



Trade Policy Review Body

UNOFFICIAL ROOM DOCUMENT¹

**TRADE POLICY REVIEW OF NIGERIA
(13 AND 15 JUNE 2017)**

CONCLUDING REMARKS BY THE CHAIRPERSON

Organe d'examen des politiques commerciales

DOCUMENT DE SÉANCE NON OFFICIEL¹

**EXAMEN DES POLITIQUES COMMERCIALES DE NIGERIA
(13 ET 15 JUIN 2017)**

REMARQUES FINALES DU PRÉSIDENT

Órgano de Examen de las Políticas Comerciales

DOCUMENTO DE SALA NO OFICIAL¹

**EXAMEN DE LAS POLÍTICAS COMERCIALES DE NIGERIA
(13 Y 15 DE JUNIO DE 2017)**

OBSERVACIONES DEL PRESIDENTE A MODO DE CONCLUSIÓN

* In Original language only/En langue originale seulement/En el idioma original solamente.

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**FIFTH TRADE POLICY REVIEW OF NIGERIA
13 AND 15 JUNE 2017**

CONCLUDING REMARKS BY THE CHAIRPERSON

*H.E. Ambassador Juan Carlos Gonzalez
(Permanent Representative of Colombia)*

15 June 2017

1. This fifth Trade Policy Review has offered a very useful opportunity for Members to deepen their understanding of the trade policies and practices of Nigeria, and to collectively appreciate the challenges it currently faces in sustaining and improving its economic prosperity. I would like to thank the Nigerian delegation, led by Ambassador Chiedu Osakwe, Trade Adviser to the Federal Minister for Trade, Industry and Investment, our discussant Ambassador Yee Woan Tan of Singapore, and the more than 45 delegations that took the floor for their valuable contributions.
2. In their interventions, Members appreciated Nigeria's performance, which has positioned it as the 26th largest economy in the world, and the biggest in Africa. They also highlighted Nigeria's wealth in natural resources, as it is the top oil exporter in the continent, with the largest natural gas reserves. High global demand for and prices of oil and gas had helped Nigeria experience rapid economic growth in the last decade. However, the sharp decline in oil prices since the third quarter of 2014 has posed major challenges to Nigeria's economy that was plunged into recession in 2016. Despite the significant decline in its contribution to Nigeria's GDP (less than 10% in 2016), oil continues to contribute about 70% to government revenue and 90% to export earnings.
3. Members welcomed Nigeria's Economic Recovery and Growth Plan for 2017-2020, which aims at sustained inclusive growth through a structural transformation and diversification of the economy. In particular, they appreciated the steps taken to develop the manufacturing sector and the digital economy, especially e-commerce, with a view to speeding up the economic recovery process. They were of the view that further structural reforms aimed at improving the business environment, by streamlining trade procedures, establishing a market-driven and fully floating foreign exchange rate regime, addressing governance weaknesses and regulatory uncertainties, combating insecurity, modernizing infrastructure, and by ensuring access to affordable and reliable electricity, would help to attract investment for the diversification of the economy thus reducing its dependence on crude oil. More investment in vocational training would contribute to enhancing the competitiveness of the economy.
4. Members commended Nigeria on its active participation in the WTO, for having ratified the WTO Trade Facilitation Agreement (TFA) and for having accepted the Protocol amending the TRIPS Agreement. Members welcomed Nigeria's recent notification of categories B and C measures under the TFA, but called upon the country to fully meet its notification commitments, mainly in the various areas where they remained outstanding, including TBT and SPS.
5. Members noted that Nigeria has largely aligned its tariff with the ECOWAS common external tariff since 2015, albeit with most of the flexibilities offered by the community's provisions. They encouraged Nigeria to improve the predictability of its tariff regime by increasing its binding coverage and by lowering its high bound rates. Nigeria was also urged to eliminate its numerous additional duties and charges on imports.
6. Members called upon Nigeria to phase out its longstanding import prohibition lists and local content requirements in the oil sector, which are considered incompatible with WTO rules. They expressed concerns about Nigeria's ban on 41 categories of items for which importers are not allowed access to foreign exchange from the Central Bank.

7. Several delegations enquired about the standardization process in Nigeria and about the operational procedures and processing time for issuing import permits and licences for certain products. Although Nigeria has taken steps to automate its customs procedures, concerns were raised about its burdensome customs procedures and erratic customs valuation. On intellectual property rights, Members highlighted the importance for Nigeria to complete the ratification of several WIPO treaties with a view to enhancing IPR protection. Nigeria was encouraged to update its legal framework on government procurement and to become an observer to the WTO Government Procurement Agreement (GPA). On competition policy, Members welcomed the draft law and looked forward to its entry into force.

8. Members sought information about the trade regimes foreseen for the priority sectors identified by Nigeria in its diversification strategy. They commended Nigeria on its agricultural policies but raised concerns regarding its price support schemes for certain commodities under the Growth Enhancement Support Scheme and about its subsidies to fisheries. Several Members called upon Nigeria to dismantle its taxes and other restrictions on imports of seafood, including fish and fish products. They welcomed the elimination of fossil fuel subsidies, which had created market distortions in the oil sector, and enquired about the status of the Petroleum Industry Bill expected to regulate the oil and gas sector.

9. Members stressed the growing importance of the services sector to Nigeria's economy and called upon the country to enhance Public-Private Partnerships for the further development of the sector. They noted the significance of Nigeria's entertainment sector as the third largest in the world in terms of production. Members also appreciated the increased competition introduced in the telecommunications sector through privatisation reforms, and highlighted the growth potential in the insurance sector due to its low penetration rate.

10. By now, Nigeria has already responded to almost all advance written questions. This review will be successfully concluded in a month's time, when Nigeria replies to all outstanding questions.

11. I am certain that Nigeria will feel encouraged by the importance that Members have attached to this exercise which is very timely given Nigeria's current drive to undergo important structural reforms. I would encourage Nigeria to continue its efforts to further liberalize trade and investment for its own benefit and for the benefit of its trading partners. I hope the delegation will take into account the constructive comments that it has received during this TPR process while revisiting its economic and trade policies. This would surely help Nigeria to enhance its competitiveness in the global economy, and its participation in the multilateral trading system.
