

**NIGERIA'S FOREIGN TRADE POLICY AND ECONOMIC RELATIONS WITH  
CHINA UNDER PRESIDENT BUHARI'S ADMINISTRATION, 2015-2020**

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**Abstract**

*Available evidence reveals that China is gradually taking over economic activities in Africa and Nigeria in particular. China is seriously competing with the United States of America in terms of the volume of goods and services imported to Nigeria. It is therefore not surprising that a Nigeria-China relation has improved tremendously in recent times. This has spurred a renewed interest in Nigeria-China economic relations. It is within this background that this study examined Nigeria-China economic relations. Dependency theory was adopted as the basis of analysis, the methodology adopted was secondary and data were analyzed qualitatively using content analysis. The study revealed that: Nigeria economic relations with China has not been consistent with Nigeria's foreign trade policy; China's trade investment in Nigeria has risen to about 13 billion dollars in 2018 from 2 billion dollars in 2015, and is still increasing exponentially even in the year 2019; China has overtaken the United States of America as the largest foreign investor in electronic gadgets in Nigeria; Nigeria currently sells 30% of its oil to China, since, Nigeria's oil is so vital to China's economy, China has deepened interest in oil exploration in Nigeria. The following recommendations were arrived at: The government should ensure consistency in adhering to her foreign trade policy; there is need for the Nigerian state to develop its technological base and boost its negotiation capacity so as to maximize the benefits in the country's economic relations with China; the Nigerian government should intensify efforts with China in terms of balance of trade.*

**Keywords:** Nigeria, Foreign Trade Policy, Economic Relations, China, and Buhari's Administration

**Introduction**

The discussion on foreign economic relations emphasizes understanding the importance of foreign direct investments or foreign capitals for states and diversification and expansion of trade between actors in the international system. In the study of International Relations and International Political Economy, 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).

From the context of Nigerian economic relations, Aning, Abdallah, & Kofi (2017) argued that its economic ties have somewhat failed to provide the needed benefits, especially from the perspective of improvement of the standard of living of the populace and balance of trade as equilibrium has not tilted towards the advantage of Nigeria. This is largely attributed to the fact that policy makers have failed to put into consideration one of the most important principles of bilateral and trade/economic relations which is situational differentiations. In bilateral economic ties, parties are supposed to ensure that agreements are made based on specific beneficial rules. However, it is common to observe that an influential state usually has the upper hand in partnership with Nigeria during bilateral agreements, which are usually associated with economic terms especially with regards to surplus and low economic cost. To address these issues, there is a need for Nigeria to tailor bilateral agreements towards the needs of the country and make such beneficial to each party.

Nigerian economy was ranked number one in Africa with real GDP of about \$568.5 billion in 2014, \$481.1 billion in 2015, \$405 billion in 2016 and \$376.3 billion in 2017. Its GDP in terms of purchasing power parity (PPP) was ranked 25th in the world with \$1.119 trillion in 2017. But, this figure is lower than the \$1.137 trillion obtained in 2016. It was ranked as lower middle income nation with per capita GDP in term of PPP of \$5,900 in 2017.

Nigeria's major export commodity is crude oil accounting for about 95% of its total export. Nigeria total imports in 2017 stood at \$35.24 billion while inflation stood at 16.5%, and unemployment at 13.4%. Government economic measures, depreciation in the value of the Naira and decline in oil revenue have combined to force Nigerians into cutting down on consumption of imported goods and services. The official exchange rate of Naira to Dollar in 2017 stood at 323.5 Naira, this shows lack of improvement in the value of Naira against the US Dollars (Aning, Abdallah, & Kofi, 2017).

China among other countries, has played a significant role in growing Nigeria's economy, notably through investment in transport infrastructure, manufacturing, agriculture and energy projects. The American Enterprise Institute asserted that Chinese investments and contracts in Nigeria totaled \$8 billion in 2018, when Nigeria ranked as the largest recipient of Chinese investment in sub-Saharan Africa. Among the notable projects include the 700MW Zungeru hydropower plant, projected to be completed in 2020. China National Electric Engineering Company (CNEEC) Sinohydro Consortium, a Chinese firm, is developing the \$1.3 billion project, which is jointly funded by the Nigerian and Chinese governments. China is also involved in the development of the massive Mambilla hydropower project, which is slated to produce more than 3,000MW of energy once operational. The four-dam \$5.8 billion Mambilla project being constructed by Chinese firms is largely funded by China's Exim Bank and other Chinese lenders. It is reportedly expected to be completed in 2023 (Yakubu, 2014). It is within this background that this paper investigated the Sino-Nigeria trade relations under President Muhammadu Buhari democratic administration from 2015 – 2020.

### **Methodology**

This paper adopts the qualitative design. This survey research is explanatory in nature. Explanatory because it attempts to clarify why and how there is a relationship between China – Nigeria economic relations and Nigeria's foreign trade policy. To this end, materials are sourced through the secondary source of data collection technique. Information are therefore elicited from

relevant publications such as: text books, magazine, newspapers, seminar/ conference papers and internet.

The above was found convenient to achieve the desired goal of the study. Suffice it to say that several personal efforts were made to enrich the work from the point of view of objectivity. All of the information was analyzed sagaciously and categorically; and sequel to semantic, structural, analytical and theoretical affinity. Findings are also recorded and rationalized to ensure validity and reliability.

### **Conceptual Clarification**

#### **Economic Relations**

Economic relations refer to friendly economic relationship between states and in the context of this study between China and Nigeria. Although, economic relations could be either negative or positive, Positive bilateral economic relationship is the most common alliance type. Nations have many reasons for seeking positive economic relationship with other nations. For one, two nations may be physical neighbors, and thus a harmonious coexistence is both convenient and beneficial for each party. Cultural similarities can further solidify and strengthen a bilateral economic bond. A friendly nation, wherever its location, can make a strong bilateral trade partner and thus enhance economy and commerce. Countries with diplomatic ties can be enduring military allies as well, offering assistance, land use, and essential resources in times of military crisis. Two nations can generally implement various steps to foster a positive, economic relationship. Each nation may install a diplomatic ambassador, or representative, in the other nation. Ambassadors or representatives act as conduits between the two nations, promoting political and economic harmony. The Presidents, Heads of State or Government may embark on numerous cross-national visits to meet with government officials and to also foster public goodwill.

#### **Trade Policy**

Chidozie et al, (2004) opined that trade policy is a collection of rules and regulations which pertain to trade. Every nation has some form of trade policy in place. Public officials formulate Policies which they think would be most appropriate for their country. The purpose of trade policy is to help a nation's international trade run more smoothly, by setting clear standards and goals which can be understood by potential trading partners. In many regimes, group of nations work together.

Things like import and export taxes, tariffs, inspection regulations and quotas can all form part of a nation's trade policy. Some nations attempt to protect their local industries with trade policies by placing heavy burdens on importers thereby allowing domestic producers of goods and services to get ahead in the market with lower prices or more availability. Others eschew trade barriers by promoting free trade in which domestic producers are not given special treatment and international producers are free to bring in their products (Chidozie et al, 2004).

Various literature on foreign/international trade recognize trade as a vital catalyst for economic development. But, for developing countries, the contribution of foreign trade to the overall economic development is immensely low and grossly inadequate, owing largely to the obvious fact that most of the essential elements for development such as capital goods, raw materials and technical know – how are almost entirely imported because of inadequate domestic supply.

### **Theoretical Framework**

This paper adopts the Dependency theory to justify and advance its arguments. Dependency has dominated the academic study of International Relations since the end of World War II. The theory claims to offer the most accurate explanation of state behavior of exploitation above others, and proffers a set of policy prescriptions, notably the balance of power between states, for ameliorating the inherent destabilizing element of international affairs.

The first assumption of dependency is that the nation-state which is the principal actor in international relations, is the core exploiter. Other actors exist, such as individuals and organizations, but their power is limited. Second, the state is a unitary actor. National interest, especially in times of war, lead the state to speak and act with one voice. Third, decision-makers are rational actors in that rational decision-making leads to the pursuit of national interest. Hence, taking actions that would make your state weak or vulnerable would not be rational.

Dependency is a situation in which a certain group of countries have their economy conditioned by the development and expansion of another in which the former is subject. The main proponents of this theory are Santos, Walter Rodney, Samir Amir, and Claude Ake. Following the trend of relations between China and Nigeria, China is trying to condition Nigeria's development through imbalance trade, seemingly harmless loans, poor quality manufactured goods, and lopsided labour relations. Dependency theory is a social science tool of explanation that was predicated on the notion that resources flow from a "periphery" of poor and underdeveloped states to a "core" wealthy states enriching the latter at the expense of the former. Here Nigeria is the former and China the latter. Dependency theory originated with two papers published in 1949 by Hans Singer, and the other by Raul Prebisch - in which the authors observed that the terms of trade for underdeveloped countries relative to the developed countries had deteriorated overtime because of the exploitative nature of the relationship between the two worlds. It is a central contention of dependency theory that poor states are impoverished and rich ones enriched by the way poor states are integrated into the world system.

Joseph Nye and Robert Keohane (1994) have tried hard to establish that international relations are characterized by cooperation and interdependence with win-win, mutually benefiting outcomes. What this means is that both weak and strong economies have something to gain in a relationship, no matter the proportion. Yet the dynamics of unequal relations in international division of labour cannot be ignored. The content of imperialism applies so long as China's economic exploits are domineering by the propensity of unprecedented capital and productivity.

The theory arose as a reaction to modernization theory, an earlier theory of development which held that all societies progress through similar stages of development. That today's underdeveloped areas are thus in a similar situation to that of today's developed areas at some time in the past. Therefore, the task of helping the underdeveloped areas out of poverty is to accelerate them along this supposed common path of development, by various means such as investment, technology transfer, and closer integration into the world market. Dependency theorists vehemently, rejected this view but rather opined that what is causing the under development in poor countries is the exploitative relationship that have characterized the interactions between the poor nations and the developed ones right from the colonial times till date. Though China is still regarded as a third world country, it is also a known fact that China is the second biggest economy in the world. Sequence to that is the issue of trade imbalance and huge Chinese loans that is gradually sinking Nigeria into an abyss of debt. This precarious trend if not speedily checked, will

eventually make China to condition the development of Nigeria. Nigeria's economic relations with China is somewhat lopsided trade wise, and the country has become highly dependent on China.

### **Overview of Nigeria's Economic Relations with China**

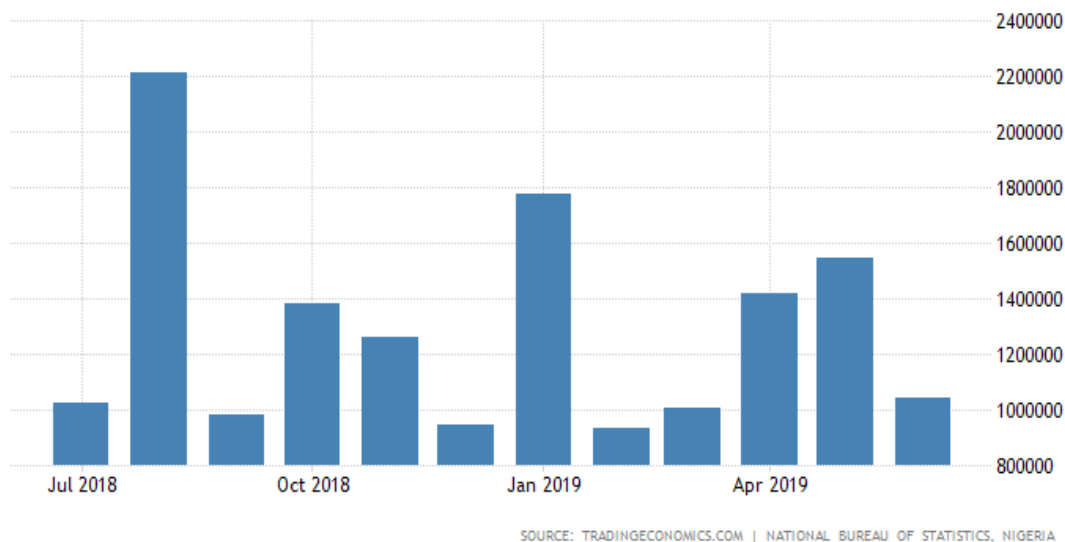
Since 2015, Nigeria's economic growth remains muted. Growth averaged 1.9% in 2018 and remained stable at 2% in the first half of 2019. Domestic demand remains constrained by stagnating private consumption in the context of high inflation (11% in the first half of 2019). On the production side, growth in 2018 was primarily driven by services, particularly telecoms. Agricultural growth remains below potential due to continued insurgency in the North-East and ongoing farmer-herdsmen conflicts across the country. Industrial performance is mixed and Oil GDP growth is stable, while manufacturing production is expected to slow down in 2019 due to a very weak power sector performance. Food and drink output are expected to increase, likely in response to import restrictions. Construction continues to perform positively, supported by ongoing megaprojects, higher public investment in the first half of the year, and import restrictions (Abegunrin, 2019).

However, the said growth is too low to lift the bottom half of the population out of poverty. The continued weakness of the agricultural sector undermines any prospects for the rural poor, while high food inflation adversely impacts the livelihoods of the urban poor. Despite expansion in some sectors, employment creation remains weak and insufficient to absorb the fast-growing labor force, resulting in high rate of unemployment (23% in 2018), with another 20% of the labor force underemployed. Furthermore, the instability in the North and the resulting displacement of people contribute to the high incidence of poverty in the North East.

Without significant structural policy reforms, Nigeria's medium-term growth is projected to remain stable around 2%. Given that the economy is expected to grow more slowly than the population, living standards are expected to get worse. Growth is constrained by a weak macroeconomic framework with high persistent inflation, multiple exchange rate windows, fluctuating exchange rates and forex restrictions, distortionary activities by the central bank, and a lack of revenue-driven fiscal consolidation results. Rising public debt, and increasingly complex policy interventions by the central bank constrain private sector credit growth. External balances are fragile to hot money movements, and fiscal buffers are exhausted, making Nigeria's economy vulnerable to external risks.

The Buhari government has the opportunity to accelerate the pace of structural reforms in order to build institutional and policy frameworks capable of managing the volatility of the oil sector and supporting the sustained growth of the non-oil economy. Bold reforms that could have had significant impact on the economy's trajectory are the removal of subsidies, elimination of forex and trade restrictions, greater transparency and predictability of monetary policy and increased domestic revenue mobilization. Such reforms would help raise living standards of low-income groups while increasing spending on much needed public services. The signing of the Africa Continental Trade Agreement, after extended deliberations, may also provide some positive momentum over the medium-term (Igwe., Abdullah., Kirmanj., Fage., & Bello, 2018).

**Chart 1: Statistical presentation of Nigeria’s export outflow to China**



The bar chart above is a representation of the trade (mainly agricultural) outflow from Nigeria to China from the second half of 2018 to the first half of 2019. The chart reveals that there was low export except in the month of August 2018, which had the highest export of 2200000 tons of agricultural products to China.

The flow remained low till January, April and May 2019, which witnessed an increase of 1800000, 1400000 and 1600000 tons respectively of agricultural products exported to China. Basically, the chart is a “trade-economics” statistics of mainly export from Nigeria to China.

**Nigeria–China Exports and Imports Indicator**

**Table 1: Sino-Nigeria trade Indicators**

Foreign Trade Indicators	2015	2016	2017	2018
Imports of Goods (million USD)	60,000	48,000	39,000	45,000
Exports of Goods (million USD)	94,200	48,400	32,800	46,900
Imports of Services (million USD)	22,546	18,836	12,318	17,973
Exports of Services (million USD)	1,495	2,742	3,718	4,541

<b>Imports of Goods and Services</b> ( <i>Annual % Change</i> )	6.0	-25.7	-10.4	n/a
<b>Exports of Goods and Services</b> ( <i>Annual % Change</i> )	24.1	0.1	11.5	n/a
<b>Imports of Goods and Services</b> ( <i>in % of GDP</i> )	12.5	10.7	11.5	n/a
<b>Exports of Goods and Services</b> ( <i>in % of GDP</i> )	18.4	10.7	9.2	n/a
<b>Trade Balance</b> ( <i>million USD</i> )	20,885	-6,721	-538	13,126
<b>Trade Balance (Including Service)</b> ( <i>million USD</i> )	-1,825	-23,642	-8,546	-86
<b>Foreign Trade</b> ( <i>in % of GDP</i> )	30.9	21.3	20.7	n/a

Source: WTO – World Trade Organization; World Bank, 2018

Table 1 above presents a summation of export and import indicators between Nigeria and China.

In 2015, the total amount of imports and exports was 176,546 million dollars in goods and services, 6.0% annual charges on imports, 24.1 on exports, the GDP on annual was 12.5%, the export of goods and services in GDP was 18.4%. Also, the trade balance was 20,885 million dollars. Meanwhile, the trade balance was – 1.825 million dollars’ balance thus creating an imbalance. Finally, the foreign trade in GDP was 30.9%.

For 2016, the total amount of imports and exports was 553,578 million dollars in goods and services, -25.7% annual charges on imports, 0.1% on exports, the GDP on annual was 10.7%, the export of goods and services in GDP was 10.7%. Also, the trade balance was 6,721 million dollars. Meanwhile, the trade balance was 23,642 million dollars’ balance thus creating a balance in trade relations. Elapsing the statistics, the foreign trade in GDP was 21.3%.

In 2017, the total amount of imports and exports was 87,836 million dollars in goods and services, -10.4% annual charges on imports, 11.5% on exports, the GDP on annual was 11.5%, the export of goods and services in GDP was 9.2%. Also, the trade balance was -538 million dollars. Meanwhile, the trade balance was – 8,546 million dollars’ balance thus creating an imbalance. In conclusion, the foreign trade in GDP was 20.7%.

For year 2018, the total amount of imports and exports was 114,414 million dollars in goods and services, zero annual charge on imports, zero on exports, the GDP on annual was zero, the export of goods and services in GDP was zero. Also, the trade balance was 13,126 million dollars. Meanwhile, the trade balance was –86 million dollars’ balance thus creating an imbalance. Finally, the foreign trade in GDP was zero.

Overall, there is a clear imbalance as the trade indicator shows from the World Bank sources except in 2016. Trade for the three-year period (2015, 2017 and 2018) negatively affected Nigeria and the effect of the trade imbalance between the two nations (Nigeria - China) on the economy manifested greatly. Hence, the need for this negative trend to be reversed. Therefore, Recommendations to adjust the trade imbalance is provided in the study.

### **Nigeria's trade policy: An Overview of Sino-Nigeria Economic Relations**

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).

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 adoption of Economic Diplomacy introduced a paradigm shift in the nation’s trade policies. For example, the Structural Adjustment Programme (SAP) in 1986 was to deregulate and liberalize trade policies, tariff reforms of 1995-2001 to streamline procedures for domestic and external trade, import

prohibition to discourage importation of luxury items and export policies to encourage expansion and diversification in order to reduce the overdependence on crude oil.

President Buhari took over the mantle of leadership on May 29, 2015. One of his campaign cardinal point was the improvement of the Nation's Economy. He, like his predecessors, adopted the Economic Diplomacy strategy with the aim of achieving his National Economic Development agenda. He undertook several visits to further launder the image of the country and diversify her foreign revenue sources. Just like his three predecessors, he too effectively utilized Nigeria's foreign trade relations to attract foreign investors and other international business/development partners to do business in the country via his diversification agenda. Buhari's administration has maintained the status-quo of sustaining the influx of more FDI and other foreign revenues into the country. In spite of the above, the outcome is still with the tip tilting more in favor of Oil and Gas (O&G).

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.

Recently, Buhari's trade policy has shifted to protectionism which according to the Government, is skewed toward indigenization, promotion of exports (still crude oil instead of non-oil products) and less imports. His recent closure of the borders further alludes to this fact. The task of achieving and accelerating economic growth and development which is the ultimate objective of trade policy requires integration of the appropriate trade policy with other macroeconomic policies in a stable political environment. It is important to ensure that the respective policies are internally consistent and stable in order to send the right signals to and mobilize the support of key operatives for the development effort in Nigeria.

### **Review of Sino-Nigeria Relations under President Muhammadu Buhari**

The change in the emphasis and focus of Nigeria's foreign policy is what a number of scholars have referred to as a 'policy shift to Asia' (Oche,2019). The Chinese took advantage of the gap created by reduction in the level of trade with Nigeria's western allies by quickly filling it. Consequently, trade figures indicate that Nigeria's imports from China increased considerably in 2007 and have kept rising since then. In 2015, the Nigerian Government signed an agreement with China Civil Engineering Construction Corporation (CCECC) for the rehabilitation of Nigerian Railways at a cost of US\$529 million including supply of coaches (Chibundu, 2017).

Nigeria-Sino relations has enjoyed a steady growth under the Buhari administration. In addition to previous visits, President Buhari undertook another one to China in 2019, so as to underscore the importance the Nigerian government attaches to its diplomatic ties with China. As a result of these visits, a number of trades, economic, technical, scientific, technological and investment protection agreements were signed by both countries (Ogunsanwo, 2019).

President Buhari's state visit to China in April 2016 consolidated the existing bilateral relations between the two countries. The two Heads of State signed a Memorandum of Understanding (MoU) on

petroleum cooperation. The deal provided for substantial Chinese investment in the Nigerian oil industry. As part of the agreement, Nigeria granted China four drilling licenses in exchange for commitments to invest US\$4 billion in oil and infrastructural projects (Costa 2019). Nigeria was also to provide guarantee when absolutely necessary, and the removal of linkage of oil block to the China EXIM bank facility (Okeke, 2018).

The expansion of Nigeria's economic interactions with China is constrained by a number of factors. These include the imbalance in the structure of the level of their trade, the inadequacy of the industrial infrastructure for promotion of relations and the incidences of flooding the Nigerian market with substandard goods. Nigeria has become one of China's largest African trading partner. Similarly, Chinese imports to Nigeria increased from ₦10,671,356.489 billion in 2009 to ₦31,353,471,339 billion in 2018 (FOS, CBN 2009-2018).

The main problem in Nigeria's trade with China is its asymmetry and one-sidedness. For example, from 2009 to 2018, Nigeria recorded deficits in its trade with China every year. Between 2009 and 2018, the cumulative deficit sustained by Nigeria in her trade with China was put at ₦198,594,804,890 (FOS, CBN 2009-2018). While the cumulative amount of Nigeria's imports from China was ₦229,678,601,6089 billion, China's imports from Nigeria totaled ₦31,083.796,7188.489 Million within the period under review. The years are noteworthy for the relatively large size of deficit Nigeria recorded. For example, in 2011, the trade deficit stood at a staggering record level of ₦515,322,082,120. To some extent, the pressures on Nigeria's balance of payments since 2009 can be attributed to the imbalance in the trade with China and other developed countries. Nigeria's export to China is largely characterized by the structural imbalance which afflicts the overall export trade that is excessively concentrated on crude petroleum (FOS, CBN 2009-2018).

On the country's oil exports to China, the cumulative barrels of oil exported to China were put at 70,572,912 million which amounted to ₦37,124,69 billion between 2009 and 2018. Similarly, under the same period, the cumulative value of non-oil exports to China was ₦1,591,411.92 which was 0.81 per cent of the total revenue realized by the country during this period (FOS, CBN 2009-2018).

Nigeria's bilateral trade relationship with China after several years shows that the most discernible pattern in this bilateral relationship is still lopsided. It is observed from the trade data that this unequal economic relation is in great disequilibrium and to China's advantage. It means that despite the increase in trade volume between the two countries, the bilateral economic relations have favoured China, thus creating a feeling of lopsided distribution of the benefits from the bilateral trade (Bukarambe, 2015).

Crude oil has replaced agricultural commodities as Nigeria's dominant export to China, while there is also shift of emphasis in Nigeria's imports from that country, from consumer products to capital and investment goods. Whereas, Nigeria's non-oil exports to China consists mainly of primary commodities, manufactured goods constitute the bulk of its imports from China.

### **Discussion of Findings**

The study revealed that:

- a. Nigeria economic relations with China has not been consistent with Nigeria's foreign trade policy and most of the time are not strict in the application of the trade policy to guide her relationship with China. Hence, it is huge challenge of policy somersault
- b. Nigeria - China relations within the period 2015 to 2020 has been able to record some success with regards to industrialization and development, which provides an opportunity for Nigeria.
- c. Buhari's administration has been able to forge significant diplomatic and economic relations with China, which is a growing power house in the global economy. The relationship has provided the

country with needed funds to cushion the effect of infrastructural deficit. It has also provided the nation with the much needed foreign direct investments.

- d. The research also reveals that 2015 was the peak of Sino-Nigeria relations as trade volume was about four billion dollars (\$4 billion). However, with regards to trade, both countries have recorded decline since then. This has mainly been attributed to the fall in oil prices and lack of proper coordination between both countries to explore other areas of interest outside crude oil trade.
- e. There is a huge trade imbalance between Nigeria and China in that Nigeria import more from China than her export to China and this has made Nigeria to over dependent on Chinese goods.

### **Conclusion and Recommendations**

Conclusively, it can be argued that under President Muhammadu Buhari, Nigeria-Sino relations have been taken to some reasonable heights with improvements in bilateral economic and diplomatic relations between both countries. There is no doubt that Nigeria and China bilateral relationship will be of immense benefit to both countries if well pursued. Using the dependency theory, we have argued that the imbalances in Nigeria-China relation especially in the area of trade (which we graphically showed) must be corrected so as to match the rhetoric win-win situation by which the contact between the countries are being described.

As the China-driven bilateral relations cannot be reversed just for the asking, Nigeria needs to confront the indigenous technology capacity building gap as this is the only way by which Nigeria will avoid Sino-imperialism in their relations with China. Nigeria must be technologically relevant to explore and exploit gains in its relations with China. Fundamentally, the Nigerian leadership must demonstrate the political will to manage Nigeria's pluralism for peace, security and sustainable economic transformation.

The Nigeria government maintains good relationship with China in other to ensure development. However, there is need to improve upon this economic relation so as to cater for the country's economic imbalance, which currently exists despite the positive relations with China.

It is therefore recommended that:

1. The government should ensure consistency in adhering to her foreign trade policy in order to have a more clearly defined relationship with China and also take cognizance of the role China is playing in the Nigerian Economy and move to establishing effective economic relations involving adequate bilateral agreements on how to move the Nigeria economy forward with regards to balance of trade.
2. The government being the implementer of the law should strive to implement policies that will protect Nigerian economy from the crippling effect of cheaper Chinese goods. Adequate laws should be formulated to protect infant industries in Nigeria from cheaper and inferior China goods.
3. The legislature should enact laws protecting Nigeria's infant industries from Chinese competition. Industries where Nigeria has a comparative advantage should be protected with tough legislative action in the form of stagnant laws harming the importation of goods manufactured by such industries from China. And ensure that importation of goods with inferior quality from China and that any importer of such goods will face the full wrath of the law.

4. Nigeria should work very hard to engage any mechanism that would enable her to produce some of the essentials to reduce pressure on the importation of virtually everything. This would in-turn help to balance the trade deficit between China and Nigeria.

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