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Developing and Improving Selected Aspects of Marketing in Nigeria So That Nigeria May Have A Favourable Balance of Trade with Its World Trading Nations

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DEVELOPING AND IMPROVING SELECTED ASPECTS
OF MARKETING IN NIGERIA SO THAT NIGERIA
MAY HAVE A FAVOURABLE BALANCE OF TRADE
WITH ITS WORLD TRADING NATIONS

Isaac Bola Olubunmi, B.S.

A Digest Presented to the Faculty of the Graduate
School of the Lindenwood Colleges in Partial
Fulfillment of the Requirements for the
Degree of Master of Science

1983



DIGEST

The Project is about the development and the improvement of the economy of Nigeria so that Nigeria may be fairly self-sufficient in food production. The project is meant to suggest specifically what Nigeria needs to do as far as marketing is concerned, so that it may have a favourable balance of trade with its trading world nations.

In the pursuit of these goals, I have attempted an extensive discussion on the whereabouts of Nigeria relative to the rest of the African countries, its climate and the climatic influences on the agricultural activities of man. Nigeria is an agrarian country because seventy-five percent of its working population is engaged in agriculture.

Contained in the background discussion of Nigeria is the division of Nigeria by subcultures and tribes and their influences on the economy and marketing in Nigeria, the present marketing system and the products for markets which are chiefly food items. The background discussion includes the colonial era and its influences on the present day marketing and economic system in Nigeria.

The marketing system of Nigeria is affected by some environmental forces. A few of these forces include:



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demography, population growth, family ties, low income, occupation, education, political instability and technology.

The development of the economy of Nigeria towards marketing improvement requires that the Federal Government draws up a five year development plan (1981-85), with agricultural development topping the priority list. Other areas of development are: communication and telecommunication, construction, petroleum and energy sources. These I indicate in the project as the current government plans towards marketing development and improvement. Some of these plans do not sound workable owing to insufficient time allocation and lack of funds. This led to my more workable plans and recommendations in the concluding chapter. My recommendations centre around such developments that will put Nigeria in the position where it will at least have a fairly favourable balance of trade in the long run. These recommendations include workable programs in agriculture to enable Nigeria to attain self-sufficiency in food production, programs in oil refinery to enable Nigeria to reduce refined oil importation, marketing education programs, programs to improve roads and railways to make physical channels of distribution faster and easier.

DEVELOPING AND IMPROVING SELECTED ASPECTS
OF MARKETING IN NIGERIA SO THAT NIGERIA
MAY HAVE A FAVOURABLE BALANCE OF TRADE
WITH ITS WORLD TRADING NATIONS

Isaac Bola Olubunmi, B.S.

A Culminating Project Presented to the Faculty of the Graduate
School of the Lindenwood Colleges in Partial
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Degree of Master of Science

1983

IMPROVING SELECTED ASPECTS OF MARKETING IN NIGERIA
WITH A VIEW TO MAINTAINING A FAVOURABLE BALANCE
OF TRADE WITH ITS WORLD TRADING NATIONS

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 - B. Its Climate
 - I. The effect of climate on agriculture
 - II. Its effect on labor
 - C. Division of Nigeria by subcultures
 - I. North
 - II. West
 - III. East
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 - I. Private (local) systems of marketing--marketing minor (consumable) agricultural products. Daily markets
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- E. Manufacturing and mining
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- VIII. Promotion and communications improvements

COMMITTEE IN CHARGE OF CANDIDACY

E. J. Kirk, Ph.D., Chairperson and Advisor

B. Weinrich, MBA

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PREFACE

The Nigerian economy is still largely dependent upon subsistence type agriculture. According to one source of information, at least seventy-five percent of the working population is engaged in subsistence agriculture.¹

Currently, Nigeria is experiencing great trade deficits with its trading nations as the result of purchases of food, its use of foreign technical assistance, its use of foreign construction firms, purchases of industrial and manufacturing machinery, its inability to develop its natural resources to the fullest, and, in general, inability to develop and improve its domestic economy.

Even though oil wells are to be found in Nigeria, still, Nigeria is experiencing a dramatic decline in its oil price income owing to oil price fluctuations. Oil production fell from 2.06 million barrels per day in 1980 to an average of only 1.20 million barrels per day in 1982. The price of its oil fell from \$40.00 per barrel to \$35.00 per barrel.²

Overall, the importation of manufactured goods, especially processed foods such as canned tomatoes, soup,

and sardines has caused an expensive drain on Nigeria's currency which could be redirected toward domestic economy diversification and the attempt to attain self-sufficiency at least in food production.

Thus, I have a renewed interest in programs intended to improve or develop the domestic economy in Nigeria, programs and projects to increase exports to those world nations trading with Nigeria, and programs to reduce importations where necessary so that its growing imbalance of trade may be corrected.

This thesis is dedicated to this objective.

Chapter One discusses the general background of Nigeria, its whereabouts relative to other African countries, its dependence on subsistence agriculture as its main current economy, the geography of Nigeria and how climate controls the agricultural activities. The chapter discusses briefly the colonial era and some of its influences on the economic development of Nigeria today, as well as the influences of the subcultures and the Nigerian tribal systems on the economy of the country.

¹"Nigeria," A Survey of U.S. Export Opportunities. U.S. Dept. of Commerce, International Trade Administration, Washington, D.C. Nov. 1981. p. 65.

²"Nigeria," Foreign Economic Trends and Their Implications for the U.S. U.S. Dept. of Commerce, International Trade Administration, Washington, D.C. August 1983. p. 5.

Chapter Two deals with the chief environmental forces that are affecting the marketing system in Nigeria. A few of these include: population growth, uneven income distribution, family ties, political instability, and technology.

Chapter Three surveys the current Federal Government Programs toward business and marketing improvement. These programs are contained in the development plans drawn up by the Federal Government of Nigeria for a five-year period (1981-1985). The aspects of the economy for development in these programs are on the basis of priority. On the top of the list is agriculture, as priority number one, followed by oil production, refineries, and chemicals. Priority number three involves energy sources for the industries, followed by communications, and then construction.

Chapter Four, the concluding chapter, discusses my personal recommendations for marketing improvement in Nigeria and the summary. These recommendations center around those workable programs upon which Nigeria should embark to improve its domestic economy. These workable programs are also meant to enable Nigeria to maintain a favourable balance of trade with its world trading nations in the long run. Included in these recommendations according to priority are:

1. Programs to develop agriculture--the main domestic economy;

2. Programs to develop or improve oil production and its related industries--chemical production;
3. Recommended programs to improve the physical channel of distribution;
4. Inclusion of marketing programs in higher education; and
5. Programs to improve promotion through communication media improvements.

Overall, no attempt is made to deal exhaustively with the marketing details of the nation as could be expected in the case of a fully developed country which relies heavily on industrialization rather than subsistence agriculture as the case in Nigeria.

It was noted earlier that Nigeria depends on subsistence agriculture. Nevertheless, it should be understood that there is availability of money, at least, in the urban areas as the result of the oil boom. The gross national product per capita of \$750 per annum³ is the result of the population growth. Thus, the low income people are those people who live in the rural areas; while the wealth is in the hands of the urbanized dwellers. As a result, there is high demand but less productivity.

A few innovations are included in my recommendations in Chapter Four. These innovations are meant to generate more productivity, especially in the agricultural sector, to give learners the sense of value, to develop domestic

economy, and in the long run to enable Nigeria to correct its trade imbalance.

A few of these innovations include: giving local farmers open lectures periodically on the use of insecticides and weed control chemicals; visits of the department of agriculture officials to the local farmers to see how well they are doing on their farms; and inclusion of marketing programs in the higher education institution.

³'Nigeria," A Survey of U.S. Export Opportunities. p. 66.

CHAPTER 1

Nigeria, in full, Federal Republic of Nigeria, is the largest of the West African coastal states. Its population of about 100 million (1979) is the largest country in Africa. With an area of 356,699 square miles (923,773 square kilometers), it is the 13th largest state on the continent of Africa.¹ Nigeria is located approximately between 4° and 14° N. and 3° and 14° East, its territory extends 650 miles (1,050 kilometers) from north to south and 700 miles east to west. It is bordered on the south by the Gulf of Guinea, on the west by the Republic of Dahomey, on the north by the Republic of Niger, and on the east by the Republics of Chad and Cameroon. Part of the eastern boundary runs along the crest of the Adamawa Plateau.

The Landscape:

Relief features. Nigeria is on the lower part of the great African continental plateau, which slopes slowly downward from south and east to north and west. Nigeria itself consists of several eroded surfaces, occurring as plateaus, at elevations of 2,000 feet, 3,000 feet and 4,000 feet above sea level. The coastal areas,

including the Niger Delta, are covered with young soft rocks, commonly found in the Lake Chad Basin and the western parts of the Sokoto region. Gently undulating plains, which become waterlogged during the rainy season, are found in these areas. In most parts of the western states, and in the central part of the six northern states, the underlying rocks are old and hard, and the characteristic landforms consist of high plains with broad shallow valleys, dotted with numerous hills or inselbergs.

The Udi Hills, with their scarp faces turned to the east, are perhaps the country's most prominent relief feature. Other prominent relief forms include the Jos Plateau and the Biu Plateau, both of which are dotted with many extinct volcanic cones. The craters of these volcanic hills are well preserved; several of them contain crater lakes.

Drainage:

There are three major drainage areas--the Niger-Benue Basin; the Lake Chad Basin; and the coastal, or Gulf of Guinea, basin. The Niger River, after which the country is named, and the Benue, its largest tributary, are the principal rivers. Both have their sources outside the country. The Niger has numerous rapids and waterfalls, but the Benue (whose valley, in its Nigerian

course, is cut through young sedimentary rocks) is not interrupted by waterfalls and is navigable throughout its length whenever the water level is high enough. All the rivers draining the area north of the Niger-Benue trough rise on the Jos Plateau. These include the Sokoto, the Kaduna, and the Gongola as well as the rivers draining into Lake Chad. The coastal areas are drained by short rivers, which flow from north to south into the Gulf of Guinea.

Navigation is restricted to river stretches unhampered by rapids or falls. During the months of the dry season, the low water level renders navigation impossible, even along the Benue, which is free of rapids. During this season, the smaller streams may dry up completely.

Climate:

Nigeria has a tropical climate with wet and dry seasons. It is warm and wet throughout the year in the southeast but markedly dry in the southwest and further inland. The duration of the seasons depends on the relation of the area to the sea or to the Sahara desert. Three climatic patterns are distinguished: (1) A tropical wet climate in the southeast with uniformly high temperatures and heavy rainfall distributed throughout the year. (2) A tropical wet and dry, or savanna, climate in the

north and west; and (3) the dry, or steppe, climate in the far north. Two air masses, the equatorial maritime and the tropical continental, dominate the climate. The former is associated with the rain-bearing southwest monsoon, which blows from the ocean; the latter is associated with the harmattan, a dry and dusty wind from the Sahara desert, which lies towards the north. In general, the length of the rainy and dry seasons decreases from south to north. In the south, the rainy season lasts from March to November. In the far north, however, it lasts only from mid-May to September. This pattern is interrupted in the south, where rainfall reaches a peak twice a year and where there is a break in the rains in August. There are thus four seasons in the south: the long rainy season (March to early August), the short dry season (August), the short rainy season (September to early November), and the long dry season (mid-November to February).

Rainfall is heavier and more reliable in the south, particularly in the southeast, which has more than 120 inches (3,050 millimeters) a year, as compared with 70 inches in the southwest. The annual rainfall decreases as one moves farther from the coast; in the far north it is not more than 20 inches. The rainy season is preceded by intense heat, after which the drought is broken by sharp thunderstorms accompanied by lightning, during

which as much as one and a half inches of rains may fall in less than one hour.

Temperature and humidity remain relatively constant throughout the year in the south. In the north, however, considerable seasonal changes occur, and the daily temperature range is wide during the dry season. On the coast, the mean monthly maximum temperatures are steady throughout the year, remaining, for example, constant at 95°F at Lagos and at about 85°F at Port Harcourt. The mean monthly minimum temperatures remain approximately at 70°F for Lagos and at 73°F for Port Harcourt. In the northeastern city of Mariduguri, on the other hand, the mean monthly maximum temperature may exceed 100°F during the hot months of April and May, while in the same season, frosts can also occur at night. In general, as one proceeds northward, mean maximum temperatures increase, while mean minimum temperatures decrease. Owing to the blanketing effect of clouds during the rainy season, and of dust haze during the harmattan, the heat of the sun is not as fierce as might be expected.

The relative humidity falls considerably during the harmattan, which blows for over three months in the north but rarely for more than two weeks along the coast. During the harmattan period, the climate is invigorating, dust is pervasive, and the climate is excessively dry, causing lips to split and furniture to crack.

Vegetation:

Vegetation in Nigeria is governed by the south to north decrease in rainfall, and the main vegetation belts run, therefore, in broad east to west belts parallel to the Equator. Mangrove and fresh water swamps occur along the coast and in the Niger Delta. A few miles inland, swamps give way to dense tropical rain forests, in which the most important economic species of tree include such hardwoods as mahogany, iroko, and olseche, which has whitish wood. The oil palm tree, which is economically valuable, grows wild in the forest and is usually preserved when the forest is cleared for cultivation. In the more densely populated parts of Iboland (southeastern part) and Ibibioland-areas, the original forest has consequently been completely replaced by open palm bush. In the western and the midwestern states, large areas of forest have also been replaced by cocoa and rubber farms.

Tree-studded savanna (tropical grassland) occupies more than half the area north of the forest belt. Trees characteristic of this area are the baobab, the tamarind, and the locust bean. The savanna landscape becomes more open in the far north and is characterized by scattered stunted trees and short grass. Semidesert conditions appear in the Lake Chad region, where common trees include various species of acacia (of which one is the source

of gum arabic) and the down species of palm. Gallery forests (narrow forest zones occurring along rivers) are also characteristic of the open type of savanna landscape encountered in the north.

Soils:

The four main soil groups correspond closely with the main climatic and vegetation zones, which comprise the coastal swamp and alluvial soils, the rainforest soils, the lateritic soils (red soils, leached of silica and containing iron and aluminum hydroxides) and the sandy soils of the north.

Along the coast, the soils are either sandy or swampy and, like the soils of the forest belt, are heavily leached. In the rain forest belt, soils derived from old hard rocks, complex in structure, which pre-date the sedimentary rocks found elsewhere, support cocoa trees, while those derived from sandstones do not. Under cultivation, forest soils soon lose their fertility, which is concentrated in a thin top layer. Lateritic soils, which form along gentle slopes in areas with a markedly dry season, are widespread. Rich in iron compounds, and sometimes so hard as to appear to be rocks, they are difficult to cultivate.

Soil erosion is most obvious in those densely populated areas of northern and eastern Nigeria in which

cultivation and overgrazing have exposed the soil to erosion by wind and running water. The areas most affected include the scarplands of Iboland in the east, where the threat posed by advancing gullies has resulted in the abandonment of some villages; the Jos Plateau in the centre; and the Kano-Katsina region and parts of Sokoto region, in the north. In the extreme north, wind erosion is particularly noticeable toward the end of the dry season, when the storms preceding the onset of the rains blow away much soil.

The Landscape Under Human Settlement:

Marked differences exist between north and south not only in physical landscape, climate and vegetation but also with respect to social organization, religion, literacy, and agricultural practices. These differences, due in part to the fact that the north is landlocked and the south is not, and in part to historical antecedents, form the basis of the division of Nigeria under human settlement into three main regions--the south, the middle belt, and the north.

The south is the most developed part of Nigeria. Its forest resources are intensely exploited, and its tree crops harvested on peasant farms as well as in commercial plantations.

The south at the same time, also consists of several cultural regions, of which the most important are the Yoruba areas in the west, the Benin areas in the central part, and the Ibo-Ibibio area in the east.

The middle belt stretching across the centre of the country, is the most sparsely settled and least developed of Nigeria. The people inhabiting it are divided into more than 180 linguistic groups.

Historically and culturally, the Nigerian Sudan is a region of great interest. Until the beginning of the 20th century, when a new economic pattern was created by the construction of the railroad to the coastal parts, the region maintained regular trans-Sahara contacts with the Mediterranean and the Middle East. Islam is the predominant religion. It is a cattle zone, inhabited by the nomadic cattle-owning Fulani people and by the Hausas, who are settled cultivators. Except in the Lake Chad Basin, the effect of the climate prevalent in Nigeria is the result of the unique agricultural products cultivated by the three main regions which make up the country. In the east, the soil is purely of swamp. Major crop cultivation affordable by the soil type and climate include: Palm tree for the production of palm oil and palm kernel. Also, from palm tree is obtained palm wine for local consumption. Rubber cultivation is also made possible by both the climate and the soil type.

In the west, most of the soil type is of the loamy kind. It is well drained and naturally able to support the cultivation of cocoa--the major crop produced. Food crops cultivated include: corn, rice, yam, plantain, casava and cocoyam.

In the north, the soil is of sandy type as the result of little annual rainfall (30 ins.). The main crop cultivated is the groundnuts. Food crops include: potatoes, beans, millet, maize and rice.

Nigeria has a warm climatic condition throughout the year. The effect of this on labor is tremendous. Seventy-five percent of the Nigerian labor force is engaged in peasant agriculture, most of them using crude hand tools such as hoes and cutlasses for cultivation and production purposes. Thus, not much could be produced by these peasant farmers for exports or even to meet domestic demands because of the warm climate. The use of unskilled man-power is widespread among most of these farmers. This results in reduced production of agricultural goods to meet any demands either domestic or export.

¹"Nigeria" Encyclopaedia Britannica, U.S.A., 1979 ed., pp. 85-96.

Division of Nigeria by Subcultures:

About ninety percent of the Nigerian people live in rural settlements consisting mainly of small hamlets

and villages. In parts of Iboland and the Anang region in the southeast and of Tiuland in the central region, rural settlements consist of dispersed homesteads, called compounds. Each compound houses a man, his immediate family, and some relatives. The compound is enclosed by a fence of matting and sticks or by a wall of mud or concrete. It is usually surrounded by a small garden area, called compound land, which is cropped every year with corn, vegetables, and yams. A number of compounds make up the hamlet or village, which is inhabited by people claiming a common ancestor--often the founder of the village, after whom the settlement may be named.

Each village has a chief, or a headman, who usually is one of the oldest men in the community, and who usually rules by the consent of the people. This is particularly true in the eastern states, in the Yoruba land--the western states and in most parts of the northern states. Over all, the chief is usually more powerful and is held in high esteem.

It is to be understood that the uniqueness of tribal categorization of Nigeria (the Ibo tribe in the east, the Yoruba tribe in the west and the Hausa tribe in the north) has great impact on the nation's economy. The Yoruba tribe, in the west, as a subculture tends to be most influential. This part of the country comprises people with very close family ties, people who very

strongly believe in tradition, self worth and education for progress and development. There are to be found people of high calibre who are Federal Government officials. The result of this is the more development (the diversification of the nation's economy) of the west than the other two main regions of the country. Followed by the west is the east, and next, the north as far as the use of the nation's economy towards developing the country.

The effect of the cultural tribal system on marketing in Nigeria is a serious one. As known, concepts, values, and tangible items such as tools, buildings and food make up culture. Culture is the blue print for acceptable behavior in a given society. Thus, tribal population distribution will be considered as a force here affecting marketing in Nigeria. People belonging to the same tribe, say Yomba tribe for instance, tend to live close together as much as possible because of family ties. To make close living together continuous, internal marriage with the tribe is made imperative by tribal tradition. The influences of this on marketing, culturally and customarily, are: unchanged set of buying behavior patterns, the same set of value perceptions in products and their use-systems, and the same taste patterns. As a result, new product introduction is highly difficult to gain market acceptance.

The political system in Nigeria today, is the result of the effect of the tribal system. Nigeria was granted full independence on October 1, 1960 as a Federation of three regions--Northern, Western and Eastern. This division was on the basis of the country's three main tribes--Hausa tribe in the north, Ibo tribe in the east and the Yoruba tribe in the west under a constitution provided for a parliamentary form of government. Sir Abubakan Tafawa Balewa, a Hausa man from the North, was elected the first prime minister. On October 1, 1963, Nigeria altered its relationship with the United Kingdom by proclaiming itself a federal republic and promulgating a new constitution.² On January 15, 1966, a small group of army officers mostly Ibos overthrew the government and assassinated the prime minister and the premiers of the Northern and Western Regions and the military government took over until 1979. The overthrowing of the government in 1966 was due to the regional and tribal tension that has been existing in the country. On October 1, 1979, another Northerner, Alhaji Shehu Shagari was elected president. Thus, the election of northerners as prime minister and president was due to the tribal tie of the northern region people who make up the two-thirds of the country's population. The recent general election in Nigeria held in August 1983, according to world news broadcast, resulted in the re-election of Alhaji Shehu Shagari as the president.

MARKETING SYSTEM IN OPERATION TODAY IN NIGERIA

Nigeria markets focus attention on the kinds of goods or services provided in the markets; e.g., (1) personal service markets, (2) perishable product markets, (3) agricultural staples markets, (4) manufactured consumer goods markets and (5) capital goods markets. Further classification of the Nigerian markets shows (1) market locations in rural or urban areas and (2) their periodicity. This classification distinguishes five types of markets: (1) The urban daily markets, characteristic of only the large towns and cities, (2) the urban nightly market, commencing at dusk and continuing till about ten p.m., (3) the rural daily market which is commonly only for fresh meat, fresh greens, and fresh fish, (4) the rural periodic night market and (5) the rural periodic day market.

Daily Markets. The essence of the daily market is that it is continuous as distinct from the period type which is held every five days. The daily market may in some areas, last throughout the entire day or only through the early morning. No general map of the distribution of daily markets in Nigeria is possible because they are numerous and are concentrated in small areas.³

²Reams, Joane. "Nigeria," Background Notes, U.S. Dept. of States, Bureau of Public Affairs, Washington, D.C. August 1982, pp. 1-7.

³Hodde and Ukwu. Markets in West Africa. Ibadan University Press, Ibadan. 1972, pp. 85-96.

Morning markets are perhaps the most widely spread and varied kind of daily market. They occur both in rural areas and in towns--from the small morning market in a village, town's quarter or way side junction to small "morning feeder" markets around the edge of a town. Morning markets usually begin around 7:00 a.m. and may continue till 11:00 a.m. Products marketed consist of fresh food items like tomatoes, greens, meat, fish, plantain, banana.

Periodic Markets. The periodic markets take place every 4 days. At a specific designated place, marketers bring their goods to sell to the local consumers. Most of these people, both marketers and consumers, come within walking distances. The periodic marketing activities, just selling and buying involve directly producers and buyers--(consumers). Products marketed are locally produced subsistence crops. Each market day commences at about 9:00 a.m. and lasts till about 3:00 p.m. There is no intermediary or any middleman as channel of distribution. Prices of articles are negotiable. Market is not segmented.⁴

Industrial markets, in Nigeria, on the other hand, are relatively on a small scale. However, Nigeria's manufacturing sector contributed to economic growth and experienced a 32.5% growth rate for the period June 1980-June 1981.⁵ Among those industries showing strong growth are beer, soft drinks, cement, vehicle and radio assembly. Other industrial establishments include: sugar, cotton textiles, rubber products and foot wear. Productions are mostly for domestic consumption.

⁴Hodde and Ikwu. pp. 85-96.

The current management of the nation's economy deserves some consideration.

Government, the public sector, to start with, accounts for about 5% of the gross domestic product (GDP), even when its directly economic activities, such as manufacturing, are excluded. Apart from manufacturing projects (which represent a total of investment of over \$98 million), the government owns a shipping line, an airline, sporting facilities, broadcasting stations, and hotels. Also mining and quarrying are owned by the government. Mining represents the fastest growing sector of the nation's economy, accounting for over 5% of the gross domestic product. The most spectacular increase has been in oil, the output of which amounts to over 20 million tons. Other mining industries controlled by the government include tin, of which production is about

13,000 tons; columbite, of which production was about 2,500 tons (1965). The exporting of cocoa, groundnuts and rubber products is chiefly dominated by the government, through the Federal Government central marketing board.

The Nigerian private sector is numerically dominated by cash-crop farmers and small local businessmen, operating in both urban and rural areas. However, few Nigerian businessmen have been successful in building up large industrial firms, most of which are owned by foreign private investors or joint private investors and public authorities. Such joint ventures are to be found in mining industries, e.g., columbite, tin ore. The Federal Government through its different public authorities also provides incentives to private firms, including tariff protection, import duty relief on materials, accelerated depreciation allowances and some relief from income tax as well as assisting the growth of private industry by providing credit, industrial estates and technical assistance.⁶

BRIEF HISTORY OF EFFECT OF COLONIAL
PERIOD ON PRESENT DAY MARKETING AND
PRESENT DAY ECONOMIC SYSTEM

By the 16th century, there was evidence of a well organized society in Nigeria. External trade developed,

and indication of political stability and peace. At about this time, an embassy was sent to Europe. Yoruba prestige was at its highest at the end of seventeenth century. Its kings won great battles, one of which was the battle against King Ardua, near Porto Novo. His army consisted of about one million men.⁷

⁵Ream, Joane. pp. 2-3.

⁶"Nigeria," Encyclopaedia Britannica, 1979 ed. pp. 91-92.

⁷Nigeria: Some Basic Facts. News from International Division, Nigerian Consulate General, Atlanta, Georgia. 1981, p. 3.

Meanwhile, further south, Benin--an off-shoot of the Yoruba kingdom--enjoyed a position of eminence and was beginning to attract the attention of European merchants. The first recorded European visit to Benin by a Portuguese adventurer was in 1485. The first visit by an English man took place in 1553. When the Europeans arrived they found, especially at Benin, that Nigeria was an organized society with vast economy, beautiful arts, culture, large army, its defensive walls.

The end of the sixteenth century proved a turning point for Nigeria in more ways than one. The Yoruba people were settling down, and trade was beginning. The Nupe, Bornu and Kwanafara peoples (Northern States) were already fully settled. Along the coast, Benin was powerful, being in touch with Europe and open to European

influences. There was progress towards abolition of European slave trade and the early European exploration of the interior. Just as Britain took the lead in the organization of the slave trade, so later she led the movement for its abolition, partly because many people in Britain had come to see the moral evils of slave trade and slavery, and partly because the continuance of the trade in the nineteenth century impeded the development of an increasingly valuable exchange in other products in West Africa.

Thus, for trade to be developed, the European explorers had to explore the interior of Nigeria to learn something about it. Prominent among the explorers who opened up West Africa were Mungo Park, who discovered the River Niger, Denham and Clapperton, who were the first Europeans to reach the Hausa States of the North, and the Lander brothers who ascertained, for the benefit of the European explorers, the true course of the Niger.

Today, Nigeria's close tie with the European countries (Britain especially) is the result of the Europeans exploring Africa. Most of the Nigerian agricultural exporting products go to European countries. These products include cocoa, rubber, groundnuts, hides and skins, cotton. Also this relationship between Nigeria and the European countries results in technical assistance provided for Nigeria by some of the European countries.

Nigeria, today, is highly influenced by its former relationship with the European countries. The impact of this influence is to be seen in the trade between Nigeria and a few of these European countries. (See the attached sheet--Trade with Nigeria).⁸

The economic development of Nigeria, today, is partly the concern of the European countries--especially Britain. This is the result of the impact of the colonial period influences. All over Nigeria, today, there are European companies in construction, mining, manufacturing contributing towards the development of the nation's economy. Also, European countries serve as the major suppliers of transport equipment, manufactured goods and machinery.⁹

The political climate of Nigeria was initially influenced by the colonial era. After the Nigeria independence of October 1, 1960, Nigeria adopted the British form of government. Then, the federal government of Nigeria consisted of a Council of Ministers presided over by the prime minister, a Senate, and a House of Representatives. The whole of the country was in three regions: the north, east and the west. Each region had a premier as the chief executive officer. However, this system of government pattern changed (1963) when Nigeria declared itself the Federal Republic of Nigeria and adopted the U.S. form of government pattern--President

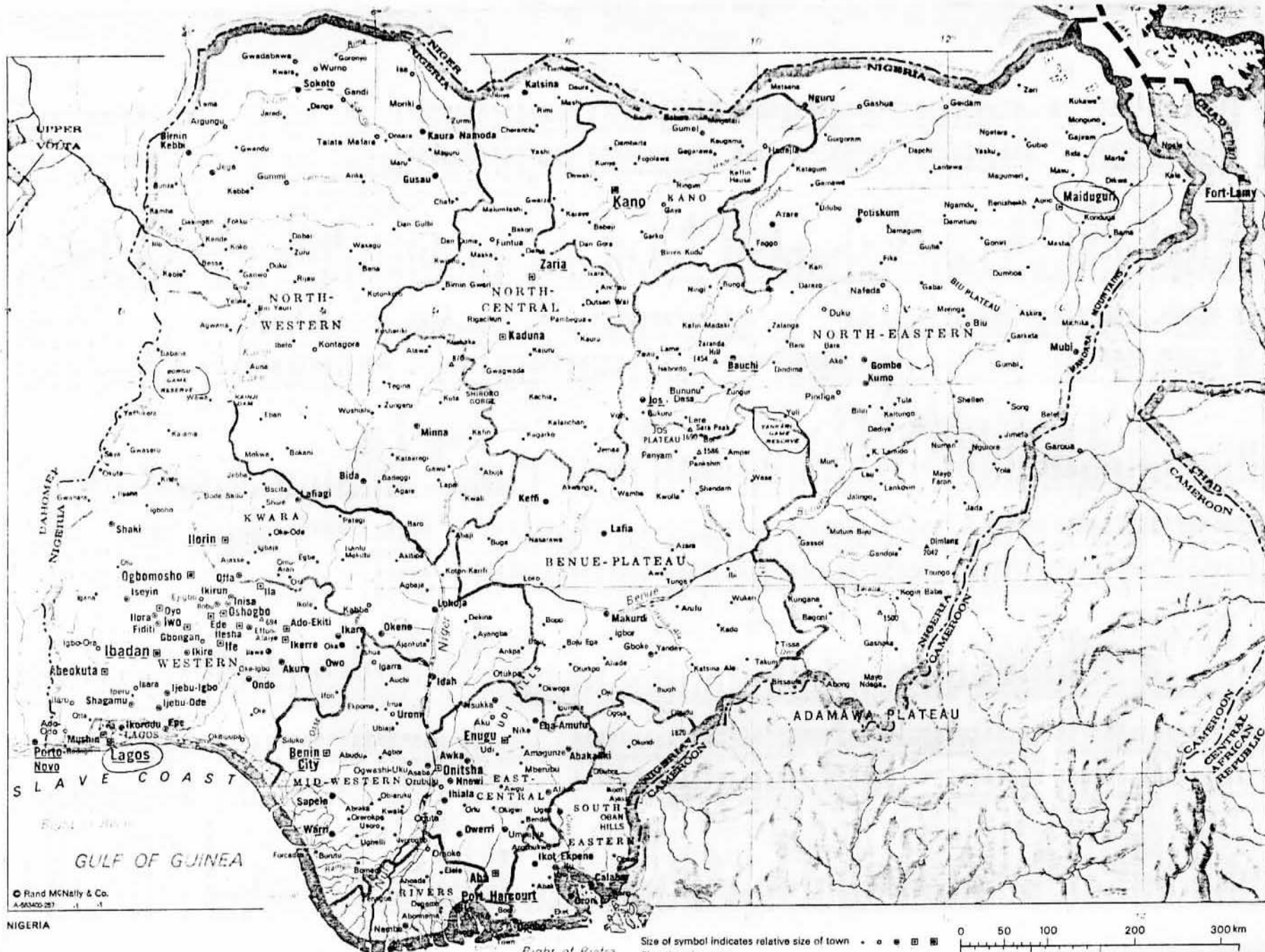
as the head of the nation and governor over each state.¹⁰

The country was then further divided into 12 states.

⁸ 'Nigeria,' Basic Facts. pp. 4-6.

⁹ Reams, pp. 3-4.

¹⁰ "Nigeria," Encyclopaedia Britannica, 1979
ed. p. 90.

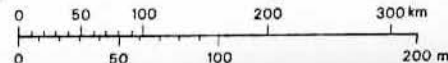


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NIGERIA

Bight of Biafra

Size of symbol indicates relative size of town
Elevations in metres



CHAPTER 2
CURRENT ENVIRONMENTAL FORCES
AFFECTING MARKETING IN NIGERIA

Demography: Nigeria is rated as the eighth among the world's largest countries in population.¹ Nigeria's population is about 100 million. The great diversity of peoples and cultures in Nigeria is largely a result of the location of the country at the meeting point of transcontinental migration routes from north to south, west to east and southeast to northwest. There are over 200 ethnic groups in the country, each of which has its own customs, traditions, and language. The larger groups include the Hausas (6 millions), the Fulanis (5 million), the Yorubas (10 million) and the Ibos (7 million). Other prominent, but less numerous, groups include the Edos of Benin City, the Ibibios in the forest belt; the Tivs and Hupes, in the middle belt; and the Kannris, in the Chad Basin.

¹Showers, Victor. Worlds Facts and Figures. A Wiley Interscience Publication, John Wiley and Sons, N.Y. 1979, p. 103.

In Nigeria, high birth rate and mortality rates are characteristic, although, during the last 30 years, there has been a decline in the rate of infant mortality

and an increase in life expectation. There has generally been a rapid growth in population. Except for the influx of a small number of skilled workers from Europe or of traders from the Middle East, the growth in population has been by natural increase. A considerable movement of population nevertheless does take place within the country. Internal migrations took the form of a south to north movement of migrants who settled in the cities of the north as well as a north to south movement of seasonal migrants, from Sokoto and Kano areas, who travelled to work in the cocoa growing areas of Yorubaland. A larger number of people migrate westward from Iboland and Ibibioland as well as out of the Niger Delta. Most of these migrants work as laborers in the cocoa or rubber producing districts or as self employed tenant farmers, cultivating food crops for sale to the neighbouring towns. The effect of these movements does not bear much on marketing improvement to any noteworthy degree even where the population size increases because of custom, tradition and culture of the migrants. Most of their needs and wants like clothing, foot wear, hardware and even food are brought with them in sufficient quantity to last them for the period of their stay. In other words, an Hausaman from Sokoto or Kano areas to the cocoa growing areas of the west has his cloth-wearing pattern according to custom of the north which is different from the west

where he migrates to, to stay for a short period of time. Also he has his staple food different from the west. Thus, as far as marketing activities in the west are concerned, he is not likely to spend any of his earnings, until the cocoa season is over during which time he will go back to the north with all of his earnings. If he does spend any money at all, before going back, maybe just on soft drinks. Thus, marketing activities are strictly curtailed by demography in Nigeria.²

²"Nigeria," Encyclopaedia Britannica, 1979 ed. p. 91.

Socio-Economic Forces:

Occupation Forces: The distribution of population by occupation in Nigeria is a cultural force that adversely affects marketing in the country. Farmers settle around their farms in the rural areas and also in the country sides. With them are their wives and children. Marketing system among these farmer families is simple, local and unstructured. In other words, marketing among them is very limited. Every household, however, tends to establish its surplus products. These products are basically perishable farm products which the farmer family cannot consume within a reasonable period of time. Because of lack of storage facilities, such products should be disposed of as early as possible. The disposal of such

products takes place at designated places, during the daily morning markets.

No serious extensive marketing activities are involved in this, simply because simple subsistence goods are sold and bought.

Fishermen and their families, another occupational population distribution, live alongside of the river areas. Their marketing pattern takes after the farmers. Where it is feasible, some of the fishermen do farming on a relatively small scale to produce their own food. However, most of them prefer to buy their food items from local farmers, who in turn buy the fishermen's surplus fish. Their marketing activities are not at all advanced because of their limited needs which they can readily, locally meet. Their surplus fish is disposed of in the daily morning market where they spend their fish money to purchase the food items they need.

The herdsmen, who in other words are known as cattle rearers, constitute another population distribution by occupation. These people with their cattle periodically settle around green pasture areas on which their cattle could feed. Their life is characteristic moving from one place to another looking for green grass for their cattle. They seem not to have any permanent area of settlement. Marketing among these people is with serious problems. Some of them, in addition to cattle rearing,

engage in cattle milking. They market some of the cattle milk to the local consumers who are probably farmers or fishermen. However, much of the milk goes bad because of the warm climate and the lack of cool storage facilities. In order for most of these nomadic people to feed, some of them engage in slaughtering business; selling beef to the local consumers so that they can have cash to procure their subsistence needs which are mostly food items. The use of daily rural morning market by the butchers and the milkmen is characteristic.³

Income Distribution. Nigeria, with a population of about 100 million, is one of the world's ten most populous nations, as previously noted. Estimated annual per capita income is about \$750, with the majority of wealth in the hands of a very few. Approximately seventy five percent of the population consists of subsistence level farmers. Agricultural products especially export, once the mainstay of the Nigerian economy now take a back seat to petroleum.

³Hodde and Ukwu. p. 92.

Oil now accounts for about twenty three percent of the nation's G.D.P., more than ninety percent of exports, and eighty percent of Federal Government revenues. However, the effect of low income per capita on buying power which affects ability and willingness of the

customer to purchase is tremendous. The result of this is the loss of the sense of value for products, lack of willingness to spend and a considerable decline in buying power.⁴

Education: In Nigeria, the illiteracy rate is relatively still high--about seventy-five percent. The effect of this on marketing is the lack of value perception in products for marketing. Furthermore, the high illiteracy rate results in the lack of the consumers to perceive use-systems in the newly introduced products. Thus, for new products to have acceptance easily is highly difficult.

Even in industries and manufacturing houses, the technical-know-how of the personnel in charge of machine operations is limited. The type of skill for machine repair when it develops trouble is lacking. All of this results in inadequate production for meeting both domestic demands and exports.⁵

⁴Lutter, Dorothy. Marketing in Nigeria, U.S. Dept. of Commerce, Overseas Business Reports, April 1983, p. 5.

⁵'Nigeria,' Some Basic Facts. p. 6.

Political and/or legal forces affecting marketing in Nigeria:

In the first Republic (1963-1966), Nigeria was made up of the Northern, Western, Eastern and Mid-Western

Regions and the centrally administered Federal Territory of Lagos. The President was the Head of State, and Parliament consisted of the Presidency, the Senate (Upper House) and the House of Representatives (Lower House). Executive power was vested in the Prime Minister and his Cabinet, all of whom were members of, and responsible to Parliament. Each of the four regions had a bicameral legislature: a House of Chiefs (Upper House) and a House of Assembly (Lower House). The Premiers were the Chief Executives in the Regions while the regional Governors were the ceremonial Heads.

January 1966 saw the beginning of the military government in which the administration was vested in the Federal Military Government consisting of these two major organs:

- (1) The Supreme Military Council and

- (2) The Federal Executive Council consisting of both Armed Forces personnel and a few civilians. The Head of the Military Government and Commander-in-Chief of the Armed Forces, was the chairman of both Councils. Civilian members of the Executive Council were designated civil commissioners and put in charge of ministries.

The 29th of July 1975 saw the emergence of General Murtala Ramat Muhammed's dynamic regime. At that time, the organs of Government were reorganized to consist of the following:

- (1) The Supreme Military Council
- (2) The Federal Executive Council

(3) The Council of States with the Head of State as Chairman of all the three Councils. General Murtata Muhammed's government lasted up to 13th February 1976 when he was assassinated by a small section of the military led by a rebel B. S. Dimka. On the death of General Muhammed, Lt. General Olusegun Obasanjo was sworn in as the new Head of State. Just before the death of General Muhammed, Nigeria was sub-divided into nineteen states, with each state under a State Governor who is also the chairman of the State Executive Council.

A return to the civilian rule in 1979 was set down by the Federal Military Government as one of the major national objectives.

As would be gathered from the above accounts, the situation in Nigeria within the last few decades was one of unrest and instability of government.⁶

The value of Nigeria's domestic exports more than doubled in the ten years before the Nigerian civil war reached a total of more than \$780 million in 1966. In the same period, the ratio of exports to gross domestic product rose from fifteen percent to seventeen percent, due to foreign exchange earnings from the growing oil industry. By 1966, this commodity, which earned nothing a decade earlier had become the most important single

export, contributing thirty-three percent of total export earnings. Next in importance were groundnuts (15%), cocoa (10%), palm kernels (8%), rubber (4%), palm oil (4%), and groundnut oil (4%). This pattern of export was severely disturbed by the war and the government instability.

Imports grew more slowly in the ten years before the war, rising by about sixty-seven percent to a total of \$717 million; during which time Nigeria moved from a position of chronic trade deficit to one of a potentially regular surplus. The civil war and the instability of government destroyed this favourable position. As a result, marketing in Nigeria, until now, has seriously been affected by the Nigerian civil war, the instability of the government and the general state of political unrest.⁷

Amelioration of this aspect of marketing problems, nationally, to some degree, takes a variety of forms: Aside from government owned concerns, and statutory corporations, the principal forms of business organization in Nigeria are incorporated companies, partnerships, and sole proprietorships.

⁶ 'Nigeria,' Some Basic Facts. p. 5.

⁷ 'Nigeria,' Encyclopaedia Britannica, 1979 ed. p. 92.

Partnerships: Partnerships are governed by the English Act of 1890, unless the agreement provides otherwise. In a partnership, there may be no fewer than 2 and no more than 20 partners, although, they may be of any nationality and may be a corporate body. In general, the partners are jointly liable for the debts and obligation of the firm. In addition, each partner is personally liable to the extent that debts of the partnership have not been discharged from the firm's assets.

Incorporated Companies: The Companies Decree of 1968 provides for incorporation, regulation, and operation of companies. Subject to certain exceptions, Part X of the Decree provides that no company may carry on business in Nigeria unless it is incorporated as a separate entity in Nigeria. Incorporated companies may be unlimited, limited by guarantee, or limited by share, with the last named the most commonly adopted by foreign investors in Nigeria. The liability of each member of a limited by shares company is limited to the amount, if any, unpaid on the shares held by that member. Once a member has paid for those shares, there is no further liability. There is no maximum or minimum amount of share capital, and shares may be pegged at any value.

A limited-by-share company may be incorporated either as a public or as a private company, although in practice, there is little difference between the two.

Public companies are normally formed to enable the investing public to share in the profits of an enterprise without taking any part in the management. Such companies usually have no limitation on the maximum number of members, but must have a minimum of seven. Their article of associations provide for transfer of shares and for subscription from the public. A public company is not necessarily quoted on the Nigerian Stock Exchange. A private company must have at least 2, but no more than 50 members. It may restrict the right to transfer its shares and prohibit any invitation to the public to subscribe for its shares or debentures.

Foreign Companies Exempt from Incorporation: The Companies Special Provision Decree of 1973 empowers the Government to exempt certain specified categories of foreign companies from complying with Part X of the Companies Decree. Only the following categories of foreign companies are eligible for exemption: nonprofit corporations, companies invited by or with the approval of the Federal Government to execute specified projects, companies executing specific loan projects on behalf of donor countries or international organizations, foreign government-owned companies engaged solely in export promotion activities, and engineering consultants and technical experts engaged in specialized projects under contracts with any of the state governments or any of their agencies

or with any person where such contracts have been approved by the Federal Government.⁸

⁸Lutter, pp. 25-27.

Technological Forces: Nigeria's electric sector, the main source of energy for industries, has been plagued by three problem areas: An unreliable water supply has already led to corrective future planning. The incredible rate of growth in demand has been a serious problem. The man-power-technical-know-how constitutes another problem area. Besides a large turnover especially among the skilled and managerial ranks, a serious problem is the lack of adequate training. Staff shortages are in the area of management, systems planning, operations and maintenance, research and in development. NEPA (Nigeria Electric Power Authority) does train or retrain about 400 technicians annually, but this is still insufficient. The trained man-power shortage has resulted in faulty operation of equipment, poor maintenance and inefficient upkeep of available facilities. Another recognized problem concerns the excessive use of only single circuits for transmission over many routes. Losses due to transmission and distribution account for a high fifteen percent of generated power owing largely to poor voltage regulation and inadequate equipment maintenance. The effect of the enumerated problems on marketing in Nigeria is in general low productivity. Consequently,

the low productivity of the industries results in the low general economic growth of the country.⁹

⁹ "Nigeria," Electric Power, An Energy Source. Nigerian Consulate General, Atlanta, Georgia. News from Information Division, March 1982, pp. 1-3.

On the other hand, as noted earlier, subsistence agriculture engages about 75% of the working population of the Nigerian inhabitants. These subsistence agricultural farmers solely depend on the use of crude hand tools. They lack the knowledge of soil fertility preservation through the use of standardized system of soil erosion prevention. The result of this is low productivity on their part both for domestic demand and also for export purposes. However, large-scale agriculture is being practiced in the form of plantations; but these are owned by private commercial interests, mainly expatriates, or public authorities. It is on these few plantations that agriculture is mechanized. Over all, technology in the agricultural sector, in the form of mechanized system of cultivation is still lacking. Also, transportation of bulky goods, such as agricultural products, still suffers in many areas because of lack of transportation facilities. Good roads are not available in many areas to facilitate easy physical channel of distribution.¹⁰

¹⁰ 'Nigeria,' Encyclopaedia Britannica, 1979 ed. p. 93.

CHAPTER 3
CURRENT FEDERAL GOVERNMENT PROGRAMS
TOWARD MARKETING IMPROVEMENT

Increasing Foreign Trade and Improving Balance of Trade.

The Government of Nigeria supports and encourages foreign investment, both in cash and in kind by way of equipment, technical expertise and services as a means of increasing the supply of investment capital to the economy and of encouraging technology transfer to Nigeria. It offers incentives to both foreign and domestic investors to strengthen those sectors of the economy which the Government believes contribute most toward economic development and marketing in general by way of increasing productivity to meet domestic demand and also for foreign trade. Though, at the same time, the Federal Government strictly regulates the establishment and the operations of foreign investment through laws and decrees it has adopted over the years since Nigeria gained its independence from Great Britain in 1960. The two laws affecting foreign investment, the Companies Decree of 1968 and the Nigerian Enterprises Promotion Decree of 1977, ensure that all foreign investment is government approved and has indigenous equity participation. The Government's

primary interest in regulating foreign investment to this extent is merely another facet of its interest in regulating and guiding the economy of self-sustained and indigenously controlled development. Aside from the continued execution of these existing laws, the Government plans to scrutinize increasingly the extent to which firms owned in part by foreigners use locally produced inputs and train their Nigerian employees. In addition to controlling the foreign firms investing in Nigeria, it carries out trades with foreign countries as contained in the attached sheet; with U.S.A. and UK the leading countries as consumers of the Nigerian exports. Nigerian export crops include: oil--which makes up about thirty three percent of the Nigerian total export earnings, groundnuts--fifteen percent, cocoa--ten percent, groundnut oil--four percent. This pattern of export, though temporarily disturbed by the war, was re-establishing itself in the early 1970's.

Imports goods to Nigeria include chemicals which form about ten percent of the total, machinery--nine percent. The United Kingdom, still Nigeria's main trading partner, in 1970 bought 30 percent of Nigeria's exports, and supplied twenty nine percent of its imports.¹

Federal Government Plans to Improve Marketing.

Agriculture: Agricultural development enjoys a

high priority under the National Development Plan, and the Federal Government expects to spend over \$13 billion to revitalize Nigerian agriculture. Recent developments in the international oil market have emphasized the necessity for returning Nigeria to self-sufficiency in food. Thus, for Nigeria to meet its agricultural marketing demand, especially the domestic food demand, it needs agricultural equipment for agricultural mechanization. In this market, U.S. shares a total of twenty percent, with strong competition from Italy, Austria, France, Israel, West Germany and United Kingdom. Currently, Fiat and Styer assemble tractors there and are asking for protection against imports. Ford Tractor and Massey Ferguson have just been granted licenses for tractor assembly plants. Other domestic production consists entirely of some plows and poultry equipment. It is therefore the plan of the Nigerian Federal Government to increase agricultural productivity to meet the domestic marketing demand in particular, and export purposes in the long run by accumulating the needed machinery. It does have demand for: tractors and tractor sets, tractors in the 60 to 80 horsepower range, disc plows, disc harrows, disc ridgers and trailers. The market for these equipments is shared by:

Australia - sixteen percent

Israel - five percent

Austria - fifteen percent
Italy - twenty percent
United Kingdom - thirty percent
U.S.A. - thirty percent
West Germany - five to ten percent²

Communication and Telecommunications.

This is another priority area on which the Nigerian Government is placing a high emphasis for improving. The lack of adequate communications contributes greatly to the expense and inefficiencies of marketing activities in form of business transactions and has retarded the social integration of Nigeria as a country.

The Department of Posts and Telecommunications (P&T) Ministry of Communications, has responsibility for communication within Nigeria. According to its statistics for March 1981, there were 100,000 exchange lines connected serving some 173,000 telephone instruments (0.2 per 100 population).

¹Lutter. pp. 6-7.

²Contract Market Research, Trade with Nigeria, U.S. Dept. of Commerce, December 1981. pp. 1-2.

The highest density of telephones is in the Lagos area where there are some 40,000 telephones, an estimated 1 telephone per 100 people. There is believed to be considerable suppressed demand for service particularly

in and around the state capitals. There were 1,875 telex lines installed by March 1981 with a waiting list of 2,898 and remaining capacity of 1,000 lines within the system. Again, the majority of telex lines are in the Lagos area and considerable suppressed demand exists elsewhere. Telex is referred to as the General Telex (Gentex) System.

Nigeria External Communications Ltd. (NET) operates Nigeria's external communications systems, linking the country to the international telecommunications network primarily through its two INTELSAT antennae and the West African submarine cable. It serves 5,000 subscribers nationwide of which 4,000 are in the Lagos area. These are normally connected to the NET system by P&T lines.³

Improving Communications and Telecommunications in Nigeria to meet the marketing needs domestically and internationally requires that Nigeria will need more communication equipments. Thus, given the dearth of any statistics in Nigeria, it is believed that the U.S. is, by a bare margin, the leading supplier of communications equipment to Nigeria with sixteen percent of the market in 1981. It was followed by the U.K. (15%), West Germany (12%), Japan (10%) and Italy (9%).

³Lutter. p. 23.

⁴Trade with Nigeria. pp. 16-17.

Energy Source.

Another area of immediate concern is the development/improvement of the energy sources for industrialization in Nigeria. The importance of this to marketing in Nigeria is immense. With the abundant sources of power coupled with the industrial machinery in good functioning order, there will be enough productivity to meet high demand of domestic consumption and also for exports. Enough productivity in all (at least most) areas of the country's economy for domestic demands will reduce imports of such products produced locally to the minimum. This, over all will increase the GNP and consequently improve the nation's balance of trade.

Currently, in Nigeria, despite the seven fold increase in its generating capacity in the last ten years, demand for power is growing much faster than the government can cope. Frequent, often daily, outages add to expenses and indifferences of commerce, industry, agriculture, government, and society, forcing industry and homes to install standby generators. Most rural areas and villages have no electric service.

The National Electric Power Authority (NEPA), a parastatal under the Federal Ministry of Mines and Power, plans to spend \$1.8 billion between 1981 and 1985 to increase its generating capacity, including coal and gas/oil thermal plants, hydro-electric systems and gas

turbines along with \$1.2 billion to expand and improve the woefully inadequate distribution network. The distribution problem network is, in some areas, a greater problem than the lack of generating capacity. The state governments plan to spend \$1.3 billion on rural electrification.

In addition, non-conventional means of generating electricity, especially solar power, and increasingly, low head dams are also being studied.⁵ At present, electric current in Nigeria is 230 volt, 50 cycle single phase AC and 415 volt, 50 cycle, three phase AC, with higher voltages in certain cases. NEPA has responsibility for production and sales throughout Nigeria. A grid-connected plant supplies over 95 percent of energy sales. In terms of energy sale, in megawatts, residential end-users consume about thirty-two percent, the industrial sector consumes forty-one percent and the commercial sector consumes twenty-three percent. Roughly, 1.3 percent is sold to Niger.

⁵Trade with Nigeria. p. 14.

Plant capacity in 1981 is estimated at 1,760 megawatts. By 1985, the Government plans to have a total installed generating capacity of about 4,600 megawatts, which would be sufficient to meet an estimated load of 3,460 megawatts and provide a reserve margin of 1,140 megawatts to ensure uninterrupted supply of power at all times. Approximately

fifty percent of the electric power in Nigeria is currently generated by hydro plants. By 1985, it is expected that seventy five percent will be by hydro-generation. As the new plants thereafter will stress thermal generation, the ratio by 1990 is expected to be 60 percent hydro and 40 percent thermal.

Demand for electrical power is expected to grow twenty-five percent a year during the Fourth Plan (1981-1985) period as distribution is extended to the rural areas. Emphasis also is being placed on reinforcing and improving service to urban and commercial centres, already supplied. Estimated demand in 1981 was 9,987,780 megawatt hours.⁶

Opportunities for improvement in this area lie in the availability of the outside markets for the supply of electrical machinery like transformers, cables, generators for transmission and distribution purposes. There are no inherent barriers to U.S. sales of such needed products in Nigeria. However, there is fierce competition from Britain, Switzerland, Japan, France, Germany and Italy, all of which are active and well entrenched. There is some local production of cable and accessories. The Federal Government of Nigeria is also seeking partners for local manufacture of transformers.⁷

⁶Lutter. p. 23.

⁷Trade with Nigeria. p. 14.

Construction.

The construction industry covers a wide range of activities in Nigeria and has been dominated by infrastructural development. Since its civil war, Nigeria has embarked on some extensive projects, fueled by profits from the sale of oil. Foremost has been the construction of roads which at times consumed up to thirty percent of annual capital expenditures. In the mid-1970's there were inadequate ports which caused shipping problems, currently, there is the rapid development of new facilities which solved the shipping problems.

A massive airport development program was begun. This contributed significantly to the burgeoning demand for transportation.

At the same time, there is plenty of ongoing work on road improvements, rural extensions, widening, re-surfacing, and bridge building. A major effort is underway to rebuild all of the existing railway facilities; many extensive housing programs, public buildings, especially schools, hospitals, and offices are expected and drainage and sewage systems that are needed. New cities are to be built and a new Federal capital is under construction. Also, a great number of industrial plants, ranging from large cement factories, steel mills, and automobile assembly plants down to local small scale industries such as furniture-making shops and food handling facilities are expected.

Housing and urban development program constituted a major area of problem for the Nigeria Federal Government. Since Nigeria is becoming more industrialized, there is migration extensively into the cities of the inhabitants from the villages and rural areas for employment in the factories and the industrial establishments. Also, universal education tends to send more people to the cities from the villages and rural areas. One study indicates that in most states, between fifty and seventy percent of all the households occupy one room. In Lagos, this figure is higher. Water is available to only thirty percent of households in Iborin, but to seventy-five percent in Port Harcourt. Thus, to solve most of the problems caused by urbanization, the Federal Government has undertaken massive building program to improve the situation. The Government's efforts have been aimed at building large tracts of housing in newly-cleared areas. The Lagos area provides several examples of housing projects underway, many for civil servants. 1,200 units are to be constructed on Victorial Island, 1,150 units at Ikoyi, over 500 along Badagry Road which is reserved for the new Parliamentarian, nearly 600 units at Sumlere, 350 units at Ikeja, 400 units at Yaba and 800 units at Apapa-Ijora. Owerri in Imo state has a major construction program underway for 1,000 houses under Federal Government sponsorship, and a very large

undertaking is underway for Maiduguri where 35,000 housing units will be built.

Also major industrialization projects will call for housing construction for their workers. One such example will be a 5,000-unit town near Aladja in Warri area for the employees of the proposed Direct Reduction Steel Plant.

However, as earlier noted, the most important of all the projects in this area of construction is the development of the new Federal Capital City, Abuja. With Lagos congested and over populated, the Federal Government has undertaken the study of building a new capital and has been anxious to get the project started. Not only is there a practical need for this, but a central location of the Federal Government would serve an important symbolic and political purpose. Nigeria is a Federation and its history has shown the value of national integration. A new capital, centrally located in a neutral area of the country, would serve this pressing need. The importance of Lagos will not diminish, however, as it will serve or remain the center of finance and commerce.

Plans for the new capital city were commissioned in 1978. The Government hired International Planning Associates, an American consortium, as consultants. In 1979, they presented to the Government's Federal Capital Development Authority the master plan for Abuja.

This comprehensive plan addresses itself to the development of the city and its surrounding region. Included in the calculations and mapping are site location, population and employment projections, land use allocations, residential communities, transportation systems, public services, support and infrastructural facilities. Related studies provide time schedules for various stages of development. Original objectives called for governmental operations to begin in Abuja in 1986.

Airport Development.

Since Nigeria's ground transportation is extremely slow, and cumbersome, much money is currently being pumped into the air travel industry. The size of the country and population poses a great demand on Nigerian Airways, its only domestic line. The division of the country into nineteen states has resulted in the demand for respectable airports at each state capital. Airplanes have also been utilized increasingly for cargo transportation.

The Nigerian Aviation Authority is expanding, modernizing or building seventeen major airports throughout the country at a total cost of \$1.3 billion.

Nigerian Airways carried 0.68 million passengers in 1976; one million in 1977 and over one million in 1978. These figures indicate an annual growth rate of

over thirty percent. Most of these flights were domestic but Nigerian Airways now flies as far as New York, Karachi and Europe. Its international airlines offer cargo service to Nigeria and a number of airlines offer nonscheduled air charter services.

The gateway to Nigeria is the recently opened \$486 million Murtala Muhammed International Airport in Ikeja, Lagos. This airport is capable of handling the largest airplanes including the Concorde. Fourteen aircraft can be accommodated at one time. Two large run-ways flank the main building, one 3,900 meters by 60 meters, the other 2,743 meters by 45 meters. The control tower is equipped with VHF radio and radar covering a one thousand mile radius. Landing systems include ILS, VHF omni-directional range, and distance measuring equipment (VOR/DME), nondirectional beacon, and Visual and Slope Indicator. Passengers may check in at thirty-one counters and there are two passenger jetties with seven gates each. By 1985, expansion plans call for the handling of 2.5 million passengers annually. Present cargo capacity is 100,000 tons per year. Long term projections call for the handling of 200,000 commercial aircraft per year with an expected forty million passengers. Twenty-five scheduled airlines operate to Lagos at this time.

Murtala Muhammed Airport has been modeled on Schiphol Airport. A Nigerian engineering and architectural

consortium has been associated with Netherlands airport consultants in this project. The main contractors have been Strabag Ban, A.G., with Louis Berger Nigeria Ltd. building the access roads. Other facilities at the airport include a fire and rescue building, a power substation with an emergency power plant, an airport hotel with 500 rooms, hangars, filling stations, police station, centrex building, sodium approach lighting building, meteorological substation, inflight kitchen, fuel farm, and other modern facilities.

The alternative airport to that of Lagos is Iloria, which is to be capable of handling the same type of aircraft. This facility is well underway at this time. Kano's international airport is the second busiest as it serves many international flights.

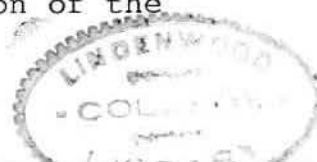
A new airport is nearing completion at Port Harcourt which will enable it to handle Boeing 747's. Another major airport capable of handling Jumbos will be at Kaduna. Modernization of this airport is well along and will include a variety of radar and telecommunication equipment.

Other major airports under construction are at Jos, Calabar, Ibadan, Benin, Yola, Warri, Gusau and Zaria.

Railways.

The single largest proposed project in the construction sector concerns the planned conversion of the

70734



present 3-foot 6-inch gauge to the standard gauge of 4 feet 8½ inches. Of an expected \$8 billion modernization program, it is anticipated that over \$2.3 billion will be spent on converting the present rails to the standard specifications. Work on this is to commence sometime during the 1981-85 plan period.

The Government has engaged a number of international consultants to study the requirements of the entire system before proceeding piecemeal. Recently Rail India Technical and Economic Services was engaged to take over running and managing the railway for 3 years and to train Nigerians in every aspect of operations. Over \$162 million was made available for immediate repairs and equipment.

Ports and Inland Waterways.

Excluding oil terminals, there are four locations with general cargo ports as noted in parentheses: Lagos (Apapa and Tin Can Island), Port Harcourt (Rivers), Delta Port Complex (Warri, Sapele, Koko and Buniter), and Calabar. These offer 7,420 meters of quays, fifty-eight main line berths, twenty-three jetties and terminals, thirty-three transit sheds, and eighteen warehouses. Lagos, of course, dominates these facilities with thirty-four of the main line berths, 4,900 meters of quays, and a variety of cargo handling machinery. Lagos port

requires pilotage service for ships exceeding 10.16 tons. Five large and several smaller tugs are available. Cargo handling equipment is adequate, employing portal cranes, mobile cranes, floating cranes, diesel and electric fork lift trucks, industrial tractors, bag stackers, and produce elevators, shunting locomotives, railway wagons, and weighing scales. Other facilities include large transit sheds and warehouses, container handling equipment, passenger facilities, dockyard with floating dock (4.06 thousand ton capacity) petroleum wharf, bulk oil wharf, fish berth and coal berth.

Several projects for extending the ports have been underway with some scheduled for completion soon. The Lagos (Apapa and Tin Can Island) port facilities are finished for the most part; and extension of Warri has recently been completed and now has 1,950 meters of quays; Calabar's berth extension and new sheds and warehouses were finished in 1979; Kirileiri and Ikorodu lighter terminals should be in full operation soon, and at Port Harcourt, contracts have been awarded for a new lighter terminal.

The development of the internal water ways is in progress. There is much concern for the improvement of transportation in this area because of the limitations of railways and road transport. Hitherto, only 300,000 tons had been transported in any one year on Nigeria's

rivers but studies have indicated that demand is for over 1.5 million tons at present and that by 1985, a 6 million ton demand may exist. The Niger and Benue Rivers dissect the country and border on at least half of Nigeria's states. A Dutch consortium is currently responsible for ensuring a 1.5 meter navigable depth for ten months per year. These two rivers may be navigated at least to the borders of the Niger and Cameroon, posing the prospect of organizing transport at the international level.

River navigation is definitely advantageous for some agricultural enterprises--especially for the delivery of fertilizers, raw materials, and fuels for the planned countrywide industries and for the steel plant in Ajaokuta, which may require up to 2 million tons of water transport capacity annually.

Road Construction.

About 80 percent of Nigeria's commerce moves by road. Considering the frenetic developmental activities underway, to produce an extensive road grid connecting the major ports, large cities and the distant regions throughout the whole of Nigeria is quite a challenge. It is widely agreed that in relation to most other African countries, Nigeria's roads are quite well developed, but the demands on them have been quite severe.

Existing plans, when fulfilled, should suffice and most major road projects are in the planning and engineering stages are already underway.

The Federal Government is responsible for the overall planning of the road network throughout the Federation. The National Transport Coordinating Commission, started in 1977, has the responsibility for collecting information, and advising and harmonizing the need of the transport sector. Nigeria has classified roads into three categories:

Class 'A' roads. These totaled 7,000 miles in 1974 and are the responsibility of the Federal Ministry of Works. These roads are mostly paved 24 feet wide and have five- to six-foot shoulders. These include the major north-south and east-west roads that cut across all of Nigeria. Ten thousand miles of roads were taken over in 1974 from the states. These new additions to the 'A' category include roads which connect states, designated as "inter-state roads," and roads which connect to foreign countries, designated as "international roads".

Class 'B' roads. These are secondary, mostly unpaved roads without proper safeguards, and connect the major towns and villages.

The state governments have responsibility for these roads which totaled 16,100 miles in length.

Class 'C' roads. These are local unpaved roads which link distant villages, farms, markets, etc. They are the responsibility of local governments, and totaled 25,400 miles in length.

This massive effort at providing this major road network has used up a substantial portion of the Third Plan (1976-1980) funds. The revised third plan called for the expenditure of \$9.1 billion by the Federal Government on roads and bridges. Most of this was allocated for new class 'A' roads. State governments were to earmark another \$2.5 billion for their road projects. By 1977, about twenty percent of plans had been completed; but thirty-four percent of the allocated money had been expended.

The greatest progress has been made on establishing or improving class 'A' roads which connect the north-south aligned cities, roads that are commercially important in their ties to Lagos, major bridges and the rebuilding of those which were destroyed in the civil war, and the very extensive and expensive road and bridge system in and around Lagos. As of 1977 it was estimated that Nigeria had over 59,000 miles of roads of all types and 7,750 new roads under design.

Another road development of concern includes the rapid expansion of roads for international commercial purposes. Many goods are already shipped to Niger via Nigeria, and several roads connect Nigeria to Benin and to Cameroon. An extensive network of highways is to cross all of Africa and Lagos will be the center of the major routes which will link Dakar to Mombasa, and Lagos to Algiers. Nigeria already has helped to build and finance some of the major roads linking Nigeria to its neighbors.⁸

Chemicals and Petrochemicals.⁹

A major area of priority is the development of chemicals and petrochemicals. The Nigerian National Petroleum Corporation has implemented a plan for petrochemicals production, which is in its early stages. The first phase, on which construction has begun as adjuncts to the refineries at Warri and Kaduna, consists of plants for polypropylene, carbon black, detergents, benzene, and solvents. The second phase is to be an ethylene complex near Port Harcourt, consisting of the following units: VCM, PCV, caustic soda chlorine, low density polyethylene, high density polyethylene, ethylene oxide, and ethylene glycol. This phase is scheduled for completion in 1986. A third phase, which will not be underway until the mid 1980's will be centered on

aromatics, and aimed at plastic fibers, wood processing, resins, polyurethane foam and explosives.

⁸'Nigeria,' A Survey of U.S. Export Opportunities. U.S. Dept. of Commerce, Washington, D.C., Nov. 81, pp. 43-52.

A key project for the Government is the development of a nitrogenous fertilizer plant, for which a contract has already been signed with a U.S. technical partner. The overall cost of the project is expected to be about \$623 million, excluding the cost of infrastructure development. The plant is expected to produce 1,000 metric tons of ammonia, 1,500 metric tons of urea and 1,000 metric tons of NPK per year.

⁹Lutter. p. 9.

Private Enterprises and Their Financial Sources for Growth.

Private enterprises are those contained in Appendix 1, Schedule 1 according to the Decree of 1977. These are the enterprises exclusively reserved for Nigerians. (See the attached sheet.)

Financial sources for these enterprises come from Nigerian Development Bank, The Nigerian Bank for Commerce and Industry, family and friends.

Financial Resources Available for Economic Development: Taxes and Others.

The most important source of all governmental

revenue is import duties, which account for about one third of the total. This is followed by excise duties which account for under 20 percent of the total revenue source. Other sources include mining royalties and rents (about 15 percent).

Personal income tax accounts for less than ten percent and company tax for about five percent.¹⁰

¹⁰ "Nigeria," Encyclopaedia Britannica, 1979 ed. p. 93.

CHAPTER 4

RECOMMENDATIONS AND SUMMARY

This chapter contains recommendations for improving and developing marketing in Nigeria with a view to maintaining a favourable balance of trade with other countries.

Meeting Domestic Demand Through Domestic Economy and Marketing

In Nigeria, today, domestic demand for agricultural food consumption is high with the population size rapidly growing and the size of the farm population declining. The size of the farm population is declining as the result of the migration of the young men to the cities and the urbanized areas to be employed in manufacturing and construction, and the leaving of the educated Nigerians for the cities to be engaged in skilled jobs. Universal primary education requires that the children leave their rural areas of birth for the cities to be educated, thus increasing the population in the urban areas.

The result of this is that food production is uneven and has not been able to keep pace with mass consumption. Currently, imports supply the growing food deficit with rice, wheat, and corn heading the list. Of this, the United States of America supplies almost all the wheat and corn, and more than half of the rice.

In order for Nigeria to meet its domestic mass food consumption needs, it should strive for self-sufficiency in food production with little or no food imports.

Sufficient food production calls for agricultural mechanization, soil conservation through the use of fertilizers, and soil erosion prevention from running water and wind. A host of programs include training the local farmers in the use of the agricultural machinery, the application of insecticides and herbicides, and other efficient methods of agricultural technology.

The following information is contained in the Nigerian Federal Government Five-Year Development Plan (1981-1985).

The Federal Department of Agriculture in its attempts to reach down to the state levels more efficiently and effectively, has recently established four zonal offices at Ibadan, Enugu, Kaduna and Jos. There are field offices in all states. FDA has three divisions: Crop Production, Agricultural Services and Land Resources. There are also special units: National Seed Service, Plant Quarantine Service, Home Economics, and the Monitoring and Evaluation Unit. The FDA also sponsors several campaigns and programs such as Operation Feed the Nation (OFN), the National Accelerated Food Production Program (NAFPP), Seed Multiplication and Distribution, Agricultural Mechanization, Fertilizer Procurement and Distribution, and the Agro-Service System. Other programs include pest control, soil

conservation, tree crops, rice production, and staff training. State governments also have departments of agriculture adapted to local needs.

One major government effort at achieving self-sufficiency in food production is the National Accelerated Food Production Program (NAFPP). This project began with a study by the International Institute for Tropical Agriculture (IITA) and financing by the U.S. Agency for International Development. The goal of the project was to increase production of traditional staples under the demanding conditions of Nigeria's agricultural climate. NAFPP called for organizing research and extension teams on a crop basis; giving extension workers training in crop production techniques; developing and distributing improved seeds; developing information on food supplies and demands; crop production, prices, seeds, fertilizers and credit requirements.

Minikits were developed for distribution to farmers as demonstration vehicles of improved agricultural technology.

As an integral part of NAFPP, the Federal Government allocated \$29 million in 1977/78 for the establishment of 187 agro-service centres throughout Nigeria at a cost of \$155,000 each. They are to bring within reach of farmers such items as improved seeds, fertilizers, chemicals, machines and credit. They will also provide training,

advice and storage facilities. These centres are to be autonomous state bodies, receiving federal funds channeled through states.

Operation Feed the Nation Program introduced in 1976 is a massive campaign designed to spur agricultural production. This is to be a practical action program as well as a public awareness campaign to bring the growing agricultural concern to all sectors and levels in society.

The Government introduced new measures such as seventy-five percent subsidized fertilizer, new and improved seeds, pesticides and tractor hire services.

Nigeria has also welcomed efforts to establish large agricultural development projects in Funtua, Gusau and Gombe, with the World Bank offering its extensive research and development facilities. These projects are to provide a complete infrastructure as self-contained units, using local resources and adapting to regional constraints. Wide areas are encompassed by these projects to provide all agricultural services to local farmers who should see the advantages of these catalytic efforts. Other plans call for clearing of 2,000 hectares in each state to serve as new modern agricultural enterprises. All government efforts aim at the introduction of mechanization and improved agricultural technology.

The National Root Crops Production Company has acquired land for the development of casava. A 'gari' (casava

by-product) factory has also been set in operation with more to follow. 'Gari' is one of Nigeria's staple foods. Large scale mixed projects for crop production are under development and at some rural agricultural projects, production is already underway.

State governments are reported making some progress towards the increase in production of rice, maize, casava, yams, guinea corn, cow peas and millet, all edible products.

In Kaduna, the National Grain Production Company (NGPC) has been charged with the production, storing and processing of maize, guinea corn, cow peas, groundnuts, and soyabeans. Currently, it has major depots in nine locations and it is to build storage facilities all over Nigeria. NGPC's goals are to build strategic grain reserves and work towards price stabilization.

The above enumerated programs and projects sound very fine and encouraging. Reports show that there is progress being made in some; but most of the programs are not likely to be feasible because of the following reasons:

1. There is widespread illiteracy among the local farmers who chiefly engage in subsistence agriculture. The development and distribution of agricultural minikits among these local farmers to be applied by them by following the instructions on the minikit may result in failure as most of them cannot read and write.

2. The programs are too many for a five-year period implementation.
3. There are not likely to be enough funds to carry them out.

The following are my recommendations for agricultural improvement in Nigeria which will lead to more than enough food production for both domestic demand and exports.

First, statewide and nationwide adequate land restoration from erosion involving running water and wind. Erosion is one of the major problems facing the Nigerian local farmers. During the rainy season of March to September, most of the plant's food in the top soil is washed away by running water. This is the case in the southern belt of the country; while in the northern belt, wind erosion constitutes the problem. With the top soil washed away, the underlying soil layer becomes deficient for plant food. The crops planted may germinate and grow but owing to lack of sufficient food as the result of erosion, will not have enough yield for harvest. Therefore, to solve the problem of erosion, the Federal Government Department of Agriculture should set up demonstration farms at convenient locations all over Nigeria where local farmers will be encouraged to see, feel, touch and even participate in the techniques for the control/prevention of erosion. Visits of the local farmers to the nearest demonstration farms should be made dependent on the

availability of time to the farmers. However, local farmers should be encouraged to pay at least one visit per month.

Secondly, occasional open lectures at least once a month to the local farmers in the town/city hall by the Department of Agriculture representatives during which time improved seeds and fertilizers could be distributed. Lectures should take into account when to plant what seeds, when to apply fertilizer, when to harvest and how to store up the surplus of the harvested crops.

Thirdly, extension of invitations to the local farmers about once each month to the nearest demonstration farm where farmers could see the irrigation system in practice. Also, during such visits, there should be open demonstrations of how to use/apply weed control chemical, insecticide, operate agricultural machinery.

Fourth, Department of Agriculture officials should pay occasional visits at least once every six weeks to the local farmers to see how they are applying the knowledge gained from both the open lecture and the demonstration farm visits on their own farms.

Fifth, the Department of Agriculture, inexpensively, should rent out agricultural machinery to interested local farmers, while at the same time operators of such machinery should be provided by FGDA.

Sixth, since most of the farmers have no storage facilities for their surplus productions, the Department

of Agriculture should be responsible for the purchases of such surplus products at very competitive prices to encourage farmers to produce more.

Improving Marketing of Domestic Natural Resources

Petroleum. Nigeria is among the ten largest crude petroleum producing nations in the world. Proven recoverable reserves are estimated at 16.7 billion barrels, sufficient to sustain production levels of 2 to 2.5 million barrels per day well into the 1990's. Approximately ninety percent of Nigeria's crude oil is exported, nearly fifty percent to the United States of America.

Over 3,000 exploratory and development wells have been drilled in Nigeria. Most of the oil is pumped currently from some 148 fields, mostly on-shore fields in the Niger Delta area.

There are twelve main companies exploring for extracting petroleum in Nigeria. The major one is Shell, which accounts for fifty percent of the total production. Gulf is a distant second, followed by Mobil. Others include AGIP/Phillips, ELF, Texaco, Pan-Ocean and Ashland. The Federal Government, through the Nigerian National Petroleum Corporation (NNPC) is the largest shareholder, having sixty percent ownership in all production operations.¹

¹'Nigeria,' A Survey of U.S. Export Opportunities. p. 2.

At present, Nigeria has three operating refineries, operated as a joint venture between foreign companies and the government. One at Alesa-Eleme near Port Harcourt with 60,000 barrel-per-day capacity, one at Warri with 100,000 barrel-per-day capacity and one at Kaduna which came into operation in 1980, also with 100,000 barrel-per-day capacity.²

²Export Opportunities. p. 3.

Recommendations. Availability of oil and its production in Nigeria, currently, serves as the main source of income for the Federal Government of Nigeria. Funds from the sale of crude oil are used by the Nigerian Government to finance some of the other projects. This being the case, the Federal Government should make funds sufficiently available for the following.

It should build two additional refineries to be jointly operated by itself and foreign corporations like Shell, Phillips, Agip and Elf's with increased barrel-per-day capacity of about 200,000. The already existing refineries should have their barrel-per-day capacity increased to somewhere around 120,000. The cost of the building of such new refineries should also be a joint venture with the government financing sixty percent and the foreign corporations forty percent. It is to be understood that there is a high demand for the refined

oil in Nigeria and that all of its locally refined oil will definitely be consumed domestically.

With more refineries, Nigeria will be able to refine most of its petroleum production. There will be enough refined oil for domestic consumption. Nigeria will no longer depend on the exporting of crude, the price of which is not reliably stable. Nigeria will not have to import any refined oil with more refineries built.

Natural Gas. Natural gas produced mostly in association with crude oil is being flared at a rate of two billion cubic feet per day. It is to be understood that most of Nigeria's gas production is lost through flaring while less than one percent of the production is being recovered and used domestically in power generation. Nigeria's gas reserves estimated at 75 trillion cubic feet are projected to be exploited by Bonny Liquefied Natural Gas.

Recommendation. To prevent the natural gas from being lost through flaring, each producing company as a shareholder in the Bonny Liquefied Natural Gas project should be required by the Federal Government to develop specific proposals to eliminate flaring. With the elimination of flaring, there will be fairly adequate natural gas for power generation. Thus, power outages caused by both fuel shortages and a poor power distribution system will be reduced to the minimum. Availability of power

for industrial use will in the long-run lead to more productivity both for domestic consumption and international marketing.

Minerals. Nigeria has deposits of tin, lime, coal, iron ore, lead and zinc. However, mining priority is on coal and iron ore for the new steel plants at Ajaokuta and Warri. Nigeria has proven coal reserves of 639 million metric tons. Annual production for 1980-81 was about 115,000 metric tons.

Recommendation. There is a need to increase production of coal because of power outages. To increase production, Nigeria Coal Corporation (NCC) should re-equip and rehabilitate the Nigerian coal mines at Enugu, Okaba, Onyeama, and Okpara. More extensive use of railways should be embarked upon by the Nigerian Railway Corporation for timely physical channels of distribution of bulky goods and for the domestic consumption of coal. Also, all other coal-using facilities should have coal easily available for smooth operations which will lead to increase in productivity.

Improving Physical Channels of Distribution. The movement of goods from one place to another requires that good roads, water ways, airways and railways are easily available.

Much has been said in the previous chapter about how Nigeria has spent much money to develop its air

transportation to facilitate light-weighted goods by air. Also, the development of the waterways has been noted.

Currently, in general, Nigeria's ground transportation is extremely slow. This is a serious issue which the Federal Government needs to address. In particular, roads in rural areas are in bad shape. In most rural areas, there are no roads except bush paths through woods. These paths are not walkable for the greater part of the year except during the dry season because most of them are flooded during the raining season and are not usable.

About eighty percent of Nigeria's commerce moves by road as noted in Chapter Two. Out of this eighty percent, about fifty percent constitutes food products from rural and village areas. This, therefore, calls for the need to develop/improve/construct the roads in the rural areas to make physical distribution of the farm products comfortable and convenient for the marketers and the buyers alike.

Recommendations. The roads in the rural areas and villages are considered class 'C' roads. These are local, unpaved roads and their construction is the responsibility of the local government. Food stuffs come from these rural areas and also staple export crops like cocoa, palm kernel and palm oil, groundnuts and cotton. Thus, to facilitate the transportation of these items, most of which are bulky such as yams, barrels of palm oil, bags of cocoa beans, rural areas deserve very good motorable roads.

Also forestry products such as plywood for building purposes come from the rural areas. Above all, the greater number of the farmers that are engaged in subsistence farming live in these rural areas close to their farms. They deserve good roads. The building/construction of local roads should be done by the local government through Federal Government funding while the maintenance and upkeep of the constructed roads should be carried out by the local government through local government money.

The Public Work Department (PWD), a department of the local government, should take it upon itself to know which local/rural areas need to be connected with motorable roads. However, I do recommend that those target areas where periodic markets are carried out every five days should be connected with fairly good roads. I talked of periodic markets in Chapter One.

Another solution, or additional solution to the movement of the bulky goods, is by the railroads. The priority placed on this by the Federal Government as contained in the country's fourth development plan (1981-1985), and as noted in Chapter Three of this writing, is to convert the present railroads in Nigeria to the standard forms. With the conversion of the railroads to the standard forms, it is believed that railroad system will be more efficient in its operation. As it appears, the Federal Government is not going to construct any new railroads

within the next couple of years; but rather it is willing to improve the existing ones by way of conversion to the required standard. Thus, my recommendation is that rural area roads connecting the periodic market target places should be extended to link with the railroads for the movement of the bulky goods to the port at less costs. The two Nigerian main railroads run from southwest to northeast and from southeast to northwest.

Marketing Education in Higher Education.

The goals of education in Nigeria are to provide the needed manpower for Nigeria's future through science and technology and also to further integrate the nation by breaking down the traditional tribal ties. Breaking down such barriers as tribal ties and family knits requires that inhabitants of one state perceive values in the products that come from another state. Learning of the use-system for such products and their market acceptance is only possible through marketing education programs in post primary institutions.

Secondary school enrollment in 1976/77 was 735,905 in Nigeria. Concerning secondary school programs, grammar and commercial curricula are heavily favored in Anambra, Inco, Bendel, Cross Rivers and Lagos states. Anticipated enrollment for 1981/82 was 1.15 million, 1.65 million students in 1982/83, 2.04 million in 1983/84 and 2.24 million in 1984/85.

In general, in Nigeria the major colleges of technology and polytechnics institutions tend to offer several courses in mechanical, electrical, and civil engineering. Just a few of them like the Yaba College of Technology offer, in their commercial field, business studies. There is surprisingly little offered in business especially in marketing and with the needs of that sector, we may expect a major drive to expand business programs.

At the university level, courses offered include: arts, social sciences, natural sciences, and medicine. Offering of business courses like accounting, finance, marketing, and management is still lacking.

Recommendations. With the rapid expansion of the Nigerian universities, and university enrollment projected in 1984/85 at 100,450, business and management programs with the definite inclusion of marketing in particular should be a priority. Students right from school, need to know that marketing is present in almost all activities of life, both in profit business organizations, non-profit organizations and government. Students must be made to realize through marketing programs, that for any establishments to be successful whether it be educational, industrial, manufacturing, large or small business establishment, even including social organizations, marketing activities must be the key backbones.

Product Development, Processing and Assembling.

Nigeria needs to develop its own product processing for end products in as many areas as possible. Specifically, there should be processing industries for canned food like yam chips, corn chips, and flour. Also, there should be processing industries for such end products like cocoa drinks, chocolate and coffee.

The following reasons are advanced to support my claim as to why Nigeria should do its own processing:

1. Product processing for end consumer products for domestic consumptions seems necessary so that imports of such end products will be reduced to the minimum. This should also help to develop the economy.
2. A favourable balance of trade will be maintained when there are less imports than exports.
3. Foreign markets could be sought for such surplus end products with a view to maintaining more favourable balance of trade with foreign countries to which such end products are exported.
4. An additional reason for spurring the manufacturing industries in the area of product processing concerns the need to offer employment to the vast number of people who have left village life for the cities.

Recommendations. Nigeria should capitalize on local processing of the country's natural resources which were already noted at the beginning of this chapter, and also on the development of export-oriented industries.

As a matter of fact, processing of local minerals should be understood to be a lucrative endeavor as this may facilitate the dispersal of industries throughout the country.

Currently in Nigeria, despite a twelve percent annual growth rate of the manufacturing sector, the low overall contribution to the gross national product has kept Nigeria at a relatively lower level of manufacturing output compared to other developing countries. One-half of the manufacturing sector's output is comprised of food, beverages, tobacco, textiles and clothing. Manufacturing and processing in these areas, food processing in particular, should be more technologically developed and expanded to meet domestic demand and also for export.

Industries centred around agriculturally related enterprises should also be expanded and should be more technologically oriented to meet domestic demand. Expansion of such industries should take the form of increasing the number of manufacturing and processing houses of such related industries, and of training more Nigerians technologically to supply manpower to handle all operations, provide repair for upkeep of all the machinery used. These related industries include: Cotton gins, palm oil mills, canneries, rice mills, tanneries and saw mills, rubber processing and cocoa processing.

Manufacturing and Assembling Industries.

The manufacturing of various batteries, tire production, nail making, glass manufacturing, boat building, television sets, paper mills, refrigerators, smelting, light bulbs, beds and mattresses, radios, paints and electrical meters is done by private local firms.³

³'Nigeria,' A Survey of U.S. Export Opportunities. 1981. p. 61.

Recommendations. Expansion in the related areas is strongly recommended. This will take the form of increasing productions on a daily basis to completely meet domestic demand and greatly reduce the need for imports.

Vehicle Industry.

The Federal Government of Nigeria exerts an influence on automobile sales through import restrictions, while it sponsors car loans through commercial banks.

Demand for automobiles is estimated at 125,000 annually. In 1978, according to an estimate, Nigeria accounted for 394,000 vehicles annually.

Volkswagen Corporation has been assembling the Beetle, Passat and Audi models at Lagos since 1975. This facility is a joint venture among Volkswagen and German banks (fifty-one percent), the Nigerian Federal Government (thirty-five percent), the dealers (ten percent), and the Lagos State Government (four percent). Production has reached 140 per day.

Pengeot assembly started in 1975 with demand pushing early projections of 80 cars per day to 160. Several plant expansions are planned to raise production rates to 240 per day. The facility is a joint venture operated by the Federal Government of Nigeria which owns thirty-five percent, and the Pengeot Corporation of France, forty percent.

The truck field is dominated by the British Leyland Corporation with 30,000 trucks sold in 1977. This facility is at Ibadan with a capacity of 12,000 trucks, tractors, buses and Land Rovers annually. The facility is also a joint venture owned by the Federal Government who has sixty percent of the shares, Leyland with thirty percent and the state government, ten percent.

Mercedes-Benz is to start operations in Enugu with the largest Mercedes truck assembly plant outside of Germany. The facility will be a joint venture among the Federal Government of Nigeria, Mercedes-Benz Corporation of Germany and German banks and the local state government.⁴

⁴'Nigeria,' A Survey of U.S. Export Opportunities. 1981. p. 62.

Recommendations. It is to be understood that there is demand for automobiles in Nigeria especially among the urban dwellers. These are the people who control the wealth of the nation. Since the money is available and demand is present, but with insufficient production, it

is recommended that production be expanded at least to solve the issue of domestic demand. This will reduce imports of these automobiles and trucks in question. These facilities will also contribute to unemployment reduction in the urban areas where population is growing rapidly. Also, the domestic economy is consequently being developed. Thus, Nigeria will be enabled, in the long run, to have a favourable balance of trade.

Promotion and Communication Improvements.

Advertising is becoming more and more important in Nigeria, although it is not as widely used as in the United States.

Because of differences in languages, culture, and religion, it is recommended that advertising campaigns be specifically created for the Nigerian market with the needs, desires and lifestyle of the Nigerian consumer in mind.

Nigeria has one of the most highly developed media systems in developing Africa, and coverage is available through the press, billboards, radio and television. However, most of these services are concentrated in urban areas.

Printed Material.

There are fourteen major daily newspapers, approximately 20 weekly newspapers, including Sunday editions

of the dailies, and about 25 magazines published in Nigeria. All of the dailies are printed in English as are most of the weeklies and periodicals.

There are six vernacular weeklies, three in Lagos and two in Ibadan in Yoruba, and one in Kaduna in Hausa. Total circulation of the newspapers is between 1.5 and 1.8 million.

Recommendation. Advertising in these newspapers and magazines is worthwhile and recommended. It is recommended that some of the daily papers, especially Daily Times, based in Lagos but distributed over most of Nigeria (400,000 circulation), are made available in the rural areas; and that most of them are printed in more languages other than English. This is to enable the rural area dwellers to be familiar with the advertisements in such papers.

Radio and Television. Radio broadcasting is the most reliable way of reaching the Nigerian people. The Federal Radio Corporation of Nigeria (FRC) is solely responsible for broadcasting to all parts of Nigeria from its main base in Lagos and through its zonal stations in Enugu, Ibadan, and Kaduna. All FRC programs are transmitted in English, concentrating on Nigerian domestic news. The Voice of Nigeria, the FRC external service, broadcasts to other African countries, Europe, and the Middle East in English, French, Hausa and Arabic. However,

none of these zonal stations is allowed to carry commercial advertisements.

Each of the nineteen states has autonomous radio stations, broadcasting in local languages as well as English. These state-owned stations accept network news and policy guidance from FRC Lagos. They can carry out commercial advertising.

It is thus recommended that as much commercialization as possible should be done through the state-owned radio stations as such advertising will reach the rural dwellers as well as the urban people even in their native language.

Television is a rapidly expanding medium, but its audience is still mainly limited to the urban elite. In most of rural areas, there is no electricity, as a result, there is no power source for the TV functioning.

Recommendation. The distribution of electricity to those rural areas, where there is no electricity, should be done by the Federal Government. With the availability of electricity in these rural areas, the use of the television sets will be a possibility for the rural dwellers. Commercialization and advertisement will be viewed by these rural area dwellers. This will make learning cost for both product value and use-system of such products low. Thus product market acceptance will be fast and marketing generally will become more modernized. With

the knowledge of product value, understanding of the use-system of products there will be willingness to buy on the part of the consumer. Ability and willingness to buy will be the result of the increase in the GNP per capita. As earlier noted, annual per capita is about \$750.00. With improvement in National domestic economy, per capita will rise to induce willingness to buy which will lead to more productivity. Consequently, more production to meet the domestic demand and generate surplus for exports will result in more exports and less import. Thus less import will, in the long run, put Nigeria in such a position where it will maintain a favourable balance of trade with its trading world nations.

Summary of Recommendations.

In summary, my recommendations center, specifically, around how Nigeria could develop and improve its domestic demand. As a matter of fact, agriculture tops the lists of the priorities I set forth. It is very important, as I recommend, that Nigeria develops its domestic economy to meet domestic demand in food production and consumption, in easy physical channels of distribution through good roads in rural areas to connect targeted areas of periodic markets and link them with the two Nigerian main railroads which are now undergoing conversion.

My recommendations deal with how Nigeria should strive at reducing imports of end products such as foods to the minimum in order that it may have a favourable balance of trade with its world trading nations.

Towards this possibility, I have recommended that Nigeria expands its food processing facilities to include canned food, end products from cocoa such as cocoa drinks and chocolate.

The possibility towards self-sufficiency in food production agriculturally has been recommended. The accomplishment of this should take the form of demonstration farms set up by the Federal Government at convenient locations all over Nigeria where local farmers could go at will to see, examine, touch and participate in irrigation, erosion control, applications of insecticides, and fertilizer techniques. Open lectures to the local farmers by the Department of Agriculture officials at regular intervals during which time fertilizers and improved seeds distribution should take place.

Increase of oil capacity and additional oil refineries have been recommended to enable Nigeria to refine its crude oil for domestic consumption instead of exporting crude oil and importing refined oil.

Local assembling of radio and television sets as a way to curtail the importation of these products was included in my recommendations.

Inclusion of marketing education programs in colleges and universities should be a priority. With the marketing education taught to students at school, there should be lower costs for learning a product use-system; also product value will be easily perceived so that products gaining market acceptance will be relatively easy. Marketing education programs will enable the students, and in the long run, the general public to appreciate and cherish the locally manufactured goods, and even prefer them to the imported ones. These were included in my recommendations.

Communication systems made up of radio, television, telephone and postal services are recommended. These should be improved since through them the general public is made to know which products are available and at what prices.

It is to be understood that with these recommendations implemented, Nigeria as a nation will not only develop its economy, but it will have enough of everything to meet the domestic demand. Also, there will be surplus for exports, thereby there will be less import than export and a more favourable balance of trade will result. This being the core of this thesis.

APPENDIX I

SCHEDULES 1, 2 and 3 OF NIGERIAN ENTERPRISES PROMOTION
DECREE, 1977

SCHEDULE 1

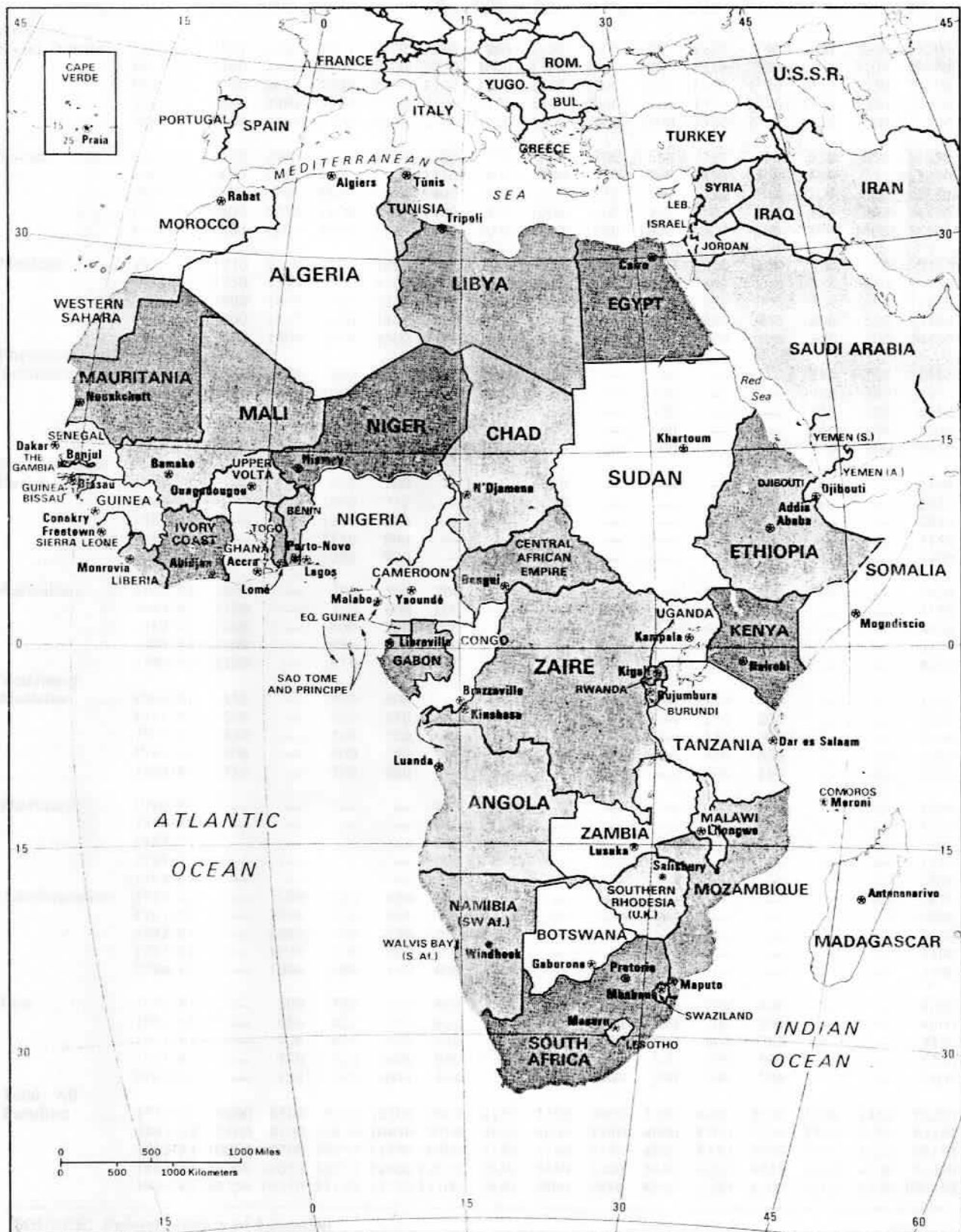
ENTERPRISES EXCLUSIVELY RESERVED FOR NIGERIANS

1. Advertising and public relations business.
2. All aspects of pool betting business and lotteries.
3. Assembly of radios, radiograms, record changers, television sets, tape recorders and other electric domestic appliances not combined with manufacture of components.
4. Blending and bottling of alcoholic drinks.
5. Blocks and ordinary tile manufacture for building and construction works.
6. Bread and cake making.
7. Candle manufacture.
8. Casinos and gaming centres.
9. Cinemas and other places of entertainment.
10. Commercial transportation (wet and dry cargo and fuel).
11. Commission agents.
12. Departmental stores and supermarkets having an annual turnover of less than ₦2,000,000.
13. Distribution agencies excluding motor vehicles, machinery and equipment and spare parts.
14. Electrical repair shops other than repair shops associated with distribution of electrical goods.
15. Establishments specialising in the repair of watches, clocks and jewellery, including imitation jewellery for the general public.
16. Estate agency.
17. Film distribution (including cinema films).
18. Garment manufacture.
19. Hairdressing.
20. Ice-cream making when not associated with the manufacture of other dairy products.
21. Indenting and confirming.
22. Laundry and dry-cleaning.
23. Manufacturers' representatives.
24. Manufacture of jewellery and related articles, including imitation jewellery.
25. Manufacture of suitcases, brief cases, hand-bags, purses, wallets, portfolios and shopping bags.
26. Municipal bus services and taxis.
27. Newspaper publishing and printing.
28. Office cleaning.
29. Passenger bus services of any kind.
30. Poultry farming.
31. Printing of stationery (when not associated with printing of books).
32. Protective agencies.
33. Radio and television broadcasting.
34. Retail trade (except by or within departmental stores and supermarkets).
35. Rice milling.

Table II
ANALYSIS OF SELECTED PERIODIC MARKETS
(BY SELLERS)

<i>Name</i>	<i>Number of sellers</i>	<i>% of foodstuffs</i>	<i>% of non-foodstuffs</i>	<i>% of European goods</i>
Adja Were	333	80.5	19.5	10.9
Ado	206	62.6	37.4	29.2
Aiyede-Ekiti	397	62.0	38.0	12.3
Ajegunle	414	71.5	28.5	22.4
Alade	690	62.1	37.9	17.8
Badagry	1462	57.5	42.5	12.1
Ejidongari	284	84.5	15.5	9.3
Erekesin	1786	59.0	41.0	29.3
Eruwa	313	54.3	45.7	20.7
Ibefun	204	59.3	40.7	21.5
Ijurin	397	72.3	27.7	5.9
Iloro-Ekiti	1139	59.4	40.6	9.7
Ire	272	71.3	28.7	27.3
Maya	540	57.8	42.2	19.0
Ojido	237	81.8	18.2	8.0
Oko	927	56.6	43.4	18.3
Olla	594	57.4	42.6	21.5
Osasa	123	68.3	31.7	15.5
Sakete	662	69.3	30.7	18.3
Shagamu	912	60.7	39.3	30.6

Africa



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Azimuthal Equal-Area Projection

University Enrollments and Projections, 1980/81-1984/85

	Year	Ibdan	Lagos	Nsukka	Zaria	Ife	Benin	Jos	Caladar	Kano	Maidu- guri	Sokoto	Ilorin	Port Harcourt	All Univ.
Arts and Social Science ..	1980/81	2500	2400	1500	1900	2150	900	1150	1100	1250	1250	700	1100	900	19200
	1981/82	2500	2400	1500	2000	2250	1000	1300	1300	1400	1350	900	1200	1100	20200
	1982/83	2500	2400	1500	2100	2300	1100	1500	1500	1600	1400	1100	1450	1250	21700
	1983/84	2500	2400	1500	2200	2300	1150	1800	1800	1900	1500	1250	1750	1500	23550
	1984/85	2500	2400	1500	2200	2300	1200	1800	1800	1900	1500	1250	1750	1600	23700
Science	1980/81	1550	1000	1500	1200	1300	750	650	700	650	750	400	550	650	11650
	1981/82	1600	1100	1600	1300	1350	800	800	750	700	850	500	600	750	12700
	1982/83	1600	1200	1600	1400	1400	900	950	850	800	950	500	700	800	13650
	1983/84	1600	1200	1600	1400	1400	950	1000	1000	900	1100	500	800	1000	14450
	1984/85	1600	1200	1600	1500	1400	1000	1000	1000	1000	1100	600	800	1000	14800
Medicine	1980/81	1750	1200	1050	1000	950	800	500	300	200	350	100	400	150	8750
	1981/82	1750	1350	1100	1100	1100	900	650	400	300	500	200	550	250	10150
	1982/83	1800	1400	1150	1250	1200	1000	800	550	450	650	300	700	400	11650
	1983/84	1800	1500	1200	1400	1300	1050	900	750	600	800	450	800	550	13100
	1984/85	1800	1600	1250	1500	1400	1100	1000	800	750	800	600	800	700	14100
Engineering and Technology	1980/81	550	650	900	800	900	550	—	—	350	—	—	250	100	5050
	1981/82	650	800	1000	850	900	650	—	—	500	—	—	400	200	5950
	1982/83	700	950	1000	950	950	700	—	—	650	—	—	550	300	6650
	1983/84	800	1000	1000	1000	1000	800	—	—	650	—	—	600	450	7300
	1984/85	900	1000	1000	1000	1000	900	—	—	700	—	—	750	600	7850
Environmental Design	1980/81	—	350	900	700	—	—	150	—	—	—	—	—	—	2100
	1981/82	—	500	1000	750	—	—	200	—	—	—	—	—	—	2450
	1982/83	—	650	1100	850	—	—	350	—	—	—	—	—	—	2850
	1983/84	—	800	1150	900	—	—	300	—	—	—	—	—	—	3150
	1984/85	—	900	1200	900	—	—	400	—	—	—	—	—	—	3400
Agriculture	1980/81	1000	—	700	500	700	—	—	150	—	300	100	—	—	3450
	1981/82	1100	—	750	600	800	—	—	200	—	450	200	—	—	4150
	1982/83	1100	—	800	700	900	—	—	400	—	600	300	—	—	4800
	1983/84	1100	—	850	800	1000	—	—	650	—	700	450	—	—	5550
	1984/85	1100	—	850	900	1000	—	—	800	—	800	600	—	—	6050
Veterinary Medicine	1980/81	550	—	300	600	—	—	—	—	—	150	100	—	—	1700
	1981/82	600	—	400	650	—	—	—	—	—	250	200	—	—	2100
	1982/83	650	—	500	700	—	—	—	—	—	350	300	—	—	2500
	1983/84	700	—	600	750	—	—	—	—	—	450	400	—	—	3000
	1984/85	750	—	700	800	—	—	—	—	—	600	550	—	—	3400
Pharmacy	1980/81	—	—	—	—	750	300	—	—	—	—	—	—	—	1050
	1981/82	—	—	—	—	850	350	—	—	—	—	—	—	—	1200
	1982/83	—	—	—	—	900	400	—	—	—	—	—	—	—	1300
	1983/84	—	—	—	—	1000	450	—	—	—	—	—	—	—	1450
	1984/85	—	—	—	—	1000	500	—	—	—	—	—	—	—	1500
Administration	1980/81	—	1000	650	800	400	—	—	—	—	—	—	—	—	2850
	1981/82	—	1000	700	800	500	—	—	—	—	—	—	—	—	3000
	1982/83	—	1000	750	850	550	—	—	—	—	—	—	—	—	3150
	1983/84	—	1000	750	900	650	—	—	—	—	—	—	—	—	3300
	1984/85	—	1000	800	900	800	—	—	—	—	—	—	—	—	3500
Law	1980/81	—	600	550	950	600	—	300	100	300	200	400	—	—	4000
	1981/82	—	650	600	950	650	—	400	150	400	300	500	—	—	4600
	1982/83	—	700	650	1000	750	—	500	250	500	400	500	—	—	5250
	1983/84	—	750	750	1000	800	—	550	400	500	500	500	—	—	5700
	1983/84	—	750	700	1000	800	—	600	500	500	500	500	—	—	5900
Total: All Faculties	1980/81	9600	8500	9300	10100	9000	4150	3350	3000	3350	4000	2400	3000	2450	72200
	1981/82	9900	9100	10050	10650	9700	4650	4000	3550	4000	4700	3250	3550	3150	80250
	1982/83	10050	9700	10450	11450	10300	5150	4750	4350	4800	5350	3900	4300	3600	88150
	1983/84	10200	10050	10850	12000	10850	5550	5450	5600	5450	6050	4550	4950	4500	96050
	1984/85	10350	10250	11150	12750	11100	5850	5800	5850	6300	5200	5100	5100	4900	100450

SOURCE: Federal Ministry of Education

U.S. Agriculture Exports to Nigeria

Commodity	1977	1978	1977	1978
	1,000 Metric Tons		Millions of Dollars	
Rice	157	256	82	137
Corn	51	67	5	8
Wheat and Wheat Flour	667	900	84	116
Tallow	33	35	13	15
Poultry	8	7	6	6
Tobacco			1	8
Others			21	10
Totals			212	300

SOURCE: U.S. Department of Agriculture

Estimated Food Consumption (In percentages)		Capital Expenditures		
		1978/79	1979/80	
87	Food Crops	Agriculture	\$129,832,000	\$304,548,000
7	Livestock	Livestock	45,864,000	29,484,000
3	Fish	Forestry	20,607,000	26,058,000
3	Imported Foods	Fisheries	4,003,000	4,565,000

SOURCE: Central Bank of Nigeria

Nigeria's Major Agricultural Exports

Benniseed	Groundnut oil
Castorseed	Groundnuts
Cocoa	Palm kernels
Copra	Palm oil
Cotton-lint	Rubber
Ginger	Soybeans

SOURCE: Central Bank of Nigeria

River Basin Development Schemes

1. Sokoto-Rima Basin
2. Hadejia-Jamare Basin
3. Lake Chad Basin
4. Upper Benue Basin
5. Lower Benue Basin
6. Cross Basin
7. Anambra-Imo Basin
8. Niger Basin
9. Ogun-Oshun Basin
10. Benin-Basin
11. Niger Delta Basin

**Areas Under Cultivation for Food Crops
(1000 Hectares)**

Year	Cassava	Cocoyams	Yams	Maize	Millet	Sorghum	Rice	Cowpeas	Wheat	Groundnuts
1959/60	730	166	876	1345	4329	4585	119	1196	9	1102
70/71	920	250	1222	1431	4905	5643	246	3772	10	1848
71/72	899	200	1197	1197	4788	5387	200	3791	10	1796
72/73	844	266	788	1050	3692	3792	237	2466	7	2032
73/74	861	167	855	1130	5651	5516	373	3256	7	2076
74/75	815	108	671	579	4787	4653	269	2937	8	1796

SOURCE: Central Bank of Nigeria, Federal Office of Statistics

Year	Percentage Area Under Cultivation Over Total Land Area Of 98.3 Million Hectares
1972/73	15.9
1973/74	20.7
1974/75	17.2
1975/76	15.47
1976/77	14.3
1977/78	13.99
1978/79	14.9
1971/72	17.7

SOURCE: Federal Office of Statistics

Examples of Seed Farm Equipment Needs

Tractors	Maize and sorghum planters
Disc harrows	Groundnut planters
Disc plows	Rice planters
Ridgers	Rotary weeders
Trailers	Sprayer
Threshers	Trucks, vans, station wagons
Rotary slashers	

Domestic Production of Agricultural Commodities (In Calendar Years) (In thousands of Metric Tons)

Commodity	1976	1977	1978
Rice paddy	611	620	700
Corn	1,440	1,500	1,600
Millet	2,865	2,950	3,100
Sorghum	3,680	3,700	3,800
Pulses	555	365	450
Wheat	7	7	8
Cassava	13,900	14,000	14,150
Yams	18,000	18,000	18,100
Cocoyams	1,680	1,700	1,710
Tobacco	10	8	8
Cotton	81	36	42
Cottonseed	130	70	80
Soybeans	1	3	3
Peanuts	10	14	50
Sesameseed	6	6	6
Bananas and plantains	1,450	1,400	1,425
Other fruit	53	53	65
Coffee	3	4	4
Rubber	56	60	65
Cocoabeans	170	205	165
Kola nuts	150	152	160
Sugar, refined	40	36 ¹	35
Palm oil	500	510	515
Palm kernels	295	340	345
Meats	590	550	550
Milk	370	370	370

¹ Refined

SOURCE: U.S. Department of Agriculture

1979 Import Prohibition Order

Banned Items:

Fresh milk
Vegetables, roots and tubers
Flavored or colored beet sugar
Macaroni and spaghetti
Beer and stout
Malt extract drinks
Eggs
Frozen and live poultry
Fresh and preserved fruits
Nuts
Pastry

Banned Exports:

Milk
Sugar
Flour
All other imported food items
Hides and skins

Nigerian Imports of Agricultural Machinery and Implements (In Millions of Dollars)

Year	Total	U.S.	U.K.	Germany
1975	93.81	41.34	21.48	5.76
1976	92.19	24.65	27.81	6.37

SOURCE: Federal Office of Statistics

Major Fish Production in Nigeria

Cichlides	Snapper
Catfish	Pompano
Elephant fish	Stingrays
Snake heads fish	Threadfish
Mulletts	Dogfish
Croaker	Arataina

Imports of Food Machinery (In Millions of Dollars)

Year	Total	U.S.	U.K.	Germany
1975	5.06	0.21	0.68	0.97
1976	13.35	0.63	5.02	4.99

SOURCE: Federal Office of Statistics

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