Overview of the Quarterly Report of the Nigerian Ministry of Industry, Trade & Investment

By:

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The present report entitled “Special Economic Zones: Emerging Frontiers for Industrial Growth” covers the period of January – March 2019. The Report is divided into sections that provide important updates on the current steps being taken by the Federal Ministry of Industry, Trade & Investment (FMITI) and the Federal Government of Nigeria (FGN) in thematic areas that include: trade and trade policy, SMEs, investment, industry, the African Continental Free Trade Area Agreement (AfCFTA) and general news update.

1. **General News Update**

In the general news section, there are updates on the current effort towards the promotion of public private partnership for economic development, information and communications technology, and *backward integration*– framework that

requires multinationals operating in the country to develop and source for local alternatives to imported raw materials. Of particular note are:

The Presidential Enabling Business Environment Council The Presidential Enabling Business Environmental Council (PEBEC) launched information booths in two international airports in Nigeria (Lagos & Abuja) with a view to increasing the awareness of PEBEC, and to seek feedback on the quality of services that the strategic ministries, departments and agencies of the FGN. PEBEC was established in July 2016 by the FGN "to remove bureaucratic constraints to doing business in Nigeria and make the country a progressively easier place to start and grow a business." Since its launch, the FGN has gradually reformed investment regulations in the country relating to establishing companies. More on this is available on pages 5 & 23 of the Report.

Inauguration of the Presidential Committee on Impact of AfCFTA Nigeria continues to delayits ratification of the AfCFTA, despite the completion of the consultation process. The stakeholder engagement on the AfCFTA acknowledged the potential benefits and challenges of implementation of the agreement to Nigerian businesses. The challenges identified include: low competitiveness of Nigerian business environment due to infrastructure deficit; competition from more mature African countries and unquantified impacts of legacy preferential bi/multilateral trade agreements. The Agenda on the Impact & Readiness Assessment that was held on October 24th, 2018 can be found here.

Specifically, the Technical Committee is charged with the mandate to conduct a full assessment of the costs and risks inherent in the AfCFTA; identify short, medium and long-term measures to resolves the issues and risks; define roadmap to prepare Nigeria for the take-off of the AfCFTA trading bloc; and finalise and launch plan to enforce the provisions of the ECOWAS Treaty.

2. **Special Economic Zones: Emerging Frontiers for Industrial Growth**

This section features the cover story on updates regarding the public private partnership projects in Special Economic Zones (SEZs) that the FGN has inaugurated with a view to galvanizing economic growth and development in

the country. As noted in the Report:

> "Recent economic history shows that when SEZs are developed within a coherent, well designed, executed and funded framework, they help developing countries to utilise their factor endowments and comparative advantage to industrialise, diversify their economies and achieve prosperity for their people within one generation."

3. **Trade**

The Trade section of the Report provides important updates on the ongoing trade reforms and negotiations that the FGN is engaged through the office of the Nigerian Office for Trade Negotiations that was established in May 2017 to institutionalize the trade reforms. Specific aspects of the reform on which updates are provided include collaboration with the Economic Community of West African States (ECOWAS) and the WTO ON trade and investment facilitation rules and the 2018 "Nigerian Annual Trade Policy Report."

4. **SMEs**

Another important aspect of the report was the featured interviews with the Minister of State for Industry, Trade and Investment, Mrs. Aisha Abubakar. The interview offers first-hand account of efforts to deepen access to finance for small business to thrive in Nigeria. In addition, the very detailed Report also includes interviews with the Dr. Okechukwu Enelamah on "Technology and innovations boosting investments in Nigeria" as well as insights on Code of Corporate governance and Industry in general.

Overall, the Report underlies the very important work that the FMITI is doing and we look forward to the next edition. The Report is also a good model for other African countries, that are not already doing the same, to follow.

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