

Nigeria-China Economic Relations: Matters Arising

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ABSTRACT: *Nigeria's bilateral relation with China has been in place over a decade after Nigeria gained independence from the British realm. The Relationship has expanded both growing bilateral trade and strategic cooperation. It is within this basis that the Nigeria-China relations were examined focusing on the issues, challenges and prospects. Secondary method of data collection was employed for this study and the data were analysed qualitatively. The study revealed among others that Nigeria foreign trade policy has been inconsistent with economic relations with China. The paper also revealed unbalance of trade between the two nation states; the term of trade between the two countries shows that Nigeria's import is greater than her export hence; China has gained more than Nigeria in the long run especially in the area of oil exploration and exploitation. The unwillingness of Chinese government to fulfil its part of agreement to transfer technology to Nigeria was also revealed. The paper therefore concluded that since the relation between Nigeria and China is asymmetrical and lopsided one, it will be difficult for Nigerian government to solve the country's problem together with her national debt to China if measures are not put in place. Hence, it's recommended that Nigerian government should reform her system of trade towards China which will not only boost her technological advancement but her negotiation capacity to maximise more benefits in the country's economic relation with China. Most importantly, Nigerian government must adhere to her foreign trade policy in future dealings with China.*

ABSTRACT: Nigeria, China, economic relations, matters arising

INTRODUCTION

In terms of population, China and Nigeria have the highest population in their respective continent of Asia and Africa. China has a population of over 1.4 billion and recognised as the most populous country in the world while in Africa, Nigeria has a population of about 200 million and recognised as the most populous country in Africa with concentrated blacks in the world according to world count, (2020). China and Nigeria has a similar relation because of their conical past. Though China wasn't colonised by any European powers in particular, yet there was an open door policy which gave The European powers the opportunity to trade with China and also have access to resources for their development and in essence, China has effect of their colonial powers. In Nigeria, the European power of Britain created a colonial government and made Nigeria a colony.

In the discipline of international relations, foreign economic relations are understood as an important instrument for forging positive relations between nation states in the international arena and ensure states experience economic growth and development to enable them to be active participants in the global economy (Levy, 2013). Thus can be seen in the bilateral relations between Nigeria and China and the diplomatic relations between them was established formally on February 10, 1971. The relation of the two nation's states is because of their economic interests, China is benefitting from Nigeria because of her richness in oil mineral resources which China needs to power her economy while Nigeria on the other hand is benefitting from China's investment in Nigeria in terms of Hydropower, agriculture, infrastructure and technology. In exerting their interests, this can also be seen in their articulation of the country's foreign policy making process. China's foreign policy which is economic domination and she is achieving it with a rapid growth both economically and otherwise. In case of Nigeria's foreign policy which is geared towards economic growth and development, the question here is that; is Nigeria really achieving her foreign policy and experiencing development? There have been unbalanced of trade between China and Nigeria as China benefits more than Nigeria in their relations. Nigeria imports from China more than she exports and their have not been enough economic growth and development in terms of infrastructure and the standard of living of Nigerians. China has been consistently, mining the oil of Nigeria for her economic development and this has made Nigeria to lose greatly in their relation.

Therefore, the main trust of this study is to evaluate the issues concerning Nigeria and China economic relation with focus on the issues and problems that have been prevalent in their relations. To achieve this, the paper is divided into sections. The first segment of the paper dealt with the background to the study, the second segment was on the evolution between Nigeria-China relations. Other aspects of the paper evaluate the challenges, issues and prospects for Nigeria-China relations.

Finally, the paper would also find answers to underline questions like; have the two countries been able to strategically achieve their goal on the basis of their foreign policy or are there problems or challenges that are hindering them from achieving their policy goals? These and more will be given attention to in the course of this study.

Evolution of Sino-Nigerian Relations

The relationship between Nigeria and China has been very good and friendly since the last 50 years that we had diplomatic relations. First, in the early days of the relationship, we had a cold war in the world which was merely between the eastern bloc and western bloc though, we were not directly involved but most of the developing countries like Nigeria joined the non-aligned as a policy of neutrality in essence. Nigeria who belongs to non-aligned countries was always getting the needed support from China and they worked together at the multi-lateral level – United Nations and other multi-lateral organisations. Nigeria also worked with them at the anti-colonial level and in the struggle against Apartheid. China has always been supportive to Africa dreams; Nigeria was considered the frontline state in the struggle to dismantle Apartheid and colonialism in Africa as well. Nigeria has built-up relationships with China overtime, believing that as developing countries, they had shared interest. This relationship also occurred in the multi-lateral organisations, such as the UN and both Nigeria and China were very instrumental

in making developing countries have a Secretary General ship of the United Nations. Of course, Nigeria within Africa context had also played an important role in getting China admitted as a permanent member of the United Nations because, it was Taiwan that was initially considered and had a seat at the Security Council of the UN. China has always been very grateful to Africa and Nigeria in particular for the role they played in making it to become a UN member and a member of permanent Security Council and this can be seen when the then Chinese ambassador “Jin Yongjian” acknowledged that the 1971 UN episode remains inedible to the Chinese. Nigeria and China established formal diplomatic relations in February 1971, the same year the communist People’s Republic of China obtained the right of place in UN Security Council. It was also in 1971 that Nigeria marked the close of ten years of its post-colonial existence (1960-1970) as an independent state.

However, Nigeria-China relations haven’t been so good because during the civil war, China supported the Biafra by providing them with weapons. Though during the tenure of late Sanni Abacha, the then military head of state, his administration welcomed the Chinese government as other Western allies turned their back on Nigeria because of the human right abuse caused by his administration. The successful conclusion of the Nigeria civil war in 1970 and the recognition of the People’s Republic of China in 1971 opened new vista to the two countries. What constitutes China’s interests in Nigeria? A Chinese scholar, Wang Jisi, provides an insight. Jisi postulates that nation-states in the international system achieve their grand strategy when guided by three questions:

What are the nation’s core interests? What external forces or principalities threaten them? And what are the leadership roles in safeguarding those core interests?

Ordinarily, every country’s foreign policy must be structured around these questions; the manner Nigeria or China understands and appreciates the strategic importance of what constitutes their respective core national interests helps in their realization. The pursuit and achievement of a country’s core foreign policy objectives finds its expressions in bilateral and at times multilateral relation. The establishment of formal diplomatic ties between the two countries in 1971 were followed by the first visit to China by the then, Nigerian Head of State, General Yakubu Gowon in 1972, shortly after the Nigeria’s civil war. Other Nigerian presidents also visited China without the Asian power reciprocating the gesture for over twenty five years. Nonetheless, in President Obasanjo’s second tenure (2003-2007), a deeper Nigeria-China relation dawned. After series of visits by Obasanjo to China, China’s the then, President Hu Jintao and Prime Minister Wen Jinbao returned those visits to Nigeria (Egbula and Zheng, 2011).

Nature of Economic Relations between Nigeria and China

China and Nigeria who are known as the two giants of Asia and Africa respectively has had their relation right from when Nigeria was still under colonisation. The two countries were in the process of development and China in particular has gotten to a favourable height in their economic growth and for more of that, Chinese manufacturing sector has created enormous demand for oil, material and energy resources and these they need is what Nigeria is blessed with. Hence, China has entered a trade relation with Nigeria in exchange for their oil to finance the Chinese industry for the transfer of technology, goods and services (goods include;

telecommunications, rail systems, mobile roads, gas, other goods been imported by Nigeria). Nigeria and China bilateral relationship which is popularly known as Nigeria-China Friendship Association was established since 1960, but it took its real shape on 10 February, 1971. Since then, the relationship has achieved a smooth and steady development. On the 10th of February, 1978, the leaders of both countries exchanged views on a wide range of issues of mutual interests to promote economic, social, cultural and technological co-operations, where Nigeria received a grant of 30 million RMB Yuan, which is equivalent to N380 million or (USD 3.5 million). Also, during President Obasanjo's second term, 2003-2007, both the Chinese President Hu Jintao and Prime Minister Wen Jiabao visited Nigeria, and the then president Obasanjo made two official visits to Beijing. In 2002, the two countries signed agreements on the establishment of a Nigerian Trade Office in China and a China Investment Development Trade Promotion Centre in Nigeria. The intergovernmental Nigeria-China Investment Forum which was founded in 2006 (Adesanya 2010). Obasanjo's approach to China, branded "Oil-for-Infrastructure", consisted of awarding oil contracts on favorable terms in exchange for China's commitment to deliver key infrastructure improvement projects. President Yar'Adua came into power following elections, Cited concerns of lack of transparency, this made the new administration to suspend most of the oil-for-infrastructure contracts signed during the Obasanjo's years (Ogunkola 2008). China aggressively courts the Nigerian government with diplomacy, trade deals, and aid packages. The strategy targeted Africa as its source of oil and Nigeria being the major producer of oil is not excluded.

However, the structure of the Sino-Nigerian trade relationship has become a major political issue because Chinese exports accounted for around 80 percent of total bilateral trade volumes. This has resulted in a serious trade imbalance with Nigeria importing ten times more than it exports to China. Nigeria's economy is becoming over-reliant on cheap foreign imports to sustain the country's economy which has resulted in a clear decline in Nigerian industries under such arrangements.

Nigeria recorded a trade deficit of 1.1 USD billion in September of 2021. Nigeria also recorded a trade deficit of NGN 588.7 billion in December of 2020 compared to a surplus of NGN 362.7 billion in the same month a year ago. Exports fell 33.4 percent to NGN 1,171 billion as crude oil exports declined by 29.6 percent, while imports were up 26.0 percent to NGN 1,760 billion. Considering Q4, the trade gap widened to NGN 2,731 billion from NGN 579 billion in the same period two years ago. Considering 2020 full year, Nigeria posted a trade deficit of NGN 7,375 billion, compared with a NGN 2,232 billion surplus in 2019.

Volume of Chinese Investment in Nigeria: Whose Benefit or Interest?

China, having developed both in economy and technology in a fast way, made it different from other developing countries like Nigeria. Nigeria and China have relations based on bilateral trade as China is interest in the oil resource of Nigeria, so as Nigeria is interested in the investment from China both technologically and otherwise. The change of China's foreign policy towards Africa looks similar to the set of five principles agreed upon by Nigeria and China in 1971 as the two states established their diplomatic bilateral relations. The five principles contained in a press release issued by Nigeria's Federal Ministry of Information in April 26, 1971, include:

- i. mutual respect for each other's sovereignty and territorial integrity;
- ii. mutual non-aggression;
- iii. non-interference in each other internal affairs;
- iv. sovereign equality and;
- v. peaceful coexistence (Federal Ministry of Information (FMI), 1971).

There is no doubt that China's political ingenuity has helped her to achieve its economic desires. In this economic exploits, China is an exporter of finished manufactured products to Nigeria. In a recent conference, the Chinese Ambassador to Nigeria, Gu Xiaojie, proudly declared that "Nigeria is China's number one engineering market, number two export market, number three trading partner and major investment destination in Africa"(Akinterinwa, 2016). In recent testimony, the Chinese Ambassador to Nigeria, Ambassador Cui Jianchun, in 2021 has said that the trade volume between his country and Nigeria was \$20bn in 2020 despite the coronavirus pandemic. Nigeria exclusively imports more from China than from USA and India combined, with little exports in return. China only imports unprocessed agricultural items like cotton and timber and mineral like crude oil from Nigeria. China has added mechanical and human expertise and investment capital to its list of exports to Nigeria with over 200 Chinese companies operating in Nigeria. The China Civil Engineering Construction Corporation is almost exclusively in charge of rehabilitating Nigeria's railway system. The China National Petroleum Company (CNPC) and the China National Petroleum and Chemicals Corporation (CNPCC) are getting juicy projects and making enviable in roads into Nigeria's deep water oil fields. China National Overseas Oil Company (CNOOC) won a 45% stake in OPL 246 in Nigeria's Akpo oil field. In that deal, CNOOC is to have 70% of the profit whilst Nigeria's NNPC goes home with 30%. Chinese National Petroleum Corporation (CNPC) was awarded the license for four oil blocks-OPL 471, 721,732 and 298; in return, CNPC was to help rehabilitate the Kaduna refinery estimated to cost \$2billion. China's interests are also shown in Nigeria's new Liquefied gas; Petro China and other Chinese companies have signed agreements to buy some of Nigeria's crude oil. In these endeavours, China's main interest is to uphold its economic boom back home through market expansion and access to raw materials. China is not only involved in federal jobs; many Nigerian states like Lagos and Ogun, and business men like Aliko Dangote are all doing some projects with China. China's Civil Engineering Construction Corporation – CCECC has long been awarded the Lagos State Blue Rail Line; it is also charged with the modernization of the Lagos-Kano 1,215 kilometres railway line and the expansion of Lagos-Badagry road. Aliko Dangote, in partnership with a Chinese firm, Sinoma, signed a \$3.9 billion cement contract. The rationale is to help the Dangote Group to increase its cement output across Africa to over 50 million metric tons (Mbamalu, 2015).

Nevertheless, China's investments in Nigeria are a substantial one. According to a report issued by the Chinese embassy in 2019, Nigeria hosts 70 construction, 40 investments and 30 trading Chinese companies. In 2018 alone, Chinese companies were awarded 175 construction contracts in Nigeria, worth \$17 billion USD, some of these projects directly employed a significant number of young Nigerians. Thus, since the establishment of diplomatic ties in 1971 and strategic partnership in 2005 between China and Nigeria, the relationship between the two countries has maintained a sound momentum of development though in a lopsided way.

Despite all these investments of China in Nigeria, the relation between the two countries (Nigeria and China) is asymmetrical and lopsided one, as China gain more than Nigeria gain in the long run as billions of US Dollars flows through the tin-tanks of Nigerian economy consequently, leading to unbalance of trade, balance of payment issues, national debt, among others. Nigeria Exports to China was US\$1.77 Billion during 2020, according to the United Nations COMTRADE database on international trade. Though, Exports to Nigeria in China decreased to 2034320 USD THO in December from 2151824 USD THO in November of 2021 according to National Bureau of Statistics of China recently released in 2022. Trade data gleaned from the National Bureau of Statistics (NBS) and analysed by The Guardian show that Nigeria has spent N19.12 trillion on imported commodities from China in less than four years – from January 2018 to September 2021. Economists have seen the deepening Chinese influence in the local market as a huge drain and cost on the ailing domestic economy as imports constitute leakages on any economy.

Sadly, Nigeria's trade relations with China reflect the widespread imbalance the Southeast Asian country is known for. Within the referenced period, Nigeria exported a paltry N2.09 trillion worth of commodities to China, putting the trade deficit at N17.03 trillion. In each of the quarters in the four years, China accounted for 27 per cent of Nigeria's total imports, leading the country's second top trading partner, India, and other top trading partners with a wide margin, in each of the years. The first quarter of 2021 (Q1,2021) showed a N2 trillion import bill on goods freighted in China and moved across the sea to an import-dependent Nigeria. The figure is about three times the value of imports from the Netherlands, which was second to China on Nigeria's import partner index. The Asian giant held 29.3 per cent of the value of the country's total imports, which totaled N6.85 trillion in the quarter. Data sourced from a joint platform of the China Africa Research Initiative and John Hopkins School of Advanced International Studies according to (Iyatse, 2021), show that the value of Nigeria's imports from China has increased by at least 400 per cent in the last decade – from 2009 to 2019 – and by 4,200 per cent in the last two decades stretching from 1999 to 2019. In simple terms, the value has ballooned 42 times from 1999, when Nigeria transitioned to the current democratic era, to 2019, when the research organisations released the most recent data on the subject. The country's imports from China were \$396.5 million in 1999, according to the research, but soared in the intervening years to \$16.6 billion in 2019. From 1992, when the research work commenced to 1999, the import figures increased fourfold plus (Iyatse, 2021). The figures were a little above N90 million in 29 years ago. This implies that the figures increased by almost 183 times or over 18,280 per cent in the past 27 years covered by the research, except that the analysis measures only the nominal growth but not the inflationary impacts during the period. The rising obsession for Asian goods has not slowed down. Despite the restriction in movement in 2020, the country's imports from China increased by one-third per cent to N5.7 trillion. With figures for this quarter yet to be released, the country has already spent N6.53 trillion in foreign exchange on Chinese imports (Iyatse, 2021). This puts the annualised estimate at N8.7 trillion, suggesting that 2021's imports from China will surpass that of last year by over 50 per cent. With seasonal fluctuation expected during the fourth quarter (Q4,2021), the import bills may come close to the combined 2019 and 2020 figures, which were N10.04 trillion. The past few years have witnessed a steady growth of imports from China. In 2018, its ratio to total imports was 19 per cent. It moved six percentage points to 25 per cent in 2019, and then up by another three percentage points in 2020. In 2021, the ratio to total imports stands at 30 per cent. . The

trade relationship is skewed in favour of China, a similar trend across African countries. Nigeria's exports to the Asian power are low and anaemic. Plus the 44,000 per cent growth witnessed from 1992 to 2019, the exports are still like a drop of water when compared with the value of commodities the country has sold to India.

This is not to say that Nigeria has not gain at all from China as they have benefited from Nigeria. For example, the Forum on China-Africa Cooperation (FOCAC) which took place in Beijing Summit in 2018, where Chinese government and Nigerian government signed a Memorandum of Understanding (MoU) on joint building the Belt and Road Initiative (BRI) which promoted the friendship between the two countries to the best period in history. In essence, it was from 2019 that Nigeria joined the BRI family of China. Nigeria has also benefitted from the BRI projects which included the Abuja/Kaduna Standard Gauge Rail Line linking the nation's capital Abuja to Kaduna, a trade centre and transportation hub in north-western Nigeria, the Lagos/Ibadan Standard Gauge Rail Line linking Lagos, Nigeria's economic capital to Ibadan, the former administrative capital of south-western Nigeria, and the Lagos/Kano railway, which is an ambitious project connecting the two most populous cities in southern and northern Nigeria. Others include new international airport terminals in Abuja, Port Harcourt in the oil-rich Niger Delta region and the ancient city of Kano. Also, In December 2020, the latest of China's many industrial investments in Nigeria, the railway line between Lagos and Ibadan, became operational. Running 156 kilometres long and costs some \$1.5 billion US dollars. Nigeria has also received support from China in terms of borrowing money and also military assistant to fight against its insurgents "Boko Haram". Altogether, Nigeria's debt to China has amounted up to \$3.402 billion as of march 31st 2010 according to the debt management Office. The amount covered 11 loan facilities from the China Exim Bank since 2010.

Nigeria Foreign Trade Policy: Does it Matters?

Asobie (2001) argued that Nigeria in post-independence did not have a specific clear-cut trade policy; and as such had executed various trade policies under different regimes. However, in 1988, the Federal Government under General Ibrahim Babangida, adopted Economic Diplomacy as a key plank to achieve its foreign policy goals and national development. Economic Diplomacy according to Asobie (2001), is the conduct of foreign policy in such a manner as to place accent on the economic dimension of a country's external relations, i.e. giving topmost priority to the economic objectives of a nation.

The overall objective of Nigeria's trade policy is the encouragement of production and distribution of goods and services to satisfy both the domestic and international markets for the purpose of achieving accelerated economic growth and development. Other broad objectives include (a) The promotion and development of domestic trade, including intra-trade and inter-trade commerce. (b) The development and promotion of oil and non-oil exports. (c) Deregulation and liberalization of trade and (d) Promotion of Nigeria's bilateral and multilateral trade interests. The scope of this study is restricted to the present administration of President Buhari Asobie (2001). There is underperformance of the country's foreign trade policies which have failed to support its economic relations instrument for directing the

attracted foreign capital (more particularly FDI) towards boosting the industrial and manufacturing sector and sub-sector of the economy. These critical sector and sub-sector have the highest likelihood of expanding the country's foreign revenue sources through the manufacture of unique products and goods in which Nigeria has comparative advantage in the international market. It is this failure of Nigeria's trade policy to aid in re-directing all attracted foreign capital inflows via balance of trade that has created decades of imbalance (Akin, 2013), which is still the case under the Buhari administration. However China who is one of Nigeria's biggest bilateral trade partners have seem to be realising it's trade policy because of it's maximum increase in their economic growth and output. As it's is becoming the biggest economy in the world and also having access to cheaper oil prices made available by his counterpart in Nigeria.

The relationship between Nigeria and China has spanned five decades. In spite of numerous benefits Nigeria seemed to have enjoyed, many Nigerians are not comfortable, especially with the huge loan burden.

Issues and Challenges of Nigeria-China Economic Relations

The partnership is not without its flaws. Apart from racism against Nigerians and other black people in China, there are five other issues that need to be addressed. There have also been implications of the bilateral relationship between Nigeria and China.

Decrease in Nigerian Industries Caused by China policy: One of the detrimental effects of Chinese imports on Nigerian businesses, with textiles being the most prominent casualty. As of 2015, an estimated 28,000 Nigerians lost their jobs due to Chinese imports in Kano, which is regarded one of the biggest textiles cities in northern Nigeria. Nigeria has also maintained a sizable market for Chinese commodities, which has benefited China's economy rather than Nigeria's, jeopardizing the latter's economic security. While new jobs are being created across Africa as a result of various Chinese factories, one should not be deceived as to who they are intended for: about a million Chinese people have arrived to Africa in the previous decade, and they now occupy the lion's share of the newly created positions. Furthermore, the surge of low-cost Chinese imports has proven to be an impossible opponent for local small firms, who were already struggling without the danger. As a result, African Globe experts estimate that the African economy has suffered a loss of about \$1 billion. According to specialists from the African Globe, the increased Chinese penetration has resulted in the loss of approximately 75 000 jobs in the African economy.

Dumping Due to China Trade Policy: When a country or corporation exports a product, the price in the foreign importing market is lower than the price in the exporter's local market. Dumping is a type of pricing discrimination. It occurs when a manufacturer lowers the price of an item entering a foreign market to a level below what domestic buyers in the original country pay. The behavior is thought to be deliberate in order to get a competitive advantage in the importing market.. The nature of Nigeria-Chinese relations frequently allows large quantities of low-cost, low-quality, and inferior goods to enter Nigeria's economy (Ogunsanwo, 2008). This not only threatens and displaces Nigerian industries, but it also effectively displaces workers from such industries, resulting in unemployment and limiting people's ability to afford healthy and nutritious food (Campbell, 2011). The growing threat of product dumping from

Asian countries, particularly China, into the Nigerian market is gravely damaging the competitiveness of the country's already troubled manufacturing industry. China's skyrocketing population of 1.6 billion requires new industrial products trading channels, and Nigeria, the most populous black nation with a large capacity to readily absorb many of these items, is an obvious target for Chinese officials.

Maltreatment of Nigerian Workers and Non-fulfilment of Trade Agreement: Nigerian workers are mistreated by their Chinese employers. There have been numerous cases of these workers being mistreated. For example the two Chinese who own and operate Oceanic Bakeries in Wuse district of Abuja were arrested for abusing the rights of Nigerians working in their bakery. A circumstance in which Nigerian workers were trapped like animals beside an oven in the bakery and were compelled, when thirsty, to beg their Chinese manager, who would not allow them out to drink water, unveils the harsh and dehumanizing conditions to which Nigerian workers are subjected by their foreign employers in major commercial cities of Nigeria Chinese firms also fail to check environmental compliance, participate in corruption schemes, and allow for multiple infringement of African workers' rights. The Chinese government are willing to increase profits by whatever means necessary, while partnering with authoritarian regimes and accepting lack of democracy and violations of human rights.. This raises concerns about the Nigerian government's ability to adopt – and enforce – proper labour laws and perform frequent workplace inspections. In regards to the technological transfer, it has been discovered that China has refused to transfer technology to Nigeria because during the infrastructure building, China bring more of their people to partner and build what they had to build in Nigeria rather than few Chinese workers and more of local workers. Also they have refused because they know that by employing local workers and paying them, they are only increasing the economic growth of Nigeria and having loss instead they employ more of their people and pay them thereby increasing their own economy growth. China is only prepared to launch Nigeria's satellite to the orbit after paying some fees. The scientists remain Chinese working in China. The scientific template is Chinese and the Asian Monarch is least prepared to reveal or teach Nigeria the modalities. Nigeria's quest for a technological transfer through China therefore remains a dream and the foremost contemporary challenge in the Sino-Nigerian relation.

Substandard Products or Service: Many Chinese products sold in Nigeria are counterfeit, inferior, and of poor quality. Though Nigerians continue to patronize them, maybe due to inelastic demand for inexpensive goods (cheap items are usually of poor quality); this is a concern that China must address or risk losing a major share of the Nigerian market as national income per person rises. While many blame the Nigerian government for failing to crack down on such goods, others point the finger at Nigerian businessmen and women who import such goods while knowing they are of poor quality. .Regardless of the situation, China and Nigeria must collaborate to add value. Medication that is substandard or faked poses a substantial threat to world health. In low- and middle-income nations, nearly one out of every five antimalarial is poor or fraudulent.

China's agricultural investment in Nigeria is insignificant in comparison to her investment in other sectors of the Nigerian economy. China's initial investments in Nigeria's oil and manufacturing sectors were largely motivated by the need to secure essential minerals for the

country's economic growth. As a result of this situation, capital has continued to flow into more exploitative sectors, resulting in a gradual neglect of less exploitative ones, such as agriculture (Daniel & Maiwada, 2015; Manji, 2008). Furthermore, Chinese companies' attitudes toward Nigerian development are skewed because they prefer to repatriate profits earned in Nigeria to their home countries. China was just concerned and focused on the oil production aspect of Nigeria, neglecting the agricultural sector making Nigeria's economy to only depend on oil exportation. Nigeria, which was once reliant on agricultural, moved its priority to oil exports in the 1970s, and decades of weak economic progress later, there is a need to refocus on agriculture.

Unbalance of Trade: Political scholars have noticed that Nigeria-China ties have a negative trade balance over time, with favours moving toward the Chinese area. Indeed, as Azaiki (2006) puts it, the Nigeria-China relationship is one in which raw resources are delivered to China and completed products are imported from the same; It is one in which features of western exploitation are present, but in more sophisticated and lethal ways. The trade deficit will worsen as China attempts to build its African trade surplus in order to counter hefty imports from developed countries. As a result, there is a noticeable resolve on the part of the Chinese to offset their trade deficit with the West by attempting to sustain trade supplies with non-Western trading partners. Furthermore, African countries' trade regimes remain post-colonial, with little effort being made to fundamentally modify the situation. This is why Africa's trade with China has remained negative. In addition to commercial investment, Onuoha (2008), claims that China has entered into weaponry deals with African nations as a form of foreign policy. China does not share the same worries about human rights as the United States and Europe. As a result, she is willing to sell military equipment and weapons to almost anyone. Indeed, Beijing sees Africa as a potential growth market for its military equipment. China's active discovery of African oil supplies necessitates the need for security surrounding them, prompting Beijing to dispatch Chinese military trainers to assist their African counterparts. This implies that Africa will continue to be a hotbed of war and catastrophe for the foreseeable future. It also runs counter to the African Union's efforts to reduce the spread or proliferation of small guns in the area. Political insecurity, military resurgence, militancy, and poverty are the results. Many Nigerians are out of job; unemployment gives rise to societal crimes that China is worried about. Though some can argue that there are now Chinese companies operating in Nigeria, the problem is whose interests are the companies protecting? Not Nigeria's of course. Thousands of Chinese in Nigeria came with visitor's visa; the type that should not allow them to work in the country. But what happens? These visiting Chinese are shielded by the Chinese companies and given jobs meant for Nigerians. In China, Nigerians are languishing in prisons for violating basic immigration laws; Nigeria is different; each Chinese in Nigeria is an expatriate that must be shielded at times with the connivance of the Nigerian immigration service. Should the Chinese violate basic Nigerian immigrations laws, because they are dependable allies?

Issues of Foreign Aid and Loan between Nigeria and China: This is economic or military assistance provided to one nation by another. China who has being called an all Nigerian country has helped Nigeria to come and borrow from them in order to aid their infrastructural development but it comes with a clause. Just like the Bretten wood system example; IMF, World Bank put clause on African nations on how they should use their borrowed money, the

same goes with the Export-Import Bank of China known as Exim bank. They put clause whenever they aid to African countries, inform of teaching Chinese cultural values, giving scholarship to a Nigerian to study in China etc. Another challenge is in the area of foreign aid, whether it comes in the form of grants, low interest loans or other cultural advances like teaching the Chinese language in the Nigerian schools and awarding scholarships to Nigerians to study in China. Underdeveloped countries like Nigeria are so dependent on capital inflow that it is difficult to make an issue of terminology; conversely, rich nations like China are interested in presenting their contacts with poor countries like Nigeria, to the highest degree possible, as “aid”, even when what is really involved is a simple profitable business. The pattern of confining the much greater part of the Chinese “aid” or grant to bilateral programs has greatly enhanced Chinese exports rather than helping the Nigerian economy. What is worrisome is that the Chinese “aids” like most western aids pass through the hands of government officials that are not directly involved in running the Nigerian economy. Tales of corrupt tendencies abound among these officials of the government, thus making the “aids” counter-productive. Nigeria through foreign aid placed by China has borrowed over \$3.402 billion as of March according to the debt management Office.

Prospects for Nigeria-China Economic Relation

In this section, we looked at the possibility or future success of the bilateral relationship between Nigeria and China. No doubt that China has been of help to Nigeria in her development both in economy, technology, infrastructure and other ways that Nigeria has benefitted from her relationship. However there has also been Disequilibrium of their relation as China has benefitted more than Nigeria. China exports more than it imports from Nigeria as previous research shown that 70% of goods in Nigeria are from China while Nigeria is only able to export 30% of its finished goods, worrisome is that most of these exports falls within primary goods or mineral resources. If measures are not put in place, Nigeria will totally depend on China for it's living thereby creating a new form of Neo-colonialism and dependency.

The high rate of Nigeria's constant borrowing without bringing about efficient use of the loan can also result to misfortune in future if not checked. Just like other African countries mostly Uganda, whose only International Airport (Entebbe International Airport) was taken over by the Exim Bank of China because of the signed agreement loan(\$207) million on the 17th November 2015. If Nigeria fails to learn lessons from this and change its policy the same will also be of Nigeria or even worse. As China is already interested in Nigerian oil, and also the Gulf of Guinea where Nigeria has a major influence, if Nigeria doesn't reactivate and act according to her foreign policy, China may get hold of the area. Nigeria should act smart and fast just like the Chinese were able to develop their country economically and in terms of technology; developing its home base industry, increase the standard of living of his people and also try as much as possible to maintain balance of trade. If Nigeria can focus in attaining her National interests, then in future, there will be healthy, balance, fruitful relationship between the two Countries. In essence, all what Nigeria need is attitudinal change in both direction and policy.

CONCLUDING REMARKS

Within the context of this study, we were able to find out the following:

- i. There has been unbalance of trade between China and Nigeria because China exports more than it imports.
- ii. China doesn't have the best interest of Nigeria in heart as Nigeria does for her. This can be seen in the way China maltreats her counterpart in her country vis a' vis.
- iii. Nigeria's relations with China are not a consistent one with Nigeria's foreign policy and most times, Nigeria does not apply her trade policy to guide her interactions with China.
- iv. China doesn't follow her signed agreement with Nigeria and this can be seen in terms of technological transfer.

Recommendations

The mentality that China's current relation with Nigeria is a favourable one needs to be changed. Rather, Nigeria must seek to accept only partnerships that would benefit the country rather than will hurt the country. Nigeria's reliance on exhaustible oil, whose price per barrel has plunged downwards by over 50%, has not helped the African giant. China cannot solve Nigeria's problems even as a dependable ally. Issues of political instability, insecurity, dilapidated infrastructure, capacity building through functional education and economic diversification among others must be addressed by Nigeria. Nigeria must learn from China the bitter paths to greatness. In view of this, we implore all African leaders Nigeria inclusive to wake up and build a large room of development rather than trapping themselves in a small room of thinking. Nigeria, most especially must change her paradigm from being a consuming nation to a producing nation. She must be industrialised while the populace should be encouraged to patronize, 'made in Nigeria goods.' In addition, for 'made in Nigeria goods' to be competitive, the government needs uninterrupted power supply, the government must also focus on standard regulatory control of products that is not blurred by corruption. Finally, Nigeria should also review its trade policies and work in actualizing them for the betterment of Nigerian economy growth and development as a whole.

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