



**KWARA STATE UNIVERSITY, MALETE, NIGERIA**  
**SCHOOL OF POSTGRADUATE STUDIES (SPGS)**

**AN ASSESMENT OF SINO-NIGERIA TRADE AND COMMERCIAL INVESTMENTS:**  
**A CASE STUDY OF LAGOS STATE, 2015-2020.**

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**SCHOOL OF POSTGRADUATE STUDIES (SPGS)**

**AN ASSESMENT OF SINO-NIGERIA TRADE AND COMMERCIAL  
INVESTMENTS: A CASE STUDY OF LAGOS STATE, 2015-2021**

**A MASTERS OF ART THESIS SUBMITTED**

**BY**

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**APRIL, 2021**

## **DECLARATION PAGE**

I hereby declare that this thesis titled an assessment of Sino-Nigeria trade and commercial investment relations: A case study of Lagos State, 2015-2021 is a record of my research. It has neither been presented nor accepted in any previous application for higher degree.

## APPROVAL PAGE

This is to certify that this thesis by Fauziyah Tosin Ayilara has been read and approved as meeting the requirements of the Department of Political Science for the Award of the Degree of Masters of Arts in International Relations.

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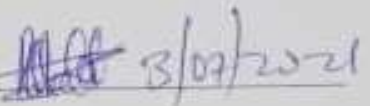
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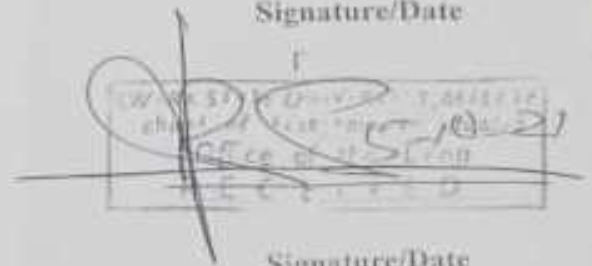
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## **DEDICATION**

This work is dedicated to Almighty Allah, the exalted one, whose hand bears the most dominion.

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## ABSTRACT

*The main aim of this study was to assess the relationship between Nigeria and China and how it has helped with development in Nigeria. Nigeria has become one of China's most important trading partners and China is investing heavily in Nigeria commercially. These relations are governed by various bilateral and regional agreements that exist between these China and Nigeria. Although Nigeria and these countries have come a long way in their relationship, it is debatable if such has in any significant way assist the country in its quest for development; the relationship appears to be exploitative at least from the trend in the structure and pattern of trade and FDI inflow to the country (Lawrence, 2012). There is also in balance of trade between the two countries, according to the Nigerian Bureau of statistics (NBS,2017), There is no consensus amongst scholars as to whether Sino-Nigerian relations adds or subtracts from Nigeria's Economic development. The objectives was to examine the effects of Sino-Nigerian bilateral trade agreements on increase volume of Sino-Nigerian trade and investments, in Nigeria, to assess development opportunities that Nigeria can get from trade relations with China, Investigate China-Nigeria strategic relationship on socio economic development of Nigeria and determine the ways in which the bilateral relations between Nigeria-China can be better strengthened for optimal benefits of both countries. To achieve these objectives relevant stakeholders were surveyed who are more conversant with the topic, making use of a structured questionnaire. Also earlier researches were consulted ranging from write-ups, textbooks, journals to articles. The dependency and interdependency theory were adopted in this study. The major findings of this study revealed that the higher the trade and commercial investment between Nigeria and China, the higher would be the level of development. It also reveals that bilateral relations plays a significant role in the development of a country as the correlation*

*analysis shows the significant relationship between development and bilateral trade agreements measured by the volume of trade and investments. The findings also reveal that trade and commercial investment is important to both Nigeria and China. So It is therefore recommended based on these findings that Nigerian government should focus more on trade relationship to facilitate job as well as other opportunities that would promote economic growth such that the benefits should be domesticated and explored to the maximum by Nigerians, the government should also ensure proper implementation of laws and regulations to ensure total compliance by Chinese investors and Lastly the government should take advantage of the dividends of the bilateral relationship between the country and China and use the resource inflow to invest in a commercial bank that will assist in improving small scale businesses in form of accessible loans that will grow businesses in the country.*

## **CHAPTER ONE**

### **Introduction**

No nation is an island and cannot develop in isolation except the primitive ones. This has been the justification of states interaction with one another. It is majorly for their mutual interest and mutual benefits. Therefore, relationships between countries were mostly bilateral in nature and involve some aspects which may include political, economic, cultural, military, diplomatic and social relations (Okonkwo 2018). Every state is, in term of law an absolute independent unit, it is surbordinate to none and its sovereignty is unlimited over all persons and associations within its territorial limits, nevertheless no state can have an independent and secluded existence, all states are branded together in a variety of ways, mutual co existence between them is primarily due to certain natural causes (Ndifreke et al, 2018)

Nigeria has become one of China's most important trading partners. China is investing heavily in Nigeria commercially, China came into Nigerian oil sector through powerful diplomacy and in 2006 China signed the first strategic partnership MOU in Africa with Nigeria for the formation of China investment development and trade promotion centre in Nigeria and established a Nigeria Trade office in china after the intergovernmental Nigeria-China investment forum (Ian Taylor 2007).

Traditionally, African countries particularly Nigeria has traded rigorously with the developed nations, especially the European Union (EU), Canada and the United States (U.S.) (Okonkwo 2018). These economic relations are governed by various bilateral and regional agreements that exist between these countries and Nigeria. Although, the relationships have gone a long way, the development impact is contestable. However, due to the trade performance of some Asian

countries that has enhanced their income and improvement in technology; especially China and India, many African countries including Nigeria have begun to diversify their markets to these countries (Okonkwo 2018). These emerging trade partners have created some incentives to trade with the continent through their foreign direct investment (FDI) and aid. China's first contact with Africa generally was in the early 15th century when some Chinese traders and explorers landed along the coast of Africa (Barkindo et al 2010).

Since the foundation of People's Republic of China in 1949, China has made tremendous efforts to explore a development road designed for her own needs and suitable to her own national conditions, which was finally summed up by Deng Xiaoping, the architect of the opening up in 1978. In its quest to be part of globalization, China-Nigeria established diplomatic relations on February 10, 1971 but internal crisis faced by both countries reduced the pace of economic integration like Nigeria (the chineseembassy.org). There are economic complementarity between the two countries, a dimension of this is the market opportunities which drive the relationship, while Nigerians are looking for cheap products from China, Chinese growing manufacturing firms are seeking market opportunities for their intermediate and final manufactured products from Nigeria. And also because of the input sourcing and export promotion drive of the two nations, growing Chinese firms are seeking raw materials (oil and other materials, agriculture products etc. for inputs and generation of energy), Nigerian exporters are seeking market opportunities for their primary products. China's ability to provide the financial and technical assistance to Nigeria which is in need of such is another critical factor (Lawrence Okolo 2012).

However, Nigeria which had consistently voiced its willingness to formalize ties with People's Republic of China did so on 10 February 1971. Nigeria established relations with China in February

1971 and has since then maintained good relations with it. China as economic partner to Nigeria has been very dogged and focused in her relations with Nigeria over the decades (okonkowo 2018). Some policies are required to attract foreign direct investment and to direct such investment into appropriate sectors. The decline in the agricultural sector performance has been dramatic since the discovery of oil. The manufacturing sector has not performed even better. A few statistics illustrate the poor performance of the non-oil sector. The share of non-oil sector decreased from about 94% in 1970 to about 52% in 2004. The decrease affected all the sectors (agriculture, industry, and services) but in different magnitude. Agriculture GDP declined from about 41% to about 17% over the same period (olawale et al 2010).

The decline in the services sector was from about 45% to about 27% during the period under review. Nigeria's non-oil sector is inefficiently servicing the domestic market as non-oil export is negligible (about 1% of the GDP in 2005). It has also been recognized that sustainable development of the Nigerian economy rests the diversification of the economy away from oil and gas to non-oil sector and this should be based on the country's abundant resources and comparative advantage (). An analysis of constraints to the high performance of the non-oil sectors identifies low productivity as a precursor to low private returns and which in turn lead to low investment. Weak and unreliable infrastructure, macroeconomic instability, microeconomic risks from corruption and weakness of institutions and regulations to guide investment behavior are the main constraints to high performance of the economy (World Bank, 2007). Nigeria's domestic market is vast but very small for modern day technology. Thus, there is the need for seeking favorable external market at regional as well as at global level.

Negotiations of the trade agreements are expected to take these constraints into consideration. Indeed, for Nigeria within-the border issues are relatively more important than seeking for more

favorable market access conditions (okonkwo, 2018). However the integration of the country is necessary in order to tap from the prospects of regional integration since all nations are interdependent for mutual benefits.

## **1.2 Statement of Problem**

Nigeria since independence has been on the diplomatic relations with the west and African countries. This various diplomatic trade and economic agreement that existed between them did not seem to bring any favourable advantage on Nigeria economic development. Traditional development partners mainly from Europe and the Americas (USA and Canada) have dominated trade, investment (in terms of foreign direct investment FDI) and grants and financial as well as technical aid to the country. These are governed by various bilateral and regional agreements that exist between these countries and Nigeria. Although Nigeria and these countries have come a long way in their relationship, it is debatable if such has in any significant way assist the country in its quest for development; the relationship appears to be exploitative at least from the trend in the structure and pattern of trade and FDI inflow to the country (Lawrence okolo 2012).

This is based on the fact that oil and gas sector dominates the country's exports to the tune of about 98% and FDI inflows to the oil and gas sector accounted for about 40%. However because of the trade and economic performance of some Asian countries especially China, Nigeria began to turn her trade and economic partnership with these Asian countries most especially China (Muhammed Tahir 2014)) Also the discovery of oil and gas in the 1980s has negative consequences on Nigerian economy. This is because the economy has been unfortunately driven by the oil and gas sector to the extent that the success experienced in the pre-oil economy has been eroded. The result of this was the decline in the share of non-oil sector and the decreased affected all the sectors like agriculture, industry and services (Nothinham Nweke 2014).



In recent years, the fluctuation in the price of oil at the global market adversely affects national domestic economy and has been recognized that sustainable development of domestic economy depends on diversification of the economy from oil to non-oil sectors. Couple with these is the weak and unreliable infrastructure; corruption and weakness of institutions and regulations to guide investment are the major retardation to Nigeria economy (Enitan Odupitan 2017). The analysis of this is the need for Nigeria to seek alternative means to boost the economy for national development. Therefore the necessity to seek for advantageous foreign market and economy at regional as well as global level since economic interdependency is premised on international demand and supply. This could be achieved by integrating the country economy and seek hands in bilateral relations by tapping from the prospects of globalization for new opportunities. These are guided by various bilateral and regional mutual agreements that may exist between China and Nigeria over the years.

And also Imbalance of trade relations exists between the two countries, according to the Nigerian Bureau of statistics (NBS,2017), indicates that Nigeria has a deficit of more than N6 trillion with China between 2013 and 2016, the statistics also shows that out of Nigeria's total import bill of N29 trillion between 2013 and 2016, China alone accounted for N6.41 trillion, it indicates a huge gap when compared with N714.97 billion worth of goods Nigeria exported to China within the same period, president Mohammed Buhari expressed his concern about the imbalance in Nigeria China trade at the opening of Nigeria China business/investment forum in Beijing in 2016, he observed that trade relations between Nigeria rose from 2.8 billion dollars in 2005 to 14.9 billion dollars in 2015, Nigeria import alone from China accounted for 21.43% for the period of last four years while export was only 1.48% of Nigeria's total (Ndifreke 2018). There is no consensus amongst scholars as to whether China's engagement with Nigeria adds to or subtracts from

Nigeria's economic growth and diplomatic relations (Ndifreke 2018), However this research seeks to know the trade and commercial investments between Nigeria and China and to know if the relations has helped Nigeria in development as compared to the relations with other major power in the world, With a view to examining the volume of trade and investments between the two countries and the extent to which the relations is strategic to socio economic development of Nigeria.

### **1.3 Objectives of the Study**

The main objective of this study is to assess the relationship between china and Nigeria in the area of trade and investment. As Nigeria has become an important source of oil and petroleum for China's rapidly growing economy and Nigeria is looking to China for help in achieving high economic growth. Other specific objectives of the study include:

1. Examine the volume of trade and investments between Nigeria and China in the bilateral trade relations.
2. The extent to which the relations is strategic to socio economic development of Nigeria.
3. To assess the opportunities Nigeria can get from the trade relations with China
4. To suggest ways in which the relationship could be enhanced to further development of trade and investment in Nigeria

### **1.4 Research Questions:**

For critical analysis of the themes of this paper, the following questions are formulated

1. Has Nigeria-China bilateral trade agreements increased the volume of Chinese trade and commercial investments in Nigeria?
2. To what extent is the relationship strategic to socio-economic development of Nigeria?
3. What are the opportunities Nigeria can get from the trade relations with China.
4. In what ways could the relations between Nigeria-China be better strengthened for optimal benefits for both countries?

### **1.5 Scope of the study**

This study focus on the assessment of China-Nigeria trade and commercial investment relations. Specifically, how does the economic problem of Nigeria drive her diplomatic relations with China? The areas of relations will be on trade and commercial investments. Trade and commercial investment relationship between China and Nigeria goes across sectors of industry such as agriculture, construction and real estate, financial services, industrial goods, information and communication technology and natural resources etc. Thus, Nigeria have bilateral trade agreement with China on all these sectors of industry. Therefore, the scope of this study covers commerce and industries between years 2014 – 2019, due to the wide range of sectors of industry.

### **1.6 Significance of study**

This research will be significant as it reveals the benefits and advantages of globalization of trade and economy. The globalization helps to integrate market economy through liberalization of economy inherent in regional integration. Therefore the study is important because it shows the

interdependence of nations that can occur with mutual benefits. Thus, show the alternative economic development that can be sourced externally through bilateral relations.

The study will contribute to knowledge and overall academic development. The study will also serve as foundation for further studies on trade relations between Nigeria and China.

The research work or the study's reports will be useful to students and scholars in the field of international relation in particular and political science in general, the study will also be useful to public analyst Diplomats, government and the general public.

Above all, the study will contribute to the overall economic growth, societal development and advancement.

### **1.7 Organization of the Study**

Chapter one comprises of the introduction, statement of the problem, aims and objective of the study, research question, scope of the study, and significance of the study, organization of the study and definition of terms.

Chapter two deals with the review of related literature and theoretical framework of analysis, empirical literature review, and Gaps in the literature.

Chapter three deals with the research methodology

Chapter four deals with data presentation, analysis and interpretations.

Chapter five deals with the summary, conclusion and recommendation.

## 1.8 Definition of Key Terms

**(i) Diplomacy:** From the Greek word *diplooun*, in reference to an official folded document, is the official means by which sovereign nations conduct affairs with one another and develop agreement on their respective positions (Christopher 2005).

**(ii) Relations:** According to Frederick Dunn in the concept of international political system cited, “relations between countries may be looked upon as the actual relations that take place across national boundaries or as the body of knowledge which we have of those relations at any given time (ibid 2010).

**(iii) Bilateral:** According to Oxford dictionary, bilateral refers to the phenomenon relating to two sides or affecting both sides usually used to refer to two countries. E.g. bilateral agreement between Nigeria and China.

**(iv) Trade:** This is a basic economic concept involving the buying and selling of goods and services with compensation paid by a buyer to a seller, or the exchange of goods or services between parties.

**(v) Investment:** To invest means to allocate money in the expectation of some benefit in the future. In finance, an investment is a monetary asset purchased with idea that the asset will provide income in the future or will later be sold at a higher price for a profit. The benefit from an investment is called a return.

**(vi) Regional integration:** Regional integration is a process in which neighboring states enter into an agreement in order to upgrade cooperation through common institutions and rules (Mery 2015).

Regional integration is also known as the process by which two or more nation-states agree to cooperate and work closely together to achieve peace, stability and wealth (ibid 2015).

**(vii) Globalization:** Globalization has been defined as the process through which goods and services, capital, people, information and ideas flow across borders and lead to greater integration of economics and societies (Agenor, 2004).

## **CHAPTER TWO**

### **LITERATURE REVIEW AND THEORETICAL FRAMEWORK OF ANALYSIS**

#### **2.0 Introduction**

This chapter is a review of related literature pertaining to bilateral relations between China and Nigeria since 1971. This part is a consideration of emergence of China as powerful economy, developing economy of Nigeria, China-Nigeria aspects of relations and prospects accrue to such integrations.

#### **2.1 Conceptual Clarifications**

##### **2.1.1 The Concept of Diplomacy**

From the Greek word *diploun*, in reference to an official folded document, is the official means by which sovereign nations conduct affairs with one another and develop agreement on their respective positions (Christopher 2005). Issues faced include war and peace, alliances, boundaries and trade among others. Diplomacy refers to a tool of foreign policy that involves representation, bargaining, negotiation and other peaceful means. Such arrangements may be conducted publicly or out of view but once mutual interests and consensus are recognized, official policy formulation proceeds. Extreme flexibility and tact are commonly attributed to successful diplomatic efforts which are regulated by law and customs. Accredited agents are assigned the task of conducting diplomacy and tremendous emphasis is placed on individual capacities and talents in addition to the actual official stances offered or defended (Volker Stanzel 2018).

In more recent times, use has been made of unofficial, non-traditional diplomatic agents, including business executives, religious figures, non-governmental organizations, academicians and citizens.

Such efforts are referred to as track II diplomacy or multi-track diplomacy. UN secretary-general, Hammarskjold coined the term preventive diplomacy in the 1950s to refer to the resolution of disputes before they escalate or the persuasion of parties to desist from allowing such escalation to occur (university for peace 2005, online citation).

### **2.1.2 The Concept of Relations**

According to Frederick Dunn in the concept of international political system cited, “relations between countries may be looked upon as the actual relations that take place across national boundaries or as the body of knowledge which we have of those relations at any given time (ibid 2010). Therefore relations between states are concerned with the factors and the activities which affect the external policies and power of the basic units into which the world divided. In other words, it is concerned with all the exchange, transactions, contacts, flows of information and the attending and resulting behavioral responses between Nigeria and China were predicated upon trade and commercial investment relations(folarin 2012).

### **2.1.3 The Concept of Bilateral**

According to Oxford dictionary, bilateral refers to the phenomenon relating to two sides or affecting both sides usually used to refer to two countries. E.g. bilateral agreement between Nigeria and China. Therefore bilateralism is the conduct of political, economic or cultural relations between two states. When states recognize one another as sovereign states and agree to diplomatic relations, they create a bilateral relationship. States with bilateral ties will therefore exchange diplomatic agents such as ambassadors to facilitate dialogues and co-operation (Utomi 2007).

### **2.1.4 The Concept of Trade:**



This is a basic economic concept involving the buying and selling of goods and services with compensation paid by a buyer to a seller, or the exchange of goods or services between parties. Trade can take place within an economy between producers and consumers. Trade involves the transfer of goods or services from one person or entity to another often in exchange for money,( Drysdale 2011). A system or network that allows trade is called a market.

However, trade between two traders is called bilateral trade while trade involving more than two countries is called multilateral trade. In one modern view, trade exists due to specialization and the division of labour, a predominant form of economic activity in which individuals and groups concentrate on a small aspect of production but use their output in trades for other products and needs. Trade exists between regions because different regions may have a comparative advantage (perceived or real) in the production of some tradeable commodity including production of national resources, scarce or limited elsewhere or because different region sizes may encourage mass production in such circumstances, trade at market prices between locations can benefit both locations. This therefore is the main thrust of this study ([en.m.wikipedia.org](http://en.m.wikipedia.org), retrieved 23/10/2019).

### **2.1.5 The Concept of Investment**

To invest means to allocate money in the expectation of some benefit in the future. In finance, an investment is a monetary asset purchased with idea that the asset will provide income in the future or will later be sold at a higher price for a profit. The benefit from an investment is called a return. In an economic sense, an investment is the purchase of goods that are not consumed today but are used in the future to create wealth. Therefore the public investment and economic activities of Chinese in Nigeria have gained prominence in recent time. This is not unexpected given the high

profile witnessed at the political level. This type of investments spanned different areas of the Nigerian economy and prominent among them are those in oil and gas, construction especially building of infrastructures which are of future benefits (olawale et al, 2008).

#### **2.1.6 The Concept of Regional Integration**

Regional integration is a process in which neighboring states enter into an agreement in order to upgrade cooperation through common institutions and rules (Mery 2015). Regional integration is also known as the process by which two or more nation-states agree to cooperate and work closely together to achieve peace, stability and wealth (ibid 2015).

Based on the logic of regional integration's book written by Walter Mattli, the first major voluntary regional integration initiatives appeared in the nineteenth century. In 1828, for example, Prussia established a customs union with Hesse-Darmstadt. This was followed successively by the Bavaria Wuttemberg customs union etc. In the age of globalization, the sovereignty of the modern state was constituted in mutually exclusive territories and the concentration of sovereignty in nations. In the developing globalization, the important and impacts of regional integration agreements is known for the countries autonomy in order to maintain their existence and authority by using their power or utilizing resources they have to compete with other countries (Mery, 2015)

#### **2.1.7 The Concept of Globalization**

Globalization has been defined as the process through which goods and services, capital, people, information and ideas flow across borders and lead to greater integration of economics and

societies (Agenor, 2004). It seeks to remove all national barriers to the free movement of international capital and this process is accelerated and facilitated by the supersonic transformation in information technology (Tandon, 1998). It deals with the increasing breakdown of trade barriers and the increasing integration of world market; this is evident from its push of free-market economics, liberal democracy, good governance, gender equality and environmental sustainability among other holistic values; (Akindele, Gidado and Olaopa, 2002). Globalization has been seen in both positive and negative light while it enhances the volume of international trade and investment, which is a reflection of the global pattern of specialization in production (Akindele et al).

## **2.2 Nigeria's Economy Since 1960**

The problem of Nigeria's economy when the country obtained political independence included low level industrialization, little indigenous capital, railways and roads not directly designed for domestic economic development and general foreign control of the dynamic sectors of the economy (Lasisi 2009). Successive governments since then tried to tackle these problems in different ways and with varying degrees of success.

The economy history of Nigeria since independence falls into three periods. These are 1960-1966, 1970-1985 and post 1986 (ibid 2009). The major concern of the first independent government of Nigeria was to bring about economic development and would be and would be commensurate with political freedom (Eluwa et al 2009). This was the reason for drawing up the first national development plan of 1962-68. The plan however was conceived within the inherited colonial economic policy of import substitution industries and injection of foreign capital into the Nigerian economy. The development of agriculture was taken for granted yet it remained the major source of national income accounting for over 60 percent GDP in 1964 (Odeh 2013). The economy

therefore remained typically neo-colonial by the time the civil war broke out in 1967 following the military sacking of the civilian regime in January 1966.

The civil war ended in 1970. Subsequently years witnessed spirited attempts at liberating the economy from foreign domination and exploitation. This was true however only of the 1970s as typified by the second and third national development plans of 1970-74 and 1975-80. The ambitious nature of the plans was dictated by two factors (Opcit 2013). First, the civil war had made Nigerians to be more conscious of the abundant human and material resources of their country. The second which is the manifestation of the first was the export of petroleum. The revenue from the export of this commodity made it possible for Nigeria to finance the thirty-two months civil war without external borrowing (Olorunfemi2012). The large revenue from the same source encouraged the conception of ambitious national development plans of the 1970 as well as financing the post-civil war reconstruction and rehabilitation of damaged social infrastructures.

The objective of the economic policy of that era was building a self-reliant economy. This explains why the national development plans referred to earlier aimed at developing agriculture and industrialization. The foundation of that industrialization was to be the establishment of iron and steel industry. It was also the reason behind the promulgation of indigenization decrees of 1972 and 1976 (ibid 2012). However the difference between lofty ideas and sincere implementation made it impossible to achieve the objective intended.

Agriculture policy during the period further exemplified this difference. The objective of the policy was to modernize agriculture and consequently increase food production. However, two contradictory steps were taken. The first was promoting domestic agriculture output. The other

was importation of food and agricultural input (Shokpeka et al 2009). Towards the achievement of increasing production of food, operation feed the Nation (OFN) was launched in 1976. This was followed by the Green Revolution of 1980. The establishment of River Basin Authorities and Agricultural development Projects (ADP) financed from loan granted by the World Bank was towards the same goal of self-sufficiency in food production (Njoku 2001).

The effect of this large scale agricultural strategy was increase in the importation of capital goods, fertilizers, seedlings, pesticides etc. It is not surprising that between 1976 and 1982, over 2.78 billion naira was spent on Agriculture alone in Nigeria. By 1985 this expenditure had gone up to 8 billion naira. This contrasts with 52.6 million spent on the same sector between 1962 and 1968. Yet this did not solve the problem of food from the end of the 1970s particularly rice and wheat. Apart from draining the foreign reserves of the country, such importations led to port congestion with its consequence on economic development (Zoaka 2014).

The large scale expenditure on agriculture and other imports generally was attributable to wealth derived from export of petroleum. The product was first exported in 1958. The place of petroleum in the Nigerian economy may be seen from the fact that it accounted for 0.9 percent of GDP in 1960, rose to about 47 percent in 1975 and by 1982 it went up to 52 percent (ibid 2014). From the end of the 1980s, the product was responsible for over 90 percent of the total national export. Nigeria's economy thus becomes monoculture with the consequence that petroleum prices determined the general health of the nation's economy. For instance when prices went up from the mid 1970s there was economic boom in the country. From 1981 there was gradual fall in prices and this led to reduction in government expenditure. This was followed by general inflation and then government imposed austerity measures (Chete 2016).

However, over dependency on the petroleum resources during the period and abandonment of non-oil sector have devastated effects on Nigerian economy. And loss of progress recorded before oil discovery in larger quantity. This was a result of the decline in the price of petroleum at the international markets and dramatic decline in the agricultural manufacturer sectors. The decrease affected all other sectors but in different magnitude. Therefore, The need to look for favorable external market at global level and necessities to negotiate trade and investment bilateral agreements with external world. However, quest for sustainable development was the thrust of Nigeria sought for external relations. And relations with China were the classical example of such (Champion Newspaper, April 2006).

**Table 1;** distribution of gross domestic product (GDP) across economic sectors from 2014-2019.

|             | 2019   | 2018   | 2017   | 2016   | 2015   | 2014   |
|-------------|--------|--------|--------|--------|--------|--------|
| agriculture | 21.9%  | 21.2%  | 20.85% | 20.98% | 20.63% | 19.99% |
| Industry    | 27.38% | 25.73% | 22.32% | 18.17% | 20.16% | 24.64% |
| services    | 49.73% | 52.02% | 55.8%  | 59.79% | 58.12% | 54.15% |

Source:Plecher,2020.

## 2.2 The China's emergence as a world super-power

Until 1980, China was grouped with the poorest countries in the world (Tajudeen et. al., 2013). The rise of China from a poor, stagnant country to a major economic power in the last three decades has been described as the greatest economic success stories in modern times. Prior to 1979, China maintained a centrally planned, or command, economy where a large share of the country's economic output was directed and controlled by the state, which set production goals, controlled prices and allocated resources throughout most of the economy. In an attempt to support rapid industrialization, the central government undertook large – scale investments in physical and human capital. By 1978, nearly three- fourths of industrial production was produced by centrally controlled state – owned enterprises subject to centrally planned output targets. Private enterprises and foreign investment were nearly Non-existent (Awoniyi, 2015). A central goal of the Chinese government was to make China's economy relatively self – sufficient (Akpan, 2012).

According to Alli, (2010), foreign trade was generally limited to obtaining only those goods that could not be made in China. Beginning in 1979, the Chinese government launched several economic reforms which included inter alia, price and ownership subsidies for farmers, establishment of special economic zones for the purpose of attracting foreign direct investment, importing high – technology products into China, decentralization of economic policymaking. Since the introduction of these economic reforms, China has grown from a poor country to a major economic power in the world and as the world's second largest economy with the potentials of being the largest within a decade from now. China's rule as the world super-power has been attributed to the following:

- (i) **High Savings and Investment:** China had a large accumulation of capital and vast improvements in productivity. Improved productivity increased growth and generated funds used for investment. The country also had large pool of

domestic savings to draw from to finance investment. Savings as a percentage of GDP has risen above 52%;

(ii) (ii) Foreign Direct Investment: China's trade and investment reforms led to a surge in foreign direct investment (FDI), which had been a major source of China's capital growth;

(iii) (iii) Productivity Increase: Productivity gains have been a major cause of China's rapid economic growth since reforms were implemented. According to Goldman Sachs, the productivity gains were the result of China's extremely low starting point of economic development when reforms began and a profound evolution of government policies that have gradually but consistently reduced inefficiencies in the system;

(iv) (iv) Increasing inputs of human and physical capital (for instance, investment in plant and equipment, education, infrastructure) and/or labour (i.e., growth in the labour force);

(v) China invested heavily in their own proprietary national skills and this helped in developing high technology industrial sectors; and

(vi) The country adopted an outward-oriented strategy which started with the utilization of their most abundant resource, unskilled labour, to produce labour-intensive manufactured products for exports because they had comparative advantage in them (Alli, 2010).

### **2.3 Nigeria – China Relations**

However, Nigeria's first official contact with the People's Republic of China (PRC) was in 1960 when the Chinese government was invited to the country's independence celebrations. Nigeria's



first contact with China is designated as “the era of Informal Ties, 1960-1971” (JB Webster et al 1967). At independence, Nigeria political leadership was not only pro-west but vividly anti-communist. The resultant effect of this peculiar disposition was that Nigeria’s attitude towards Communist China followed what had then emerged as a clear pattern of most of her relations with the socialist states-diplomatic isolation accompanied occasionally by bitter attacks against communist subversive ideology at home (JB Webster et al 1967).

As noted at independence, the worldview of Nigeria’s political leadership did not consider close relations with the People’s Republic of China as one of the agenda which the country would need to cultivate. While the then Prime Minister Tafawa Balewa declared on October 7, 1960 that Nigeria would be friendly with all countries that recognize and respect her sovereignty, territorial integrity and political independence, he soon made it clear thereafter where the line was going to be drawn. The leaders of the three major political parties- the Northern People’s Congress (NPC), the Action Group (AG), and the National Convention of Nigerian Citizens (NCNC) were for various reasons not comfortable with communism (ibid 1967).

The ideology was not properly understood and was therefore feared. Consequently, neither Chief Obafemi Awolowo nor Dr Nnamdi Azikiwe visited a communist country during their life time. This was despite the fact that Nigeria was the third largest market in Africa for Chinese goods with a steady growth in import from China. At the same time, the Chinese did not allow Nigeria’s ideological preference for liberalism to stand in the way of their obviously very lucrative trade relations with the country (Mthembu Salter 2009).

Since the establishment of bilateral relations between China and Nigeria on 10<sup>th</sup> February, 1971, the relationship between both countries began to grow gradually. However, the great improvement in relations began after sanctions were imposed on the regime of General Sani Abacha (1993-

1998) by traditional partners for human rights abuses especially the death of Ken Saro-Wiwa and his other Ogoni environmental activities (Udeala, 2010). As a result, in his search for allies, the Abacha regime cultivated friendship with China (Alli, 2013). The era of Nigeria's return to civil democratic rule and the inauguration of the Fourth Republic in 1999 witnessed a deepening Sino-Nigeria economic relation which was aimed at mutual benefits. This could be attributed to China's change of orientation towards Africa in general and Nigeria in particular, since 2000 (Odeh 2013:28).

The new orientation in Chinese foreign policy since the beginning of the 21<sup>st</sup> century reinforced its assertiveness to intensify its relationship with Nigeria which possesses opportunities for trade, investment, industrialization and large markets for Chinese goods (Okoro et al., 2011). Since 1999, Chinese investors have been making forays into the Nigerian. This is because China has developed a great deal of interest in the Nigeria economy over the last decades or so and this interest has crystallized into practical actions in terms of direct involvement and investment in the areas of the Nigerian economy especially in the oil and gas sector (ibid 2010). Apart from Chinese investment in the oil and gas sector, Egbuda and Zheng (2011) note that foreign direct investment (FDI) from Chinese private investors is mainly in the agro-allied industries, manufacturing and communications.

For instance, the China's success in ensuring food sufficiency for its over billion population through agricultural development was that propelled president Olusegun Obasanjo to seek for the cooperation of the Chinese investors in the development of Nigeria's agricultural sector. He did this in order to diversify the economy and reduce the country's over-dependence on petroleum oil which was the major source of the Nigeria's foreign exchange. As a step towards achieving this, President Olusegun Obasanjo put in place attractive investment incentives in order to secure

foreign direct investment from both Chinese and other international partners. During Obasanjo's visit to China in August 2001, He pointed out measures which the Nigerian government had put in place to attract greater FDI. He listed such measures as; solid minerals, power generation and distribution, communication, agriculture and tourism, tax rebates and tax holidays, the reduction of customs duties on some items, and the abolition of excise duties on a variety of items (Abuah 2001).

However, to create even more conducive and favorable conditions for greater investment by Chinese investors in Nigeria and Nigeria investors in China, both countries signed an agreement for the reciprocal promotion and protection of investments (PPI) in August 2001. The agreement stimulates that investments of the investors of either contracting party shall enjoy continuous protection in the territory of the other contracting party. It also provides that without prejudice to its laws and regulations, neither contracting party shall take any unreasonable measures against the management, maintenance, use, enjoyment nor disposal of the investments by the investors of the other contracting party shall all the time be accorded fair and equitable treatment in the territory of the other contracting party ((ibid 2010).

In addition, both countries shall subject to their laws and regulations, guarantee to the investors of the other contracting party, the transfer of the investments and returns in freely convertible currency. Also, investors of one contracting party whose investments in the territory of the other contracting party suffer losses owing to war, a state of national emergency, insurrection, riots or other similar events shall be accorded treatment as regards institution, indemnification, compensation and other settlements no less favorable than that accorded to the investors of its own or any third state (Abuah 2001).

Furthermore, as a step towards attracting Chinese FDI to Nigeria's agricultural sector, President Olusegun Obasanjo visited the agricultural Research Facilities (AGF) in China in 2001, during which he expressed Nigeria's desire to cooperate with the Chinese in agricultural development. Consequently, both countries agreed to cooperate in this area. China also invited the officials of the Federal Ministry of Agriculture as well other Nigerian experts in agriculture to visit China to interact with their Chinese counterparts and pursue the initiative for greater bilateral co-operation for agricultural development. China also promised to share its expertise in land reclamation and dry season farming with Nigeria (Abuah 2001).

The Nigerian government entered into several agreements with Chinese investors. For instance, Ohadoma stated in This Day Newspaper of 14<sup>th</sup> October 2002, that 'the Federal Government was to spend \$22, 245,600 over a four year period on the implementation of the south-south cooperation (SSC) program between Nigeria and China in support of the national special program for food security (NSPFS). He went further to state that 'Nigeria is expected to deposit \$11, 500,000, being the 50 percent of the total cost into the sub account for the program by 30<sup>th</sup> November 2002, while the first batch of five experts and 111 technicians are expected to arrive the country in December'(Ohadoma, 2002).

Furthermore, Okwuofa wrote in the Comet of 21<sup>st</sup> June 2002 that 'China showed its readiness to assist Nigeria in the implementation of her poverty alleviation program through the establishment of sericulture from which it could earn about one hundred billion naira from the exportation of silk cloth production. The initiator of sericulture project, Dr. Raymond Zard, the chairman of Zard holdings which funded the establishment of the sericulture pilot project in Ilesha, Osun state stated that sericulture development, when properly executed would accelerate poverty alleviation and enhance rural economy (Okwofa 2002).

### **2.3.1 Trade Relations (Nigeria – China Trade Relations)**

Economic relations between Nigeria and China date back to 1971 when the two countries signed the Joint Communiqué on the Establishment of Diplomatic Relations and since then trade relations between the two countries have grown in the last decade from the limited and intermittent contact to an increasingly complex and expensive business engagement (Utomi, 2007). The volume of trade between Nigeria and China grew at low levels until rapid growth turned China in 1993 from a net exporter of crude oil to the second-largest importer of crude oil in the world (Utomi, 2007). The trade volume between the two countries grew by nearly 300 percent since 2004 and reached the peak of \$7.2 billion in 2008.

The trade volume between the two countries in 2009 reached \$7.3 billion and \$7.7 billion in 2010 respectively. With that level of trade, Nigeria is now the second biggest China trade partner in Africa, after South Africa. A surge in Nigeria imports of Chinese goods relative to Nigeria exports to China has resulted in a trade deficit with China and this is expected to grow significantly due to increased trade relations until Nigeria can offer its industrial producers home-grown alternatives of the same quality at competitive prices (Utomi, 2007).

Global institutions such as World Trade Organization (WTO), IMF and World Bank have contributed in no small measure to the destruction of local manufacturing sector by requiring Nigeria to liberalize trade; freeze wages, devalue currency, remove public subsidy and other austerity measures which have resulted in greater under-utilization of productive capacity. Nigeria's increasing dependence on imported capital and consumer goods and services has left the domestic economy sectors comatose. Nigerian markets are target for substandard products and because of stiff competition from these products; local manufacturing firms have withered away ().

### **2.3.2 Size, Composition and Significance of Exports to China**

Nigeria's exports to China are spread over many and varied products which have been classified according to the Standard International Trade Classification Revision (SITC Rev. 3). These products include food, animals, crude materials, oils, chemical products, and manufactured products. Though the source of data did not show data on Nigeria's exports to China in 1995, data were recorded for 2000 and 2005. In 2000, four broad commodities were exported totaling US\$307.3 million, with the main export commodity being Mineral fuel and lubricants which represented US\$273.7 million. The next important export in 2000 was crude materials excluding food and fuel which totaled US\$33.3 million (olawale et al).

The remaining two broad commodities exported to China were quite insignificant with values between US\$0.1 million and US\$0.2 million. Thus, in terms of Nigeria's exports to China, Mineral fuel and lubricants ranked first, followed by crude materials excluding food and fuel. Beverages and live animals exports rank third is one of the four big oil companies created when China's oil industry was restructured seven years ago (Cited in China-Nigerian relations by Olawale et al., 2008). While, manufactured goods rank fourth. In terms of significance of Nigeria's exports to China relative to the world, Nigeria exported more crude materials excluding food and fuel to China as this constituted 61.1%. Mineral Fuel and lubricants which constituted the main exports of Nigeria to China in 2000 was a paltry 1.4% of Nigeria's total world exports. In effect, out of US\$20.3Billion total Nigeria's exports, only 1.5% was exported to China (olawale et al, 2008).

Nigeria's exports position was more impressive in 2005. The country's exports more than doubled the value in 2000; this accounted for by all the products, from US\$20.3 billion in 2000 to US\$44.4billion in 2005 (olawale et al, 2008). In contrast, though exports to China increased to US\$526.9 million in 2005, the increase was not as much as that of Nigeria's total exports. The

composition of exports to China in 2005 was not very different from that of 2000 but experienced some repositioning of certain broad products. Thus, mineral fuel and lubricants still ranked first followed in ranking by Crude materials excluding food and fuel. However, manufactured goods, which ranked last in 2000, displaced food and live animals while two broad products; chemicals, and miscellaneous Manufactures, featured in 2005. Also, exports of crude materials excluding food and fuel reduced between 2000 and 2005 (olawale et al, 2008).

The proportion of Nigeria's exports destined for China reduced in 2005 even when the absolute value showed an increase. Nigeria's export to China in 2005 was 1.2% of its total exports which represented a reduction compared to 2000. The export destinations appeared to have been more fairly diversified in 2005, as areas where exports to China was dominant, such as crude materials excluding food and fuel, became insignificant while China gained positions in such other areas as food and live animals, chemicals, manufactured goods and miscellaneous manufactures (Emily feng 2020).

In other words, even though Nigeria's exports to China relative to the rest of the world dwindled in 2005, Nigeria exported more varieties of products to China compared to earlier periods. In effect, producers and exporters of those broad categories of products whose exports increased between 2000 and 2005 are better off as they earned additional incomes. These include producers and exporters of food and live animals, mineral fuel/lubricants, chemicals, manufactured goods, and miscellaneous manufactures. Nigerian producers and exporters of crude materials excluding food and fuel lost export market share in China and thus were worse off in 2005 (Oguntola 2008).

#### **2.3.4 Size, Composition and Significance of Imports from China**

Nigeria's total imports increased from US\$5.3 billion in 1996 through US\$5.8billion in 2000 toUS\$17.7billion. The dramatic increase of Nigeria's total imports between 2000 and 2005 was

also reflected in the country's imports from China which rose phenomenally from as little as US\$252million in 2000 to US\$2.3billion in 2005(Adewunmi,2010). Nigeria imports almost all of the broad categories of products from China. In 2005, imports of machinery and transport equipment ranked first followed by manufactured goods, miscellaneous manufactures, chemicals and food and live animals. In trend terms, the composition of Nigeria's imports has changed quite a bit. In 1996 for example, chemical products imports ranked second only to machinery and transport equipment while in 2000, manufactured products replaced chemicals in second place. Machinery and transport equipment imports thus ranked highest in all the reference years. This picture altered when China's share of Nigeria's total import is considered. While that share rose successively from 1996 to 2005 from 3.5% to 13%, not all broad categories of goods imported from China maintained such consistent increase (Adewunmi,2010).

This is especially the case of mineral Fuels/lubricants, and animal/ vegetable oil/fat/wax (Oguniola 2008).

Furthermore, when the broad categories are considered, Nigeria imported more of miscellaneous manufactures from China relative to the rest of the world. This rose from 7.8% in 1996 to 30.6% in 2005. China's share of Nigeria's imports also rose consecutively in food and live animals, as well as beverages and tobacco (both minimally); crude materials excluding food and fuel, manufactured goods, machinery and transport equipment, and miscellaneous manufactures (all four substantially). Thus, in terms of stakeholders' analysis, countries which hitherto exported these products to Nigeria have lost their market share in Nigeria to China as Nigeria increasingly look towards China for the importation of these products (Kabir et al 2020). Mineral fuels, oils and related products tops the list of top 10 exports followed with substantial distance by ores, slag and ash, as well as copper and articles thereof. In effect, mineral products constitute the first three



export products of Nigeria to China. Cocoa and cocoa preparations was a distant fourth followed by cotton (5th rank), and oil seed etc (sixth). The top six export products are primary commodities made up of mineral and agricultural products. The last four commodities in the top ten list are agro-allied manufactured goods whose individual export values are less than \$1 million dollars (). In contrast to the nature of Nigeria's top 10 export commodities such as Mineral fuel & product of their distillation, Wood and articles of wood, Ores, slag and ash, Rawhides and skins and leather, Copper and articles, Plastics and articles, Oilseed, oleaginous, fruits, seed, fruit etc., Rubber, Cotton and Aluminum, the top 10 import commodities from China are all manufactured goods. Top on the list are electrical machinery equipment parts, sound records followed closely by vehicles, etc., as well as nuclear reactors, boilers, machinery and mechanical appliances. Coming at a distant fourth are articles of iron or steel followed by plastics and articles thereof. Organic chemicals and articles of apparel and clothing accessories almost have equal ranking. Included in the lower part of the list are ceramic products as well as inorganic chemicals and radioactive elements (ibid 2008).

### **2.3.5 Investments Relations**

Positive developments have been recently recorded in the net FDI as it has doubled from US\$3billion in 2003 to more than US\$6 billion in 2005. The share of the oil and gas sector was about 75percent. The developments in the non-oil FDI is also significant as this component increased from about \$0.3 billion in 2003 to about \$1.7 billion in 2005. Three related types of efforts explain the observed positive developments: change in FDI regime; second, privatization program of the government; and third, the aggressive drive of government in attracting FDI into the country. The recent developments notwithstanding, there is a huge investment gap in the

development of the Nigerian economy and the required investment can only be expected after the investment climate has improved (Geneva 2008).

The approach in this section is to review Chinese investment in Nigeria with a view to describing its size, composition and significance. Data permitting the analysis would cover the relative size of Chinese FDI compared to other sources of FDI, and the composition of the Chinese FDI with a view to revealing relative sectoral preferences. This is necessary in order to characterize the nature of investment and consequently assist in drawing inferences on the possible benefits of such activities to the host country: Nigeria (Geneva 2008).

## **2.5 Trend in Chinese FDI Inflow to Nigeria from 2006 to 2020**

Outward FDI from emerging economies like China has been considered to be one of the biggest questions in the 21st century. The upward increase in the aggregate FDI flows to Nigeria from about \$190.61 million in 1999 to about \$4169.14 million in 2006 is a joint increase in the levels of FDI by other regions of the continent (Based on data from Nigerian Investment Promotion Commission (NIPC), 2019) Thus, FDI from China has increased dramatically in recent years as it accounted for 10% of global outward FDI in 2008, up to 7% from 2007 (UNCTAD, 2009).

More so, Nigeria is the largest recipient of FDI in Africa. FDI inflows have been growing enormously over the course of the last decade from \$1.14 billion in 2001 to \$11.5 billion in 2009 according to UNCTAD, making the country the nineteenth greatest recipient of FDI in the world. As China seek to expand its trade relation with Africa, she is becoming one of Nigeria most important source of FDI from \$3 billion in 2003, China's direct investment in Nigeria is reported to be now worth about \$10 billion. From 2003, China has been known as a destination of global investment and her investment abroad by the local firms has increased substantially (UNCTAD, 2009).

In 2006, for example, the China Civil Engineering Construction Corporation Ltd. (CCECC) signed an \$8.3 billion contract to build a standard gauge railway from Lagos on the coast to Kano in northern Nigeria and to upgrade the entire rail system. Delays caused by the Nigerian government held back the start of construction until 2011, and then only on the Abuja to Kaduna portion, at a cost of \$876 million. CCECC completed this leg of the railway at the end of 2014 (David, 2017). Since 2006, the press has run numerous stories about “new” Chinese loans to finance parts of Nigeria’s railway rehabilitation, giving the impression of much greater financial commitment than was actually the case (David, 2017).

FDI inflows from Asia- Pacific region to Nigeria increased at a higher rate than their similar inflows from the Middle and Far East region. This suggests increasing importance of China in the observed trend. A further analysis of inflow of FDI from this region revealed that although China ranked 5th in the magnitude of FDI in flows from the region to Nigeria behind India, Singapore, Hong Kong, and Japan in that order, the country seems set to overtake these leading countries. This is not farfetched given that Chinese FDI inflows to Nigeria increased from an average of \$0.55 million in 1999-2000 to about \$5.5 million in 2006. This is a tenfold increase compared to 9-fold increase by the region as a whole (Oji-Okoro, 2010).

Outward FDI from China in 2008 surged to USD 52 billion up to 132% from 2007, making it the 13th largest source of capital in the world and third among developing countries (UNCTAD, 2009). In 2013, the Chinese government has invested \$1.1 billion in Nigeria’s infrastructure, in the form of low-interest loans. The loans will be used in the construction of four airport terminals in the country and a light-rail line in the capital city Abuja, with an additional \$1.7 billion contract that the Chinese companies won to construct road in the country. However, the question is, why is China investing so heavily in Nigeria? Analyst has argued to the fact that the country is one of the

largest oil-producing countries in the world and statistics has shown that oil and gas sector receives 75% of China's FDI in Nigeria. China is investing in raw material deposits overseas, and is multiplying its trading partnerships in order to secure regular supplies (Lafargue, 2005).

As of 2014, according to a study prepared by the China-Africa Research Initiative at Johns Hopkins School of Advanced International Studies, there were 74 businesses operating in the Calabar Free Trade Zone, of which nine were Chinese. They produce iron rods, textiles, electronics, appliances, and vehicles such as heavy-duty trucks. China is a significant and growing source of FDI in Nigeria, but not the colossus it is widely believed to be. The estimates for Chinese FDI stock in Nigeria vary widely, due partly to the intermingling of statistics on contracts won by Chinese companies and legitimate FDI (Oji-Okoro & Daniel, 2014).

McKinsey & Company reported in 2015 alone that Nigeria received \$2.4 billion in Chinese FDI, mostly in the industrial sector. In 2016, the U.S. State Department's Office of Investment Affairs estimated China's FDI stock in Nigeria at \$4.2 billion, or 6 percent of Nigeria's total FDI stock (). Also in 2016, the U.S. State Department's Office of Investment Affairs estimated China's FDI stock in Nigeria at \$4.2 billion, or 6 percent of Nigeria's total FDI stock. A June 2017 report by McKinsey & Company put the FDI figure at \$4.7 billion. These similar estimates are probably close to the actual number (McKinsey & Company, 2015).

In 2017, for example, the press announced the signing of a \$7.5 billion loan from Chinese banks for railway construction that seems to have been covered in the 2006 agreement. The loan included funding for the unfinished sections of the Lagos to Kano standard gauge railway. The China Global Investment Tracker published by the Washington-based American Enterprise Institute and the Heritage Foundation includes both FDI and contracts won by Chinese companies. For the period

2005 until 2017, it documented almost \$44 billion of Chinese FDI and contracts in Nigeria. Most of this figure consists of contracts and much of the financing comes from Chinese financial institutions. While contract financing, which is often not available in the West, is an important contribution to Nigeria's development, it is not FDI (David, 2017).

A June 2017 report by McKinsey & Company put the FDI figure at \$4.7 billion. These similar estimates are probably close to the actual number. However, McKinsey & Company's report on Chinese flows of FDI to Nigeria are more impressive. McKinsey & Company reported in 2015 alone that Nigeria received \$2.4 billion in Chinese FDI, mostly in the industrial sector. Chinese companies, especially those engaged in manufacturing, have concentrated their FDI in three Nigerian free trade zones, two of which—Ogun-Guangdong and Lekki—Chinese companies established and hold an equity investment in. The Federal Government of Nigeria established and owns the third one—Calabar Free Trade Zone in Cross Rivers State. A Chinese consortium known as “China-Africa” built the Ogun-Guangdong Free Trade Zone and continues to have a 60 percent equity investment. The remaining equity is held by Ogun State (Isaac, John, & John, 2017).

As of 2017, 23 of the more than 30 companies registered for business in the zone were operational and employing more than 5,000 persons. Chinese companies are engaged primarily in light industry such as furniture, paper, and lighting. A consortium of Chinese companies known as the China-Africa Lekki Investment Ltd. has a 60 stake in the Lekki Free Trade Zone; Lagos State holds the remaining 40 percent. Reportedly Africa's fastest growing economic zone, it attracted about \$15 billion from 116 Nigerian and foreign investors by 2017, although only 16 have started operations, including a half dozen Chinese companies (David, 2017).

### **2.5.1 Chinese Investments and Trade in Nigeria: Case Studies**

## **Ogun State**

Kajola Specialized Railway Industrial Free Trade Zone is a strategic move by the Ogun State government to take maximum advantage of the Railway Modernization Program and the proposed Inland Container Terminal Project of the Federal Government. The aim is to attract specialized industries and businesses offering complementary services to these two projects of the Federal Government (Ogunkola,2008). Some of the investors expected in the zone include: Railway industrial park, Locomotive workshop, Railway related Service, Foundries, Metal fabrications, Haulage/Logistics, New Towns development, Mega Mart and shopping Centers, Commerce & Industries (Fruit Juice Processing, Ceramic Making, Dairy Production, Furniture Making, Adire and Garment production and Kola Processing (ibid, 2008). Various activities ranging from acquisition of 2000 hectares of land to sourcing of environmental baseline data to identification of resettlement sites for affected people to design of infrastructural development plan have culminated in the launch of the Zone(Ajaikaye 2006).

The zone as opines by Olugboyega et al (2010) is a joint venture of the Ogun State Government and the Chinese Civil Engineering Construction Company (CCECC) Olugboyega (2010). The company's investment was estimated at about N115.8 billion. The government envisaged that the project will facilitate rapid industrialization of the State and deepen foreign direct investment inflow to the state Onjale (2008). It is also important to note that since this is one of the three free trade zones established in the State, it is meant to serve as a growth pole. This is within the larger concept of simultaneous development of all parts of the state (Ajaikaye 2006).

## **Ofada Vee Tee Rice Limited**

This is another project involving Ogun State and a Chinese firm. Indeed, the company's equity shares are to be owned by the Ogun State government, the Federal Government and Vee Tee Group

with the latter holding the majority of the shares. The company has a designed capacity of 225,000 (9000 bags) tons of rice per day and the capital out lay is estimated at about \$2 billion.<sup>59</sup> The company is to produce quality rice that will compare favourably with those from anywhere in the world. The local farmers are to supply paddy rice to the company that will be processed (de-husking, de-stoning, parboiling, sorting, polish, packaging and marketing) by the company (Burke, 2008).

Therefore the large volume of rice imported into the country, is an indication of the huge Potential demand for the commodity and thus market should not be constraints to the effective performance of the company. The contribution of the company to self-sufficiency in food production and foreign exchange savings is commendable (Kolstad, 2009). Optimal benefits from the establishment of Ofada Vee Tee Rice require proper integration of rice farmers into the plan of the company. The company's promise of provision of seeds and extension services may not be sufficient. The market for the paddy rice must be guaranteed. Hence a contingent plans for over as well as under supply of paddy rice to the company is required for effective response by the farmers. However, the backward linkage of the company is important for the economy in terms of employment and rural livelihood. The current projection is that about 30,000 farmers are to supply paddy rice to the company. Other beneficiaries who include transporters and traders of the raw materials and the finished products, technological capabilities of Nigerians through learning by doing is necessary and this can be achieved by ensuring that qualified Nigerians man the company. Currently, only three Chinese are on ground out of about 100 people employed and the company plans to hire about 5000 hands when fully operational (Billington 2009).

### **Ogun Guangdong Free Trade Zone (OGFTZ)**

This is also a tripartite project of two Chinese companies: Guangdong Xinguang International of Guangdong Province in china and china-Africa Investment Limited; and the Ogun State Government (Lixiaoying, 2005). The FTZ, located in Igbesa in Ogun State is one of the three free trade zones being established in the state. The zone which is being established at the instance of the Chinese consortium with the support of the state in the area of land acquisition, processing and securing various approvals especially from the Nigeria Export Processing Zone Authority (NEPZA) has about 30 Chinese currently working on the site. The cost of the project estimated at about \$500 million is to be financed by the Chinese consortium. The First Bank of Nigeria plc is collaborating with the consortium in the areas of investment banking, project financing, business advisory services and correspondent banking relationship (Lixiaoying, 2005).

Therefore, when completed, the FTZ will consist of about 100 firms mainly engaged in the light to medium manufacturing activities including footwear and rubber production, ceramic processing, furniture production, hardware and household appliances, real estate development, and light and heavy manufacturing plants. These activities promised to generate direct and indirect employment to different categories of Nigerians (Boudier, 2008).

In addition, the development of the host community is expected to be positively enhanced. At least two related projects are in this direction:

- A \$700,000 primary school project; and
- Dualisation of the road linking Igbesa (the FTZ site) to Badagry expresses way.
- Dredging to the zone to allow for free movement of new materials and finished products to and from the zone is under consideration. Hence, the benefits from these projects involving Chinese firms have not been consistently and systematically evaluated neither is there any attempt at



matching the cost of citing the projects in a particular community with the benefits (Boudier, 2008).

The cost benefit analysis on the part of the Chinese consortium is not equally available. It will be interesting to compare the streams of costs and returns on investment over the life span of the project. An analysis of the employment structure is required in order to strategically position Nigerians for the projects (Boudier, 2008). However, it is not sufficient to state that the project will generate employment without rigorous analysis of the nature of employment. The categories of skills to be employed, the qualification and experience of the Chinese counterpart must be within the Nigerian laws on the expert quotas( Boudier 2008).

The establishment of the project also presents various government agencies with challenges of monitoring and evaluation with a view to ensuring that the zone and the firms operating within its jurisdiction conform strictly to Nigerian laws. Agencies such as Nigerian Customs, Immigrations, Ministry of Labour, and NEPZA have significant roles to play in this regard (Oyeranti, 2010). For example, it was alleged that some Chinese who are engaged in one of the projects entered the country with a wrong type of visa. There may be need to empower these and other related organizations in discharging their duties given the specialized nature of free trade zone (Oyeranti, 2010).

Moreover, There Committees of various stakeholders (especially of the host communities) in place and this phenomenon is commendable. However, there is the need to empower the technical capabilities of the committees in order to ensure its effectiveness. Rigorous analysis and follow-up activities are required. For example, the local farmers' capacity for the supply of paddy rice as input for Vee Tee Rice should be carefully analyzed and appropriate measures should be taking that over-supply and under-supply are minimized (Oyeranti, 2010).

## **CHINA TOWN IN LAGOS**

Findings obtained from some staff of Chinese enterprises in the market revealed that the market is managed by International Cooperation Industry Nigeria Limited with its office located at Surulere area of the state (Aitkan 2010). The market consists of 120 shops shared between Nigerians and Chinese. Three quarters of the shops are acquired by the Chinese who were physically present at their various shops and employ an average of 2 Nigerians as shop attendants. Traders in the market deal in products such as textiles and apparels, lace materials, baby wears and toys, foot-wears, handbags, household utensils, personal effects, items for decorations, electrical appliances, art works, among others. These are light manufactures. Investigation revealed that some of the products are produced by Chinese firms in Nigeria, while majority of them are imported from China (Oyeranti, 2010).

However, the market receives daily, relatively high potential participants with various missions. Apart from the fact that the products and sellers are readily available at the market, relatively high potential buyers patronize the market. Other participants in the market are the transporters, food sellers and the market management. There is a branch of the Intercontinental Bank (PLC.) now Access Bank at the market and this is expected to facilitate financial transactions of the market participants.

## **LEKKI FREE TRADE ZONE (LFTZ)**

The signing of a Memorandum of Understanding (MOU) between the Lagos state Government (represented by Lekki Worldwide Investments Limited-LWIL) and the Chinese Government (represented by Nanjing Jiangning Development Zone in the Jiangsu Province and the China

Railway Construction Corporation) in 2007 marked the beginning of the Lekki free trade zone Akinkugbe (2003). Prior to the signing of the MOU, the Lekki Free Trade Development Company was incorporated in Lagos in April 2006 as a joint venture among CCECC-BEYOND, the Lagos State Government and the LWIL. It was registered by the Nigerian Export Processing Zones Authority (NEPZA) as the developer, operator and manager of the LFTZ (Asiedu, 2012).

The main missions of the LFTZ as cited in Ajakaiye (2006), include the following.

- To develop an offshore economic growth zone,
- Attract foreign investment,
- Promote export,
- Create job opportunities,
- Minimize capital flight, and
- Establish a one-stop global business haven.

Therefore, in an attempt to provide infrastructure in the zone, construction of roads into the zone began in October, 2007. Other infrastructure put in place is dedicated power plant which is independent of the national grid to ensure regular supply of energy, and also water and sewage treatment plants. The LFTZ featured at international trade fairs including the one held in South Africa in September 2007 and World Conference of Free Zones held at Kuala Lumpur, Malaysia in November 2007. Abundant land is available for industrial projects and the first phase consists of the development of 3,000 hectares. There are opportunities and access of investors to supply raw materials particularly for activities such as agro-processing, clothing and textiles, food and beverages, forestry, mining and pharmaceuticals (Ancharaz, 2008).

The incentives available to investors in the LFTZ include:

- 100% foreign ownership of investment;
- One-stop approvals;
- Zero import and export licenses;
- Tax holidays; and
- Unrestricted remittances of capital and duty- free importation of raw materials.

## **2.6 Aid and other Relations**

Economic relations between Nigeria and China date back to 1971 when the two countries signed the Joint Communiqué on the Establishment of Diplomatic Relations. Currently, China requires Nigeria's oil to fuel its economic expansion while Nigeria seeks Chinese expertise, finance, technology and industrial goods as well as market for its non-oil export. Some technical and financial assistance have been rendered by the two countries to support each other. For instance, during the visit of China President (President Hu Jintao) visit to Nigeria in April 2006, Nigeria and China signed four Agreements and three Memoranda of understanding (MOUs) on a range of programmes to enhance their economic ties (Oguntola,2008). Available data show that some of the technical and financial assistance provided by China for Nigeria in recent times are in the areas of health, education, communication and infrastructural development. In the area of health, China supported Nigeria's Rollback malaria programme with anti-malarial drugs and treated mosquito nets worth about N400 million in 2002 (Rindap, 2015).

In an attempt to further support the programme in 2006, China signed an MOU with government to supply anti-malarial drugs worth N83.6 million. In the area of education, China signed an MOU in 2006 with the Nigerian government to provide about N670 million for the training of 50 Nigerian officials and medical personnel on comprehensive malaria prevention and control (Rindap, 2015). Further, some educational institutions in Nigeria have established linkages with

China with a view to showcasing the Chinese culture, landscape and innovations. For instance, in collaboration with the Chinese Embassy, Abuja, the Federal Polytechnic, Offa organised an exhibition on Chinese Culture and Landscape to advance the cultural bond between the two countries (Zheng, 2011). Similarly, China is working with the Nnamdi Azikiwe University, Awka to provide Chinese language teaching to Nigerian students. Under this scheme, the Chinese government is to fully sponsor the training of the university's staff to study Mandarin in China up to Master's and Doctorate Degrees levels. This scheme is also characterized by frequent exchanges of cultural troupes and students (Rhindap, 2015).

In 2006, a memorandum of understanding on the provision of National Information Communication Technology Infrastructure Backbone was signed between the Federal Ministry of Science and Technology and Huawei Technologies. In order to support infrastructural development in Nigeria, China through its Export Import Bank entered into a financing agreement (of N8.36billion concessionary export grants) with Nigeria (Rhindap,2015).

## **2.7 The Impact of Nigeria-China Bilateral Trade and investment Agreements on Nigeria Development**

The Sino-Nigerian relationship is predicated on the fact that the two countries have economic complementarities. China is the largest single market in the world with a population of 1.3 billion, while Nigeria is the largest single market in Africa with a population of over 160 million. China's major investors in Nigeria are the China National Offshore Oil Company and China Railway Construction. China's investment in Nigeria reached the net of USD 15.42 billion in 2012. Similarly, trade between Nigeria and China has risen dramatically by an average annual 30% in the last decade, driven by China's energy and raw material needs (Vanguard, 2014). However, the flooding of Nigerian markets with cheap and substandard Chinese goods has become a problem

seriously affected the local industries (Vanguard, 2013). Nevertheless, China-Nigeria trade relations have been robust; Nigeria's imports which stood at N 39,890, 423,259 million in 1999 rose to N502,302,250, 4.8million in 2008; Chinese imports from Nigeria rose from N10,671,356.489 billion in 1999 to N31,353,471,339 billion in 2008; and in 2010, trade between the two countries was worth USD 7.8 billion. Nigeria was the 4th largest trading partner of China in Africa in 2011 and was 3rd in the first 8 months of 2012 (Udeala, 2013).

China has undoubtedly taken the front seat of Nigeria's drive for industrialization. Since 1999, the various regimes in Nigeria have taken several steps to engage the Chinese authorities. Former President Olusegun Obasanjo visited China in 1999 and 2001, and President Umaru Musa Yar'Adua also visited China in 2008 during which many bilateral agreements were entered. Chinese President Hu Jintao's visit to Nigeria in 2006 was the turning point. The major highlights of visit were the formalisation of cooperation in crude oil exploration, trade, investment in agriculture, telecom and infrastructural projects. As part of the agreement, China secured four oil drilling licenses in exchange for USD 4 billion in oil and infrastructural development projects in the country. The oil-for-infrastructure mode had long subsisted as grand rule of China Nigeria relations (Ajakaiye, 2006). The Nigerian economy has improved tremendously as a result of foreign investment from China. Between 2003 and 2006, Nigeria occupied the 12th position as host countries of Chinese outward FDI with the sum of USD 191.01 million. Similarly, Chinese FDI to Nigeria increased from an average of USD 0.55 million in 1999-2000 to about USD 3.4 billion in 2015 (UNCTAD).

In the area of political cooperation, Nigeria leveraged on China in its bid for a seat in the UN Security Council. China also provided military aid in fighting insurgents in the oil rich Niger Delta to protect Nigeria's oil resources. Both the nations also signed a USD 311 million agreement to

develop cooperation in communication and space programs. China helped develop and launch the Nigerian communications satellite (NigComSat-1) by 2007 to expand cellular and internet networks in Central Africa (Edward, 2007). The Nigerian government has made indications for enhanced economic ties with China as Chinese investment is paramount to Nigeria's drive for economic growth (Vanguard, 2014).

Nigeria-China bilateral trade and investment agreements have shown significant impact on Nigeria economy. Chen, Ukaejiofo, Xiaoyang, and Brautigam, (2016) undertook interviews in July 2014 with a sample of 20 firms including six in the Ogun-Guangdong FTZ and two of the four or five firms that are in Lekki. This have create job opportunities for the people of Nigeria, Chinese firms in Ogun Guangdong FTZ were mostly in light industry including furniture manufacturing, ceramics and paper and packaging. There were also two steel and construction firms in the zone. Two Chinese companies in Lekki were in furniture and light bulbs. Although, there was no evidence of clustering among the Chinese firms in either of the zones or for that matter anywhere in the country. In fact one of the main reasons for the Chinese to come to Nigeria was due to a paucity of competition. Clustering was one thing they directly wanted to avoid because it was seen as a source of potential competition (Vangaurd, 2014)

In 2017, the erection of perimeter fence for the Second Phase of Ogun-Guandong Zone, Igbesa was completed. The most recent data indicates that there were 50 registered enterprises, 26 of which have started operation, with another 12 under construction. There were roughly 4000 Nigerian employed in the zone. The cumulative investment is \$325.3 million USD. Main enterprises included Hewang Packing & Printing FZE, Goodwin Ceramic FZE, China (Nigeria) Glass FZE, Sun Ceramic FZE, Winhan Industry FZE, Panda Industry FZE, Green Power Utility FZE, and others. The industries involved included ceramics, packaging, glass, furniture, electricity

generation, electrical appliances, steel structures, wigs, and hardware and others (Economic and Commercial Counselor's office, 2018).

## **2.8 The Impact of Nigeria-China Trade and Investments on Economic Development in Nigeria.**

Economic development is an increase in living conditions, improvement of infrastructures which in turn have impact on productivity and could lead to economic growth (Todaro, 2011). The term economic development and national development are used interchangeably; reason being that two concepts have common indicators. There is a variety of indicators that are used to measure the level of economic development in a country. The indicators are: declining poverty rates and unemployment, increase in revenue (economic growth), human capacity development, increasing literacy rates, infrastructural development, etc.

By way of comparative advantage, Aja (2012) posits that, Nigeria is still a struggling economy while China is both the fastest growing and second largest economy in the world. According to him, the present locale of China in the world economic system cannot be ignored by a struggling economy like Nigeria, and logically too, in a fast changing world system, China cannot ignore Nigeria in both economic and overall strategic considerations in Africa. He stressed that Nigeria remains a potential market in the world at any time, and strategically, China needs Nigeria to consolidate its new-found relations in Africa. He however, regrets that Nigeria's new relationship with China will be conditioned by the structural economic dependency factor against Nigeria, concluding that while China's economy is heavily diversified with the capacity building to export varieties of produce, Nigeria is still over-dependent on oil as the commanding height of its economy (Aja, 2012).



Incidentally, Alao (2011) argued that although China has a range of interests in Nigeria, its main trade interest is oil. According to him, several oil deals have been signed over the last few years, the most significant being the agreement that involved China investing \$4 billion in Nigeria's infrastructure in return for the first refusal rights on four oil blocks in 2008. He stressed that at the centre of most of Nigeria's economic diplomacy towards China, is the principle of 'exchanging oil for development', citing a number of rail construction contracts signed in April 2011 between the Nigerian Government and a Chinese company named China Gezhouba Group Corporation, such as the three Eastern rail lines (463 kilometre from Port Harcourt to Makurdi; the 1, 016 kilometre line from Makurdi to Kuru, with the inclusion of the spur lines to Jos and Kafanchan; and the 640 kilometre line from Kuru to Makurdi) as a validation of such diplomatic engagement. He concluded that, this oil for development deal inevitably put China on a collision course with Nigerian militants fighting the Nigerian state over the management of oil in the country's Niger Delta, a course that manifested in hostage taking of the Chinese oil workers and the consequent payment of ransoms to free the workers (Alao, 2011).

There is a debate in the scholarly world on the relationship between China and Nigeria. Some scholars argue that the relationship is mutually beneficial as they need each other to achieve their goals on the political international arena. Other scholars, however, argue that the vast Chinese investments in Nigeria will trigger dependency for the Nigerian President Jonathan has just concluded a five-day official visit to China. The highlight of his visit was the signing of a Chinese loan of \$1.5 billion for the development of infrastructure in Nigeria, including the expansion of four airports at Lagos, Kano, Abuja, and Port Harcourt. The official visit was reportedly marked by a lot of conviviality and cordiality on both sides with the large Nigerian official delegation been treated to the fabled Chinese hospitality and excellent cuisine (the nation newspaper,2013).

However, available evidence indicates that Nigeria-China engagement has contributed substantially to national development in Nigeria. Chinese engagement with Nigeria has positive effects on national development in Nigeria mainly through the following:

- i. Technological, innovative and knowledge spill over effects from Chinese Foreign Direct Investment (FDI)-based firms on local economy;
- ii. Local job creation and poverty reduction government program or projects financed by tax revenues collected from Chinese based firms and businesses in Nigeria;
- iii. Chinese Overseas Development Assistance (ODA) in form of concessionary loans aids to Nigeria for infrastructural development and human capital development.

Sino-Nigerian relations have developed rather slowly over the years. It is now gathering some momentum. It was General Gowon who, as military head of state, first paid an official visit to China in 1972 shortly after the Nigerian civil war. When his brutal military regime faced international criticism and isolation General Abacha also decided to go to China for support. This was in the wake of the crackdown in Tiananmen Square in Beijing that led to China's international isolation as well. In 1997, the Chinese premier, Li Peng, visited Nigeria too to boost China's renewed interest in Africa, aimed at reversing the decline in China's trade with Africa. Nigeria's trade with China actually fell from \$57 million in 1980 to only \$7 million in 1985, recovering somewhat to \$35 million in 1989. Thereafter, Nigeria-China trade grew from \$35 million to \$97 million in 1993, and reached \$327 million by 1997. It is currently estimated at \$13 billion (Edgar,2014).

President Jonathan's visit to China is significant as it underlines Nigeria's growing economic relations with China. From the Nigerian perspective, closer economic ties with China have become

imperative. The new Chinese loan of \$1.5billion brings to a total of nearly \$15 billion China's investments and loans to Nigeria in recent years, including the \$2.5billion investment in the newly refurbished Lagos-Kano rail line. Nigeria's share of Chinese investment in Africa has increased to over 30 per cent. In 2012, total Chinese investment in Nigeria was \$13.3 billion. In contrast total US FDI in Nigeria was \$8 billion (). To counter the growing economic relations between China and Africa, President Obama announced during his recent hurried visit to Africa an offer of \$7 billion infrastructure loan to Africa. Some cynics will consider this offer as too late and too little. Financial commitments by the World Bank and the IMF are far less than Chinese loans to Nigeria. African countries are turning increasingly to China as an alternative source for infrastructure loans badly needed (Edgar,2014).

Both countries now realise the importance of economic cooperation between them. China, the most populous country in the world, with the fastest global economic growth in the last three decades, averaging 10 percent annually, has emerged a leading player in the global economy. Its national economy is now bigger than that of Japan, or the EU countries combined. Within a few decades, China has lifted some 300 million of its people from abject poverty, a feat without any precedent in the annals of economic development (Okonkwo,2015). Nigeria, the most populous country in Africa, with vast reserves of oil and gas, needs China's financial and technical assistance in the development of its decaying infrastructure. China too needs Nigeria's oil and gas to fuel its growing industry. In addition, Nigeria is, potentially, the largest market for China's industrial products in Africa. Nigeria's imports from China account for over a third of its total trade with West Africa (Okonkwo,2015).

As President Jonathan was reported as saying in Beijing, the increasing exploitation of shale gas and other energy alternatives by the US and other Western states has made the need for the

diversification of the Nigerian economy away from oil more urgent. Increasing Chinese oil imports will make up for the slack in oil exports to the US. In 2005, China accounted for 40 per cent of the global demand for oil. Over 30 per cent of China's oil supply is imported, with the country becoming the world's second largest consumer of oil after the US. So, closer economic co-operation is in the mutual interest of both countries. But there is a pitfall here which Nigeria has to watch very closely. There is a chronic and growing trade imbalance between the two countries in favour of China (Okoonkwo,2015).

Nigeria should seek to reduce this vast trade imbalance by increasing its non-oil exports to China. China's exports to Nigeria are currently estimated at \$3 billion, while Nigeria's exports are estimated at only \$1 billion, a trade gap of \$2 billion. This trade deficit, a concern to Nigerian leaders and its private sector, is being discussed by the Nigeria-China Joint Planning Commission. Nigeria should be wary of being used by China as a dumping ground for cheap Chinese exports, particularly textiles, as this will increase the existing trade imbalance between the two countries in favour of China and lead to more job losses for Nigeria. For instance, in 2006, South Africa imposed two-year import restrictions on some Chinese textiles. In this regard, the Nigerian authorities are beginning to take some limited action against cheap and fake Chinese exports. In 2006, NAFDAC banned pharmaceutical imports from some Chinese and Indian companies (okonkwo,2015).

China has the largest foreign exchange reserves in the world some of which is being invested in Africa where growth prospects are becoming increasingly attractive. Nigeria is eager to diversify its trade relations by reducing its trade dependence on the Western industrial countries. China, with its horde of foreign reserves, is one of the few countries in the world today that can assist Nigeria with its huge financing gap, particularly for infrastructure development, in such critical

sectors as roads, the railways, bridges, airports, and public transportation in which Nigeria is hugely deficient (). Nigeria will not achieve its huge economic potential unless it modernises its infrastructure. China can offer Nigeria such assistance with loans and investments in the critical sectors of the Nigerian economy. In April 2006, President Obasanjo observed, while addressing the visiting Chinese President, Hu Jintao, in Lagos, that “This 21st century is the century for China to lead the world. And when you are leading the world, we (meaning Nigeria) want to be close behind you.” It was the most effusive compliment to China by a Nigerian leader and demonstrated Nigeria’s eagerness to expand its economic relations with China (Zainab et al 2018).

Until recently, relations between the two countries were tepid and took some time to develop. At its independence in 1960, Nigerian leaders knew very little about Communist China, a remote country, with its turbulent political history and frequent upheavals. Western influence in Nigeria was very strong and the Western media gave Communist China a bad press all over Africa, decrying its lack of respect for human rights and its authoritarian -style of government. Culturally, the Communist style of government had little or no appeal for African leaders. In fact, like many other states in Africa, Nigeria refused to even recognise the existence of China and did not enter into diplomatic relations with her until after the Nigerian civil war in 1970. At the UN Nigeria voted routinely along with the Western powers to deny China admission to the UN (Zainab,et al).

Instead, Taiwan, which the Chinese regard as a ‘renegade’ province of China, was given China’s seat at the UN. China was badly isolated globally. During the years of the Cultural Revolution China turned its back on the rest of the world, including Africa. Before then, during the cold war era, it had tried unsuccessfully to get a foothold in Africa but it encountered strong opposition from the West as well as the Soviet Union with which it had fallen out. Its interests then in Africa were

basically strategic and consisted mainly of challenging both Soviet and Western dominance in Africa during the cold war (Edgar,2014).

To counter Western influence China encouraged wars of liberation in Africa and was supporting armed anti-colonial struggles in some 24 African countries, including South Africa. China's main aim was to reduce Africa's economic dependence on the West by offering long-term low interest loans to Africa and promoting the so-called 'benevolent trade' such as by buying up large coffee and tobacco surpluses from Tanzania. By 1976, China was already giving Africa more aid than the Soviet Union. It achieved a major breakthrough in Africa by financing and constructing the Tanzam railway that gave it access and some limited political influence in central Africa (zainab et al, 2018).

Beijing's involvement in the African liberation wars paid off when many African governments, including Nigeria, provided critical support on the UN General Assembly resolution admitting China as a member in October, 1971, and replacing Taiwan. Relations between Nigeria and China also began to improve dramatically. China had supported the secessionists during the Nigerian civil war and is believed to have sent Biafra some limited arms through Tanzania. The secessionist leader, Ojukwu, actually wrote Chairman Mao, seeking Chinese assistance 'in our struggle against Anglo-American imperialism and Soviet revisionism to achieve a socialist revolution in Biafra' and Africa. But China secured Nigeria's recognition in October 1971, after which the two states began building modest bilateral ties based on terms of co-operation agreed between them in 1972 during Gowon's official visit to Beijing (Egbula & Zheng, 2011).

Predictably, the growing economic relations between China and Africa have caused some concerns in the Western countries, particularly in the US. In 2005, during a Congressional hearing in

Washington, the chairman of the Africa sub-committee warned that ‘China is playing an increasingly influential role in Africa, and that the Chinese intend to aid and abet African dictators, gain a stranglehold on precious African natural resources, and undo much of the progress that has been made on democracy and governance in the last 15 years’. There were complaints from the US as well when a satellite launch deal was signed in 2005 by Nigeria and the China Great Wall Industry Corporation (zainab et al, 2018). But Africa needs to develop rapidly and, if necessary, will engage other powers to achieve its economic and technological goals. Africa cannot remain the economic preserve of the Western powers alone. It must diversify its economic relations in line with the process of economic globalisation. It is not China that is responsible for dictatorships in Africa, but the Western powers that, for long, supported African dictators, and refused to support liberation wars in Africa. There is no real danger of the Chinese exporting Communism to Africa. The Soviets did not succeed in doing so. If they tried, it is less likely that the Chinese would succeed where the Soviets failed (Edgar 2014).

The Chinese have no interest in exporting their Communist ideology to Africa. Like Africa, China was, for centuries, the victim of invasion and colonialism by the Western countries. It has no colonial past or imperialist ambitions in Africa that can stand in the way of increasing economic co-operation between the two. China has no military bases in Africa or anywhere else outside its own territory. It is unlikely to use force to advance its economic interests in Africa. What China wants, like any other foreign power, is access to Africa’s huge natural resources, particularly its oil, and new markets for its industrial products. Africa is more mature now and should ignore unjustified foreign concerns about its new economic relations with China. In its economic engagement with China, it should, collectively, be able to protect its own economic interests ().

China's presence in Nigeria has grown rapidly since both countries established diplomatic ties on 10<sup>th</sup> February 1971. China has offered Nigeria economic, military and political assistance while the latter continues to look onto China for help in achieving growth and development. Both Nigeria and China exchanged diplomatic visits and signed agreements on establishing a strategic partnership since 2004 (Egbula & Zheng, 2011). Prior to 2000, Western firms controlled virtually all the trade sectors of the Nigerian economy. However, Chinese firms in the last decade have gained a foothold in the Nigerian economy, particularly the oil. This was made possible by China's pragmatic approach by assisting Nigeria in addressing its huge investment need. China-Nigeria relations have grown exponentially since 2003. One of the highlights was the move by the China National Offshore Oil Company to acquire one sixth of the rights to Nigeria's oil reserves (Tom, 2009).

## **2.9 Theoretical Framework of Analysis**

The theories to be adopted in this study include

- Interdependency theory.
- Dependency theory.

### **2.9.1 Interdependence Theory**

It is imperative for every research to be guided or driven by a theory. In this study, the theoretical framework to be employed shall be the interdependence theory. The interdependence theory will be adopted because it best captures the essence of this project work, and would provide valuable insights into nature of trade and economic relations between Nigeria and China. Interdependence theory assumed that states are not the only actors in international politics and those actors such as



trans-national corporations, non-governmental organizations, individuals, etc. are also actors in the international system.

Joseph Nye raises an interesting theory of modern international relations through his concept of complex interdependence. Nye describes interdependence in an analytical sense, as "situations in which actors or events in different parts of a system affect each other (Nye, 1979). Nye continues his definition of interdependence by stating that the results are often varied and although the potential for benefits exist, the potential for tragedy exists as well. Despite this potential for varying results Nye also notes that it is very difficult and very costly for a country to try and cut itself off from the world, such as Myanmar or Albania did. According to Nye interdependence can be divided into four separate dimensions, which are its sources, benefits, costs, and symmetry. These dimensions can originate in both the physical and social aspects of society (Nye, 1979). .

The idea of economic interdependence is an idea that cannot be disputed as a reality in this modern world. According to Nye, "economic interdependence involves policy choices about values and costs." These policy choices are based most often on the ideas of supply and demand; in the sense that what one country cannot supply for its citizens, can be supplied through trade with another country. These policy decisions however, are quite often not as simple as just supply and demand, but instead are largely dependent upon the distribution of resources, especially those resources considered to be "power resources" ().

In Nye's explanation of complex interdependence, he is very quick to point out that in and of itself, interdependence is neither a good thing nor a bad thing. The results of economic interdependence can be extremely varied in the distribution of gains for those nations involved. Economic interdependence can be viewed as a positive for bringing countries closer together and forcing them to act in a more Cooperative manner. This can most obviously be seen today in the

international relations of America with most Western European nations, such as England, the Netherlands, Germany, and even France. These countries acknowledge the interdependence between them, and often attempt to create policy that will foster those relationships in becoming partnerships ().

He also posited that as with any decision or any theory, there are certain benefits and certain costs associated with it; economic interdependence is no different in this respect. However, the benefits created by complex interdependence, with economic interdependence as a main aspect has proven more often than not to be beneficial for all parties involved. In this modern day and age, technology is expanding at such a rate, that the distance between countries is seemingly getting smaller and smaller, not only in the respect of travel for people, but also of information (). It holds that there is no hierarchy of issues in the international system meaning all Issues with international outlook are important, particularly those that borders on World peace, progress and development and that force or use of violence is not an acceptable means of defining, interstate relations. The theory dismisses war as an instrument of state policy utilized to achieve state objectives. The theory of interdependence basically emphasizes relationship of mutuality, and inter-dependence among nation-states rather than isolationism ().

### **Relevance of the Theory**

In the application of the theory to the study, we noted that Nigeria-China trade relations are borne out of the fact that none of the two countries possesses absolutely the means of their existence. Hence they have to enter into some form of interdependence upon one another to secure unevenly naturally endowed resources. There exists a form of complementarities between the two countries (). For instance, China as an industrializing economy requires the services of the energy that comes from oil (petroleum) and Nigeria on the other hand as an underdeveloped economy requires the

products that come from these Chinese companies in order to satisfy the demands of its population. It therefore becomes imperative that the two countries interact and transact across borders.

### **2.9.2 Dependency theory**

First proposed in the late 1950s by the Argentine economist and statesman Raul Prebisch, dependency theory gained prominence in the 1960s and 70s. Dependency theory is the notion that resources flow from a periphery of poor and underdeveloped states to a core of wealthy states, enriching the latter at the expense of the former.

Dependency theory is essentially a follow up to structuralism thinking and shares many of its core ideas. Dependency thinking starts from the notion that resources flow from the periphery of poor and underdeveloped states to a core of wealthy countries, which leads to accumulation of wealth in the rich states at the expense of the poor states. Dependency theory states that not all societies progress through similar stages of development. Periphery states have unique features, structures and institutions of their own and are considered weaker with regards to the world market economy, while the developed nations have never been in this colonized position in the past ().

Dependency theorists argue that underdeveloped countries remain economically vulnerable unless they reduce their connections to the world market. It states that poor nations provide natural resources and cheap labour for underdeveloped nations, without which the developed nations could not have the standard of living which they enjoy. When the underdeveloped countries try to remove the core's influence, the developed countries hinder their attempts to keep control. This means that poverty of developing nations is not the result of the disintegration of these countries in the world system but because of the way in which they are integrated into this system ().

This theory is applicable to the theory in the sense that in the quest for development Nigeria turn to other countries for its national economic development, development can be achieved through partnership with other nations

### **2.10 Gaps in the Literature**

Several studies exist on China-Nigeria relations but none have been able to cover why Nigeria export cannot match her import from China. That is why the trade imbalance between China-Nigeria. Besides, why has Nigeria not benefitted from technological development of China or better still why has Nigeria been unable to borrow idea from the China's technology? Why Nigeria has been unable to fully develop her technology to catch up with develop world. Why has China been unable to do technological transfer to Nigeria? Little research work had used both qualitative and quantitative methods of data analysis.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

For the purpose of this study, this chapter explained the methods and techniques adopted in this research work. However, the procedures include: research design, population and sample size, research instrument method of data presentation and analysis.

#### **3.1 Research Design**

Research design is the plan and structure of investigation (Sun 2009 cited in Okonkwo 2018). In essence, research design relates to the overall approach to the study Ambali (2009). However, in an attempt to carry out an objective exploration of the subject matter the researcher relied more on earlier researches on the Nigeria-china bilateral relations ranging published and unpublished write-ups, textbooks, edited works, articles in reputable journals of international standards, as well as survey from the relevant stakeholders who are more conversant with the case study under review. Therefore, purposive sampling method was used to select the population of study. Hence, the purposive sampling is important to the study because of the objectivity and openness to change as research is on progress.

Put succinctly, the researcher relied mainly on secondary source of data in carrying out the research and was qualitatively analysed using triangular comparison of data so generated from the sources used. In this regard, the research is theory based one in that it examines what earlier researchers have said on the subject matter. More so, the unit of analysis in this research is the bilateral trade and commercial investments between Nigeria and China. All opinions and argument of the interviews and of the literature review are explored with regards to their evaluation and assessment of the trade and commercial relations with China with a view to upholding the beneficial aspects and otherwise of the country's relations with China.

### **3.2 Population of the Study**

Population of studies in this regard refers to all the elements that are relevant to provide key information on the Nigeria-China relations in the aspect of trade and commercial investments. There may not be necessary need to study every individual in the population when conducting a research. Therefore, target population of this study consists an individuals who are directly working with Federal Ministry of Industry, Trade and Investment, Nigeria Investment Promotion

Commission and workers from Chinese firms in Nigeria. Based on the report gathered through the third party that are directly working (HR department) with the selected firms as at September, 2020 totalled 9,208. The target population is the complete set of individuals with some common observable characteristics (Gray, 2009). The table below represented the information gathered from the ministry, commission and Chinese firms operating in Lagos State.

**Table 3.1 List of Selected Ministry, Commission and Chinese Firms operating in Lagos State**

| S/N | Organisations  | Total Number |
|-----|--|--------------|
| 1   | Federal Ministry of Industry, Trade and Investment, Lagos Office | 1,004        |
| 2   | Nigeria Investment Promotion Commission, Lagos Office            | 511          |
| 3   | China Civil Engineering Construction Company CCECC               | 1,255        |
| 4   | Distinctushy Freight Forwarding Company                          | 423          |
| 5   | Saipan   | 223          |
| 6   | Chinaville   | 324          |
| 7   | Jade Palace  | 258          |
| 8   | Little China (Outdoor Catering Services)                         | 670          |
| 9   | Mr. Change   | 345          |
| 10  | Happy Chef   | 423          |
|     | <b>Total</b>   | <b>5,436</b> |

**Source:** Author's Computation (2020).

Therefore, key informants/stakeholders such as marketers of where Chinese goods are sold are surveyed, the official gazettes of stakeholders at Federal ministry of industry, trade and investment, Nigeria investment promotion commission, and some workers from Chinese firms in Nigeria are selected and provided data needed for the quantitative assessment of the China and Nigeria trade and commercial relations. Since this study is all about human relations and the prospects expected as in such relations, therefore some of the stakeholders involved are surveyed through questionnaire and the information gotten from the review of earlier literature and official gazettes were triangulated for the rich conclusion about Nigeria-China trade and commercial investments.

### 3.3 Sample Size and Sampling Technique

Sampling size involves the total number of the population picked for the study and techniques used or adopts in selecting the relevant population of the study. The sample size measures the proportion or subset representative of the population of interest. A good sample needs to be small enough but sufficient to be representative of the whole population to make an accurate inference of the population. In this study, Taro Yamane sampling formula was used for sample size determination.

Yamane's sampling formula

$$\frac{N}{1 + N * e^2}$$

Where N = Population size = 5,436

e = Acceptable sampling error = 0.05

n = Sample size

$$= \frac{5,436}{1 + 5,436 * (0.05)^2} = 372.58$$

Therefore, sample size of 372.58 that is approximately 373 were recommended as the minimum size of survey for 5,436 population. In case of omission and error during the distribution of the questionnaire, the sample size of 400 employees from the Federal Ministry of Industry, Trade, and Investment, Nigeria investment promotion commission and workers from Chinese firms in Nigeria were selected to participate in the study.

**Table 3.2 List of Sample Size for Selected Ministry, Commission and Chinese Firms operating in Lagos State**

| S/N | Organisations  | Total No | Sample |
|-----|--|----------|--------|
| 1   | Federal Ministry of Industry, Trade and Investment, Lagos Office | 1,004    | 74     |

|    |   |              |            |
|----|---|--------------|------------|
| 2  | Nigeria Investment Promotion Commission, Lagos Office | 511          | 38         |
| 3  | China Civil Engineering Construction Company CCECC    | 1,255        | 92         |
| 4  | Distinctcushy Freight Forwarding Company              | 423          | 31         |
| 5  | Saipan  | 223          | 17         |
| 6  | Chinaville  | 324          | 24         |
| 7  | Jade Palace   | 258          | 19         |
| 8  | Little China (Outdoor Catering Services)              | 670          | 49         |
| 9  | Mr. Change  | 345          | 25         |
| 10 | Happy Chef  | 423          | 31         |
|    | <b>Total</b>  | <b>5,436</b> | <b>400</b> |

**Source:** Author's Computation (2020).

The ratio analysis was used to arrive at individual sample size by dividing the total population and multiply by the estimated sample size.

### **3.4 Instrument of Data Collection**

In this research study, primary data was used because it enhance researcher to gathered or obtained information directly from the respondents. The questionnaire was developed from the literature reviewed and organized to collect the background information of the respondents and data relating to the objectives of the study. This study used structure question through self-administered to obtain information from respondents. The decision to use questionnaire was based on the proposition that data collected through a questionnaire was easy to understand and perceived to be authoritative. The use of questionnaire provided greater control over the research process.

The questionnaire used was structured into two sections. The first part had questions on the demographic information about the respondent and their organization. The second section addressed questions on the trade and investment relationship between China and Nigeria. The



study employed structure questions and 5-level Likert type questions with scale of 1 to 5 where 1 - Highly Disagree; 2 - Disagree; 3 - Neutral; 4 - Agree; 5 - Highly Agree (Zira, Ogbu & Ojo, 2017).

The respondents were required to read, understand and tick an appropriate choice. The questionnaires was administered by the researcher in person to the respondents with the help of research assistants to ensure clarity of information obtained from the respondents and to improve the response rate.

#### **3.4.1 Primary Data**

These are the first hand data used for the study which would be collected through field work. Questionnaire is basic instrument used for collecting the primary data. Questionnaires used were carefully designed with wide-ranging questions aimed at eliciting right responses was constructed and piloted in order to detect any abnormalities or inherent problems. From the comments and remarks from the pilot questionnaire respondents, the entire questionnaire was reviewed and improved upon.

#### **3.4.2 Administration of Questionnaire**

The questionnaire was designed to capture detailed profile of the respondents in addition to what they consider as the benefits and challenges of bilateral trade agreement on Nigeria development. The questionnaire was administered through the employment of a research assistant that facilitated the process, while others were self-administered by the researcher to the respondents. All the sample size were given questionnaire. The number of questionnaires administered and returned were used for data analysis.

#### **3.5 Method of Data Analysis**

The purpose of all research is to discover some truth about the problems or phenomenon under investigation Ambali (2009). To arrive at this, the data must be categorised and compared to establish some characteristics of significant as stated in the research objectives. Therefore, all data obtained were organized, presented and analyzed using inferential statistical tools. The opinion of our respondents are presented in Tables, percentages and average were used as descriptive statistical tools, while Pearson correlation was used to establish the existence, nature and strength of the relationships between the independent variables and their significance of the relationship to development. Simple regressions were then used as analytical statistical tools to determine the level of significance in relationship between trade and investment relationship to country development.

### **3.6 Ethical Considerations**

In the cause of carrying out social research, it involved certain ethical requirement that must be religiously followed. Having recognized this fact, the researcher accorded all his respondents with full human dignity and protect their right of safety and non-disclosure of identity. Given the seriousness and confidentiality of public service, prior consents will be sought before respondents' were involved in the survey processes. In addition, all personal information gathered from the respondents were coded.

### **3.7 Data Coding**

The information gathered from respondents were compiled and tabulated by coded and coding through Microsoft excel. The code ranged from 1 to 5 which represents strongly agreed to strongly disagree. However, this data set were transferred to SPSS software for data analysis.

## **Chapter Four**

### **DATA PRESENTATION, ANALYSIS AND INTERPRETATION**

#### **4.0 Introduction**

This chapter of the study present the findings, interpretation and discussion of the information gathered for the study. The determinants of trade and investment relations were presented, a total of four hundred (400) copies of questionnaire were administered to respondents that presently working with ministry of commerce, Nigeria investment promotion and workers from Chinese firms in Nigeria. Three hundred and seventy six (376) copies of questionnaire were properly filled and returned and this amount to 94.0 percent of total valid response rate. Therefore, discussions made are solely depend on the data presented and analysed, while findings were based on the objectives of the study.

## 4.1 Response Rate of Questionnaires

**Table 4.1 Response Rate of Questionnaires**

| <b>Responses</b>                | <b>Frequency</b> | <b>Percentage %</b> |
|---------------------------------|------------------|---------------------|
| Questionnaire Completely Filled | 376              | 94.0                |
| Not properly fill               | 14               | 3.5                 |
| Unreachable                     | 10               | 2.5                 |
| <b>TOTAL</b>                    | <b>300</b>       | <b>100</b>          |

**Source:** Field Survey, (2020)

### 4.1.1 Respondents Profile by Gender

**Table 4.1.1: Respondents by Gender**

| <b>Items</b> | <b>Frequency</b> | <b>Percentage (%)</b> | <b>Cumulative Percent (%)</b> |
|--------------|------------------|-----------------------|-------------------------------|
| Male         | 213              | 56.6                  | 56.6                          |
| Female       | 163              | 43.4                  | 100.0                         |
| Total        | 376              | 100.0                 |                               |

**Source:** Author's Fieldwork Computation, (2020)

The frequency distribution of the respondents' demographic characteristics is presented in table 4.1.1. The table shows that out of the 376 respondents, 213 which represented (56.6%) of respondents are male, while 163 (43.4%) are female. By implication, the study have more male respondents to female respondents in the sample.

### 4.1.2 Respondents Profile by Age

**Table 4.1.2:** Respondents by Age

| Items         | Frequency | Percentage (%) | Cumulative Percent (%) |
|---------------|-----------|----------------|------------------------|
| 18 – 25years  | 77        | 20.5           | 20.5                   |
| 26 - 30years  | 52        | 13.8           | 34.3                   |
| 31 – 35 years | 112       | 29.8           | 64.1                   |
| 36 – 40years  | 78        | 20.7           | 84.8                   |
| 41 – 45years  | 30        | 8.0            | 92.8                   |
| 46 and above  | 27        | 7.2            | 100.0                  |
| Total         | 376       | 100.0          |                        |

**Source:** Author's Fieldwork Computation, (2020).

The results of table 4.1.2 shows that there are 77 (20.5%) who are within the age of 18 to 25years, 52 (13.8%) are between the age of 26 to 30years, 112 represented (29.8%) of respondents that are between the age of 31 to 35years, while, 78 represented (20.7%) of respondents who are between the age of 36 to 40years, whereas 30 (8.0%) are between the age of 41 to 45years and 27 represented (7.2%) of respondents that are between the age of 46years and above. By implication, this implies that there are more very young and committed respondents in the sample.

### 4.1.3 Respondents Profile by Marital Status

**Table 4.1.3:** Respondents by Marital Status

| Items   | Frequency | Percentage (%) | Cumulative Percent (%) |
|---------|-----------|----------------|------------------------|
| Married | 107       | 28.5           | 28.5                   |

|          |     |       |       |
|----------|-----|-------|-------|
| Single   | 230 | 61.2  | 89.6  |
| Divorced | 25  | 6.6   | 96.3  |
| Widowed  | 14  | 3.7   | 100.0 |
| Total    | 376 | 100.0 |       |

**Source:** Author's Fieldwork Computation, (2020).

The results of table 4.1.3 represented marital status indicates that 107 that represented (28.5%) of respondents are married, 230 (61.2%) are single, while 25 represented (6.6%) are divorced and 14 represented (3.7%) are widowed. This implies that there are more single respondents to other status of respondents.

#### 4.1.4 Respondents Profile by Academic Qualification

**Table 4.1.4: Distribution of Respondents by Qualification**

| Items    | Frequency | Percentage (%) | Cumulative Percent (%) |
|----------|-----------|----------------|------------------------|
| O/Level  | 64        | 17.0           | 17.0                   |
| WASCE    | 32        | 8.5            | 25.5                   |
| OND/NCE  | 60        | 16.0           | 41.5                   |
| HND      | 76        | 20.2           | 61.7                   |
| B.Sc./BA | 81        | 21.5           | 83.2                   |
| M.Sc./MA | 47        | 12.5           | 95.7                   |
| Ph. D.   | 16        | 4.3            | 100.0                  |
| Total    | 376       | 100.0          |                        |

**Source:** Author's Fieldwork Computation, (2020)

Concerning academic qualification, the table 4.1.4 indicated that there are 64 represented (17.0%) of respondents with O/level, 32 represented (8.5%) of respondents are WASCE holders, 60 (16.0%) of respondents are ND/NCE holders, while 76 represented (20.2%) of respondents are

HND holders, whereas 81 represented (21.5%) of respondents are B.Sc. / BA holders, 47 (12.5) of respondents are M.Sc. /MA holders and 16 (4.3%) of respondents are Ph.D. holder. It is observed that the respondents were on average level of education.

#### 4.1.5 Respondents Profile by Place of Work

**Table 4.1.5:** Respondents by Place of Work

| Items                       | Frequency | Percentage (%) | Cumulative Percent (%) |
|-----------------------------|-----------|----------------|------------------------|
| F. Ministry of IT Invest.   | 44        | 11.7           | 11.7                   |
| Nigeria Invest. Prom. Comm. | 172       | 45.7           | 57.4                   |
| Chinese Firms               | 160       | 42.6           | 100.0                  |
| Total                       | 376       | 100.0          |                        |

**Source:** Author's Fieldwork Computation, (2020).

Table 4.1.5 shows the result of respondents by place of work with 44 represented (11.7%) are employee of Federal Ministry of Industry, Trade and Investment, while 172 represented (45.7%) are employee of Nigeria investment promotion commission, and 160 represented (42.6%) of respondents are from Chinese Firms across Nigeria. This implies that all selected respondents have knowledge about the subject matter.

#### 4.2 Research Questions

**Table 4.2.1 Question 1: Bilateral trade agreement is used by the government to promote economy development of Nigeria?**

| Options        | No. of Respondents | Percentage (%) |
|----------------|--------------------|----------------|
| Strongly Agree | 98                 | 26.1           |
| Agree          | 202                | 53.7           |

|                   |            |            |
|-------------------|------------|------------|
| Undecided         | 27         | 7.2        |
| Disagree          | 25         | 6.6        |
| Strongly Disagree | 24         | 6.4        |
| <b>Total</b>      | <b>376</b> | <b>100</b> |

**Source:** Author's Fieldwork Computation, (2020).

The table above shows that 98 of the respondents representing (26.1%) are strongly agreed to the statement that “Bilateral trade agreement is used by the government to promote economy development of Nigeria”. 202 of the respondents representing (53.7%) agreed to the statement and 27 of the respondents representing (7.2%) said they are not sure to the statement, whereas 25 of the respondents representing (6.6%) said they are strongly disagreed and 24 of the respondents representing (6.4%) said they disagreed with the statement. Therefore, majority of the respondents agreed to the statement and every respondents that participated had an opinion.

**Table 4.2.2 Question 2:** Trade agreement is used by Nigeria government to make life meaningful for the people living in the country?

| <b>Options</b>    | <b>No. of Respondents</b> | <b>Percentage (%)</b> |
|-------------------|---------------------------|-----------------------|
| Strongly Agree    | 164                       | 43.6                  |
| Agree             | 148                       | 39.4                  |
| Undecided         | 33                        | 8.8                   |
| Disagree          | 17                        | 4.5                   |
| Strongly Disagree | 14                        | 3.7                   |
| <b>Total</b>      | <b>376</b>                | <b>100</b>            |

**Source:** Author's Fieldwork Computation, (2020).



Table above shows that 164 of respondents representing (43.6%) are strongly agree with the statement that “Trade agreement is used by Nigeria government to make life meaningful for the people living in the country”. 148 of the respondents representing (39.4%) agreed to the statement, and 33 of the respondents representing (8.8%) choose their opinion to be undecided, 17 of respondents representing (4.5%) disagree, while 14 of respondents representing (3.7%) of respondents are strongly disagree to the statement. Therefore, the largest population of the respondents agreed with the statement. However, majority of the respondents agreed with the statement.

**Table 4.2.3 Question 3:** Bilateral trade agreement is exploits by the government to create job opportunities?

| <b>Options</b>    | <b>No. of Respondents</b> | <b>Percentage (%)</b> |
|-------------------|---------------------------|-----------------------|
| Strongly Agree    | 95                        | 25.3                  |
| Agree             | 197                       | 52.4                  |
| Undecided         | 54                        | 14.4                  |
| Disagree          | 11                        | 2.9                   |
| Strongly Disagree | 19                        | 5.1                   |
| <b>Total</b>      | <b>376</b>                | <b>100</b>            |

**Source:** Author’s Fieldwork Computation, (2020).

The table above revealed that 95 of the respondents representing (25.3%) are strongly agree with the statement that “Bilateral trade agreement is exploits by the government to create job opportunities”. 197 of the respondents representing (52.4%) agreed with the statement, and 54 of

the respondents representing (14.4%) are undecided to the statement, while 11 of the respondents representing (2.9%) disagree with the statement, whereas 19 of respondents representing (5.1%) said they are strongly disagreed with the statement. This indicates that many of the respondents agreed with the statement.

**Table 4.2.4 Question 4:** The trade agreement between two countries facilitate the investment that enhance economy development?

| Options           | No. of Respondents | Percentage (%) |
|-------------------|--------------------|----------------|
| Strongly Agree    | 127                | 33.8           |
| Agree             | 174                | 46.3           |
| Undecided         | 43                 | 11.4           |
| Disagree          | 12                 | 3.2            |
| Strongly Disagree | 20                 | 5.3            |
| <b>Total</b>      | <b>376</b>         | <b>100</b>     |

**Source:** Author's Fieldwork Computation, (2020).

Table above shows that 127 of the respondents amounting to (33.8%) were strongly agreed with the statement that “The trade agreement between two country facilitate the investment that enhance economy development”. 174 of the respondents representing (46.3%) said they agreed with the statement, and 43 of the respondents representing (11.4%) were undecided in their opinion on the statement, whereas 12 of respondents representing (3.2%) said they disagreed while 20 of the respondents representing (5.3%) were strongly disagreed with the statement. Therefore majority of the respondents agreed with the statement as shown in the above table.

**Table 4.2.5 Question 5:** Trade agreement usually boast the internal revenue generation revenue of the government?

| Options        | No. of Respondents | Percentage (%) |
|----------------|--------------------|----------------|
| Strongly Agree | 110                | 29.3           |

|                   |            |            |
|-------------------|------------|------------|
| Agree             | 198        | 52.7       |
| Undecided         | 43         | 11.4       |
| Disagree          | 18         | 4.8        |
| Strongly Disagree | 7          | 1.9        |
| <b>Total</b>      | <b>376</b> | <b>100</b> |

**Source:** Author's Fieldwork Computation, (2020).

The table above shows that 110 of the respondents representing (29.3%) were strongly agreed that “Trade agreement usually boost the internal revenue generation revenue of the government”. 198 of the respondents representing (52.7%) were agreed to the statement, and 43 of the respondents amounting to (11.4%) shared opinion of undecided, and 18 of the respondents representing (4.8%) said they disagreed with the statement, while 7 of the respondents representing (1.9%) were strongly disagreed. This implies that majority of the respondents agreed with the statement.

**Table 4.2.6 Question 6:** Having trade relationship create opportunities for the social and economic development in a country and lead to greater integration of economics and societies?

| <b>Options</b>    | <b>No. of Respondents</b> | <b>Percentage (%)</b> |
|-------------------|---------------------------|-----------------------|
| Strongly Agree    | 102                       | 27.1                  |
| Agree             | 201                       | 53.5                  |
| Undecided         | 30                        | 8.0                   |
| Disagree          | 17                        | 4.5                   |
| Strongly Disagree | 26                        | 6.9                   |
| <b>Total</b>      | <b>376</b>                | <b>100</b>            |

**Source:** Author's Fieldwork Computation, (2020).

The table above shows that 102 of the respondents representing (27.1%) are strongly agreed to the statement that “Having trade relationship create opportunities for the social and

economic development in a country and lead to greater integration of economics and societies”. 201 of the respondents representing (53.5%) said they agreed to the statement and 30 of the respondents representing (8.0%) are with undecided opinion, whereas 17 of the respondents representing (4.5%) said they disagreed and 26 of the respondents representing (6.9%) said they are strongly disagreed with the statement. Therefore, the table implies that majority of respondents agreed with the statement.

**Table 4.2.7 Question 7:** Trade relationship could enhance flow of ideas, information, goods and services across borders?

| Options           | No. of Respondents | Percentage (%) |
|-------------------|--------------------|----------------|
| Strongly Agree    | 136                | 36.2           |
| Agree             | 182                | 48.4           |
| Undecided         | 35                 | 9.3            |
| Disagree          | 13                 | 3.5            |
| Strongly Disagree | 10                 | 2.7            |
| <b>Total</b>      | <b>376</b>         | <b>100</b>     |

**Source:** Author’s Fieldwork Computation, (2020).

Table above shows that 136 of respondents representing (36.2%) said they are strongly agree with the statement that “Trade relationship could enhance flow of ideas, information, goods and services across borders”. 182 of the respondents representing (48.4%) said they agreed to the statement, and 35 of the respondents representing (9.3%) choose their opinion to be undecided, and 13 of respondents representing (3.5%) disagree, while 10 of respondents representing (2.7%) of respondents are strongly disagree to the statement. Therefore, the largest population of the respondents agreed with the statement of item 2. However, the mean score of 4.12 indicates that majority of the respondents agreed with the statement.

**Table 4.2.8 Question 8:** Having trade agreement deals with the increasing breakdown of trade barriers and it increasing integration of world market?

| <b>Options</b>    | <b>No. of Respondents</b> | <b>Percentage (%)</b> |
|-------------------|---------------------------|-----------------------|
| Strongly Agree    | 123                       | 32.7                  |
| Agree             | 193                       | 51.3                  |
| Undecided         | 36                        | 9.6                   |
| Disagree          | 12                        | 3.2                   |
| Strongly Disagree | 12                        | 3.2                   |
| <b>Total</b>      | <b>376</b>                | <b>100</b>            |

**Source:** Author's Fieldwork Computation, (2020).

The table above revealed that 123 of the respondents representing (32.7%) said they are strongly agree that “Having trade agreement deals with the increasing breakdown of trade barriers and it increasing integration of world market”. 193 of the respondents representing (51.3%) agreed with the statement, and 36 of the respondents representing (9.6%) are undecided to the statement, while 12 of the respondents representing (3.2%) disagree with the statement, whereas 12 of respondents representing (3.2%) said they are strongly disagreed with the statement. This implies that many of the respondents agreed with the statement.

**Table 4.2.9 Question 9:** Trade agreement push for free-market economy, liberal democracy, good governance and environmental sustainability?

| <b>Options</b>    | <b>No. of Respondents</b> | <b>Percentage (%)</b> |
|-------------------|---------------------------|-----------------------|
| Strongly Agree    | 185                       | 49.2                  |
| Agree             | 131                       | 34.8                  |
| Undecided         | 23                        | 6.1                   |
| Disagree          | 28                        | 7.4                   |
| Strongly Disagree | 9                         | 2.4                   |
| <b>Total</b>      | <b>376</b>                | <b>100</b>            |

**Source:** Author's Fieldwork Computation, (2020).

The table above shows that 185 of the respondents amounting to (49.2%) were strongly agreed with the statement that “Trade agreement push for free-market economy, liberal

democracy, good governance and environmental sustainability”. 131 of the respondents representing (34.8%) said they agreed with the statement, and 23 of the respondents representing (6.1%) were undecided in their opinion on the statement, whereas 28 of respondents representing (7.4%) said they disagreed while 9 of the respondents representing (2.4%) were strongly disagreed with the statement. Therefore, majority of the respondents agreed with the statement.

**Table 4.2.10 Question 10:** Trade relationship enhances the volume of international trade and investment that reflect the global pattern of specialization in production?

| Options           | No. of Respondents | Percentage (%) |
|-------------------|--------------------|----------------|
| Strongly Agree    | 125                | 33.2           |
| Agree             | 185                | 49.2           |
| Undecided         | 38                 | 10.1           |
| Disagree          | 13                 | 3.5            |
| Strongly Disagree | 15                 | 4.0            |
| <b>Total</b>      | <b>376</b>         | <b>100</b>     |

**Source:** Author’s Fieldwork Computation, (2020).

The table above showed that 125 of the respondents representing (33.2%) were strongly agreed that “Trade relationship enhances the volume of international trade and investment that reflect the global pattern of specialization in production”. 185 of the respondents representing (49.2%) were agreed to the statement, and 38 of the respondents amounting to (10.1%) shared opinion of undecided, and 13 of the respondents representing (3.5%) said they disagreed with the statement, while 15 of the respondents representing (4.0%) were strongly disagreed. This indicates that majority of the respondents agreed with the statement.

**Table 4.2.11 Question 11:** Bilateral trade agreement between two (China-Nigeria) countries promote regional economic structures?

| Options | No. of Respondents | Percentage (%) |
|---------|--------------------|----------------|
|---------|--------------------|----------------|

|                   |            |            |
|-------------------|------------|------------|
| Strongly Agree    | 130        | 34.6       |
| Agree             | 194        | 51.6       |
| Undecided         | 34         | 9.0        |
| Disagree          | 6          | 1.6        |
| Strongly Disagree | 12         | 3.2        |
| <b>Total</b>      | <b>376</b> | <b>100</b> |

**Source:** Author's Fieldwork Computation, (2020).

Table above shows that 130 of the respondents representing (34.6%) are strongly agreed to the statement that “Bilateral trade agreement between two (China-Nigeria) countries promote regional economic structures”. 194 of the respondents representing (51.6%) said they agreed to the statement and 34 of the respondents representing (9.0%) said they are not sure to the statement, whereas 12 of the respondents representing (3.2%) said they are strongly disagreed and 6 of the respondents representing (1.6%) said they disagreed with the statement. Therefore, majority of respondents agreed with the statement.

**Table 4.2.12 Question 12:** The trade relationship is strategic to country because it provide alternative sources of employment in rural areas and use of surplus and marginal lands?

| <b>Options</b>    | <b>No. of Respondents</b> | <b>Percentage (%)</b> |
|-------------------|---------------------------|-----------------------|
| Strongly Agree    | 155                       | 41.2                  |
| Agree             | 166                       | 44.1                  |
| Undecided         | 30                        | 8.0                   |
| Disagree          | 15                        | 4.0                   |
| Strongly Disagree | 10                        | 2.7                   |
| <b>Total</b>      | <b>376</b>                | <b>100</b>            |

**Source:** Author's Fieldwork Computation, (2020).

The table above shows that 155 of the respondents representing (41.2%) said they are strongly agree to the statement that “The trade relationship is strategic to country because it provide alternative sources of employment in rural areas and use of surplus and marginal lands”. 166 of respondents representing (44.1%) said they agreed with the statement, and 30 of the respondents representing (8.0%) choose their opinion to be undecided, 15 of respondents representing (4.0%) disagree, while 10 of respondents representing (2.7%) of respondents are strongly disagree to the statement. Therefore, the largest population of the respondents agreed with statement of item 2. However, majority of the respondents agreed with the statement.

**Table 4.2.13 Question 13:** Trade relationship is so strategic to the country because it increase population growth and the construction of infrastructure in large cities?

| <b>Options</b>    | <b>No. of Respondents</b> | <b>Percentage (%)</b> |
|-------------------|---------------------------|-----------------------|
| Strongly Agree    | 128                       | 34.0                  |
| Agree             | 184                       | 48.9                  |
| Undecided         | 41                        | 10.9                  |
| Disagree          | 16                        | 4.3                   |
| Strongly Disagree | 7                         | 1.9                   |
| <b>Total</b>      | <b>376</b>                | <b>100</b>            |

**Source:** Author’s Fieldwork Computation, (2020).

The table above shows that 128 of the respondents representing (34.0%) said they are strongly agreed with the statement “Trade relationship is so strategic to the country because it increase population growth and the construction of infrastructure in large cities”. 184 of the respondents representing (48.9%) said they agree with the statement, and 41 of the respondents representing (10.9%) are undecided to the statement, while 16 of the respondents representing (4.3%) disagree with the statement, whereas 7 of respondents representing (1.9%) said they are strongly disagreed with the statement. This indicates that many of the respondents agreed with the statement.



**Table 4.2.14 Question 14:** The relationship between countries in term of trade and investment would increase the level of literacy and also gross domestic product (GDP)?

| Options           | No. of Respondents | Percentage (%) |
|-------------------|--------------------|----------------|
| Strongly Agree    | 153                | 40.7           |
| Agree             | 176                | 46.8           |
| Undecided         | 23                 | 6.1            |
| Disagree          | 16                 | 4.3            |
| Strongly Disagree | 8                  | 2.1            |
| <b>Total</b>      | <b>376</b>         | <b>100</b>     |

**Source:** Author's Fieldwork Computation, (2020).

The table above shows that 153 of the respondents representing (40.7%) strongly agreed with the statement that “The relationship between countries in term of trade and investment would increase the level of literacy and also gross domestic product (GDP)”. 176 of the respondents amounting to (46.8%) were agreed with the statement, and 23 of the respondents representing (6.1%) were undecided in their opinion on the statement, whereas 16 of respondents representing (4.3%) said they disagreed while 8 of the respondents representing (2.1%) were strongly disagreed with the statement. Therefore majority of the respondents agreed with the statement.

**Table 4.2.15 Question 15:** Trade agreement strengthen the capacity of the people in a country and it better people's life?

| Options           | No. of Respondents | Percentage (%) |
|-------------------|--------------------|----------------|
| Strongly Agree    | 124                | 33.0           |
| Agree             | 192                | 51.1           |
| Undecided         | 34                 | 9.0            |
| Disagree          | 16                 | 4.3            |
| Strongly Disagree | 10                 | 2.7            |
| <b>Total</b>      | <b>376</b>         | <b>100</b>     |

**Source:** Author's Fieldwork Computation, (2020).

The table above revealed that 124 of the respondents representing (33.0%) were strongly agreed to the statement that “Trade agreement strengthen the capacity of the people in a country and it better people’s life”. 192 of the respondents representing (51.1%) said they agreed with the statement, and 34 of the respondents amounting to (9.0%) shared opinion of undecided, and 16 of the respondents representing (4.3%) said they disagreed with the statement, while 10 of the respondents representing (2.7%) were strongly disagreed. This implies that majority of the respondents agreed with the statement.

**Table 4.2.16 Question 16:** The bilateral trade agreement create mutual benefit for both (China-Nigeria) country and this give them an opportunity share idea, and information etc.?

| <b>Options</b>    | <b>No. of Respondents</b> | <b>Percentage (%)</b> |
|-------------------|---------------------------|-----------------------|
| Strongly Agree    | 173                       | 46.0                  |
| Agree             | 147                       | 39.1                  |
| Undecided         | 34                        | 9.0                   |
| Disagree          | 12                        | 3.2                   |
| Strongly Disagree | 10                        | 2.7                   |
| <b>Total</b>      | <b>376</b>                | <b>100</b>            |

**Source:** Author’s Fieldwork Computation, (2020).

The table above shows that 173 of the respondents representing (46.0%) are strongly agreed to the statement that “The bilateral trade agreement create mutual benefit for both (China-Nigeria) country and this give them an opportunity share idea, and information etc.”. 147 of the respondents representing (39.1%) said they agreed to the statement and 34 of the respondents representing (9.0%) said they are not sure to the statement, whereas 10 of the respondents representing (2.7%) said they are strongly disagreed and 12 of the respondents representing (3.2%) said they disagreed with the statement. This indicates that majority of respondents agreed with the statement.

**Table 4.2.17 Question 17:** Citizen Benefit enormously from the trade agreement between both countries?

| Options           | No. of Respondents | Percentage (%) |
|-------------------|--------------------|----------------|
| Strongly Agree    | 138                | 26.1           |
| Agree             | 166                | 53.7           |
| Undecided         | 49                 | 7.2            |
| Disagree          | 14                 | 3.7            |
| Strongly Disagree | 9                  | 2.4            |
| <b>Total</b>      | <b>376</b>         | <b>100</b>     |

**Source:** Author's Fieldwork Computation, (2020).

The table above shows that 138 of respondents representing (36.7%) said they are strongly agree with the statement that “Citizen benefit enormously from the trade agreement between both countries”. 166 of the respondents representing (44.1%) said they agree to the statement, and 49 of the respondents representing (13.0%) choose their opinion to be undecided, 14 of respondents representing (3.7%) disagree, while 9 of respondents representing (2.4%) of respondents are strongly disagree to the statement. Therefore, the largest population of the respondents agreed with the statement of item 2. However, this indicates that majority of the respondents agreed with the statement.

**Table 4.2.18 Question 18:** The relationship between two governments facilitate infrastructural, social and cultural development and it also help to emulate maintenance culture from one another?

| Options           | No. of Respondents | Percentage (%) |
|-------------------|--------------------|----------------|
| Strongly Agree    | 120                | 31.9           |
| Agree             | 174                | 46.3           |
| Undecided         | 54                 | 14.4           |
| Disagree          | 17                 | 4.5            |
| Strongly Disagree | 11                 | 2.9            |
| <b>Total</b>      | <b>376</b>         | <b>100</b>     |

**Source:** Author's Fieldwork Computation, (2020).

The table above revealed that 174 of the respondents representing (46.3%) agreed with the statement “The relationship between two government facilitate infrastructural, social and cultural development and it also help to emulate maintenance culture from one another”. 120 of the respondents representing (31.9%) said they are strongly agree, and 54 of the respondents representing (14.4%) are undecided to the statement, while 17 of the respondents representing (4.5%) disagree with the statement, whereas 11 of respondents representing (2.9%) said they are strongly disagreed with the statement. Many of the respondents were agreed with the statement.

**Table 4.2.19 Question 19:** Bilateral trade agreement gives companies access to new markets, it open more job opportunities and enable consumers to buy goods at lower prices?

| <b>Options</b>    | <b>No. of Respondents</b> | <b>Percentage (%)</b> |
|-------------------|---------------------------|-----------------------|
| Strongly Agree    | 140                       | 37.2                  |
| Agree             | 168                       | 44.7                  |
| Undecided         | 41                        | 10.9                  |
| Disagree          | 17                        | 4.5                   |
| Strongly Disagree | 10                        | 2.7                   |
| <b>Total</b>      | <b>376</b>                | <b>100</b>            |

**Source:** Author’s Fieldwork Computation, (2020).

The table above shows that 140 of the respondents amounting to (37.2%) were strongly agreed with the statement that “Bilateral trade agreement gives companies access to new markets, it open more job opportunities and enable consumers to buy goods at lower prices”. 168 of the respondents representing (44.7%) said they agreed with the statement, and 41 of the respondents representing (10.9%) were undecided in their opinion on the statement, whereas 17 of respondents representing (4.5%) said they disagreed while 10 of the respondents representing (2.7%) were strongly disagreed with the statement. Therefore majority of the respondents agreed with the statement.

**Table 4.2.20 Question 20:** Bilateral agreement reduce and eliminate tariffs, and help address behind-the-border barriers that would impede the development?

| <b>Options</b>    | <b>No. of Respondents</b> | <b>Percentage (%)</b> |
|-------------------|---------------------------|-----------------------|
| Strongly Agree    | 132                       | 35.1                  |
| Agree             | 198                       | 52.7                  |
| Undecided         | 18                        | 4.8                   |
| Disagree          | 18                        | 4.8                   |
| Strongly Disagree | 10                        | 2.7                   |
| <b>Total</b>      | <b>376</b>                | <b>100</b>            |

**Source:** Author's Fieldwork Computation, (2020).

The table above revealed that 198 of the respondents representing (52.7%) were agreed to the statement that “Bilateral agreement reduce and eliminate tariffs, and help address behind-the-border barriers that would impede the development”. 132 of the respondents representing (35.1%) were strongly agreed, and 18 of the respondents amounting to (4.8%) shared opinion of undecided, and 18 of the respondents representing (4.8%) said they disagreed with the statement, while 10 of the respondents representing (2.7%) were strongly disagreed. This implies that majority of the respondents agreed with the statement.

### **4.3 Reliability Test**

In this study, a reliability test was carried out on the items used with the aim of checking how reliable are the instruments used were able to measure the constructs. Cronbach alpha coefficients was explored to check the reliability of the scales used in this study. Therefore, the coefficients of a scale of Cronbach alpha .7 and above are considered accepted (Sekaran & Bougie, 2014).

**Table: 4.3.** Reliability Test

| <b>Variables</b>           | <b>Cronbach's Alpha</b> | <b>Cronbach's Alpha Based on Standardized Items</b> | <b>No. of Items</b> |
|----------------------------|-------------------------|---|---------------------|
| Bilateral Trade Agreements | .854                    | .855  | 5                   |
| Trade Relationship         | .797                    | .800  | 5                   |
| Relationship Strategic     | .812                    | .812  | 5                   |
| Bilateral Relations        | .848                    | .848  | 5                   |
| Overall items              | .922                    | .923  | 20                  |

**Source:** Author's Fieldwork Computation, (2020).

Table: 4.3 shows the results of Cronbach alpha coefficients alpha obtained in this study, and it suggested that the scales used is very good for internal consistency. Bilateral trade agreements scale was found to be reliable with coefficients value of 0.854, trade relationship scale also found to be reliable with coefficients value of 0.797, while relationship strategic and bilateral relations scales shows coefficients value of 0.812 and 0.848 respectfully. Overall of the scales used was found reliable with coefficients value of 0.923. These findings are considered good and acceptable in social science research analysis as Cronbach's alpha should be or above 0.7 (Charles & Ahmed, 2017). This finding implies that scales used have internal consistency for the scales measurement.

#### **4.4 Normality Test**

Normality test was conducted in this study, it is very important in multivariate analysis. Normality deals with the nature of data distribution for each construct and its association with normal distribution (Sekaran & Bougie, 2010). The preliminary test of normality shows that there a sign of non-normality. Skewness and Kurtosis value are provided as part of output that gives information about the distribution of scores for the groups of respondents.

**Table 4.4:** Normality Test

#### **Descriptive Statistics**

|                           | N         | Skewness  |            | Kurtosis  |            |
|---------------------------|-----------|-----------|------------|-----------|------------|
|                           | Statistic | Statistic | Std. Error | Statistic | Std. Error |
| Bilateral trade agreement | 376       | -1.678    | .126       | 3.060     | .251       |
| Trade relationship        | 376       | -1.647    | .126       | 3.263     | .251       |
| Relationship Strategic    | 376       | -1.540    | .126       | 2.852     | .251       |
| Bilateral Relations       | 376       | -1.171    | .126       | 1.673     | .251       |
| Valid N (listwise)        | 376       |           |            |           |            |

**Source:** Author's Fieldwork Computation, (2020).

Table 4.4 shows the results of normality test conducted in this study. The result revealed that data used for this study is somewhat evenly distributed. Therefore, the skewness and kurtosis of all items were within the acceptable range of  $\pm 2.58$  respectively.

#### 4.5 Correlation Analysis

**Table 4.5: Correlations**

|                           |                     | Bilateral trade agreement | Trade relationship | Relationship Strategic | Bilateral Relations |
|---------------------------|---------------------|---------------------------|--------------------|------------------------|---------------------|
| Bilateral trade agreement | Pearson Correlation | 1                         | .597**             | .524**                 | .454**              |
|                           | Sig. (2-tailed)     |                           | .000               | .000                   | .000                |
|                           | N                   | 376                       | 376                | 376                    | 376                 |
| Trade relationship        | Pearson Correlation | .597**                    | 1                  | .650**                 | .573**              |
|                           | Sig. (2-tailed)     | .000                      |                    | .000                   | .000                |
|                           | N                   | 376                       | 376                | 376                    | 376                 |
| Relationship Strategic    | Pearson Correlation | .524**                    | .650**             | 1                      | .663**              |
|                           | Sig. (2-tailed)     | .000                      | .000               |                        | .000                |
|                           | N                   | 376                       | 376                | 376                    | 376                 |
| Bilateral Relations       | Pearson Correlation | .454**                    | .573**             | .663**                 | 1                   |
|                           | Sig. (2-tailed)     | .000                      | .000               | .000                   |                     |
|                           | N                   | 376                       | 376                | 376                    | 376                 |

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Source:** Author's Fieldwork Computation, (2020).

Table 4.5 above shows that all items of trade and investments relations such as bilateral trade agreements, trade relationship, relationship strategic, and bilateral relations used in this study are highly correlated with correlation coefficient range from 0.300 to 0.510. The weakest

correlation among the items existed between bilateral trade agreements correlation coefficient of 0.300. Therefore, the results shows that there is a positive significant correlation between trade and investment relations with high correlation coefficient. Similarly, the results also suggesting a positive significant inter-relationship between determinants of trade and investment relations such as bilateral trade agreements, trade relationship, relationships strategic, bilateral relations and country development. By implication, the results suggesting that a minor change on trade and investment relations policy could have significant changes in a country development.

## 4.6 Data Analysis

### 4.6.1 Objective One:

Regression analysis were used to examine the China-Nigeria trade and commercial investment relations (measured by the bilateral trade agreements) on Nigeria development (measured by increased volume of China trade and commercial investment in Nigeria). Preliminary analyses carried out to ensure the assumption of regression (i.e. normality, linearity, homoscedasticity and multicollinearity) were not violated.

#### 4.6.1.1 ANOVA for Volume Trade and Investment

**Table 4.6.1:** ANOVA<sup>a</sup> For Volume Trade and Commercial Investment

| Model |            | Sum of Squares | Df  | Mean Square | F      | Sig.              |
|-------|------------|----------------|-----|-------------|--------|-------------------|
| 1     | Regression | 17.425         | 1   | 17.425      | 30.302 | .000 <sup>b</sup> |
|       | Residual   | 215.075        | 374 | .575        |        |                   |
|       | Total      | 232.500        | 375 |             |        |                   |

a. Dependent Variable: Volume Trade and Investment

b. Predictors: (Constant), Bilateral trade agreements

**Source:** Author's Fieldwork Computation, (2020).

Concerning country development in term of increase volume of trade and investment, the result of regression as contained in table 4.6.1: ANOVA, indicates that F-test was 30.302, significant at



$p < .000$ . This indicated that the model was well specified, hence it suggested that ANOVA model is significantly fit for the study.

#### 4.6.1.2 Model Summary for Volume Trade and Investment

**Table 4.6.1.1: Model Summary<sup>b</sup>**

| Model  | R                 | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|--|-------------------|----------|-------------------|----------------------------|---------------|
| 1  | .274 <sup>a</sup> | .375     | .372              | .75833                     | 1.573         |
| a. Predictors: (Constant), Bilateral trade agreement |                   |          |                   |                            |               |
| b. Dependent Variable: Volume Trade and Investment   |                   |          |                   |                            |               |

**Source:** Author's Fieldwork Computation, (2020).

Table: 4.6.1.1 of model summary shows R square value of 37.5 percent. This means that the model (that includes bilateral trade agreement) explained about 37.5 percent of the variance in development (measured by volume trade and commercial investment). The Durbin-Watson Statistic gives 1.573 coefficient which is an indication that there is absence of serial correlation in the error term of the model as such ruling out problems that is associated with spurious regressions.

#### 4.6.1.3 Regression Coefficients for Volume Trade and Investment

**Table 4.6.1.2: Coefficients<sup>a</sup>**

| Model                       | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig. | Collinearity Statistics |       |
|-----------------------------|-----------------------------|------------|---------------------------|--------|------|-------------------------|-------|
|                             | B                           | Std. Error | Beta                      |        |      | Tolerance               | VIF   |
| 1 (Constant)                | 3.164                       | .201       |                           | 15.739 | .000 |                         |       |
| Bilateral trade agreement   | .272                        | .049       | .274                      | 5.505  | .000 | 1.000                   | 1.000 |
| a. Dependent Variable: VTCL |                             |            |                           |        |      |                         |       |

**Source:** Author's Fieldwork Computation, (2020).

Table 4.6.1.2 above present the results of linear regression used to assess the capacity of two control measures (trade and commercial investment relations predictors: bilateral trade agreement) to predict (Country development: measured by volume trade and commercial

investment). The regression coefficients examined objective one of this study. The regression coefficients predicting that bilateral trade agreement have significant impact on country development measured by volume trade and commercial investment with  $\beta=.274$ , **t-value**= 5.505, while the p-value **sig** = 0.000. However, the standardized regression coefficients indicates the degree of strength that bilateral trade agreement variables have on country development measured by volume trade and commercial investment.

#### 4.6.2 Objective Two:

Regression analysis were used to examine the China-Nigeria trade and commercial investment relations (measured by the trade relationship) on Nigeria development (measured by development opportunities in Nigeria). Preliminary analyses carried out to ensure the assumption of regression (i.e. normality, linearity, homoscedasticity and multicollinearity) were not violated.

##### 4.6.2.1 ANOVA for Development Opportunities

**Table 4.6.2:** ANOVA<sup>a</sup> For Development Opportunities

| Model |            | Sum of Squares | Df  | Mean Square | F       | Sig.              |
|-------|------------|----------------|-----|-------------|---------|-------------------|
| 1     | Regression | 61.563         | 1   | 61.563      | 134.697 | .000 <sup>b</sup> |
|       | Residual   | 170.937        | 374 | .457        |         |                   |
|       | Total      | 232.500        | 375 |             |         |                   |

a. Dependent Variable: Development Opportunities

b. Predictors: (Constant), Trade Relationship

**Source:** Author's Fieldwork Computation, (2020).

Concerning country development in term of trade relationship, the result of regression as contained in table 4.6.2: ANOVA, indicates that F-test was 134.697, significant at  $p<.000$ . This indicated that the model was well specified, hence it suggested that ANOVA model is significantly fit for the study.

#### 4.6.2.2 Model Summary for Development Opportunities

**Table 4.6.2.1: Model Summary<sup>b</sup>**

| Model  | R                 | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|--|-------------------|----------|-------------------|----------------------------|---------------|
| 1  | .515 <sup>a</sup> | .265     | .263              | .67605                     | 1.681         |
| a. Predictors: (Constant), Trade Relationship    |                   |          |                   |                            |               |
| b. Dependent Variable: Development Opportunities |                   |          |                   |                            |               |

**Source:** Author's Fieldwork Computation, (2020).

Table: 4.6.2.1 of model summary shows R square value of 26.5 percent. This means that the model (that includes trade relationship) explained about 26.5 percent of the variance in development (measured by development opportunities). The Durbin-Watson Statistic gives 1.681 coefficient which is an indication that there is absence of serial correlation in the error term of the model as such ruling out problems that is associated with spurious regressions.

#### 4.6.2.3 Regression Coefficients for Trade Relationship

**Table 4.6.2.2: Coefficients<sup>a</sup>**

| Model              | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig. | Collinearity Statistics |       |
|--------------------|-----------------------------|------------|---------------------------|--------|------|-------------------------|-------|
|                    | B                           | Std. Error | Beta                      |        |      | Tolerance               | VIF   |
| 1 (Constant)       | 1.975                       | .199       |                           | 9.916  | .000 |                         |       |
| Trade relationship | .559                        | .048       | .515                      | 11.606 | .000 | 1.000                   | 1.000 |

a. Dependent Variable: Development Opportunities

**Source:** Author's Fieldwork Computation, (2020).

Table 4.6.2.2 above present the results of linear regression used to assess the capacity of two control measures (trade and commercial investment relations predictors: trade relationship) to predict (Country development: measured by development opportunities). The regression coefficients examined objective two of this study. The regression coefficients predicting that trade relationship have a significant impact on country development measured by development opportunities with  $\beta=.515$ , **t-value**= 11.606, while the p-value **sig** = 0.000. However, the

standardized regression coefficients indicates the degree of strength that trade relationship variables have on development opportunities.

#### 4.6.3 Objective Three:

Regression analysis were used to examine the China-Nigeria trade and investment relations (measured by the relationship strategic) on Nigeria development (measured by socio-economic development). Preliminary analyses carried out to ensure the assumption of regression (i.e. normality, linearity, homoscedasticity and multicollinearity) were not violated.

##### 4.6.3.1 ANOVA for Socio-Economic Development

**Table 4.6.3:** ANOVA<sup>a</sup> For Socio-economic Development

| Model |            | Sum of Squares | Df  | Mean Square | F       | Sig.              |
|-------|------------|----------------|-----|-------------|---------|-------------------|
| 1     | Regression | 61.572         | 1   | 61.572      | 134.723 | .000 <sup>b</sup> |
|       | Residual   | 170.928        | 374 | .457        |         |                   |
|       | Total      | 232.500        | 375 |             |         |                   |

a. Dependent Variable: Socio-economic Development

b. Predictors: (Constant), Relationship Strategic

**Source:** Author's Fieldwork Computation, (2020).

Concerning country development in term of relationship strategic, the result of regression as contained in table 4.6.3: ANOVA, indicates that F-test was 134.723, significant at  $p < .000$ . This indicated that the model was well specified, hence it suggested that ANOVA model is significantly fit for the study.

##### 4.6.3.2 Model Summary for Socio-economic Development

**Table 4.6.3.1:** Model Summary<sup>b</sup>

| Model   | R                 | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|---|-------------------|----------|-------------------|----------------------------|---------------|
| 1   | .515 <sup>a</sup> | .265     | .263              | .67604                     | 1.552         |
| a. Predictors: (Constant), Relationship Strategic |                   |          |                   |                            |               |

b. Dependent Variable: Socio-economic Development

Source: Author's Fieldwork Computation, (2020).

Table: 4.6.3.1 of model summary shows R square value of 26.5 percent. This means that the model (that includes relationship strategic) explained about 26.5 percent of the variance in development (measured by socio-economic development). The Durbin-Watson Statistic gives 1.552 coefficient which is an indication that there is absence of serial correlation in the error term of the model as such ruling out problems that is associated with spurious regressions.

#### 4.6.3.3 Regression Coefficients for Socio-economic Development

**Table 4.6.3.2: Coefficients<sup>a</sup>**

| Model                  | Unstandardized Coefficients |            | Standardized Coefficients | T      | Sig. | Collinearity Statistics |       |
|------------------------|-----------------------------|------------|---------------------------|--------|------|-------------------------|-------|
|                        | B                           | Std. Error | Beta                      |        |      | Tolerance               | VIF   |
| 1 (Constant)           | 1.783                       | .215       |                           | 8.280  | .000 |                         |       |
| Relationship Strategic | .597                        | .051       | .515                      | 11.607 | .000 | 1.000                   | 1.000 |

a. Dependent Variable: Socio-economic Development

Source: Author's Fieldwork Computation, (2020).

Table 4.6.3.2 above present the results of linear regression used to assess the capacity of two control measures (trade and commercial investment relations predictors: relationship strategic) to predict (Country development: measured by socio-economic development). The regression coefficients examined objective one of this study. The regression coefficients predicting that relationship strategic have significant impact on country development measured by socio-economic development with  $\beta=.515$ , **t-value**= 11.607, while the p-value **sig** = 0.000. However, the standardized regression coefficients indicates the degree of strength that relationship strategic variables have on country development measured by socio-economic development.

#### 4.6.4 Objective Four:

Regression analysis were used to examine the China-Nigeria trade and commercial investment relations (measured by the bilateral relations) on Nigeria development (measured by optimal benefit). Preliminary analyses carried out to ensure the assumption of regression (i.e. normality, linearity, homoscedasticity and multicollinearity) were not violated.

##### 4.6.4.1 ANOVA for Optimal Benefit

**Table 4.6.4:** ANOVA<sup>a</sup> For Optimal Benefit

| Model |            | Sum of Squares | Df  | Mean Square | F       | Sig.              |
|-------|------------|----------------|-----|-------------|---------|-------------------|
| 1     | Regression | 56.218         | 1   | 56.218      | 119.273 | .000 <sup>b</sup> |
|       | Residual   | 176.282        | 374 | .471        |         |                   |
|       | Total      | 232.500        | 375 |             |         |                   |

a. Dependent Variable: Optimal Benefit

b. Predictors: (Constant), Bilateral Relations

**Source:** Author's Fieldwork Computation, (2020).

Concerning country development in term of bilateral relations, the result of regression as contained in table 4.6.4: ANOVA, indicates that F-test was 119.273, significant at  $p < .000$ . This indicated that the model was well specified, hence it suggested that ANOVA model is significantly fit for the study.

##### 4.6.4.2 Model Summary for Optimal Benefit

**Table 4.6.4.1:** Model Summary<sup>b</sup>

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|-------|-------------------|----------|-------------------|----------------------------|---------------|
| 1     | .492 <sup>a</sup> | .242     | .240              | .68654                     | 1.575         |

a. Predictors: (Constant), Bilateral Relations

b. Dependent Variable: Optimal Benefit

**Source:** Author's Fieldwork Computation, (2020).

Table: 4.6.4.1 of model summary shows R square value of 24.2 percent. This means that the model (that includes bilateral relations) explained about 24.2 percent of the variance in development (measured by optimal benefit). The Durbin-Watson Statistic gives 1.575 coefficient which is an indication that there is absence of serial correlation in the error term of the model as such ruling out problems that is associated with spurious regressions.

#### 4.6.4.3 Regression Coefficients for Optimal Benefit

**Table 4.6.4.2: Coefficients<sup>a</sup>**

| Model               | Unstandardized Coefficients |            | Standardized Coefficients | T      | Sig. | Collinearity Statistics |       |
|---------------------|-----------------------------|------------|---------------------------|--------|------|-------------------------|-------|
|                     | B                           | Std. Error | Beta                      |        |      | Tolerance               | VIF   |
| 1 (Constant)        | 2.087                       | .201       |                           | 10.375 | .000 |                         |       |
| Bilateral Relations | .527                        | .048       | .492                      | 10.921 | .000 | 1.000                   | 1.000 |

a. Dependent Variable: Optimal Benefit

**Source:** Author's Fieldwork Computation, (2020).

Table 4.6.4.2 above present the results of linear regression used to assess the capacity of two control measures (trade and commercial investment relations predictors: bilateral relations) to predict (Country development: measured by optimal benefit). The regression coefficients examined objective four of this study. The regression coefficients predicting that bilateral relations have significant impact on country development measured by optimal benefit with  $\beta=.492$ , **t-value**= 10.921, while the p-value **sig** = 0.000. However, the standardized regression coefficients indicates the degree of strength that bilateral relations variables have on country development measured by optimal benefit.

## 4.7 Discussion of Findings

This study assessed the extent to which China-Nigeria trade and investment relations affects socio-economic development in Nigeria. The findings of this study confirmed that all determinants of trade and commercial investment relations have significant relationship with Nigeria development. Thus, it therefore implies that the higher the trade and investment relations with China and Nigeria the higher would be the level of development in Nigeria. The study implies that adoption of trade and investment relations determinants such as bilateral trade agreement, trade relationship, and relationship strategic and bilateral relations can predict a country development measured by volume trade and commercial investment, development opportunities, socio-economic development and optimal benefit.

### 4.7.1 Objective One: Examine the volume of trade and investments between Nigeria and China in the bilateral trade relations.

From the discussions above, the results of regression coefficients predicting that there is significant relationship between volume of trade and investments in Nigeria and China, this is measured by volume of trade and investment with  $\beta=.274$ , **t-value**= 5.505, while the p-value **sig** = 0.000. However, the standardized regression coefficients indicates the degree of strength that bilateral trade agreement variables have on country development. This support the findings of study conducted by Olawale et al. (2018), which shows that both Nigeria and China have economic complementarities.

This study revealed that there bilateral trade agreement play a significant role in country development. As the study correlation analysis shows that bilateral trade agreement have significant relationship with country development measured by volume trade and commercial



investment, thus regression analysis revealed that it has significant impact on country development, and this support the findings of the previous research work conducted by Avinash, (2014). However, the findings of this study is an indication that focus should be on bilateral trade agreement since it contribute positively to the growth and development of a nation.

#### **4.7.2 Objective Two: The extent to which the relations is strategic to socio economic development of Nigeria.**

The regression coefficients examined objective two of this study indicates that trade relationship is strategic to socio economic development measured by development opportunities with  $\beta=.515$ , **t-value**= 11.606, while the p-value **sig** = 0.000. This support the result of research study carried out by Ajakaiye, (2006), on trade relationship with China; it concluded that China has undoubtedly taken the front seat of Nigeria's drive for industrialization, meanwhile, the oil-for-infrastructure mode had long subsisted as grand rule of China Nigeria relations. According to UNCTAD, stated that "the Nigerian economy has improved tremendously as a result of foreign investment from China. Between 2003 and 2006, Nigeria occupied the 12th position as host countries of Chinese outward FDI with the sum of USD 191.01 million. Similarly, Chinese FDI to Nigeria increased from an average of USD 0.55 million in 1999-2000 to about USD 3.4 billion in 2015".

This implies that trade relationship that includes augmentation of domestic capital such as transfer of technology, knowledge and skills; promotion of competition and innovation; employment and enhanced output, export and revenue performance. The result of this study

revealed that trade relationship prompt and create series of development opportunities, since countries will be open to share the innovation and creativity in term of productivity, technology and knowledge. However, the standardized regression coefficients indicates the degree of strength that trade relationship variables have on development opportunities.

#### **4.7.3 Objective Three: To assess the opportunities Nigeria can get from the trade relations with China.**

The results of the study also revealed that opportunities have significant impact on country development measured by trade relations with  $\beta=.515$ , **t-value**= 11.607, while the p-value **sig** = 0.000. However, the standardized regression coefficients indicates the degree of strength that relationship strategic variables have on country development measured by socio-economic development.

In relation to the previous study conducted by Edward, (2007), the study identified strategic relationship between Nigerian and China in term of political cooperation. According to him “Nigeria leveraged on China in its bid for a seat in the UN Security Council. China also provided military aid in fighting insurgents in the oil rich Niger Delta to protect Nigeria’s oil resources”. Both the nations also signed a USD 311 million agreement to develop cooperation in communication and space programs. China helped develop and launch the Nigerian communications satellite (NigComSat-1) by 2007 to expand cellular and internet networks in Central Africa. The Nigerian government has made indications for enhanced economic ties with China as Chinese investment is paramount to Nigeria’s drive for economic growth (Vanguard, 2014).

Therefore, Nigeria cannot ignore economic advantage that present by China that is second largest economy and fastest growing in the world. China can be very responsive to complains over the lack of technological and human resources development that is impacted by Chinese investment. Trade relationship is necessary for the country like Nigera to enhance and boost its economy as well as infatructure development.

#### **4.7.4 Objective Four: To suggest ways in which the relationship could be enhanced to further development of trade and investment in Nigeria.**

The regression coefficients examined objective four of this study. The regression coefficients predicting that relationship have significant impact on country development measured by optimal benefit with  $\beta=.492$ , **t-value**= 10.921, while the p-value **sig** = 0.000. However, the standardized regression coefficients indicates the degree of strength that bilateral relationship variables have on country development measured by trade and investment.

Nigeria-China bilateral relationship and investment agreements have shown significant impact on Nigeria economy. Chen, Ukaejiofo, Xiaoyang, and Brautigam, (2016) undertook interviews in July 2014 with a sample of 20 firms including six in the Ogun-Guangdong FTZ and two of the four or five firms that are in Lekki. This have create job opportunities for the people of Nigeria, Chinese firms in Ogun Guangdong FTZ were mostly in light industry including furniture manufacturing, ceramics and paper and packaging. There were also two steel and construction firms in the zone. Two Chinese companies in Lekki were in furniture and light bulbs. Although, there was no evidence of clustering among the Chinese firms in either of the zones or for that matter anywhere in the country. In fact one of the main reasons for the Chinese to come to Nigeria

was due to a paucity of competition. Clustering was one thing they directly wanted to avoid because it was seen as a source of potential competition.

The findings of this study shows that there are number of benefits accrue from FDI, which include augmentation of domestic capital; transfer of technology, knowledge and skills; promotion of competition and innovation; employment and enhanced output, export and revenue performance.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.0 Introduction**

This chapter provides summary of this research findings, conclusions and recommendation. It also outline the research contributions to the study, implication of the study and suggestion for further studies.

#### **5.1 Overview of the research findings**

The study explored both correlation and regression analysis to evaluate the research objectives. The result of correlation revealed that all antecedents of trade and commercial investment relations have significant relationship with country development. While, regression analysis showed that all four objectives evaluated (i.e. bilateral trade agreement, trade relationship, relationship strategic and bilateral relations) found to predict development measured by (i.e. volume trade and commercial investment, development opportunities, socio-economic development and optimal benefit).

- i) The study findings indicates that bilateral trade agreements have significant impact on development of Nigeria. This implies that bilateral trade agreement affect most drastically development which shows that it is effectively influence Nigeria development.
- ii) The study findings shows that trade relationship as predictor of trade and commercial investment relations have a positive statistical significant impact on Nigeria development measured by development opportunities. This implies that trade relationship could facilitate and enhance series of development such as sharing of knowledge on technology, innovative, creativity and infrastructure development.
- iii) The study findings indicates that relationship strategic as trade and commercial investment relations determinant have a positive statistical significant impact on development of the country. This implies that strategically, Nigeria and China have a stronger relationship that could impact socio-economic development of Nigeria.
- iv) The findings of study shows that bilateral relations as trade and commercial investment relations determinant have a positive significant impact on Nigeria development measured by optimal benefit. This implies that Nigeria as country can benefit optimally from China.

## **5.2 Implication of the Study**

The study found that trade and commercial investment relations is a strategic force that can be used as a tools to boost Nigeria economy. Despite the significant of this strategic tools, because it seems China needs Nigeria to consolidate its new-found relations in Africa. However, it seems Nigeria's relationship with China would be conditioned by the structural economic dependency factor against Nigeria. Thus, Nigeria is over-dependent on oil as the commanding height of its economy and this have negative implication on the development of the Nigeria. As it know that

no country can be an island, trade and commercial investment relations can be way of develop country economy, growth and infrastructural.

### **5.3 Conclusion**

The study examined the effect of Nigeria-China trade and commercial investment relations on Nigeria development. The study leveraged on the quantitative method to measure the aggregate components that enhance development. Four research questions was proposed to deepen the study further. In order to demonstrate impact of trade and commercial investment relations on development of Nigeria. Interdependence theory and dependency theory were reviewed, as well as reviewed of the relevant literature.

Basically, the quantitative method was used to determine the effect of trade and commercial investment relations predictors such as bilateral trade agreement, trade relationship, relationship strategic, and bilateral relations on development of Nigeria measured by volume trade and commercial investment, development opportunities, socio-economic development and optimal benefit. Therefore, the study conclude that Nigeria-China trade and commercial investment relations have significant relationship with Nigeria development.

### **5.4 Recommendations**

Based on the finding of this study, the following recommendations were suggested.

- a. Based on the output of this study, it is suggested that Nigeria government through active government engagement and negotiation with the Chinese government and investors should persistently and resisted to compromise the benefit of bilateral trade agreement. Thus, government should ensure proper implementation of laws and regulation to ensure total compliance by the Chinese investors.

- b. It is suggested that Nigeria government should focus more on trade relationship to facilitate job opportunities, as well as other related opportunities that would promote economy growth.
- c. It is suggested that Nigeria government need to pay much attention to trade and commercial investment relations policy that would facilitate social and economic development.
- d. It is also suggested Nigeria government needs to invest the inflow of resources from the commodity booms in improving investment climate, developing human resources that is necessary to support investment in new industries and establish development banks that is necessary to provide financial support to nascent private investors.

## **5.5 Contribution to Knowledge**

This study shed light on the effect Nigeria-China trade and commercial investment relations on Nigeria development. It also bridges the gap in the existing literature by using variables such as bilateral trade agreement, trade relationship opportunities, social-economic and optimal benefit in measuring the construct of trade and commercial investment relations. While, the findings add to the existing knowledged and it also serve as a reference material and guide for future studies.

## **5.6 Suggestion for Further Studies**

This study examined the effect of Nigeria-China trade and commercial investment relations on Nigeria development (i.e. bilateral trade agreement, trade relationship, relationship strategic, and bilateral relations) on development (measured by volume trade and commerical investment, development opportunities, socio-economic and optimal benefit). It is proposed that future studies

should involve large number of sample size to increase chance of generalized the findings to the larger population. The study should also explored other variables and other sector of industry since there is little or limited research carried out in the area of an assessment of Nigeria-China trade and commercial investment relations.

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## APPENDIX

### **QUESTIONNAIRE**

#### **AN ASSESSMENT OF CHINA-NIGERIA TRADE AND INVESTMENT RELATIONS BETWEEN THE YEARS 2016 - 2020**

Dear Respondent,

The objective of this questionnaire is to elicit information of the assessment of China-Nigeria trade and commercial investment relationship. You are therefore implored to kindly respond objectively to the items contained in the questionnaire. All the information supplied would be treated as strictly confidential and would be used for research purpose only. Thus, you do not need to write name

#### **SECTION A: DEMOGRAPHIC INFORMATION**

**(N.B: Please tick as appropriate)**

1. Gender:        Male (    )                      Female (    )
2. Age: 18 - 25 (    ) 26 – 30 (    ) 31 – 35 (    ) 36 – 40 (    ) 41 – 45 (    )  
46 and above (    )
3. Marital Status: Married (    ) Single (    ) Divorced (    ) Widowed (    )
4. Qualification: O/Level (    ) WASCE (    ) OND/NCE (    )  
HND (    ) B.Sc. /BA (    ) M.Sc. /MA (    ) Ph.D. (    )
5. Place of work: Ministry of Commerce ( ) Nigeria investment promotion ( ) Workers from  
Chinese firms (    )

## Section B

**Instruction:** Kindly tick (√) in the column that you consider must appropriate. There is no right or wrong response. Kindly respond to all statements as honestly as possible, using the following key.

SD= Strong Disagreed; D = Disagreed; N = Neutral; A = Agreed; SA =Strongly Agreed

|   | <b>Bilateral Trade Agreements</b>  | SD | D | N | A | SA |
|---|--|----|---|---|---|----|
| 1                                       | Bilateral trade agreement is used by the government to promote economy development of Nigeria  |    |   |   |   |    |
| 2                                       | Trade agreement is used by Nigeria government to make life meaningful for the people living in the country   |    |   |   |   |    |
| 3                                       | Bilateral trade agreement is exploits by the government to create job opportunities  |    |   |   |   |    |
| 4                                       | The trade agreement between two country facilitate the investment that enhance economy development   |    |   |   |   |    |
| 5                                       | Trade agreement usually boast the internal revenue generation revenue of the government  |    |   |   |   |    |
| <b>Trade Relationship Opportunities</b> |  |    |   |   |   |    |
| 6                                       | Having trade relationship create opportunities for the social and economic development in a country and lead to greater integration of economics and societies |    |   |   |   |    |
| 7                                       | Trade relationship could enhance flow of ideas, information, goods and services across borders   |    |   |   |   |    |
| 8                                       | Having trade agreement deals with the increasing breakdown of trade barriers and it increasing integration of world market                                     |    |   |   |   |    |
| 9                                       | Trade agreement push for free-market economy, liberal democracy, good governance and environmental sustainability  |    |   |   |   |    |



|                        |  |  |  |  |  |  |
|------------------------|--|--|--|--|--|--|
| 10                     | Trade relationship enhances the volume of international trade and investment that reflect the global pattern of specialization in production                         |  |  |  |  |  |
| <b>Socio-economic</b>  |  |  |  |  |  |  |
| 11                     | Bilateral trade agreement between two (China-Nigeria) countries promote regional economic structures   |  |  |  |  |  |
| 12                     | The trade relationship is strategic to country because it provide alternative sources of employment in rural areas and use of surplus and marginal lands             |  |  |  |  |  |
| 13                     | Trade relationship is so strategic to the country because it increase population growth and the construction of infrastructure in large cities                       |  |  |  |  |  |
| 14                     | The relationship between countries in term of trade and investment would increase the level of literacy and also gross domestic product (GDP)                        |  |  |  |  |  |
| 15                     | Trade agreement strengthen the capacity of the people in a country and it better people's life   |  |  |  |  |  |
| <b>Optimal Benefit</b> |  |  |  |  |  |  |
| 16                     | The bilateral trade agreement create mutual benefit for both (China-Nigeria) country and this give them an opportunity share idea, and information etc.              |  |  |  |  |  |
| 17                     | Citizen benefit enormously from the trade agreement between both countries   |  |  |  |  |  |
| 18                     | The relationship between two government facilitate infrastructural, social and cultural development and it also help to emulate maintenance culture from one another |  |  |  |  |  |
| 19                     | Bilateral trade agreement gives companies access to new markets, it open more job opportunities and enable consumers to buy goods at lower prices                    |  |  |  |  |  |

|    |   |  |  |  |  |  |
|----|---|--|--|--|--|--|
| 20 | Bilateral agreement reduce and eliminate tariffs, and help address behind-the-border barriers that would impede the development |  |  |  |  |  |
|----|---|--|--|--|--|--|

**Thank you for complete this questionnaire**

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