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The Political Economy of Nigerias' Trade Performance under Cotonou Agreement

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Abstract
The paper primarily on thematic analyses of extant relevant literatures, examined the political economy of Nigeria's' trade performance under Cotonou agreement. The growth and dominance of regional integration blocs within the global community encouraged the establishment of Cotonou Partnership Agreement especially the provisions on trade. Indeed, the expansion of the EC from its original six members to Twelve and then Twenty-eight members, the formation of the North American Free Trade Area, championed by the United States and including Canada and Mexico and the Asia Pacific Economic Forum exemplify the global consciousness around the idea of bringing about a community of free trade areas in the world. The aim is to establish a form of free trade area between these blocs and Africa. Africa's products will be allowed to enter these markets free of duty provided African countries are able and willing to reciprocate. In other words, under this initiative, the principle of reciprocity will be enforced. There is no doubt that the emergence of these trading blocs will undermine the African, Caribbean and Pacific group since all its members will now belong to one or the other of the emerging free trade blocks. The paper found amongst others that, based on analysis only Benin and Botswana export meat to the continent. Burkina Faso, Djibouti, Ethiopia, Mal, The Sudan, Niger and Rwanda are the only countries to count live animals among their top five exports to the rest of the region. By the same measure, rice is only exported by Benin and Cape Verde, maize only by Malawi, and vegetables only by Eritrea, Ethiopia, the Niger and Sudan. Thus, we recommend that, since the thirty-one African countries are net exporters of agricultural raw materials to the world, while 37 countries are net importers of food items from the world. All countries that were net food importers from (or net food exporters to) the world were also net food importers from (or net food exporters to) Africa except for Djibouti, Benin, Egypt, Mauritania, Morocco, the Niger, Senegal, and Tunisia which had net exports to the Africa but imported from world, and Ghana, Guinea Bissau, Madagascar, and Swaziland which had net imports from Africa but exported to the world, more efforts should be made by the regions organizations in Africa to courageously ride the African Nations of corruption as that is the bane of progress in Africa.

INTRODUCTION

Under the various Lome regimes, the EC offered non-reciprocal trade preferences to products from ACP countries, subject to the implementation of the provisions of the EC's Common Agricultural Policy (CAP). However, the Cotonou Partnership Agreement put an end to successive Lome regimes and paved the way for the conclusion of an Economic Partnership Agreements (EPAs) consistent with WTO rules. The EPAs generally replaced the system of asymmetrical trade preferences that expired in June 2008 with a symmetrical and WTO-compatible scheme of trade liberalization, which consist of the elimination of tariffs, quotas and other restrictions on trade (Hachenesch and Keijzer, 2015:21).

The growth and dominance of regional integration blocs within the global community encouraged the establishment of Cotonou Partnership Agreement especially the provisions on trade. Indeed, the expansion of the EC from its original six members to Twelve and then Twenty-eight members, the formation of the North American Free Trade Area, championed by the United States and including Canada and Mexico and the Asia Pacific Economic Forum exemplify the global consciousness around the idea of bringing about a community of free trade areas in the world. The aim is to establish a form of free trade area between these blocs and Africa. Africa's products will be allowed to enter these markets free of duty provided African countries are able and willing to reciprocate. In other words, under this initiative, the principle of reciprocity will be enforced. There is no doubt that the emergence of these trading blocs will undermine the African, Caribbean and Pacific group since all its members will now belong to one or the other of the emerging free trade blocks (Kwa, Lunenborg& Musonge:2014).

New realities, mostly associated with the globalizations process and the growing dominance of neo-liberalism have generated new interests, priorities and approaches in North-South cooperation. For instance, in the case of the EU-Nigeria, it was observed that the previous arrangement under the Lome Convention guaranteed trade preferences is incompatible with rules of WTO. Even if WTO was willing to grant a waiver, it was certain that the Lome as was conceived would have to be totally re-examined. Both the EU and ACP eventually opted for a flexible agreement (RISC, 2009). Nigeria was under EU sanctions mostly during the final phase of the negotiations for the Cotonou Agreement. With the return to civil rule, Nigeria was able to update herself with the realities of a new development cooperation agreement. Indeed, it is instructive to note that though Nigeria had refused to sign into the EPA arrangement with the EU, the latter had employed all manner of arm-twisting to railroad it. The EPA aims in relations to the West Africa sub-region generally is to establish a Free Trade Area (FTA) between West Africa and the EU. Thus, countries in the sub region (including Nigeria) are expected to open their domestic markets to almost all products from the EU over a period of 25 years. Aside the gradual removal of barriers to imports from the EU, the main objectives of the EPA are, among others, to improve ECOWAS countries' access to EU markets, negotiate on trade in services, strengthen the regional integration process between ECOWAS countries and enhance cooperation in trade related areas such as competition and investments (CRES:2011).

The EPA negotiation for West Africa was quite arduous. The EPAsare central to trade relations under the Cotonou Partnership Agreement, did not come quite easily between Nigeria and the EU. From the side of the EU, there had been growing concerns since the early 1990s about the non-reciprocal trade preferences under the Lome regime that discriminated against other developing countries and were therefore deemed incompatible with certain WTO rules. There were also concerns that the trade preferences had failed to integrate Africa into the global economy. Again, the growing influence of developing countries at the WTO, particularly, China, India, and Brazil, made it more difficult for the EU and United States to dictate the terms of the multilateral trade negotiations. As a result, both economic superpowers increasingly found the need to focus on bilateral and regional trade negotiations in order to secure new markets for their goods and services and obtain concessions from poor countries that would have been difficult to achieve at the WTO. These were the context under which the EPAs were established (Mbuende:2002; Action Aid:2004).The EPAs fall under the WTO rules on Regional Trade Agreements (RTAs). The most important of these is Article XX1V of the General Agreement on Tariffs and Trade (GATT) 1994, a founding document of the WTO which 5(c) states "any interim agreement shall include a plan and schedule for the formation of such a customs union or of such a free trade area within a reasonable length of time". Article 8 (b) goes further to aver that a free trade area shall be understood to mean a group of two or more customs territories in which the duties and other restrictive regulations of commerce (except, where necessary, those permitted under Articles X1, X11, X111, X1V, XV and XX) are eliminated on substantially all the trade between the constituent territories (Osegbue, Nwanolue&Iwuoha:2012).

In the particular case of West Africa and largely the African continent, the EPA was less comprehensive when compared with the Caribbean agreement for example. Unlike the African EPAs that were limited to trade in goods, Caribbean agreement covers trade in services (Hachenesch and Keijzer, 2015:21). As part of cushioning measures, the new trade regime under the EPA provides for a gradual process of trade liberalization for a fixed percentage of the total trade volumes between the EU and each EPA grouping. A target of 75 percent was set for West Africa, which was the lowest. In effect, imports tariffs and quotas would be gradually abolished with the exception of some particularly sensitive products (Ibid). In view of the fact that custom duties is a major source of revenue for most West African countries, there are concerns that the EPAs would be a big challenge. It is difficult to expect that the EPAs would result in substantial gains for the ACP partners through stable trade relations with Europe. In addition, the hope that EPAs are designed to promote regional integration among the ACP partners have been viewed with doubts. For example in Africa, there are numerous intergovernmental organizations but with little success at regional integration. It was a challenge to pick one out of the several regional schemes to negotiate with the EU.

Structure and Direction of Trade

The structure of Nigeria foreign trade generally reflects Nigeria's trade policy since 1960s, and which has witnessed extreme policy swings from high protectionism in the first few decades after independence to its current state. At various times successive Nigerian governments have used trade policies to raise fiscal revenue, limit imports to safeguard foreign exchange or even protect the domestic industries from competition (Adenikinju:2005). In addition, various forms of non-tariff barriers such as quotas, prohibitions and licensing schemes have on various occasions been extensively used to limit imports of particular items. The overall pattern portrays the long held belief that trade policy can be used to influence the trade regime in directions that can promote economic growth. Attempts were made to use trade policy to promote manufactured exports and enhance the linkages in the domestic economy, to increase and stabilize export revenue, and scale down the country's reliance on the oil sector.

It should be noted that before 1972, most of the exports were agricultural commodities like cocoa, palm produce, cotton and groundnut. Thereafter, minerals, especially crude petroleum, became significant export commodities. The bulk of the imports were finished and semi-finished goods. However, from 1974, food imports became noticeable in Nigeria's external trade. The country had an unfavorable trade balance from 1960 to 1965, partly because of the aggressive drive to import all kinds of machinery to stimulate the industrialization strategy pursued immediately after independence. Thereafter, export of crude petroleum guaranteed a favorable trade balance (Adesuyi, 2013). Based on the oil and non-oil dichotomy, the oil sector dominates exports while the non-oil sector overwhelms imports. The overall balance of payments measure also shows the ups and downs of the economy from 1960 to 1997.

The destination of Nigeria's exports consist of four major partners namely the EU, the United States, Japan and China. Most of the exports to these countries include petroleum, agricultural products and other minerals. Furthermore, the direction of trade seems to confirm Nigeria's dependence on Western Europe, North America and Japan. Nigeria's exports go to the same sources where her imports come from. Nigeria is evidently an attractive market for the EU. This partly explains why the EU trades more with Nigeria than it does with other ACP members in the West African sub-regions. Apart from that, Nigeria has a huge population compared to other countries in the sub-region.

Nigeria-EU trade is indeed demonstrative of the benefits and limitations of EU-ACP trade under the Cotonou Agreement. The effects of the trade provisions of the Cotonou Agreement on Nigeria's external trade can also be equated to majority of countries in the West African sub-region considering the extent in which primary products dominates regional exports to the EU. The EU exports manufactured goods while Nigeria exports only raw materials to the European markets. For example, fossil-fuel are by far the dominant export, making up about 94 per cent of exports towards the EU in 2006, followed by food stuff and animal products at about 3 per cent (Mnecidisi:2013). This reflects that, as far as trade is concerned, Nigeria predominantly exports raw materials and less manufactured goods. In addition, Table 6.1demonstrate the extent to which the EU dominates countries like Nigeria in terms of trade.

Table 1.1: EU Merchandise Trade with Nigeria

Indicator	Unit	2010	2011	2012	2013	2014	Annual average growth
Imports	Billions of Euros	14.5	24.4	33.0	28.8	28.2	18.0
Exports	Billions of Euros	10.8	12.9	11.4	11.7	11.6	1.7
Balance	Billions of Euros	-3.7	-11.5	-21.6	-17.0	-16.6	

Source: (European commission Directorate general for Trade, 2015)

Similarly, Table 1.2 and figure 6.1 illustrates however, that while the EU remains the largest import supplier, its share has been steadily decreasing over the last two decades as more efficient Asian suppliers gained market shares over their European Counterpart. Indeed, starting from around 1 percent in the mid-eighties, the market shares of China and India rose respectively to 14 percent and 5 percent in 2006. The United States was the second largest accounting for 16percent of Nigeria's merchandise trade in 2006. In contrast, official imports from ECOWAS remains insignificant at less than 1 percent.

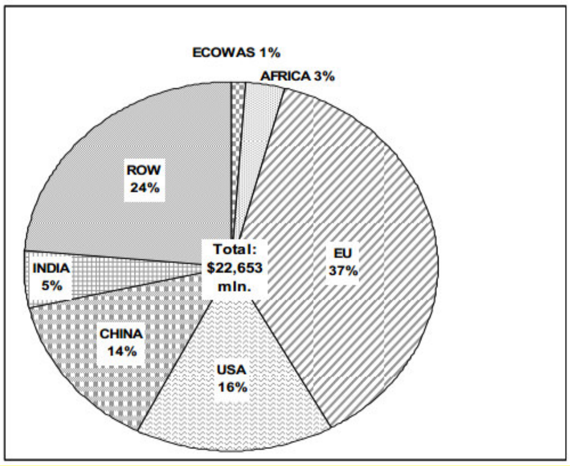

Figure 6. 1: Nigeria's Merchandize trade, 2006.

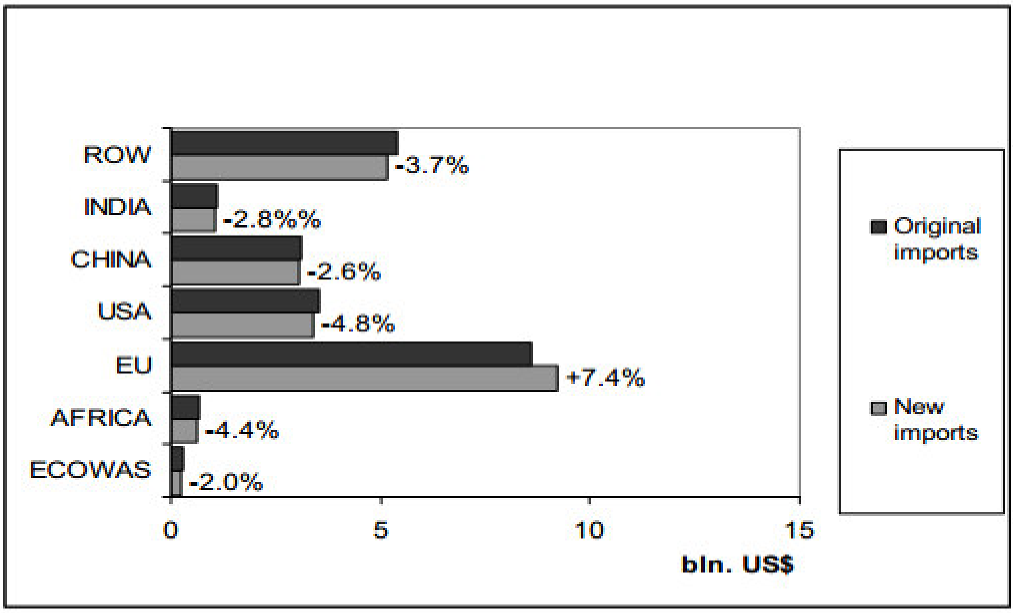

Figure 1.2: Structure of Nigeria's Imports, by source
Source: (Andriamananjara, Brenton, Uexkull&Walkenhorst, 2009)

The structure of Nigeria-EU trade shows significant domination by imports of machinery and transport equipment, manufactured goods and commodities. For example, between 2011 to 2013 Nigeria imports from EU for machinery and transport equipment, manufactured goods and commodities accounted for almost 80 per cent of total imports from EU markets (EU Commission: 2015). Details of Nigeria's exports to various continents of the world showed that European countries are the highest consumer of Nigeria's export with N 8,227.1billion or 36.7percent. This was followed closely by America with N 7,196.1billion or 32.1 percent and Asia with N 4,347.4billion or 19.4percent, with an insignificant intra-African and intra-ECOWAS trade valued at N 2,118.68 billion or 9.4percent and N869.6 billion respectively. Similarly, the direction of import trade by Economic region showed that Nigeria's major imports came from Asian countries which accounted for N2, 319.9 billion or 41.2percent of the total imports. Other major imports of Nigeria were from Europe and America with N1,490.4billion or 26.5 percent and N1,421.9billion or 25.3percent with an insignificant ECOWAS account for N 33.8 billion or 13.8 percent.

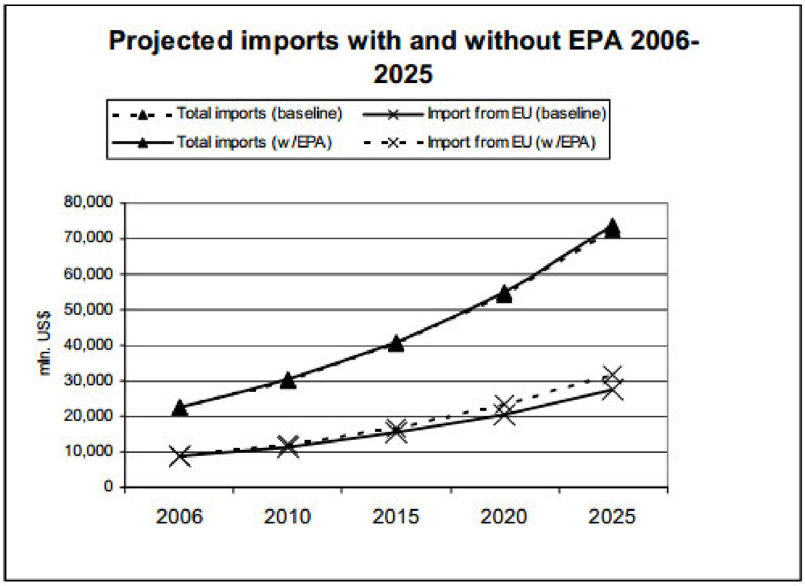

Figure 1. 3: Projected imports with and without EPA 2006-2025
Source: (Andriamananjara, Brenton, Uexkull&Walkenhorst, 2009.

Table 1. 2: Value and Utilization of EU Trade preferences in 2005 for ECOWAS members

Country	Exports to EU [US$ 1,000]	Exports to EU with MFN-0 duty (% of value)	Potential preferences [US$ 1,000]	Actual preferences [US$ 1,000]	Utilization rate of preferences (%)[a]	Potential preferences (as % of exports to EU)	Actual preferences (as % of exports to EU)
Benin	40,563	79.27	2,648	2,600	98.19	6.53	6.41
Burkina Faso	38,256	67.74	415	303	72.99	1.08	0.79
Cape Verde	24,115	11.87	3,169	3,075	97.02	13.14	12.75
Ivory Coast	2,539,323	60.32	132,939	111,779	84.08	5.24	4.4
Gambia	7,788	49.36	416	233	55.92	5.34	2.99
Ghana	1,247,375	65.92	44,918	40,190	89.48	3.6	3.22
Guinea	534,698	93.66	3,656	1,976	54.06	0.68	0.37
Guinea Biss.	4,268	33.85	300	208	69.35	7.02	4.87
Liberia	777,126	99.8	146	101	69.56	0.02	0.01
Mali	54,237	94.32	198	98	49.75	0.36	0.18
Niger	169,159	97.76	120	101	85.16	0.07	0.06
Nigeria	10,815,870	96.1	17,984	15,116	84.06	0.17	0.14
Senegal	668,117	55.23	36,881	32,700	88.66	5.52	4.89
Sierra Leone	157,032	99.06	134	92	69.5	0.09	0.06
Togo	150,570	84.63	1,668	1,616	96.89	1.11	1.07
TOTAL	**17,228,494**	**86.83**	**245,588**	**210,189**	**85.59**	**1.43**	**1.22**

Note:
a. The utilization rate is calculated as follows: (value of claimed preferences/value of potential preferences)*100.

Source: (Andriamananjara, Brenton, Uexkull&Walkenhorst, 2009)

Table 1. 3: Total goods: EU trade flows and balance

Period	**Imports**			**Exports**			**Balance**	**Value**
	Value (Mio €)	**Growth (%)**	**Share in extra EU (%)**	**Value (Mio €)**	**Growth (%)**	**Share in extra EU (%)**	**Value (Mio €)**	**Value (Mio €)**
2004	5,235		0.5	5,3310		0.6	75	10,545
2005	8,383	60.1	0.7	6,014	13.3	0.6	-2,368	14,397
2006	10,805	28.9	0.8	7,002	16.4	0.6	-3,803	17,808
2007	10,199	-5.6	0.7	8,461	20.8	0.7	-1,738	18,661
2008	15,723	54.2	1.0	10,947	29.4	0.8	-4,776	26,670
2009	10,416	-33.8	0.8	9,255	-15.5	0.8	-1,162	19,671
2010	14,505	39.3	0.9	10,792	16.6	0.8	-3,714	25,297
2011	24,403	68.2	1.4	12,922	19.7	0.8	-11,481	37,325
2012	33,045	35.4	1.8	11,442	11.5	0.7	-21,604	44,487
2013	28,763	-13.0	1.7	11,731	2.5	0.7	-17,032	40,494
2014	28,166	-2.1	1.7	11,552	-1.5	0.7	-16,614	39,717

Source: (European Commission Directorate-General for Trade, 2015)

Available data on the EU trade with Nigeria between 2004-2014 (trade flows and balance) shows that EU imports from Nigeria grew from EUR (Mio)5235 in 2004 to EUR (Mio) 28,166, whereas exports grew from EUR (Mio) 5310 to EUR (Mio) 11,552 respectively in the years under review.

Table 1. 4: Nigeria Trade with the world - Total Goods: Top trading partners 2013

Imports				**Exports**				**Total Trade**			
Partner		**Value (Mio €)**	**Share in world (%)**	**Partner**		**Value (Mio €)**	**Share in world (%)**	**Partner**		**Value (Mio €)**	**Share in world (%)**
	World	48,212	100.0		World	73,814	100.0		World	122,025	100.0
1	China	10,160	21.1	1	EU 28	26,458	35.8	1	EU 28	36,435	29.9
2	EU 28	9,977	20.7	2	India	8,958	12.1	2	USA	13,564	11.1
3	USA	5,392	11.2	3	USA	8,173	11.1	3	China	11,236	9.2
4	India	2,205	4.6	4	Brazil	7,398	10.0	4	India	11,163	9.1
5	South Korea	1,325	2.7	5	South Africa	2,946	4.0	5	Brazil	8,137	6.7
6	UAE	1,000	2.1	6	Japan	2,474	3.4	6	South Africa	3,644	3.0
7	Ivory Coast	900	1.9	7	Indonesia	2,177	2.9	7	Japan	3,019	2.5
8	Brazil	739	1.5	8	Ivory Coast	1,809	2.5	8	South Korea	2,933	2.4
9	South Africa	698	1.4	9	South Korea	1,608	2.2	9	Ivory Coast	2,709	2.2
10	Japan	544	1.1	10	Ghana	1,593	2.2	10	Indonesia	2,647	2.2
2	EU 28	9,977	20.7	1	EU 28	26,458	35.8	1	EU 28	36,435	29.9

Source: (European Commission Directorate-General for Trade, 2015)

However, in terms of top trading partners, by 2013, China ranked as Nigeria's top trading partner with the EU coming second with trade values of EUR (Mio) 10,160 and 9,977 respectively.

Table 1. 5: European Union Trade with the world - Total Goods: Top trading partners 2014

Imports				**Exports**				**Total Trade**			
Partner		Value (Mio €)	Share in Extra-EU (%)	Partner		Value (Mio €)	Share in Extra-EU (%)	Partner		Value (Mio €)	Share in Extra-EU (%)
	World	1,680,223	100.0		World	1,702,736	100.0		World	3,382,959	100.0
1	China	302,579	18.0	1	USA	310,766	18.3	1	USA	515,568	15.2
2	USA	204,802	12.2	2	China	164,730	9.7	2	China	467,309	13.8
3	Russia	181,844	10.8	3	Switzerland	140,349	8.2	3	Russia	285,140	8.4
4	Switzerland	96,553	5.7	4	Russia	103,296	6.1	4	Switzerland	236,902	7.0
5	Norway	83,935	5.0	5	Turkey	74,638	4.4	5	Norway	134,116	4.0
6	Japan	54,551	3.2	6	Japan	53,301	3.1	6	Turkey	128,901	3.8
7	Turkey	54,263	3.2	7	Norway	50,181	2.9	7	Japan	107,852	3.2
8	South Korea	38,992	2.3	8	South Korea	43,133	2.5	8	South Korea	82,125	2.4
9	India	37,066	2.2	9	UAE	42.769	2.5	9	India	72,520	2.1
13	Nigeria	28,166	1.7	29	Nigeria	11,552	0.7	20	Nigeria	39,717	1.2

Source: (European Commission Directorate-General for Trade, 2015)

Whereas Nigeria ranked as EU's 13th and 29th trading partner in imports and exports respectively in 2014. Similarly, in terms of EU trade flows and balance, since 2005 Nigeria has recorded deficits, and which has grown in magnitude from 2010-2014, recording -3.7 percent, 11.5 percent, -21.6 percent, -17.0 percent and -16.6 percent respectively. Worse still is that while EU merchandise trade with Nigeria by product has seen EU's imports' annual average growth reduced to -1.6 percent, its exports to Nigeria has grown to 10.7 percent between 2010 and 2014 for agricultural products. Similarly, the same scenario is observed in the foods and raw materials template where annual average growth of EU imports and exports were -1.5 percent and 11.6 percent respectively. And 0.2 percent and 9.6 percent respectively for Textiles and clothing for 2010-2014.

Intra-Regional Trade in Africa

In 2014, West Africa represents the EU's largest trading partner in Sub-Saharan Africa and represents 2 percent of EU trade (2.2 percent of EU imports and 1.8 percent of EU exports). The EU is West Africa's biggest trading partner, ahead of China, the US and India: the EU accounts for 37.8 percent of West Africa's exports and 24 percent of West Africa's imports. In value, the EU-West Africa trade amounts to 68 billion Euros, and West Africa has a trade surplus of 5.8 billion Euro (EU Commission:2015).

Between 2010-2014, EU imports from West Africa grew by 14.2 percent annually, EU exports to West Africa by 7.7 percent annually. In terms of sectors, West Africa's exports to the EU consist mainly of fuels (77.8 percent) and food products (14.1 percent). West Africa's imports from the EU consist of fuels (36 percent), food products (13.2 percent), machinery (26.1 percent), and chemicals and Pharmaceuticals (9.5 percent). EU-West Africa trade in services is expanding (reaching15 billion Euro in 2013) covering notably transportation and logistics, travel, and business services: 64 percent of West Africa's exports of services were directed to the EU, and 31 percent of West Africa's imports of services originated from the EU (EU Commission: 2015).

Agriculture is the mainstay of many African economies, accounting for the bulk of national income, providing livelihoods for 80-90% of the population and supplying about 20 per cent of Africa's merchandise exports (FAO:2011). Also, , agricultural sector is the most distorted market in the world trade, partly as a result of the protectionist policies of the developed countries especially the EU and the United States . These countries have continued to subsidize agriculture long after SAP had forced African leaders to stop subsidies. ECOWAS producers have found it difficult to compete with EU products benefiting from EU subsidies and other forms of support. According to an Action Aid source on the effects of on the Ghanaian Tomato sector, the entry of European subsidized farm products have led to the collapse of these locally produced items. This is because the EU guarantees European farmers and agro-industry processors minimum price and subsidize exports. This constitutes unfair competition for Ghanaian tomato producers who are not subsidized by their government but who are expected to compete with their European counterparts who are the major leaders in these products (ActionAid:2004).

Further liberalization of the industries in Ghana has resulted in a flood of subsidized EU imports. This has in turn threatened in Ghana the livelihoods of 3 million Ghanaian farmers and traders account for 28% of government excise revenues, provide employment for half a million people, support several other industries, as well as rural infrastructure, hospital and schools and hinder Ghanaian industrialization through agro-processing. Thus, while the imported tomato puree might be cheap in the short term, it is incapable of fulfilling the multi-functional roles that locally produced tomato plays such as providing industrial linkages and supporting rural employment. More importantly, as ECOWAS largely remains an agrarian economy, agricultural trade liberalization affects the economies, as poor infrastructure has left ECOWAS countries unable to realize new market opportunities, even in commodities where the sub-region has a comparative advantage.

The EU is the most important West African trading partners. The importance of the EU to the countries of ECOWAS cannot be overemphasized. The countries include the seven UEMOA countries of Benin, Burkina-Faso, Chad, Cote d'Ivoire, Mali, Niger, and Senegal. Other non-UEMOA member countries are Cape-Verde, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Nigeria, and Sierra. All these countries have the EU as their most important market; much more important than the markets in neighboring countries. The lack of complementarities among West African economies is well pronounced coupled with the existence of tariff and non-tariff barriers. For example, nearly half of Ghana's exports go to the EU, and its neighbor Benin accounts for less than 3%. More than 70 % of the EU total trade occurs within the community while intra-community trade in ECOWAS remains far less than 15 % which partly explains the reason for low level of regional integration. In 2003 EU accounted for 32% of West Africa's exports and 37% of its imports. Agricultural products accounted for 31% of West African exports to the EU in 2004. The value of Nigerian petrol has significantly masked the importance of this sector (ECDM: 2006). The argument has been that the many obstacles impeding intra-regional trade affect extra-regional trade in West Africa, and which in turn slow down the process of integration and trade development. The case of the West Africa sub-region exemplifies trends of unequal benefits from global trade regimes including the Cotonou Agreement. West Africa has not been able to benefit significantly from the global trade liberalization trend. Its share of in world trade remains insignificant.

The reciprocity principle governing EPA negotiations and its impact on trade displacement in the regional economic communities pose a major challenge to the ability of African countries to raise inter- and intra-REC trade". With reciprocal trade arrangements under the economic partnership agreements, "European import surges could displace intraregional exports or inter-African trade by up to 16 per cent" (ECA, AUC and AfDB: 2010).

Analysis of the share of regional trade in ECOWAS shows that it has remained more or less constant at a rather low level over the past two decades (between 10% and 15% of total exports go to regional markets with some fluctuation, but no clear trend). However, this aggregate figure is very much dominated by Nigeria's heavy weight in the regions total exports. These consist mainly of oil and are to a large extent directed to the global market. For other member countries, regional trade plays a much more important role. Figure 14. 2 shows export shares by destination for all ECOWAS countries with data availability in the COMTRADE database between 2004 and 2008. In this breakdown, only Nigeria and Guinea have single digit shares of exports to ECOWAS. For other countries in the region, this ratio can be as high as 59% (Togo), 55% (Burkina Faso), or 46% (Senegal).

Some have however argued that after experimenting with market integration for decades, it is clear that trade is not the main key to the economic integration and development of ECOWAS. Therefore, substituting trade with third countries and replacing it with trade between ECOWAS member states will not change the structural aspect of the economy that integration seeks to achieve. In the first place the supply side is undeveloped, which makes trade within the sub region unattractive. The types of goods that will search for a market in West Africa do not yet exist adequately. There is lack of complementarities in the goods being exchanged within the West African sub region. The major export commodities are raw materials which can only be transformed in industries. The industrial capacity of ECOWAS member states is inadequate to absorb these raw materials. Hence, the trading pattern and relations continues to show dependence on external market. (Moghalu:2013) writes that available statistics put intra-regional trade at less than 12% and 10% for African and ECOWAS trade respectively, compared to other regional blocs such as European Union (EU) and Association of South East Asian Nations (ASEAN) whose intra-regional trade flows are respectively at 50%, 40% and 25. This shows that Africa and ECOWAS are more integrated with other countries and regions than they are within themselves. The emphasis on market integration therefore needs to be reviewed against the backdrop of the reality that only when industrial capacity exists in the sub region can trade relations improve. EU exports to ECOWAS grew steadily between 2004 and 2008, before falling back in 2009 under the impact of the economic crisis. Exports bounced back strongly in 2010, when they amounted to EUR 22 billion, some 18% higher than in 2009. In the same year, Nigeria was the EU's largest ECOWAS export partner, accounting for nearly half the total exports to ECOWAS at nearly EUR 11 billion. Over the longer term, from 2000 to 2010, the annual average growth rate of EU exports to Nigeria was over 10%. However, it must be kept in mind that the ECOWAS countries are relatively small trading partners for the EU, accounting for only 1.6% of total EU exports. The largest export partner, Nigeria, accounted for less than 1% of the EU-27's total exports. On the more limited African stage, however, ECOWAS countries account for 18% of total EU-27 exports to Africa, of which Nigeria has 9%. EU imports from ECOWAS grew by 28% between 2009 and 2010, a strong rebound from the sharp fall in 2009 brought about by the financial crisis. Between 2004 and 2009 there had been a period of substantial growth so that the annual average growth rate between 2000 and 2010 was a little over 6% per annum. Within the ECOWAS total, imports from Nigeria grew by over 40% between 2009 and 2010.

ECOWAS Trade Liberalization Scheme (ETLS)

It is instructive to observe that ECOWAS was formed with the objective of integrating the fifteen West African markets in order to aid the free movement of goods, capital and labor with a view to advance harmoniously as one region in its search for sustained economic growth and development (ECOWAS, 2004). In this the development of intra-community trade has been fundamental.

From the regional perspective, Visser and Hartzenberg (2004) suggest that the purpose of intra–regional trade liberalization is to facilitate trade within a regional economic space, and through enhanced trade opportunities to elicit firm-level decisions to expand productive capacity. Such expansion of productive capacity, through various modalities of investment, can have important implications for the development of markets and market processes, resulting in robust, sustainable regional development. Trade liberalization, may imply a part of the process of economic integration which is accompanied with a customs union where there is a unified market for goods and service. This leads to the stage of unified market for productive factors, it is then necessary that the impediments to the free mobility of these factors be eliminated. If such factors as labour, investment capital and entrepreneurship do in fact move in the union in response to differentials in factors earnings to the extent that these differentials reflect relative productivity, the transfer of factors from low productivity areas to where productivity is highest will benefit all concerned. Trade liberalization thus, entails the removal/reduction of official barriers to trade that distorts the relative prices of tradable and non-tradable goods and services and those between different tradable.

It is in the light of this that the decision relating to the adoption and implementation of a single Trade liberalization Scheme for industrial products originating from member states of the community dated 30th May 1983 was signed by the Authority completing the scope of products covered by the ECOWAS Trade Liberalization Scheme (ECOWAS, 2004) which came into effect in January, 1990. Fundamentally, the aim of the ETLS is to eliminate customs duties and levies of equivalent effect, removal of non-tariff barriers, and establishment of a Common External Tariff (CET) to protect goods produced in member states. Thus the ETLS is therefore meant to provide impetus to the process of economic integration and development in the West African region. It is also to provide easier access to markets in other ECOWAS countries and thereby encourage local manufacturing outfits to compete favorably with cheap imported products that may be dumped in the market. The scheme is to furthermore encourage entrepreneurial development because it provides preferential treatment among member states (CBN, 2011).The benefits of theETLS for West Africa, when fully implemented would be greater economic growth, more jobs and lower consumer prices. In the longer term, it is expected that ECOWAS will progress from a free trade area to a full customs union and eventually a common market to facilitate trade in the region.

Nigeria has continuously worked at harmonizing trade practices with ECOWAS countries, and creating a conducive and competitive environment for Nigerian businesses to flourish and compete in the regional and global economies. This is aimed at laying a solid foundation for fully exploiting Nigeria's potential in international trade (Briggs:2007).

However, an analysis of Intra-African trade shows that certain external factors like globalization and trade liberalization in Africa have intensified competition. What used to be local and regional markets are now part of a relatively open global market with the effect that African consumers have become more exposed to imported products, including from the emerging economies in the South, that are cheaper alternatives to locally or regionally produced goods (Kaplinsky and Morris:2008; Ighobor:2013). This has contributed to deindustrialization, as evidenced by the fact that the share of manufacturing in African GDP fell from 15 per cent in 1990 to 10 per cent in 2008 (UNCTAD and UNIDO, 2011). The implications of this trend for intra-African trade and how African countries can rebuild their productive capacities and attain competitiveness should be part of the new regional agenda to boost intra-African trade.

Again, what Africa produces and exports matters for intra-African trade. The narrowness of African production and export structures and relative dependence on primary commodities are inhibiting factors to the boosting of intraregional trade in Africa. The non-diversification of the production structures in the ECOWAS sub-region and its dependence on the developed markets in Europe and North America rather than to those of West Africa have implications. Countries within the same crop belt tend to produce similar agricultural products; hence they cannot be each other's important trade partners thus limiting intra-regional trade.

However, most industrial goods penetrating the West African trade region are processed agricultural commodities such as sugar, canned beef, frozen meat, tobacco, textiles, leather products and other agro-based industrial products. This suggests that the right policy mix will greatly improve the prospects for the expansion of intra-regional trade in processed and agro-based industrial products (Odularu:2009). Such policy mix should aim towards achieving considerable industrialization of the economy while adopting trade liberalization measures. This is because industrialization is an important channel through which exports can be diversified and trade enhanced. As Nigeria opens up to trade within the West African sub-region, the country will be able to export products that are lacking in other countries, thereby increasing productivity of the manufacturing industry. The increased productivity in manufacturing will act as a catalyst that will accelerate the pace of structural transformation and diversification of the economy, in addition to facilitating the country in fully utilizing her factor endowment. Since manufacturing in comparison to other sectors of the economy have greater spillover effects to other sectors, it offers a ready market for agricultural produce as well as providing intermediate goods for further production and supporting the services sector.

Table 1. 6: Shares of regional trading groups in world exports and imports 1970– (current dollars at current exchange rates)

	Exports (percentage of global exports)				Imports (percentage of global imports)			
	1970–1979	*1980–1989*	*1990–1999*	*2000–2010*	*1970–1979*	*1980–1989*	*1990–1999*	*2000–2010*
Developing economies	23.7	25.7	27.3	35.7	20.4	23.8	27.2	32.2
Developing economies	72.1	69.6	70.5	60.9	75.2	71.8	70.6	65.2
Developing economies:								
Africa	4.9	4.1	2.4	2.8	4.3	4.0	2.4	2.5
Eastern Africa	0.6	0.3	0.2	0.2	0.7	0.4	0.3	0.3
Middle Africa	0.4	0.4	0.3	0.4	0.3	0.3	0.1	0.2
Northern Africa	1.7	1.5	0.8	1.0	1.5	1.6	0.9	0.9
Southern Africa	1.0	1.0	0.7	0.6	0.8	0.9	0.7	0.6
Western Africa	1.3	0.9	0.5	0.6	1.1	0.8	0.4	0.4
Sub-Saharan Africa	3.3	2.6	1.6	1.3	2.9	2.4	1.5	1.6
By regional group:								
APEC	30.8	36.2	44.4	45.4	31.6	37.3	45.1	47.4
ASEAN	2.6	3.7	5.7	6.4	2.7	3.6	5.8	5.6
MERCOSUR	1.5	1.6	1.4	1.5	1.7	1.2	1.4	1.2
EU	44.9	41.8	42.2	38.4	47.0	42.1	41.4	38.1
By African REC:								
AMU	1.5	1.3	0.7	0.9	1.1	1.0	0.6	0.6
CEN-SAD	2.7	1.9	1.0	1.3	2.3	2.1	1.2	1.2
COMESA	0.2	0.1	0.1	0.1	1.2	1.3	0.7	0.6
EAC	0.4	0.4	0.3	0.4	0.2	0.2	0.1	0.1
ECCAS	1.9	1.2	1.2	1.8	0.3	0.3	0.2	0.2
ECOWAS	1.2	0.9	0.5	0.6	1.0	0.8	0.4	0.4
IGAD	0.2	0.1	0.1	0.1	0.3	0.2	0.1	0.2
SADC	1.6	1.4	0.9	1.0	1.3	1.2	0.9	0.9

Source: UNCTADstat database.
Note: Figures are reported in UNCTADstat database for three categories of economies: developed, developing and transition. The shares in the first two rows will therefore not add up to 100 per cent.

Source: (Andriamananjara, Brenton, Uexkull&Walkenhorst, 2009)

The shares of both African and Sub-Saharan Africa in both world exports and imports have fallen significantly over the period 1970 and 2011. This downward trend can be observed in almost all regions in Africa and almost all African regional economic communities.

Table 1. 7: Intraregional exports and imports, 1996–2011 (percentage of total exports or imports)

	Exports			Imports		
	1996–2000	*2001–2006*	*2007–2011*	*1996–2000*	*2001–2006*	*2007–2011*
Developing Africa*	9.7	9.8	10.9	13.3	13.5	12.7
Eastern Africa	12.4	14.1	13.9	8.8	9.3	7.1
Middle Africa	1.2	1.0	1.3	2.6	2.5	3.1
Northern Africa	3.2	2.9	3.9	2.8	3.7	3.8
Southern Africa	4.4	2.1	2.1	11.9	10.7	7.9
Western Africa	10.2	10.0	9.0	11.3	12.5	10.2
Developing America	19.1	17.6	20.6	17.6	19.0	21.1
Developing Asia	41.5	45.1	50.1	40.6	49.3	53.0
Developing Oceania	1.3	3.0	3.3	0.9	2.3	2.7
Europe	67.3	71.4	70.0	68.3	67.0	64.4

Source: UNCTADstat database.
* Figure for the period 1996–2000 refers to the year 2000 only.

Source: (Andriamananjara, Brenton, Uexkull&Walkenhorst, 2009)

Intra-African trade remains a very low percentage of African trade with the world. Table 6.7 shows that in Africa the share of intraregional exports amounted to 10.9 percent of world African exports in the period from 2007 to 20011, while the share of intra-region imports to world African imports was 12.7 percent. These shares are lower than those in other developing regions like Asia and America.

It is instructive to observe that the narrowness of Africa's production and exchange structures and relative dependence on primary commodities are debilitating factors to the growth of intra-regional trade in Africa. It is argued that a more diversified production base especially in manufacturing could provide the fillip for deepening of intra-regional trade in Africa. Indeed, structural transformation, accompanied by a fostering of manufacturing development and greater economic diversification can reinforce developmental gains for Africa, including the gains from boosting intra-African trade (UNCTAD: 2009:2012A, UNCTAD&UNIDO: 2011).

There are evidence that confirms the thesis that the formation of regional blocs in Africa has facilitated the creation of trade amongst its member countries (Cerna: 2001). In the period between 2007 and 2011, 64.7 percent of the trade of the Community of the Sahel-Saharan States (CEN-SAD) with Africa was with CEN-SAD member countries; 78.4 percent of the trade of the Southern Africa Development Community (SADC) with Africa was with other SADC member countries and for the Economic Community of West African State (ECOWAS), the figure was 65.5 percent as depicted in table 6.8.

Table 1. 8: Intra-African trade 1996–2011: distribution of shares

RECs	Share of Africa in total trade			Share of REC in African trade		
	1996–2000	*2001–2006*	*2007–2011*	*1996–2000*	*2001–2006*	*2007–2011*
CEN-SAD	9.3	10.0	10.2	74.5	67.7	64.7
COMESA	16.6	13.5	13.3	30.8	42.6	48.6
EAC	24.0	26.0	23.1	57.6	49.4	52.1
ECCAS	8.3	7.7	9.3	21.0	18.7	19.8
ECOWAS	13.7	14.7	14.2	76.2	72.7	65.5
IGAD	17.3	15.1	14.3	53.4	48.4	40.5
SADC	34.2	16.1	16.4	94.6	83.6	78.4
AMU	4.2	4.0	5.0	67.1	63.5	59.5

Source: UNCTADstat database.
Note: The first three columns show the percentage of the total trade of the regional economic community that goes to Africa. The last three columns show thepercentage of the tradewith Africa of each regional economic community that happens within its own bloc.

Source: (Andriamananjara, Brenton, Uexkull&Walkenhorst, 2009)

Table 1. 9: Intra-African exports, five main destinations by country, 2011

Country	Five main export destinations in order of importance	Share in total exports
Algeria	Morocco, Egypt, Tunisia, Liberia, Ghana	96.7
Angola	South Africa, Ghana, Mozambique, Côte d'Ivoire, Niger	100.0
Benin	Nigeria, Mali, Niger, South Africa, Chad	77.3
Botswana	South Africa, Zimbabwe, Zambia, Namibia, Dem.Rep. of the Congo	95.9
Burkina Faso	South Africa, Ghana, Niger, Benin, Nigeria	71.6
Burundi	Rwanda, Dem.Rep.Congo, Kenya, Uganda, Swaziland	86.0
Cameroon	Chad, Gabon, Ghana, Central African Rep, Congo	75.2
Cape Verde	Ghana, Senegal, Mozambique, Libya, Guinea-Bissau	86.4
Central African Rep.	Dem.Rep.Congo, Morocco, Chad,Nigeria, Congo	96.8
Chad	Central African Republic,Côte d'Ivoire, Morocco, Nigeria, Cameroon	95.4
Comoros	Madagascar, South Africa, Mauritius, Tunisia	100.0
Congo	Angola, Gabon, Nigeria,Côte d'Ivoire, Zimbabwe	80.6
Côte d'Ivoire	Nigeria, South Africa, Burkina Faso, Ghana, Mali	80.6
Dem. Rep. of the Congo	Côte d'Ivoire, Rwanda, Senegal, South Africa, Botswana	97.0
Djibouti	Sudan, Egypt, Ethiopia, Uganda, Kenya	98.9
Egypt	South Africa, Libya, Sudan, Morocco, Algeria	69.5
Equatorial Guinea	Côte d'Ivoire, Senegal, Ghana, Cape Verde, Niger	99.8
Eritrea	Egypt, Sudan, Kenya, Uganda, Tunisia	97.1
Ethiopia	Somalia, Sudan, Djibouti, Egypt, Kenya	96.1
Gabon	Congo, South Africa, Dem.Rep. Congo, Nigeria, Morocco	71.9

Country	**Five main export destinations in order of importance**	**Share in total exports**
Gambia	Senegal, Guinea, Mali, Guinea-Bissau, Ghana	94.4
Ghana	Togo, South Africa, Burkina Faso, Benin, Nigeria	77.3
Guinea	South Africa, Côte d'Ivoire, Morocco, Algeria, Mali	82.2
Guinea Bissau	Mali, Gambia, Senegal, Côte d'Ivoire, Tunisia	98.4
Kenya	Uganda, United Rep. of Tanzania, Egypt, Dem.Rep. Congo, Rwanda	76.8
Lesotho	South Africa, Madagascar, Mauritius	100.0
Liberia	Côte d'Ivoire, Egypt, Ghana, United Rep. of Tanzania, South Africa	98.8
Libya	Tunisia, Egypt, Morocco, Ethiopia, Algeria	99.5
Madagascar	South Africa, Mauritius, Morocco, Comoros, Seychelles	85.3
Malawi	Zimbabwe, South Africa, Egypt, Kenya, Zambia	78.1
Mali	South Africa, Senegal, Burkina Faso, Côte d'Ivoire, Morocco	95.5
Mauritania	Côte d'Ivoire, Cameroon, Nigeria, Liberia, Ghana	88.7
Mauritius	South Africa, Madagascar, Seychelles, Kenya, Rwanda	91.8
Morocco	Algeria, Tunisia, Senegal, Mauritania, Egypt	44.6
Mozambique	South Africa, Zimbabwe, Malawi, Mauritius, Botswana	95.7
Namibia	South Africa, Angola, Dem.Rep. of the Congo, Botswana, Congo	91.9
Niger	Nigeria, Ghana, Côte d'Ivoire, Mali, Cameroon	95.7
Nigeria	South Africa, Côte d'Ivoire, Ghana, Cameroon, Senegal	94.5
Rwanda	Kenya, Dem.Rep. Congo, Swaziland, Uganda, Burundi	97.8
Sao Tome and Principe	Nigeria, Kenya, Cameroon, South Africa, Zimbabwe	95.1
Senegal	Mali, Guinea, Gambia, Côte d'Ivoire, Guinea-Bissau	70.4
Seychelles	Madagascar, Uganda, Mauritius, Zimbabwe, Zambia	95.4
Sierra Leone	South Africa, Nigeria, Côte d'Ivoire, Algeria, Kenya	75.6
Somalia	Egypt, South Africa, Ethiopia, Algeria, Mauritius	100.0
South Africa	Zimbabwe, Zambia, Mozambique, Dem.Rep. Congo, Angola	62.0
Sudan	Ethiopia, Egypt, Tunisia, Djibouti, Libya	97.1
Swaziland	United Rep. of Tanzania, Mozambique, Malawi, Mauritania, Mauritius	86.7
Togo	Burkina Faso, Benin, Ghana, Niger, Nigeria	78.8
Tunisia	Libya, Algeria, Morocco, Ethiopia, Egypt	86.3
Uganda	Kenya, Rwanda, Dem.Rep. of the Congo, Sudan, Burundi	87.1
Utd. Rep. of Tanzania	South Africa, Kenya, Dem.Rep. of the Congo, Rwanda, Malawi	67.7
Zambia	South Africa, Dem.Rep. of the Congo, Egypt, Zimbabwe, Malawi	87.6
Zimbabwe	South Africa, Dem.Rep. of the Congo, Botswana, Zambia, Malawi	91.8
Africa	South Africa, Côte d'Ivoire, Ghana, Zimbabwe, Dem.Rep. of the Congo	39.4
Source: UNCTADstat database.		

Source: (Andriamananjara, Brenton, Uexkull&Walkenhorst, 2009)

Similarly, table 6.9 gives credence to the importance of physical proximity or the value of neighborliness in trade. For instance, while Algeria accounted for the bulk of the regional trade in the CEN-SAD, South Africa was the export destination for most countries in the SADC, Nigeria took in the bulk of the exports of the ECOWAS member countries, Chad exported most of its products to its next door neighbor, the Central African Republic, and to the East, Kenyan African exports were to its closest neighbors, Uganda and Tanzania.

Table 1. 10: Intra-African imports, five main destinations by country, 2011

Country	**Five main import destinations in order of importance**	**Share in total imports**
Algeria	Egypt, Tunisia, South Africa, Morocco, Côte d'Ivoire	94.5
Angola	South Africa, Ghana, Côte d'Ivoire, Egypt, United Rep. of Tanzania	97.9
Benin	Togo, Côte d'Ivoire, Ghana, Nigeria, South Africa	79.0
Botswana	South Africa, Zimbabwe, Namibia, Zambia, Mozambique	99.5
Burkina Faso	Côte d'Ivoire, Ghana, Togo, Senegal, South Africa	83.5
Burundi	Uganda, Kenya, Zambia, United Rep. of Tanzania, Egypt	91.9
Cameroon	Nigeria, Equatorial Guinea, South Africa, Mauritania, Côte d'Ivoire	87.9
Cape Verde	Senegal, Morocco, Benin, Egypt, South Africa	84.0
Central African Rep.	Cameroon, Chad, Dem. Rep. of the Congo, South Africa, Gabon	81.2
Chad	Cameroon, Nigeria, Gabon, Senegal, South Africa	88.4
Comoros	South Africa, Kenya, Mauritius, Madagascar, United Rep. of Tanzania	94.0
Congo	Angola, Gabon, South Africa, Namibia, Côte d'Ivoire	58.0
Côte d'Ivoire	Nigeria, Mauritania, South Africa, Senegal, Morocco	88.9
Dem. Rep. of the Congo	South Africa, United Rep. of Tanzania, Côte d'Ivoire, Rwanda, Botswana	97.8
Djibouti	Ethiopia, Egypt, South Africa, Kenya, Morocco	97.0
Egypt	Algeria, Zambia, Kenya, South Africa, Tunisia	82.3
Equatorial Guinea	Côte d'Ivoire, Senegal, South Africa, Ghana, Togo	98.8
Eritrea	Egypt, South Africa, Kenya, Tunisia, United Rep. of Tanzania	99.7
Ethiopia	Sudan, South Africa, Egypt, Kenya, Morocco	90.9
Gabon	Cameroon, South Africa, Congo, Morocco, Tunisia	80.0
Gambia	Senegal, Côte d'Ivoire, Morocco, South Africa, Egypt	90.0
Ghana	Nigeria, South Africa, Côte d'Ivoire, Morocco, Cameroon	87.4
Guinea	Côte d'Ivoire, Senegal, South Africa, Morocco, Gabon	83.4
Guinea Bissau	Senegal, Morocco, Egypt,Côte d'Ivoire, Gambia	95.7
Kenya	South Africa, Egypt, Uganda, United Rep. of Tanzania, Rwanda	89.0
Lesotho	South Africa, Zimbabwe, Swaziland, Mauritius, Zambia	99.9
Liberia	Côte d'Ivoire, Algeria, Ghana, Mauritania, South Africa	95.6
Libya	Tunisia, Egypt, Morocco, South Africa, Algeria	99.6
Madagascar	South Africa, Mauritius, Swaziland, Kenya, Seychelles	93.2
Malawi	South Africa, Zambia, United Rep. of Tanzania, Kenya, Mozambique	90.3
Mali	Senegal, Côte d'Ivoire, South Africa, Benin, Togo	89.4
Mauritania	Morocco, South Africa, Senegal, Tunisia, Swaziland	92.0
Mauritius	South Africa, Kenya, Egypt, Zambia, Mozambique	84.9
Morocco	Algeria, Egypt, Tunisia, Nigeria, South Africa	90.7
Mozambique	South Africa, United Rep. of Tanzania, Swaziland, Namibia, Tunisia	97.4
Namibia	South Africa, Botswana, Utd. Rep. of Tanzania, Egypt, Mozambique	99.1
Niger	Nigeria, Togo, Côte d'Ivoire, Benin, Burkina Faso	77.7
Nigeria	South Africa, Côte d'Ivoire, Algeria, Botswana, Egypt	70.7
Rwanda	Kenya, Uganda, United Rep. of Tanzania, South Africa, Dem. Rep. of the Congo	Ą2.8
Sao Tome and Principe	Gabon, Cameroon, South Africa, Côte d'Ivoire, Algeria	99.3
Senegal	Nigeria, Côte d'Ivoire, South Africa, Morocco, Tunisia	88.4
Seychelles	South Africa, Mauritius, Kenya, Swaziland, Madagascar	98.9
Sierra Leone	Côte d'Ivoire, Senegal, Egypt, Nigeria, South Africa	97.2
Somalia	Ethiopia, Egypt, South Africa, United Rep. of Tanzania, Togo	100.0
South Africa	Nigeria, Angola, Mozambique, Zimbabwe, Zambia	85.4
Sudan	Egypt, Kenya, Djibouti, Uganda, Swaziland	95.2
Swaziland	U.R. Tanzania, Malawi, South Africa, Botswana, Mozambique	90.9
Togo	Ghana, Côte d'Ivoire, South Africa, Senegal, Morocco	96.2
Tunisia	Libya, Algeria, Egypt, Morocco, Côte d'Ivoire	97.3
Uganda	Kenya, South Africa, United Rep. of Tanzania, Egypt, Swaziland	96.1
Utd. Rep. of Tanzania	South Africa, Kenya, Swaziland, Zambia, Egypt	92.9
Zambia	South Africa, Dem. Rep. of the Congo, Kenya, Zimbabwe, United Rep. of Tanzania	97.3
Zimbabwe	South Africa, Botswana, Zambia, Malawi, Mozambique	95.6
Africa	South Africa, Nigeria, Côte d'Ivoire, Egypt, Algeria	63.8
Source: UNCTADstat database.		

Source: (Andriamananjara, Brenton, Uexkull&Walkenhorst, 2009)

Indeed, the analysis in table 1.10 showed that in the period from 2007 to 2011, 63.8 percent of intra-

African imports were destined for South Africa, Nigeria, Algeria, Egypt and Cote d'Ivoire lending credence to the importance of these countries to boosting intra-regional trade in Africa.

There is strong evidence to support the quest for product diversification in Africa. For instance, over the period 2007 to 2011, Africa traded only 14.9 percent of its world trade in primary commodities and 17.7 percent of its world trade in fuels within Africa. Many African countries that need to import primary commodities and fuels are sourcing from outside the continent rather than within it due to supply-side constraints as evident in the case of Nigeria which because of infrastructure decay especially in its domestic refineries, export crude and import refined oil, thus hampering intra-African trade opportunities in fuels.

Similarly, intra-African trade in manufactured goods as a percentage of African world trade in manufactured goods ranged from 15.7 percent in labor-intensive and resource-based manufacturing to 21.4 percent in manufacturing with low skill and technology intensity. This is reflective of the lower scope for intra-industry trade in manufacturing in Africa in the absence of regional value chains, a lack of economic diversification, a narrow African production base and the absence of large companies with subsidiaries trading in various parts of the region.

Table 1. 11: Main African exports to Africa and to the rest of the world by three-digit SITC product category, 2007–2011 (period averages)

Country	Top 2 exports to Africa	Shares
Algeria	Liquefied propane and butane; Natural gas, whether or not liquefied;	83.3
Angola	Petroleum oils, oils from bitumin. materials, crude;Ships, boats & floatingstructures	94.6
Benin	Petroleum oils or bituminous minerals > 70 % oil; Other meat and ediblemeat offal	41.2
Botswana	Nickel ores & concentrates; nickel mattes, etc.; Pearls, precious & semiprecious stones	27.3
Burkina Faso	Gold, non-monetary (excluding gold ores and concentrates), Live animalsother than animals of division 03	22.3
Burundi	Coffee and coffee substitutes; Tea and mate	26.1
Cameroon	Petroleum oils or bituminous minerals > 70 % oil; Ships, boats & floatingstructures	42.2
Cape Verde	Petroleum oils or bituminous minerals > 70 % oil; Ships, boats & floatingstructures	62.9
Central African Rep.	Wood simply worked, and railway sleepers of wood; Sugar, molasses andhoney	50.8
Chad	Special yarn, special textile fabrics & related; Cotton	43.3
Comoros	Spices; Lime, cement, fabrics. constr. mat. (excludingglass, clay)	34.0
Congo	Ships, boats & floating structures; Petroleum oils, oils from bitumen. materials, crude	68.5
Côte d'Ivoire	Petroleum oils or bituminous minerals > 70 % oil; Residual petroleumproducts, n.e.s.,	45.6
Dem. Rep. of the Congo	Copper ores and concentrates; copper mattes, cement; Copper	66.5
Djibouti	Live animals other than animals of division 03; Milk, cream and milk products (excluding butter, cheese)	48.9
Egypt	Gold, non-monetary (excluding gold ores and concentrates); Petroleumoils or bituminous minerals > 70 % oil	14.0
Equatorial Guinea	Petroleum oils, oils from bitumin. materials, crude; Liquefied propane andbutane	78.8
Eritrea	Prefabricated buildings; Oil seeds & oleaginous fruits (incl. flour, n.e.s.)	33.1
Ethiopia	Vegetables; Live animals other than animals of division 03	67.1
Gabon	Ships, boats & floating structures; Petroleum oils or bituminous minerals> 70 % oil	50.8
Gambia	Fabrics, woven, of man-made fabrics; Milk, cream and milk products (excluding butter, cheese)	38.8
Ghana	Gold, non-monetary (excluding gold ores and concentrates); Liquefiedpropane and butane	35.4
Guinea	Fish, fresh (live or dead), chilled or frozen; Coffee and coffee substitutes	52.1
Guinea Bissau	Fish, fresh (live or dead), chilled or frozen; Household equipment of basemetal, n.e.s.	22.9
Kenya	Tea and mate; Petroleum oils or bituminous minerals > 70 % oil	17.2
Lesotho	Television receivers, whether or not combined; Footwear	25.8
Liberia	Petroleum oils or bituminous minerals > 70 % oil; Natural rubber & similargums, in primary forms	52.3
Libya	Petroleum oils, oils from bitumin. materials, crude; Petroleum oils or bituminous minerals > 70 % oil	58.3
Madagascar	Petroleum oils or bituminous minerals > 70 % oil; Articles of apparel, oftextile fabrics, n.e.s.	18.0
Malawi	Tobacco, unmanufactured; tobacco refuse; Maize (not including sweetcorn), unmilled	31.1
Mali	Gold, non-monetary (excluding gold ores and concentrates); Live animalsother than animals of division 03	86.1
Mauritania	Fish, fresh (live or dead), chilled or frozen; Gold, non-monetary (excludinggold ores and concentrates)	81.3
Mauritius	Articles of apparel, of textile fabrics, n.e.s.; Men's clothing of textile fabrics, not knitted	19.7
Morocco	Fish, aqua. invertebrates, prepared, preserved, n.e.s.; Fertilizers (otherthan those of group 272)	19.2

Country	Top 2 exports to Africa	Shares
Mozambique	Electric current; Petroleum oils or bituminous minerals > 70 % oil	50.0
Namibia	Printed matter; Fish, fresh (live or dead), chilled or frozen	28.3
Niger	Live animals other than animals of division 03; Vegetables	81.1
Nigeria	Petroleum oils, oils from bitumin. materials, crude; Ships, boats & floatingstructures	88.5
Rwanda	Tea and mate; Live animals other than animals of division 03	39.4
Sao Tome and Principe	Petroleum oils or bituminous minerals > 70 % oil; Tubes, pipes & hollowprofiles, fittings, iron, steel	44.8
Senegal	Petroleum oils or bituminous minerals > 70 % oil; Lime, cement, fabrics.constr. mat. (excluding glass, clay)	41.9
Seychelles	Fish, fresh (live or dead), chilled or frozen;	75.7
Sierra Leone	Civil engineering & contractors' plant & equipment; Petroleum oils orbituminous minerals > 70 % oil	24.6
Somalia	Electric power machinery, and parts thereof; Vegetables, roots, tubers,prepared, preserved, n.e.s.	22.3
South Africa	Motor vehicle. for transport of goods, special purpo.; Petroleum oils orbituminous minerals > 70 % oil	12.1
Sudan	Petroleum oils or bituminous minerals > 70 % oil; Oil seeds and oleaginous fruits (excluding flour)	60.2
Swaziland	Essential oils, perfume &flavour materials; Miscellaneous chemical products, n.e.s.	43.5
Togo	Lime, cement, fabrics. constr. mat. (excluding glass, clay); Electric current	33.2
Tunisia	Paper & paperboard, cut to shape or size, articles; Lime, cement, fabrics.constr. mat. (excluding glass, clay)	12.1
Uganda	Lime, cement, fabrics. constr. mat. (excluding glass, clay); Tobacco, unmanufactured; tobacco refuse	15.3
United. Rep. of Tanzania	Gold, non-monetary (excluding gold ores and concentrates); Fertilizers(other than those of group 272)	15.3
Zambia	Copper; Copper ores and concentrates; copper mattes, cement	39.5
Zimbabwe	Nickel ores & concentrates; nickel mattes, etc.; Coke & semi-cokes ofcoal, lign., peat; retort carbon	32.1
Africa	Petroleum oils, oils from bitumin. materials, crude; Petroleum oils or bituminous minerals > 70 % oil	29.6
Algeria	Petroleum oils, oils from bitumin. materials, crude; Natural gas, whetheror not liquefied	79.8
Angola	Petroleum oils, oils from bitumin. materials, crude; Pearls, precious &semi-precious stones	97.6
Benin	Cotton; Fruits and nuts (excluding oil nuts), fresh or dried	57.3
Botswana	Pearls, precious & semi-precious stones; Nickel ores & concentrates; nickel mattes, etc	91.4
Burkina Faso	Cotton; Gold, non-monetary (excluding gold ores and concentrates)	85.4
Burundi	Coffee and coffee substitutes; Gold, non-monetary (excluding gold oresand concentrates)	76.4
Cameroon	Petroleum oils, oils from bitumin. materials, crude; Cocoa	60.3
Cape Verde	Fish, fresh (live or dead), chilled or frozen; Fish, aqua. invertebrates, prepared, preserved, n.e.s.	55.9
Central African Rep.	Wood in the rough or roughly squared; Pearls, precious & semi-preciousstones	62.5
Chad	Petroleum oils, oils from bitumin. materials, crude; Petroleum oils or bituminous minerals > 70 % oil	95.7
Comoros	Ships, boats & floating structures; Spices	74.1
Congo	Petroleum oils, oils from bitumin. materials, crude; Ships, boats & floatingstructures	85.7
Côte d'Ivoire	Cocoa; Petroleum oils, oils from bitumin. materials, crude	63.6
Dem. Rep. of the Congo	Copper; Ores and concentrates of base metals, n.e.s.	46.9
Djibouti	Live animals other than animals of division 03; Gold, non-monetary (excluding gold ores and concentrates)	46.7
Egypt	Petroleum oils or bituminous minerals > 70 % oil; Natural gas, whether ornot liquefied	26.8
Equatorial Guinea	Petroleum oils, oils from bitumin. materials, crude; Natural gas, whetheror not liquefied	93.3
Eritrea	Gold, non-monetary (excluding gold ores and concentrates); Silver, platinum, other metals of the platinum group	88.0
Ethiopia	Coffee and coffee substitutes; Oil seeds and oleaginous fruits (excludingflour)	54.5
Gabon	Petroleum oils, oils from bitumin. materials, crude; Ores and concentratesof base metals, n.e.s.;	85.5
Gambia	Fruits and nuts (excluding oil nuts), fresh or dried; Ores and concentratesof base metals, n.e.s.	45.2
Ghana	Cocoa; Petroleum oils, oils from bitumin. materials, crude	69.1
Guinea	Aluminium ores and concentrates (incl. alumina); Natural gas, whether ornot liquefied	66.1

Country	Top 2 exports to Africa	Shares
Guinea Bissau	Fruits and nuts (excluding oil nuts), fresh or dried; Petroleum oils, oils frombitumin. materials, crude	96.8
Kenya	Tea and mate; Crude vegetable materials, n.e.s	44.0
Lesotho	Pearls, precious & semi-precious stones; Articles of apparel, of textilefabrics, n.e.s.	50.8
Liberia	Ships, boats & floating structures; Natural rubber & similar gums, in primary forms	72.2
Libya	Petroleum oils, oils from bitumin. materials, crude; Petroleum oils or bituminous minerals > 70 % oil	90.7
Madagascar	Articles of apparel, of textile fabrics, n.e.s.; Spices	26.7
Malawi	Tobacco, unmanufactured; tobacco refuse; Sugar, molasses and hone	75.3
Mali	Cotton; Gold, non-monetary (excluding gold ores and concentrates)	74.2
Mauritania	Iron ore and concentrates; Copper ores and concentrates; copper mattes, cement	65.2
Mauritius	Articles of apparel, of textile fabrics, n.e.s.; Sugar, molasses and honey	33.2
Morocco	Motor vehicles for the transport of persons; Fish, fresh (live or dead), chilled or frozen	19.2
Mozambique	Aluminium; Tobacco, unmanufactured; tobacco refuse	66.4
Namibia	Pearls, precious & semi-precious stones; Fish, fresh (live or dead), chilled or frozen	35.3
Niger	Radio-actives and associated materials; Ores and concentrates of uranium or thorium	68.0
Nigeria	Petroleum oils, oils from bitumin. materials, crude; Natural gas, whether or not liquefied	88.9
Rwanda	Ores and concentrates of base metals, n.e.s.; Coffee and coffee substitutes	80.2
Sao Tome and Principe	Cocoa; Lime, cement, fabrica. constr. mat. (excludingglass, clay)	69.2
Senegal	Petroleum oils or bituminous minerals > 70 % oil; Inorganic chemicalelements, oxides & halogen salts	39.5
Seychelles	Fish, aqua. invertebrates, prepared, preserved, n.e.s.; Fish, fresh (live or dead), chilled or frozen	69.0
Sierra Leone	Pearls, precious & semi-precious stones; Aluminium ores and concentrates (incl. alumina)	38.9
Somalia	Live animals other than animals of division 03; Gold, non-monetary (excluding gold ores and concentrates)	60.2
South Africa	Silver, platinum, other metals of the platinum group; Coal, whether or notpulverized, not agglomerated	22.3
Sudan	Petroleum oils, oils from bitumin. materials, crude; Petroleum oils or bituminous minerals > 70 % oil	87.4
Swaziland	Sugar, molasses and honey; Pulp and waste paper	30.0
Togo	Cocoa; Cotton	50.2
Tunisia	Petroleum oils, oils from bitumin. materials, crude; Articles of apparel, of textile fabrics, n.e.s.	26.1
Uganda	Coffee and coffee substitutes; Fish, fresh (live or dead), chilled or frozen	48.1
United. Rep. of Tanzania	Ores & concentrates of precious metals; waste, scrap; Gold, nonmonetary (excluding gold ores and concentrates)	29.5
Zambia	Copper; Copper ores and concentrates; copper mattes, cement	84.3
Zimbabwe	Tobacco, unmanufactured; tobacco refuse; Pig iron &spiegeleisen, sponge iron, powder & granules	41.3
Africa	Petroleum oils, oils from bitumin. materials, crude; Natural gas, whether or not liquefied	54.4

Source: UNCTADstat database.
Note: The third column shows shares of the top two products in exports to Africa and exports to the rest of the world respectively.

Source: (Andriamananjara, Brenton, Uexkull&Walkenhorst, 2009)

Table 1.11 lends more support for the need for unexploited opportunities in African trade especially in agriculture in which it has potentials for comparative advantage. It is observed that Africa is endowed with the greater percentage of uncultivated arable land, estimated at about 50 to 60 percent in Sub-Saharan Africa. However, it observed that only 16.9 percent of African world trade in food and live animals and only 14.8 percent of African agricultural imports took place within the continent in the period between 2007 to 2011, denoting that both agriculture and intra African trade in agriculture remain significantly underdeveloped. It is observed that only 25 African countries counted agriculture or agriculture-related product among their two top exports to Africa in the period between 2007 to 2011. If the analysis is extended to cover the top five exports of each country to the rest of Africa, it is noted that intra agricultural exports take place within a narrow range of only 34 products, of which some are covered by only a few countries. For example, based on that analysis only Benin and Botswana export meat to the continent. Burkina Faso, Djibouti, Ethiopia, Mal, The Sudan, Niger and Rwanda are the only countries to count live animals among their top five exports to the rest of the region. By the same measure, rice is only exported by Benin and Cape Verde, maize only by Malawi, and vegetables only by Eritrea, Ethiopia, the Niger and Sudan.

Table 1. 12: Net trade balance of African countries in agriculture, 2007–2011 (thousands of dollars)

Country	Net trade balance: Agricultural raw materials	Net trade balance: All food items	Country	Net trade balance: Agricultural raw materials	Net trade balance: All food items
Algeria	-641 117	-7 355 609	Libya	-44 665	-1 327 343
Angola	-129 907	-3 235 044	Madagascar	28 647	8 800
Benin	324 401	-125 845	Malawi	26 472	593 510
Botswana	-48 824	-490 316	Mali	428 563	-268 879
Burkina Faso	480 519	-158 972	Mauritania	-9 202	-39 226
Burundi	-5 021	-17 585	Mauritius	-94 761	-234 912
Cameroon	599 217	-135 232	Morocco	-594 652	-913 481
Cape Verde	-5 778	-177 847	Mozambique	69 829	-135 997
Central African Rep.	69 086	-54 649	Namibia	-19 482	378 237
Chad	99 624	-307 870	Niger	-32 210	-105 818
Comoros	-1 760	-65 028	Nigeria	223 610	-4 162 785
Congo	185 811	-468 317	Rwanda	-21 911	-104 188
Côte d'Ivoire	849 804	2 951 891	Sao Tome and Principe	-763	-29 387
Dem. Rep. of the Congo	29 014	-845 587	Senegal	-39 880	-585 056
Djibouti	-6 208	-67 475	Seychelles	-15 261	164 444
Egypt	-990 789	-5 812 720	Sierra Leone	-52 272	-138 650
Equatorial Guinea	81 766	-413 097	Somalia	29 063	-410 681
Eritrea	-4 740	-199 583	South Africa	859 587	1 693 937
Ethiopia	152 410	404 907	Sudan	87 289	-799 737
Gabon	840 508	-410 644	Swaziland	90 964	187 999
Gambia	1 138	-81 748	Togo	74 966	12 248
Ghana	267 320	2 324 285	Tunisia	-371 349	-578 464
Guinea	25 765	-187 632	Uganda	128 155	1 009 537
Guinea Bissau	633	51 801	United. Rep. of Tanzania	177 174	392 613
Kenya	509 930	746 656	Zambia	69 970	184 204
Lesotho	-34 441	-371 739	Zimbabwe	293 264	32 267
Liberia	72 024	-7 829			
Source: UNCTADstat database.					

Source: (Andriamananjara, Brenton, Uexkull&Walkenhorst, 2009)

Table 1.12 shows that thirty-one African countries are net exporters of agricultural raw materials to the world, while 37 countries are net importers of food items from the world. All countries that were net food importers from (or net food exporters to) the world were also net food importers from (or net food exporters to) Africa except for Djibouti, Benin, Egypt, Mauritania, Morocco, the Niger, Senegal, and Tunisia which had net exports to the Africa but imported from world, and Ghana, Guinea Bissau, Madagascar, and Swaziland which had net imports from Africa but exported to the world. In aggregate terms, Africa imported only 15 percent of its food items from the rest of Africa in 2007-2011.

CONCLUSSION AND RECOOMENDATIONS

Some have however argued that after experimenting with market integration for decades, it is clear that trade is not the main key to the economic integration and development of ECOWAS. Therefore, substituting trade with third countries and replacing it with trade between ECOWAS member states will not change the structural aspect of the economy that integration seeks to achieve. In the first place the supply side is undeveloped, which makes trade within the sub region unattractive. The types of goods that will search for a market in West Africa do not yet exist adequately. There is lack of complementarities in the goods being exchanged within the West African sub region. The major export commodities are raw materials which can only be transformed in industries. The industrial capacity of ECOWAS member states is inadequate to absorb these raw materials. Hence, the trading pattern and relations continues to show dependence on external market.

Thus, we recommend that, since the thirty-one African countries are net exporters of agricultural raw materials to the world, while 37 countries are net importers of food items from the world. All countries that were net food importers from (or net food exporters to) the world were also net food importers from (or net food exporters to) Africa except for Djibouti, Benin, Egypt, Mauritania, Morocco, the Niger, Senegal, and Tunisia which had net exports to the Africa but imported from world, and Ghana, Guinea Bissau, Madagascar, and Swaziland which had net imports from Africa but exported to the world, more efforts should be made by the regions organizations in Africa to courageously ride the African Nations of corruption as that is the bane of progress in Africa.

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