



Nigeria-UK Trade in Context

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**UK-Nigeria Trade and Investment Diagnostic
Study**





Nigeria-UK trade relations



Nigeria and UK trade relations are strong for the following reasons:

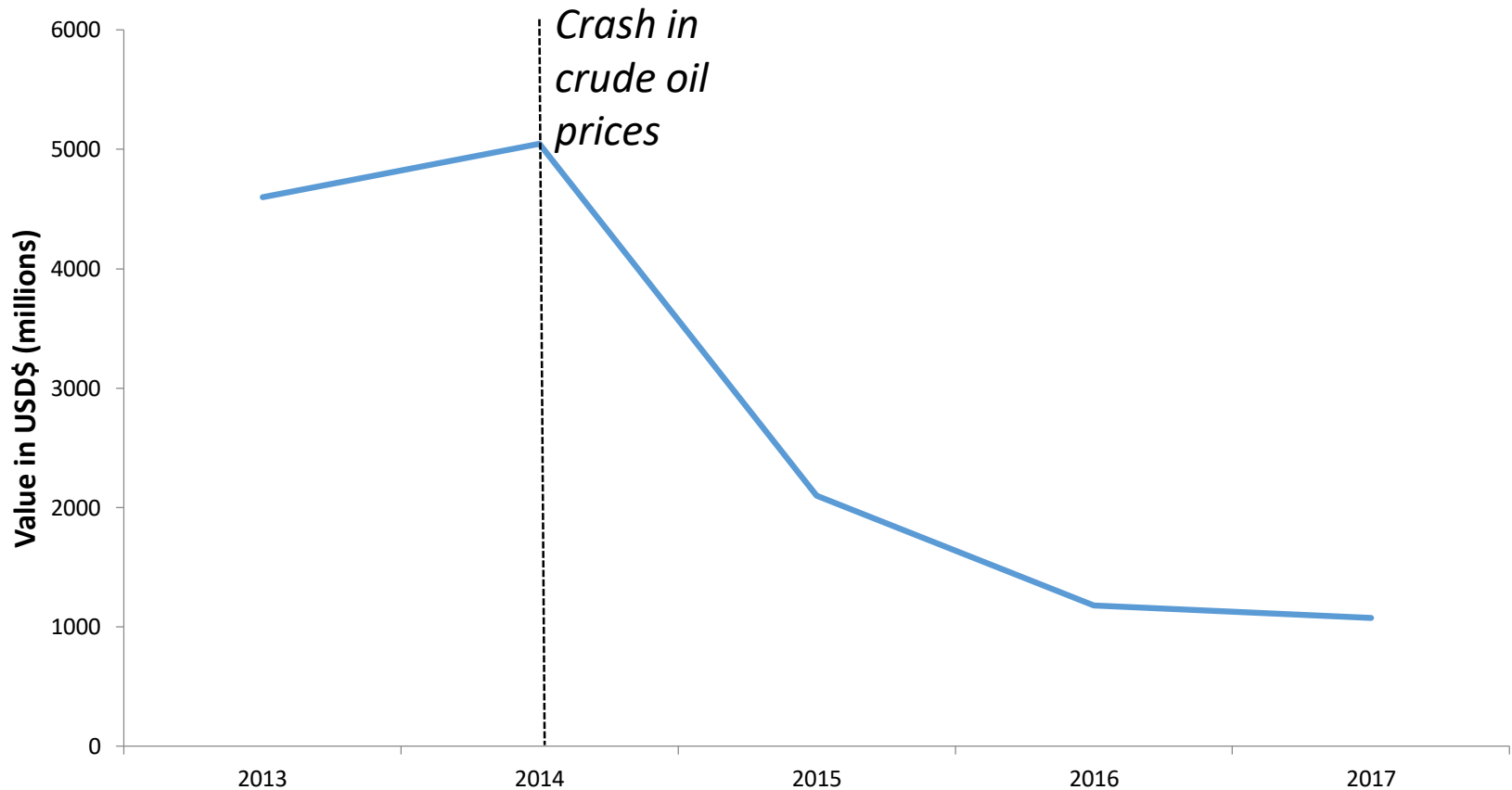
- Nigeria is a commonwealth nation
- Language
- Large Nigerian diaspora population
- Historic educational links (Nigerians are the third largest group of overseas students in the UK)
- Direct regular flights, modest time differences

Everything points to huge mutually beneficial trade!

The current context: Nigerian Exports to UK



Value of Nigerian exports to UK





Trade fuelled by oil



Nigerian Exports to UK

Year	2013	2014	2015	2016	2017
Total Export Value (US\$ millions)	4599.838	5045.619	2098.06	1180.372	1074.837
Crude Oil Export Value (US\$ millions)	4055.133	3043.431	1431.139	1158.875	1053.015
% of Export Value that is Crude Oil	88.2	60.3	68.2	98.2	98.0

The value of Nigeria's export to the UK reduced by 76.6% between 2013 and 2017 and the UK's biggest export to Nigeria – **Refined Oil!**

Diversification potential



- Look at two examples (picked for comparison potential to other African countries)

- Cocoa



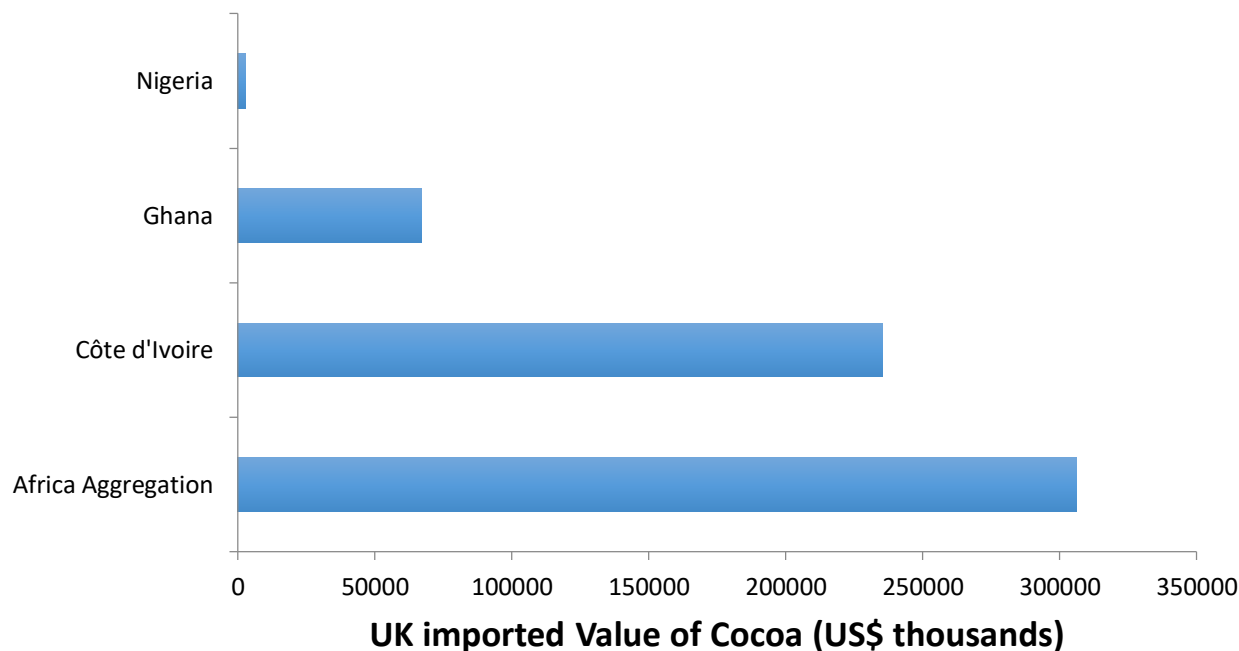
- Rubber



Does the UK import cocoa from Africa? If so, where from?



2017 UK imports of cocoa and cocoa products from Africa

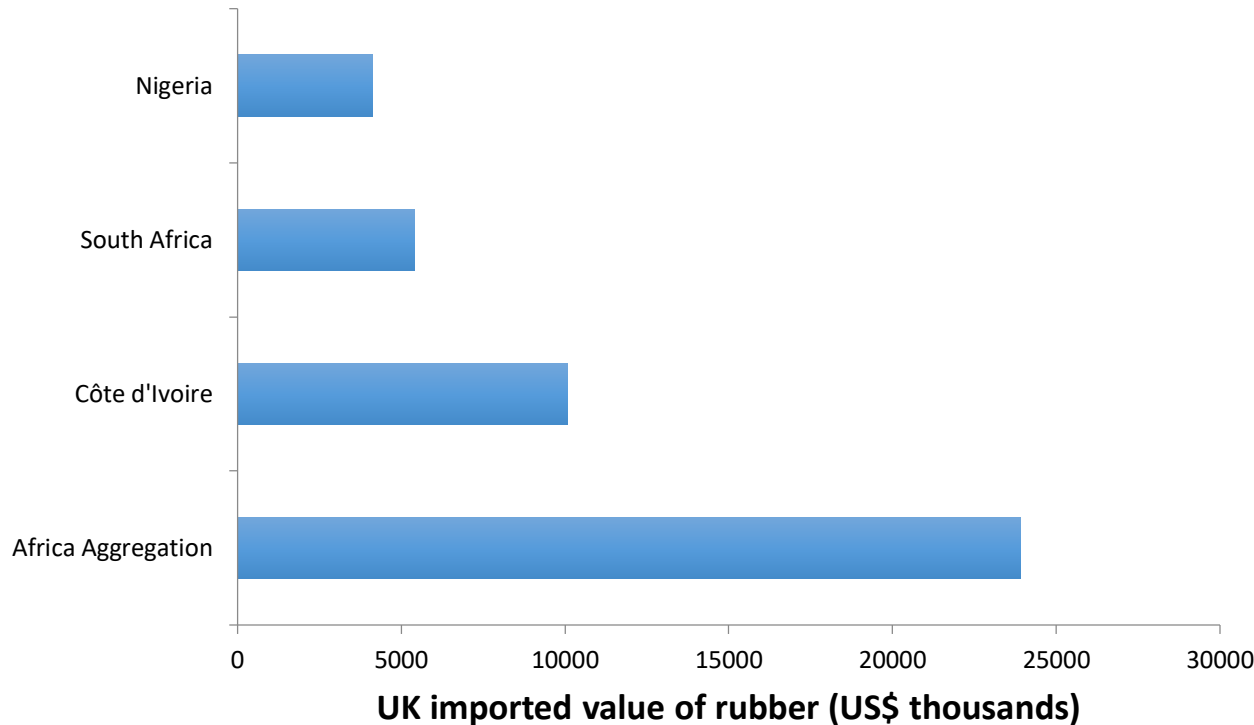


- UK imported \$306 million of cocoa/cocoa products from Africa in 2017.
- 77% of this from Côte d'Ivoire.
- 21.9% from Ghana.
- Only 0.87% was from Nigeria.
- **UK has a demand for our Nigeria's non-oil products. Why does the UK not import more from Nigeria?**
- **What are the constraints?**

Rubber: A similar story



2017 UK imports of rubber from Africa



- UK imported \$239 million of rubber from Africa in 2017.
- 42.2% of this from Côte d'Ivoire.
- 22.6% from Ghana.
- 17.3% was from Nigeria.
- **Nigeria has significant participation in the UK rubber market but we have the capacity to enhance and increase our market share!**

Show me the money: Export of services



In 2015 the Creative sector in Nigeria achieved total revenues of \$4.8billion. This is expected to reach \$8.1billion by 2019, marking it as “the fastest-expanding major market globally”.
- PricewaterhouseCoopers

KEY FACTS



Advertising

\$1 billion

Advertising industry contributes about \$1 billion (over N300 billion) to Nigeria's economy annually



Music

\$88 million

Music sales in the country reached \$56m in 2015 and are expected to hit \$88m by 2019, according to PwC with 1200 shows and concerts annually. Over \$270 million worth of production lost to UK and SA.



Film/Cinema

\$3 billion

Nigeria's film industry, known colloquially as Nollywood, is the second-largest source of jobs in the country, according to the IMF, and its rapid growth is set to continue. IMF data from 2015 puts the industry's total contribution to GDP at N853.9 billion (\$3 billion)



Social Media & Digital Platform

\$88 billion

There are indications that investments in digital economy will generate \$88 billion and create three million jobs for Nigerians before the end of 2021.

KEY AREAS



Film/Cinema



Television



Music



Live Variety Entertainment



Arts and Craft



Advertising



Internet: Social Media Digital Platform



Lifestyle Marketing



Gaming



Standup Comedy



Merchandise & Product



Radio



Theatre

KEY OPPORTUNITIES

As the Nigerian creative sector becomes more formal it requires formal professional advice in various areas;

Legal admin & Contract



Publishing & admin



Trademarks & Licensing



Management Consultants



Financial Advisory, financial management



Social Media Marketing & Mobile Strategy



Some Challenges and Barriers to Export: Meeting standards



- Origin reputation
- Traceability
- Certifications
- Logistics

Ban on the imports of products e.g. Dry Beans from Nigeria by the EU in 2015.

- **Agricultural exports not meeting EU standard. Following Brexit, we have the opportunity to work together to ensure Nigerian agricultural exports meet UK standards.**

NEPC Interventions to overcome the challenge of standards



- Zero Rejects Committee
- National Quality Infrastructure Programme with support from UNIDO
- NEPC RVO CBI (Netherlands) Export Competency Development Programme
- EU Third Country Listing, An Eligibility Criteria For Exporting Honey To The EU Market
- Advocacy and creation of awareness of quality standards of exports



Post-Brexit opportunities: A proposed TICA



- A potential bilateral Trade and Investment Cooperation agreement (TICA) could increase FDI into Nigeria from the UK from \$1 billion to \$4.5 billion by 2030. However, this requires the implementation of programmes that improve trade competitiveness and ease of doing business between the two countries.
- Commonwealth secretariat prediction of trade increasing from \$3.7 billion to \$4.5 billion from the proposed TICA.
- Commonwealth report highlights how this is a strong opportunity for Nigeria to diversify its export base to the UK.



Post-Brexit opportunities: Competitiveness



- Commonwealth report identified 21 products where Nigeria is competitive vis-à-vis existing exporters to UK.
- These include cocoa paste, cashew and lead.
- The estimates suggest that from these 21 products, Nigeria could increase its market share in the UK by \$543 million.



Post-Brexit opportunities: Diaspora



- Nigeria should take advantage of the Nigerian diaspora in the UK to increase food exports.
- This is also an avenue to help promote Nigerian cuisine in the UK.
- Loss of EU agricultural subsidies could make Nigerian agricultural products more competitive in UK. Admittedly, this depends on extent UK will support its farmers on existing subsidies.



Post-Brexit opportunities: Services



- Several Nigerian professional services are patterned after the UK.
- This means that there are similarities for our two countries to engage in mutual recognition agreements for certain professional services.
- If we can improve access to visas for those who are qualified, we can strengthen our trade in services.



Thank you for listening.

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