

Trade Policy Review Body

TRADE POLICY REVIEW MECHANISM REVIEW OF NIGERIA

Communication from the Discussants

In pursuance of Annex 3, paragraph C (iv) of the WTO Agreement, the following are outlines of the main points to be raised by the discussants, Mr. Moncef Baati (Tunisia) and Ms. Florence Dobelle (France) at the Trade Policy Review of Nigeria on 23-24 June 1998.

It is recalled that the discussants act in their personal capacity.

(a) Mr. Moncef Baati

- During the period 1995-1997, efforts made to strengthen the banking sector and stabilize the fiscal position have brought about an improvement in the macroeconomic situation, including a return to budgetary balance, an improvement in the balance of payments, a reduction of inflation as well as an increase in foreign exchange reserves. Nevertheless, the high public debt and the accumulation of arrears remain a major problem.
- Foreign exchange is available at market prices for current transactions but the absence of a unified rate could be detrimental to business.
- Nigeria continues to rely on crude oil exports for 95% of export earnings and three quarters of government income. As a result, the economy remains heavily dependent on oil price fluctuations and could therefore be affected by the weakness of oil revenues.
- Economic growth has been modest. In particular, further efforts are necessary for agriculture to play its role in economic development; industrial production has declined because of weak domestic demand and infrastructural problems; and growth in the services sector has remained relatively weak.
- The implementation of the privatization programme announced in 1998 in the areas of telecommunications, electricity, oil refineries, etc will constitute an additional incentive for foreign direct investment, improve efficiency and increase the contribution of these sectors to economic development.

(b) Ms. Florence Dobelle

(i) *Import regime*

- Could Nigeria specify the planned schedule for the elimination of preshipment inspection?

./.

¹ This communication is subject to restricted circulation and press embargo until the end of the Meeting of the Trade Policy Review Body on Nigeria.

- Should a simplification of import procedures, involving the elimination of redundant documents, be implemented?
- What steps is Nigeria taking to implement the Custom Valuation Agreement at the end of the five-year transition period on 1 January 2000?
- When does Nigeria intend to adopt legislation on safeguards?
- Does Nigeria consider that a reduction of customs duties on capital equipment required by the food processing industry would be beneficial?
- Does Nigeria consider that joining the ITA could, in the long run, be possible?
- What reasons justify the exemption of oil imports from quality control?

(ii) *Export regime*

- Does Nigeria envisage a liberalization of export procedures?
- What is Nigeria's assessment of the Export Preshipment Inspection procedure in terms of efficiency, costs and circumvention?
- Is a reduction of the list of sectors subject to export prohibitions under consideration? What sectors could benefit from this opening?
- Are minimum export prices still in place?
- Is Nigeria considering simplifying its export subsidy regime?
- Are investment-related export performance requirements in force or envisaged?

(iii) *Investment and infrastructural development*

- What sectors are included in the privatization programme? What is the planned schedule for the launching of the programme?
 - How does Nigeria intend to ensure effective competition when opening sectors so far subject to monopolies?
 - Which financial institutions will be in charge of the privatization programme? Will foreign investors be entitled to participate on the same basis as domestic investors?
 - Does Nigeria propose to clarify the conditions for the purchase and use of agricultural land?
 - What means are envisaged to strengthen counterfeit and piracy?
 - Could Nigeria specify the rules applied to government procurement?
-