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Nigeria's International Trade Fair 1976

by Folayan Ojo, Lagos *

The 1976 International Trade Fair in Nigeria should serve as a practical and continuous manifestation of the country's forward-looking economic policy. After an examination of the role of international trade fairs in Nigeria the author makes some suggestions how this purpose could be achieved.

Nigeria's Second International Trade Fair is scheduled to take place in Lagos in 1976. Before coming to the core of this article, which is to evaluate the significance of the Fair to Nigeria, it is pertinent to trace briefly the role that trade fairs have been playing through the ages especially in the development of international trade.

Role of Trade Fairs

In medieval Europe, trade fairs had important economic, social and religious influence. The most valuable role played by medieval fairs was in the expansion of international trade. Fairs attracted goods and traders from all over Europe and they served as places for the purchase and selling of foreign goods and as outlets for regional specialities. Contemporary international trade fairs retain this very important function.

Secondly, even though in a rudimentary way, it was at the medieval fairs that the mechanism of money exchanging and settlement of foreign debts was developed. For instance, promissory note, an early version of the bill of exchange, was used by people at fairs. As such, the origin of the presently well established system of international credit and foreign exchange is traceable to the medieval fairs.

Thirdly, medieval fairs facilitated the collection of tolls by the crown and international fairs encouraged the inflow of the much needed bullion. As such fairs were deliberately encouraged by European monarchs. This aspect of medieval fairs may be compared with the present role of fairs in the enhancement of tourism which serves as a means of earning foreign exchange.

Nigeria since 1962

Nigeria had its First International Trade Fair (with 41 countries participating) in 1962, the year of the

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I am grateful to Dr Femi Fajana who read the earlier draft of this paper.

launching of the First National Development Plan. Many important developments have taken place since then: the 1962-68 National Development Plan was executed (or was partially executed since some of its important projects were not undertaken); there was the ghastly civil war which provided for tremendous expansion of industrial and commercial activities; the Second National Development Plan 1970-74 was launched and is about to end; the oil boom has fundamentally changed the structure of our economy and trade; our merchandise export value has more than quadrupled (as it rose from £N 337 mn in 1962 to £N 1,412 mn in 1972). The country's visible trade balance has improved tremendously from a deficit of £N 70 mn in 1962 to a surplus of £N 443 mn in 1972. All these are indicative of the fact that the 1976 Trade Fair will take place against an economic background that differs from that of its predecessor of over a decade ago. Like its predecessor, however, the 1976 Trade Fair is of considerable importance to Nigeria.

Trade and Nigeria's Economy

To realise the importance of international trade fairs in Nigeria it is necessary to examine the role of international trade in the economic development of the country. Until recently, exports were one of the sources of government revenue through export and produce sales taxes. (The 1973/74 Federal Government Budget has abolished these taxes.) Import duties are even much more important than export taxes. Besides, imports provide the vital and strategic capital goods necessary for economic development. Exports are the chief sources of foreign exchange which largely determine the quantity of capital goods that may be imported for industrialization. Since we seem to realize that Nigeria's prosperity and economic development depend largely on export earnings, it is not only the diversification of export products that must be considered a source of economic strength and security, but also the diversification

of markets for the disposal of Nigerian products. International trade fairs can be used to widen our foreign markets. Similarly, through participation of foreign firms, we can compare the efficiency, in terms of price and quality, of alternative sources of our imports.

African Participation

The most dynamic post-independence economic foreign policy of Nigeria is the very active and leading role it is playing towards economic cooperation by African countries in general and the West African sub-region in particular. Nigeria has signed bilateral trade agreements with some African states. Togo and Nigeria have signed an agreement which is regarded in many quarters as the "nucleus" of a West African Common Market. The 1976 International Trade Fair should serve as a practical and continuous manifestation of this forward-looking economic policy. The Federal Government should be all out to entice the participation of most if not all African countries. This special consideration for African participation is called for because at present Nigeria's trade with all other African countries is at a deplorably low level — about 4 p.c. of its total trade value. This may be compared with Nigeria's trade with the European Economic Community which is about three-quarters of its total trade value. Generally, intra-African trade is very low — some 5 to 6 p.c. of total foreign trade of Africa. Why is this the case despite the propinquity of African states?

Many factors account for the low intra-African trade¹. Among these factors are autarchic planning by African states (which was deliberately encouraged by their colonial masters) and highly inadequate transportation networks and communication facilities within African countries. Also, African countries' commercial policies, financial institutions, payments arrangements, and market channels were geared to enhance trade with former colonial powers with the bias against intra-African trade. As such, one of the cardinal objectives of the 1976 Trade Fair should be to promote intra-African trade by bringing together African producers, manufacturers, export merchants and buyers. The fair should portray the achievements of African states in the fields of industry, commerce and agriculture. It should also portray the potentials for future investment in each African state.

Other Developing Nations

Another goal which the organisers of the 1976 Trade Fair should strive at is to secure the atten-

¹ R. H. Green and A. Seidman, *Unity or Poverty? The Economics of Pan-Africanism*, Baltimore, 1968, p. 73.

dance of many non-African developing countries. The prospects for trade expansion by developing countries all over the world lie in increased trade among themselves. They should know now that there is little or no future for their manufactured products in the developed countries. Different factors, all well known in trade and development literature, act as hindrances to the growth of trade of developing countries². These are the deterioration of the terms of trade for primary products (which form the bulk of exports of developing nations); the prohibitive tariffs imposed by developed countries on exports of manufactures and semi-manufactures by the developing countries; the uncompromising policies of the developed countries towards international commodity agreements meant to stabilise prices; the frequent determination of the pattern of international monetary system by the so called "Group of Ten"³ without any consideration for the developing countries; and above all, and very recently too, the indifference of the developed countries to the plight of the developing countries at the 1972 UNCTAD III Conference in Chile. With all these unfavourable factors, developing countries need to explore ways of improving their trade ties. "More trade among themselves and not more aid from or more trade with the advanced nations" should become their golden rule.

Nigerian Producers

Export promotion by the Federal Government through international trade fairs, the Export Credit Bank to be created, and different means of disseminating information abroad about Nigerian products will have limited trade expansive effect if Nigerian producers, especially manufacturers, do not play their own part. As the Federal Government pursues its policy of making foreign buyers more aware of purchase opportunities in Nigeria, our producers should be encouraged to be more export-conscious.

Aggressiveness (e.g. attitude towards risk taking; time and geographic horizons with respect to investment, exports, or research programs and selling efforts) is one of the attributes of the Japanese businessman. He ventures not only into new markets but also into new products. Thus today Japanese radios, cameras, electronic calculators, cars and the like are sold in most parts of the world (including Europe and the USA) not only in great quantity but in superb quality. Nige-

² See for instance, Gerald M. Meier, *The International Economics of Development*, New York, 1968, pp. 269-270, and Green and Seidman, *Unity or Poverty?*, op. cit., pp. 44-46.

³ Even though a new group (The Committee of Twenty), which includes some representatives of the less developed countries, has recently been formed it remains a fact that the developed countries still manipulate the group as they wish whenever any major decisions on international monetary system are to be taken.

rian businessmen have to be more aggressive in advertising their products beyond our national boundary. They should improve the quality of their products through research since they are competing with developed countries' high quality goods.

Cost-benefit

The potential gains from the pending Nigerian international trade fair are such that nobody ought to grudge about the huge cost of the fair. The Federal Commissioner for Trade, Mr Wenike Briggs, has given a cost estimate of about £N 50 mn⁴. His accompanying announcement that facilities such as hotel, shopping centre, conference rooms, entertainment parks, etc., will be available is welcome news. In the short-term, we might not be able to recover all our expenses. But in the long-term, such expenses would be more than recovered especially if the Fair succeeds in its major objectives.

One of the immediate effects of the Fair would be an expansion of Nigeria's tourist industry which at the moment has a lot of untapped resources. Having international trade fairs in Nigeria is one of the ways whereby the Federal Government can invest and develop the tourist industry. The 1976 Trade Fair can be a big boom to the tourist industry as the country experiences an influx of thousands of participants to the fair.

These businessmen and visitors will pay hotel bills, buy Nigerian products and incur other incidental expenses — all of which can be important sources of foreign exchange earnings.

Suggestions

To conclude this paper, there are some suggestions one would like to address to the Nigerian Federal Government. These are adumbrated as follows:

The Federal Government should borrow a leaf from the organisers of the 1972 First All African Trade Fair⁵ by organising a Trade Symposium to run concurrently with the 1976 Trade Fair. There

⁴ Daily Times (Lagos), January 27, 1974, p. 3.

⁵ The First All African Trade Fair was held in Nairobi, Kenya, from February 23 to March 5, 1972, with most members of the Organisation of African Unit participating.

and then businessmen, economists and government officials could discuss and get to know more about the commerce, industry and trade opportunities available in participating countries. These experts can also discuss practical means of improving intra-African trade.

The Federal Government, through its Export Promotion and Trade Fair Division of the Federal Ministry of Trade, should undertake a vigorous campaign all over the country to assure that goods displayed in Nigerian pavillions by both private and public sectors of the economy are quite representative of our present stage of industrialisation. A good number of Nigeria's industrial, commercial and agricultural products can be of particular interest to people from other African countries.

Nigeria is immensely rich in culture. My third suggestion is that we should use the coming fair to vividly and colourfully display our culture, traditions, arts and music. However, this assignment will be attended to on a much more comprehensive scale during the 1975 Second World Black and African Festival of Arts and Culture also taking place in Nigeria.

Finally, since it has been indicated that the 700 acres of land to be used for the 1976 Trade Fair would be a permanent site for fairs, we should maximise the utilization of the site situated along the Lagos-Badagry highway. Nigeria could organise international trade fairs on a more frequent basis — say every four or five years. All such international trade fairs do not necessarily have to attract participants from all over the world. Alternative fairs might be restricted to African or West African countries. Such a step would be another practical demonstration of our currently highly active policy of encouraging African economic integration. On the other hand, the site of the fair could be used for annual trade exhibition on a national scale. All the states of the Federation and interested private firms could use the exhibitions as a means of fostering the country's internal trade and thus further diversify the economy. Above all, such annual national trade exhibition would be yet another means of fostering our much-desired and greatly cherished national unity.

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