

Details of the Products	₦ Value
1. Kolanut	301,680,577
2. Plywood	227,681,862
3. Other plain weave, weighing more than 100g/m2	66,400,214
4. Margarine (excl.liquid)	58,984,674
5. Part of trailers and semi-trailers	31,773,574
6. Other reservoirs, tanks	24,763,520
7. Portland cement, aluminous cement	23,070,897
8. H/rolled i/steel bars & rods, in coils	21,710,860
9. Paints including enamels	19,951,208
10. Other articles of iron/steel	18,107,564

Source: Bilateral Trade Division, Federal Ministry of Trade and Investment, Abuja, 2013.

As regards the balance of trade between the two countries, the balance of trade has always been in favour of Nigeria from 2007 to 2011 because of Ghana's import of crude oil from Nigeria, as shown in the value of exports and imports in the table below:

Table 3: Nigeria-Ghana Trade Summary (2007-2011).

Year	Exports	Imports	Value of Trade	Balance of Trade
	N	N	N	N
2007	109,596,845,194	8,950,463,578	118,547,308,772	100,646,381,042
2008	217,742,088,484	5,340,778,779	213,082,867,263	212,401,309,705
2009	45,189,329,329	4,007,686,831	49,206,016,160	41,181,642,498
2010	66,490,328,468	986,154,855	6,747,643,323	65,504,173,613
2011	137,537,443,486	79,180,619,977	216,718,063,463	58,356,823,509

Source: Bilateral Trade Division, Federal Ministry of Trade and Investment, Abuja, 2013.

However, information sourced from the Ghana High Commission, Lagos,[2] revealed that the balance of trade between the two countries in respect of non-oil products is in favour of Ghana as follows:

Table 4: GHANA/NIGERIA TRADE (NON OIL)

YEAR	EXPORT (M)$	IMPORT (M) $	BALANCE (M)$
2010	96.29	81.76	14.53
2011	148.53	113	35.53
2012	144.84	*NA	*NA

Source: Ghana High Commission, Lagos, 2014.
*figure not yet available

Ghanaian Investors and Nigeria's Trade Policy

It is regrettable that Nigeria and Ghana, who played unique and major role in the formation of ECOWAS and who should be responsible for ensuring its functionality, are one of the greatest violators of the market integration protocols as enshrined in the ECOWAS Trade Liberalisation Scheme (ETLS). It is quite true to say Nigeria and Ghana have invested big chunk of their national resources in making sure ECOWAS works but it remains a mystery while both countries also works against the full implementation of the various ECOWAS protocols especially the ECOWAS Trade Liberalisation Scheme. The Trade Liberalisation Scheme which was fully launched in 1990 is yet to be fully implemented. Article 35 of the Revised Treaty stipulates that "There shall be progressively established in the course of a period of ten (10) years effective from 1 January, 1990...a Customs Union, among the Member States. Within this union, Customs duties on or other charges community originating imports shall be eliminated".[3] Article 37 enjoins Member States to; "establish a common external tariff regime with respect to goods coming into the Community from third states", While Article 38 provides "for Community tariff treatment for goods emanating from the Community.[4] All this arrangements are yet to be implemented to the latter.

[1] Ibid.
[2] Interview: Ben Heh, (Officer-in-Charge of Trade Section) Ghana High Commission, Lagos. June 10, 2014.
[3] Okom, M.P. & Udoaka, E.E., "Actualising the ECOWAS Dream of a Borderless Region: Issues, Prospects and Options". *American Journal of Social Issues & Humanities*, (2012) Vol.2 (3), pp.122-127.
[4] Ibid.

It is interesting to note that in spite of ECOWAS treaties and agreements, Nigerian authorities have placed a ban on certain items especially from Ghana.[1] Ghanaian investors and manufacturers have complained on the ban placed on the importation of some of its products in to the country. Ghana was deeply disturbed by the tall list of trade prohibitions including textiles, poultry, rice and processed goods from Ghana[2] even though all these products have been registered under the ETLS and signed under the protocol on ECOWAS Trade Liberalisation. Furthermore in 2005, President Olusegun Obasanjo placed a ban on 96 Ghanaian items (ranging from textiles, garments, starch, to plastics, etc.), it was stated that this decision was taken in the interest of West Africa.
Speaking at the London School of Economics, Africa Summit in London recently, President Mahama of Ghana stated that:

> I believe that Nigeria has a certain kind of responsibility in West Africa, because it is the largest economy and the most populous country and Nigeria has nothing to fear from Ghana in terms of competition. Nigeria has nothing to fear from Cote D'Ivoire in terms of competition Nigeria has nothing to fear from Benin or Togo or Niger in terms of competition and yet year in, year out, there is a prohibition list.[3]

In the same vein, in an interview with an official of the Ghana High Commission (name withheld), he corroborated the position that "the Nigerian economy is not open to goods coming from other ECOWAS countries especially certain Ghanaian products, and according to him, there is a long ban list every year".[4] He said several Ghanaian business men and women who he interact daily with have expressed fears of doing business in Nigeria several times due to the ban on products, insecurity in some parts of the country and tough market competition, a fear compounded by the unnecessarily delays at the Benin border even when one have all the necessary documents.[5]

However, it is interesting to note that some of the traders I had sessions with at the Seme and Aflao borders stated that they had never paid bribes when exporting to Nigeria. They said if you truly possess all the required documentation, it would be difficult for any security officer to extort you.[6]

Nigerian Investors and Ghana's Trade Policy

Ghana is enjoying good profile recently as a result of its fast growing oil industry and strong democratic culture. Thus, it is not difficult to understand why it is a choice destination for Nigerian entrepreneurs and traders. The profile and volume of Nigerian business concern in Ghana are huge. Nigerian corporate presence in Ghana is obvious for any first time visitor to the country. Nigerian Banks littered every street of Accra from GTBank to Zenith Bank, Access Bank, Energy Bank and UBA. In oil and gas, there is Forte Oil, Sahara Energy, Oando, etc. Globacom has a strong telecommunication presence in Ghana as well as several other companies such as NEM Insurance, WAPIC International, Sifax, etc. Officially, Nigerian business portfolio in Ghana is only second to China's.[7]

The Ghana Investment Promotion Council (GIPC) Laws Act 478 1994 lists those enterprises which are reserved for Ghanaian citizens as: The sale of anything whatsoever in a market, petty trading, hawking or selling from a kiosk; operation of taxi service and car hire service; all aspects of pool betting business and lotteries, except football pools; and operation of beauty salons and barber shops.[8] The law does, however, provide exoneration in the application of the schedule under section 19 (3). Where trading involves someone who is not a citizen, the practice can continue if there is "an investment of foreign capital or its equivalent in goods worth at least US$300,000 by way of equity capital" and if the enterprise employs" at least 10 citizens.[9] It was based on this that so many Nigerian businesses were locked by Ghanaian security agents before the law was relaxed after the intervention of the Nigerian government and ECOWAS Parliament.

All foreign investors intending to operate in any other sector in Ghana are largely required to register with the GIPC, obtain an immigrant quota from the immigration Department through the GIPC, register with the Internal Revenue Service (IRS) and VAT for statutory taxation, and environmental permits from the Environmental Protection Agency (EPA). The other requirements include the choice for aspiring investors to

[1] See, Ban on Ghanaian exports to Nigeria, 2014.
[2] *http://www.mobile.ghanaweb.com/wap*, 2014 12/06/2014.
[3] Efe, -Nigeria not complying with ECOWAS Trade Liberalisation Scheme, 2014
[4] Ghana High Commission, Lagos, 2014.
[5] Ibid.
[6] Field Trip, 2014
[7] Costa, K., "Nigeria, Ghana Chambers of Commerce to be revived". Retrieved online at *http://www.dailytrust.com.ng/daily/old/index.php/news/49159-nigeria-ghana-chambers-of-commerce-to-be-revived* on 27th March, 2013.
[8] Oladimeji, D. (2013). "ECOWAS Protocols and Friction between Ghanaian and Nigerian Businessmen". The Guardian, November 23, pp.8-9.
[9] Ibid.

either go into joint venture with Ghanaian partners, or 100% foreign participation. The minimum equity permissible is US$10,000 for joint venture with Ghanaian partners, US$50,000 for 100% foreign ownership and US$300,000 for trading enterprises.[1] That incident was a major eye opener and indication that all is not well with the respect countries should accord ECOWAS treaties and protocols. But that is not the first time Nigeria and Ghana are having issues. In 1969, Ghana implemented the Alien Compliance Order, expelling about half a million Nigerians.[2] Nigeria retaliated by deporting about one million Ghanaian economic refugees in 1983. There was a repeat deportation order on Ghanaians in Nigeria in 1985, further straining relations between the two countries.

Other problems Nigerian businesses have been having doing business in Ghana include transportation problem, payment of various levies and general suspicion Ghanaians have for Nigerian citizens. It takes approximately 12 hours to travel by road from Ghana to Nigeria whereas normal travelling should be about 6 or 7 hours.[3] This is usually caused by checking and counters checking at the various borders. Also, in an interview with Dayo Amoo, one of Nigeria's biggest traders in computers and mobile phones at Tip-Toe Lane Computer Village, Accra, he explained thus:

> Ghanaian authorities asked us to pay so many levies which are impacting negatively on our businesses. Not only that, you have to employ a Ghanaian in your company and energy/electricity tariff is very expensive. What more, it is believed that a lot of Ghanaians are not too comfortable with the fact that a large chunk of investments in Ghana are owned by Nigerians especially under the ECOWAS Treaty. [4]

Also, speaking with an employee (Jonathan) of the Guarantee Trust Bank in Accra, after making enquiries if it was possible to deposit Nigerian Naira and withdraw Cedi, Jonathan said that even though it is the same bank with the ones in Nigeria, "we are operating in two different jurisdictions and there are exchange controls and rules that must be followed". He said although ECOWAS has been talking about the idea of ECO Currency, but until it becomes effective, the cedi will continue to be operational in Ghana and Naira in Nigeria. [5]

Nigeria and Ghana Level of Compliance with ECOWAS Trade Liberalisation Scheme

Since established, various countries in West Africa especially the West Africa Monetary Zone (WAMZ) have signed up to the ETLS but the level of compliance varies from one country to another. Some countries actually put in place institutional frameworks for effective implementation of the scheme, others have the structures in place but the level of institutional coordination is grossly inefficient to enable the scheme function smoothly.[6] Here, we would look only at Nigeria and Ghana since the two countries are our major focus.

Ghana

Ghana is one of the best performing economies in the West African region. It is well endowed with natural resources and has roughly twice the per capita output of the poorest countries in the region. Ghana has a Gross Domestic Product (GDP) of $18.06 billion with growth rate of 4.7% and per capita GDP of $1600.[7] The domestic economy revolves around agriculture, which accounts for about 35% of GDP and employs 55% of the workforce.[8] Ghana's primary cash crop is cocoa, which typically provides about one-third of all export revenues. Other products include timber, coconuts and other palm products, shea nuts and coffee. The major natural resources are gold, oil, diamonds, bauxite and manganese and fish. The major industries are mining, lumber, light manufacturing, fishing, aluminium, and tourism.

Ghana has since independence been at the forefront of the schemes to have one form or another of integration in Africa. Dr. Kwame Nkrumah, Ghana's first President had called for the political Union of Africa. Ghana was instrumental in the formation of the Organisation of African Unity (OAU) in 1963 and also was at the forefront in the formative years of the ECOWAS.

Export trade plays important role in the development of Ghana Economy. In 2010, $7.33 billion worth of products from Ghana were exported to its export trading partners. These products include gold, cocoa, timber, industrial diamonds, manganese ore, tuna. The country's import was $10.18 billion in 2010.[9] The products imported include petroleum, food, industrial raw materials, machinery, and equipment from its major trading

[1] Kolapo Olatunji, 2012, p.96.
[2] Eni, 2013.
[3] Field Work, 2013.
[4] Interview, Dayo Amoo, Trader, Tip-Toe Computer Village, Accra, 15/12/2013.
[5] Jonathan Akwedu, Banker, Guarantee Trust Bank, Accra, 13/12/2013
[6] ECOWAS Commission, 2012.
[7] Bode Steve, 2013. (Interview)
[8] West Africa Trade Hub Report, "Ghana: A Gap Analysis of ECOWAS Market Integration." , 2010, No.36.
[9] Bode, S.2013.

partners like Nigeria, China, United States, United Kingdom, Netherlands, Cote D'voire, France and India. Ghana's industrial base is relatively advanced compared to many other African countries.

Ghana adopted the ETLS and put in place institutions and structures required for the effective implementation of the scheme. As at December 2010, Ghana has registered 300 companies and 900 products.[1] In respect of dissemination of relevant information relating to ETLS to the business community, Ghana is doing well and is working towards having a national sensitization programme on ETLS. However, the Ghanaian authorities have complained about the issues of reciprocity and other implementation matters citing the existence of prohibition list in other member states as well as the computation of value addition method of some goods of community origin.[2]

Again, despite the ECOWAS Protocol on Free Movement of Persons and Goods, Ghanaian personnel and officers still delay community citizens at the Aflao border with Togo. A direct observation of this border post revealed that there are still long waits at the border.[3] For instance, in order to bring a vehicle or truck across the border, an agreement certificate for an ECOWAS road transit vehicle, an inter-state transport permit, an insurance brown card, proof of inspection and declaration form must be presented. In addition, where appropriate (in a transit of goods situation), a carnet TRIE/ISRT logbook, ISRT guarantee, container seal and an agreement certificate for an ECOWAS road transit container are required.

Nigeria

Nigeria, undoubtedly, has the largest economy among the ECOWAS member states. Nigeria has a dominant oil sector as well as a portion of its economy focused on traditional agricultural, trade and manufacturing. Currently, Nigeria is the largest economy in Africa based on the rebased figures done in April, 2014. Its manufacturing sector is the third-largest on the continent and produces a large proportion of goods and services for the West African sub-region. Although Nigeria is a major oil exporter, other areas such as the agricultural sector, information and communications technology, trade and services are also important parts of the economy of the country.

Nigeria has maintained impressive growth over the past decade with a record estimated 7.4% growth of real gross domestic product (GDP) in 2013, up from 6.7% in 2012.[4] According to 2009 figures, the country's total export volumes stand at US$45.43 billion. Major items of export are oil products, cocoa and timber. The UK and the US are the largest trade partners for Nigerian exports.[5]

Nigeria has adopted and is implementing the ETLS. As of the first half of 2011, 568 companies and 1,145 products were registered under the scheme.[6] Nigeria is a dominant player in the scheme accounting for 50 percent of the companies and 40 percent of the products registered under the ETLS. However, the implementation of the scheme is marred by the existence of non-tariff barriers along the transit corridors and ineffective institutional coordination. The Country also has in place export prohibition applied to some products with a view to ensuring self-sufficiency (mainly on maize, raw cassava and raw timber) to encourage value addition (mainly raw hides and skins, rough and sawn timber, scrap metals, unprocessed rubber latex and rubber lumps) and to preserve cultural heritage (mainly artefacts and antiquities).

Challenges to Trade Relations between Nigeria and Ghana

Nigeria and Ghana's relationship over time has undergone series of challenges. Their relationship has been described severally like that of brothers who eat with long spoons. While both countries have worked in making sure that ECOWAS works; there activities sometimes shows that they are not committed enough to make the system work. Ghana has complain about the ban on importation of some of her products to Nigeria by Nigerian authorities and she retaliated by closing some of the businesses owned by Nigerians in Ghana for alleged non-compliance with the 1994 investment law which places restrictions and prohibit non-Ghanaians from engaging in retail trade and related business. This hitch affected the volume of trade between the two countries.

According to the data gathered from the Federal Ministry of trade and Investment, Abuja (2013),[7] the total volume of trade between Nigeria and Ghana decreased from ₦118,547,308,772 in 2007 to ₦49,206,016,160 and ₦6,747,643,323, in 2009 and 2010 respectively. Also, the total value of exports of Nigeria to Ghana declined significantly from ₦217,742,088,484 in 2008 to ₦45,189,329,329 and ₦66,490,328,468 in 2009 and 2010 respectively. The total Value of Nigeria's imports from Ghana decreased from ₦8,950,463,578 in 2007 to ₦5,340,778,779, ₦4, 00,768,831 and ₦ 986,154,588 in 2008, 2009 and 2010 respectively.

1 ECOWAS Commission Report, 2012
2 Ibid.
3 Field Work, 2013.
4 *http://www.africaneconomicoutlook.org/en/countries/west-africa/nigeria/* 03/06/2014
5 *http://www.economywatch.com/nigeria/export-import.html 03/06/2014*
6 ECOWAS Commission Report, 2012.
7 Data sourced from the Federal Ministry of Trade and Investment, Abuja, 2013.

There are several challenges militating against smooth trade relations between Nigeria and Ghana and the first include the age-long mercantilist argument which seeks to protect local industry. This is premised on the belief that intense foreign participation in the economy has the tendency to disrupt domestic social stability. Local industry protection has been part of the industrialization policy in West African countries since the indigenization years. Rather than having the protected industries maturing they are either producing inferior goods or are unable to compete. Kolapo (2012) therefore submits that "protected local industries will have little incentive for increased productivity and regulation". [1]

Moreover, it is important to note that the volume of trade between the two countries is too low when compared to their potentials. The volume of trade is declining due to obnoxious policy of 1994 Ghana Investment Law and Nigeria's ban on some products from Ghana. Ghana imports most of its product from China, United States of America, United Kingdom, Netherlands, France and India.[2]

Also, Ghanaian and other exporters complain that market access to Nigeria is extremely difficult. A World Bank (2009) study found that up to 15 percent of Nigeria's imports enter the country informally, largely along the Benin-Nigeria border, where Ghanaian products also enter.[3] High and discriminatory tariffs imposed on goods are the other challenges to trade relations between Nigeria and Ghana as well as transportation problems, border check and long process of registration.

4.5 The Politics of Nigeria-Ghana Trade Relations/Rivalry

Much had been said about the 'rocky' relations between Nigeria and Ghana but it has been difficult to pinpoint exactly the major reason or reasons for the warm and cool nature of Nigeria-Ghana relations. Competition between Ghana and Nigeria is nothing new. Ghana which in 1957 became black Africa's first independent state once enjoyed one of the highest per-capita incomes on the continent and provided employment for many Nigerians and other Africans. But in 1969, with Ghana in the throes of economic problems, the immigrants in Ghana were expelled by Prime Minister Kofi A. Busia in a move that ran counter to the Pan-African ideals of Kwame Nkrumah, Ghana's first leader and the acknowledged father of African Nationalism. [4] This action and some other occurrences made Mazrui to submit in Rasheed Olaniyi[5] that "Africans are better uniting for freedom than at uniting for development".

As the oil boom turned into gloom in early 1983, Nigerian government started to look for the people to blame. Corruption, mismanagement of resources and the drop in oil price were no longer the cause of the gloom. Ghanaian immigrants became an easy target. The Nigerian government passed an expulsion order that forced over 700,000 Ghanaians to leave Nigeria in less than 30 days. When the military came in and things had not improved, another 100,000 Ghanaians were also expelled in May of 1985.

Nigeria's action did not come out of nowhere. In 1969 as aforementioned, Ghanaian government expelled Africans, many of whom were Nigerians and the government had ready-made answers as to why they were doing so. One common reason was that migrants, especially Nigerians, were the cause of an increase in crime in Ghana. [6] There are more reasons for this intense rivalry however. The two countries have always regarded themselves as primary figures. Nigeria was envious of Ghana's economic prosperity and political clout and then Ghana went down and Nigeria rose with its oil wealth and it treated Ghana as a country cousin. [7]

Furthermore, some historical events have also shaped Nigeria-Ghana relations. For instance in 1960, Nigeria and Ghana were ruled by different political elites that had different attitudes and styles and in international relations, you cannot rule out the individual idiosyncrasies in foreign policy analysis. Ghana was ruled by the nationalist and strong advocate of the unity of African states whereas Tafawa Balewa, the conservative Nigerian Prime Minister viewed the unity of African states with great caution. [8] The speech made by the Prime Minister in 1965 that "In size, population and wealth there was nothing for which Nigeria could envy Ghana" [9]showed the intense rivalry between the two countries such that when the Organisation of African Unity (OAU) was created, it equally turned out to be the theatre of leadership war between both countries. The first five years of the organisation's existence were dominated by leadership tussle between the two countries

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[1] Olatunji, K. 2012,p.
[2] Interview: Salim, A. Officer-in-Charge, (Ghana) Bilateral Trade Section, Federal Ministry of Trade and Investment, Abuja, in discussion with the researcher, May 17, 2013.
[3] Hoppe & Aidoo, 2012
[4] Sheila, Rule, "The Nigerian Exodus: Old Rivalries Emerge" *New York Times*, May 17, 1985.
[5] Olaniyi, Rasheed, 'Rethinking Migration and Diaspora Identity in West Africa: A Comparative Study of Yoruba in Northern Nigeria and Ghana', Project No. 2849-DC00013857/sephis/res/142/07.
[6] Ogoo, Rudolf, Ghana Must Come, Nov.19, 2014.
[7] Sheila, Rule, 1985.
[8] Otoghile, Aiguosatile, "Nigeria-Ghana Relations from 1960 to 2010: Roots of Convergence and Points of Departure", African Research Review, Vol. 5(6), Serial No. 23. , November, 2011, p.134.
[9] Ibid. p.135.

leading to the formation of two opposition camps, namely, the 'Casablanca Group', under the leadership of Ghana and the 'Monrovia Group' under the leadership of Nigeria. There were also moments of twists and turns during the various military coups and counter-coups in the two countries but the rivalry reared its ugly head again during the Nigerian Civil War. Although Ghana played prominent role to ensure that the war ends on time but the role they played was not totally unbiased as on various occasions where General Ankrah of Ghana was made to report on the Nigerian Civil War, he referred to Ojukwu as Heads of State, to the annoyance of the Nigerian delegates. [1]

The experiences of some Nigerians in Ghana's popular Makola Market and Nkrumah Circle in Accra also revealed that part of the reasons Ghanaians want Nigerians out of their markets is envy. Although this sounds as a casual remark but in an interview with David Osei, a Nigerian trader at the Makola Market who had spent over 25 years in Ghana posited that:

> Nigerians have huge shops; they control trade here. This makes Ghanaians jealous. Nigerians started the mobile phones selling business here. We imported from China and sell as a very far cheaper price while Ghanaians imports from Dubai which makes their goods very expensive to procure. Also, we are hardworking than the Ghanaians, have more customer appreciation culture and we work all round the clock unlike the Ghanaians. This makes us more successful than the Ghanaians which make them not to like us and wanted us out. [2]

This has some truth in Rasheed Olaniyi's submission when he stated:

> Yoruba men and women traders were in control of Ghana markets in both rural and urban centers. This prosperity equally led to the swelling size of Yoruba population whose second generation competed with the natives over government jobs. The population of Nigerians in Ghana increased threefold from 57,400 in 1931 to over 191,802 in 1960. The rising commercial profile of the Yoruba migrants attracted competition and indignation from Ghanaians, especially the Kowu ethnic group of the Accra region who developed a feeling of displacement from their established socio-economic position.[3]

He further stated that:

> The profligacy of Yoruba merchants and their pseudo-capitalist tendencies intensified the process of xenophobia. It was alleged that Yoruba flaunted their wealth by wearing shoes and clothes decorated with Ghanaian currency. One of the Yoruba returnees drew from his experience that rich traders often had excessive gold decorations and abused the power of money.27 Many Ghanaians felt degraded and subordinated by the extravagant tendencies of the migrants. One of the Ghanaian xenophobic slogans against the Yoruba was "*Mubako*" meaning "you are going."28 Ghanaians were curious of how Yoruba traders arrived Ghana with virtually no capital and subsequently became wealthy.[4]

In all, in spite of the intricacies and complex nature of the Nigeria-Ghana relations, they remain close allies and partners within the ECOWAS sub-region and the need for them to work to accelerate economic integration in the region cannot be overemphasized. This is the only thing that can guarantee development in the region as against rancor and bitterness.

Conclusion

Discriminatory policies, high tariffs, long process of registration, transportation problem, obnoxious policies and bickering are some of the challenges identified in the trade relations between Nigeria and Ghana. Nigeria and Ghana who played leading and major roles in the formation of ECOWAS who should have been responsible majorly for its functionality are one of the greatest violators of the various protocols of ECOWAS including the ETLS. As the two leading economies in the sub-region, they should lead regional, continental and multilateral efforts to accelerate intra-ECOWAS trade and intra-African trade which still hover around 10-12 per cent. This shall greatly expand trade, grow employment, reduce poverty and reduces insecurity. Also, reciprocal bilateral trade fairs in each other countries facilitated by the Chamber of Commerce and National Export Promotion

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[1] Ibid. p.136.
[2] Interview, David Osei, Trader, Makola Market, 35, 16/12/2013
[3] Olaniyi, Rasheed, p.9.
[4] Ibid. p.10.

Council (NEPC) of the two countries should be done alternatively every two years. The chambers of commerce and industry of the two countries should be strengthened and developed to enable them explore and exploit each other market potentials and annual business for a should be organized to exchange ideas and experience on available potentials and business opportunities in each other's countries.

In the spirit of integration, solidarity and good neighborliness, national policies of states should be synchronized with the regional protocols. Protectionist policies adopted in pursuit of domestic objectives are difficult to reconcile with those of regional integration schemes, thus, an effective system should be put in place that is fair for all. Political will to do this must be mobilized and muted and institutional structures deploy to make sure that states implement regional policies and protocols.

Massive investment in critical infrastructure is essential in the two countries and extended to the region urgently to encourage growth. Regional infrastructure will facilitate more intra-regional trade and exports and help unlock economies of scale and sharpen competitiveness in West Africa. Across West Africa, exiting road transport infrastructure has degraded, the few rail networks were not interconnected across countries and the major airlines-Nigerian Airways and Ghana Airways collapsed. The ports also lack enough capacities and logistics. Thus, the "ECO Sea Link" being proposed-an initiative from NEXIM Bank supported across the region should be fastrack to make the region more competitive.

The role of the private sector in the quest to attain the goal of the founding fathers of ECOWAS cannot be overemphasized. The private sector should be organized to take the driving seat in the integration process. The government needs to create a more conducive environment by providing the atmosphere for trade and investment enabling the private sector to drive economic growth. The network of industrialists in West Africa needs to be reinvigorated to promote the exchange of ideas and harmonization of strategies in moving the integration plan forward.

Indeed, the modern era is that of globalization and regionalism. Integration is vital in enhancing development since it creates larger markets and fosters economies of large scale production and for the developing countries, it also act as a shield against the vagaries of globalization. In West Africa, can Nigeria and Ghana provide the needed leadership?