REGIONAL MEETING ON PROMOTING SERVICES SECTOR DEVELOPMENT AND TRADE-LED GROWTH IN AFRICA

organized by UNCTAD in collaboration with the African Union Commission (AUC) and the UN Economic Commission for Africa (UNECA) and in partnership with the International Organisation of La Francophonie

Addis Ababa, Ethiopia - 12-13 September 2013

Presentation by Mr. Aliyu Abubakar
Chief Commercial Officer, Federal Ministry of Commerce and Industry, Abuja, Nigeria

* This statement is made available in the language and form in which it was received. The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.
INPUT AT THE REGIONAL MEETING ON PROMOTING SERVICES SECTOR DEVELOPMENT AND TRADE-LED GROWTH IN AFRICA.

Let me start by thanking the organizers of this meeting for their initiative in organizing this important meeting and for the excellent arrangements.

The meeting would provide opportunity for us to share our national experiences and personal views on the issues on the agenda and could provide or identify elements of an African agenda relating to services policy-making and services trade negotiations.

2. SERVICES SECTOR DEVELOPMENTS IN NIGERIA

Nigeria regards services as an indispensable element or input for national development and a key player in achieving development goals within the context of achieving Millennium Development Goals (MDGs) Vision 20:2020 and the Transformation Agenda of the Nigerian Government. Services is key in promoting trade-led growth and in providing employment, wealth creation, poverty reduction and the integration of Nigeria into the global economy. Government therefore attach high priority to the development of the sector as part of its strategy in diversifying the productive base of the economy to move away or lessen dependence on oil as the mainstay of the economy. Given the above scenario and objectives, Government has made efforts to develop the services sector to be able to achieve its role in national development.

3. CURRENT SITUATION: Nigeria’s economy is largely dependent on oil which accounts for over 90% of its revenue. Nigeria’s economy lags far behind international comparators as regards the development of its service sector. The shares of services to GDP is 38% employment 20% are much lower than in other developing countries and it share in world services export 0.07% is insignificant. Furthermore, despite domestic policy reforms, privatization and deregulation that have been undertaken since the adoption of the Structural Adjustment Programme (SAP) in 1986, in particular, in the telecommunications sector and banking sectors, the legal framework for services remain weak and further reforms are necessary to make Nigeria a services-led economy.

4. POLICY MEASURES TO DEVELOP THE SERVICES SECTOR.

Given the current poor state of the services sector and government determination to change the situation, the new Trade Policy which has been developed seeks to among other things put in place measures and strategies to develop or
promote the services sector especially in development priority areas and sectors where
Nigeria has comparative advantage. The policy measures and strategy are aimed at:

- support for services sector export promotion such as cargo handling where
  Nigeria is already enjoying comparative advantage in ECOWAS sub-region.
- regular provision of information to services exporters.
- promoting services sector business development.
- provision of incentives to increase services sector development and exports.
- Gender sanitization and promotion.
- expansion and modernization of services industry with priority to the
  entertainment industry.
- development of export strategy for services,
- recognizing and mainstreaming the gender perspective by strengthening the
  Network of Nigerian women Exporters of Services (NNWES).

Through these measures, Nigeria’s goal is to develop the services sector and thereby
 diversifying the productive base of the economy and turn the economy to service led.
In particular, emphasis would be to develop those critical sectors vital for economic
 growth such as energy, education, construction, agriculture, transport and real estate.
Nigeria has undertaken autonomous Liberalization in many sectors but is yet to formally
 schedule them as binding market access commitments under the WTO. Nigeria has
 undertaken commitment in the WTO in only four sectors namely, Financial,
 Telecommunications, Transport and Tourism Services.

5. Within the framework of its development agenda, government would also give
 priority to the development and expansion of the following sectors;

- Energy.

- Transport.

- Telecommunications.

- Financial services

- Tourism and

- Entertainment industry.
6. **SERVICES SECTOR IMPORT AND EXPORT STRATEGIES AND POLICIES**

In order to redress services imbalance whereby the volume of Nigeria’s services import is three times that of services export and its adverse effect on the Nigerian economy, Government seeks to ensure that services imports assist the country to develop and strengthen its indigenous services sectors, this overtime enhancing the efficiency of the Nigerian services suppliers in the home market as well as improving prospects for increasing their services exports steps are being taken to develop appropriate synergies between imports and exports of services and the following strategies and policies are being pursued.

- Ensuring that Nigeria plays its role in international services trade negotiations and fully participates in multilateral and regional services sector initiatives and negotiations.

- encourage the formation of an Organized Private Sector services Coalition or Groups with which Government can discuss trade in services, Government assistance measures and the development of policy alternatives.

- embark on the transformation of domestic regulations into liberalization commitments so as to link domestic negotiations with multilateral standards, rules and appropriate obligations.

- develop an import strategy that would promote the import of key services sectors for the development of the Nigerian economy. The new Trade Policy and Strategy seek to develop the services sector by creating a more friendly or enabling environment for services sector development by addressing the constraints and challenges facing the services sector as well as putting in place measures to take advantage of opportunities at national and international levels.

7. **SERVICES SECTOR NEGOTIATIONS AT REGIONAL AND MULTILATERAL LEVELS.**

Within the context of its involvement and negotiations on trade in services at multilateral and regional levels, Nigeria is currently reviewing its Initial Offer on negotiations on trade in services at the WTO. The stakeholders are currently reviewing the initial offer with a view to reviewing the offer from an informed position that will be a win- win situation for Nigeria and its trading partners. We received useful comments, views and advise from relevant agencies and partners and we are incorporating those views in our process of reviewing the initial offer. As soon as the process is completed, the revised offer be submitted to the WTO.
8. At the regional level, within the framework of ACP-EU Partnership negotiations, Nigeria is also preparing for any possible future negotiations on trade in services between West Africa and the EU. A national process has commenced to prepare the country and the region for future negotiations on trade in services with the EU. The ECOWAS Commission has commissioned a Consultant to undertake a national study which has been completed and submitted. We would report on any further developments on both the WTO and the EPA processes in future meetings.

9. TRADE LED GROWTH IN AFRICA.

Trade is the engine of economic growth and development and a key factor in terms of generating wealth, reduction of poverty and vital for Africa’s integration into the world economy. For trade to play its role in generating or stimulating of economic growth in Africa. I am of a view that right policies are needed at national, regional and international levels.

At national level, there is the need for policies, measures and strategies to be adopted to create a more friendly or enabling environment for trade to take place. Factors militating against free flow of trade need to be addressed and necessary incentives and policies need to be put in place. Trade Facilitation measures need to be put in place to address the impediment in free flow of people and goods. Trade must be mainstreamed in national development and more priority should be given to the trade sector. Capacity building should also be given to countries based on their needs and circumstances.

At regional level, efforts should be intensified to addressing barriers and impediments to free-trade flow. Barriers to trade both tariff and non-tariff need to be addressed and more attention should be paid to the issue of Trade Facilitation and regional integration.

10. At the international level, policies and outcome of trade negotiations need to be development friendly to addressed the concerns and challenges facing goods and services in Africa. Tariff and non-tariff needs to be addressed for products and goods and services from Africa to be able to flow to international market. There is also the need for focused technical assistance and capacity building to Africa to build the necessary capacity for trade. Outcomes of trade negotiations need to be pro-growth and be development friendly to facilitate more trade between Africa and other continents in order to facilitate the integration of Africa into the world economy and increase its share in world trade.