China-Nigeria Bilateral Relations and the Growth of the Manufacturing Sector in Nigeria

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Abstract

This study examines the bilateral relations between China and Nigeria and their influence on promoting the growth of Nigeria's manufacturing sector, focusing on local sourcing of raw materials and industrial development. The research also investigates the impact of these bi-relations on human capital development and how they support the growth of local industries. The dependency theory and comparative advantage theory were deployed in this study. While the dependency theory argues that developing countries like Nigeria risk becoming economically dependent on stronger economies such as China, hindering industrial growth and encouraging exploitation. In contrast, comparative advantage theory suggests that countries should specialize in goods they can produce at lower opportunity costs. This underscores Nigeria's role as a raw material exporter and China's as a supplier of manufactured goods, raising concerns about how such trade dynamics affect local industrialization. The study employed a qualitative approach, analyzing secondary data from journals, books, official documents, online sources, and statistics from the National Bureau of Statistics. By adopting thematic and discourse analytic tools, the study revealed little growth in the manufacturing sector as a result of the bilateral relations between the two countries. Findings indicate that the Nigerian manufacturing sector is yet to experience significant positive growth despite several years of bilateral relations between both countries. The paper recommends strict compliance with the provisions of the trade agreement and industrial policy provisions to protect and promote domestic industrial growth.

Keywords: Bilateral Relations, Manufacturing Sector, Local Industries, Local Content

Introduction

Nigeria and China are of geographical and demographic significance, as well as the most populous countries in their respective regions of Africa and Asia. Their large market sizes seem to position them at advantageous pedestals in their sub-regional and regional levels. A couple of decades ago, there was a renewed vigour between the two countries to strengthen their economic ties in the ever-changing global economic order that mainly revolves around trade and investment. Nonetheless, the strategic position of Nigeria in Africa is worthy of note. In Africa, for instance, Nigeria seems to remain the most impacted country in terms of the bilateral China-Africa relationship (Egbula & Zheng, 2011), and a very strategic market too important to be ignored. The upward trajectories of the relationship between these two economies have been assumed to be strictly driven by economic interest rather than political or military accounts.

The development of China and its ability to transform in the last thirty years from underdevelopment and life-threatening poverty to an evolving global power, and one of the largest exporters of manufactured goods, has attracted the attention of many scholars from both developing and developed countries (Akpoilih & Farayibi, 2015). China's economic growth and expansion of the manufacturing sector have more or less spurred the country into a search for new opportunities. To optimize this quest, China needs Nigeria to consolidate its newfound relations in Africa, owing to Nigeria's ready-made market for Chinese goods as well as oil and gas to fuel China's growing manufacturing industry (Edgar, 2014). Nigeria needs China's financial and technical assistance in the development of its decaying infrastructure and foreign exchange earnings, as well as its manufacturing sector. However, the manufacturing sector plays a crucial role in economic development, catalyzing job creation, industrialization, and economic diversification. In Nigeria, the sector has struggled with low productivity, weak infrastructure, policy inconsistencies, and heavy dependence on imports. Recognizing the need for industrial growth, the Nigerian government has sought strategic international partnerships, with China emerging as a dominant economic partner.

China and Nigeria have maintained strong bilateral relations since 1971, marked by extensive trade agreements, infrastructure investments, and strategic cooperation. In recent times, Nigeria has become a focal point in China's global strategy, with significant investments in sectors such as oil, gas, and manufacturing. While these collaborations have accelerated Nigeria's development, concerns about economic dependency and neo-colonial tendencies have emerged. However, on one hand, China's involvement has led to improved infrastructure and economic growth. On the other hand, insufficient local content integration risks perpetuating dependency and limiting the benefits to local industries. Addressing these challenges requires targeted policies and collaboration between stakeholders. Understanding the dynamics between China-Nigeria relations is crucial for shaping Nigeria's industrial future. While Chinese investments have facilitated the establishment of factories, industrial parks, and infrastructure projects, Nigeria continues to face trade imbalances, as it primarily exports raw materials while importing finished goods. Though Chinese firms have contributed to technology transfer, the extent of skills development and knowledge acquisition among Nigerian workers remains uncertain. There are also concerns about the influx of low-cost Chinese goods, which could undermine local manufacturers’ competitiveness.

This investigation aims to provide insights into how bilateral cooperation can be leveraged to promote sustainable manufacturing growth while ensuring local content integration. The findings will inform policymakers and stakeholders on strategies to balance foreign investments with domestic development goals.

Statement of the Problem

The bilateral relations between China and Nigeria have grown significantly over the past decades, with China investing heavily in Nigeria's infrastructure and manufacturing sectors. In 2023, China exported $18 billion worth of goods to Nigeria, while Nigeria exported $2.51 billion to China, primarily in petroleum gas and crude oil. Despite these economic exchanges, concerns have arisen regarding the sustainability of this relationship, particularly in the manufacturing sector. Nigeria's heavy reliance on imported machinery and technology from China has limited the growth of local industries, raising questions about economic dependency and the effectiveness of Nigeria's Local Content Policy in fostering industrial development. The Local Content Policy in Nigeria aims to promote the use of locally produced inputs and services in the oil and gas sector to stimulate economic growth and reduce reliance on imports. While China's investments have improved infrastructure and provided technological support, the lack of integration of local content in these projects has hindered the development of Nigeria's manufacturing capabilities. Addressing these issues is crucial for ensuring that foreign investments contribute to sustainable and inclusive growth in the sector. The general objective of this study is to examine the impact of China-Nigeria bilateral relations on the promotion of Nigeria's manufacturing sector, with a focus on fostering sustainable industrial growth and economic diversification. Specifically, the first objective is to analyse how China's investments and technological contributions influence the integration of local inputs in Nigeria's manufacturing projects to enhance the sector's competitiveness.

Dependency theory and Comparative advantage theory: While dependency theory advocates for reducing reliance on foreign investments, comparative advantage theory emphasizes the importance of specialization and trade efficiency. The two theories are particularly relevant in analysing Nigeria-China relations, as it highlight the risks of economic dependency and exploitation. Understanding these dynamics is crucial for developing policies that promote local content integration and reduce reliance on foreign inputs. It offers a strategic framework for Nigeria to identify and leverage its strengths in the manufacturing sector. By focusing on areas where it has lower opportunity costs, Nigeria can enhance its competitiveness and engage in more equitable trade partnerships. The relevance of these theories lies in their ability to inform policy decisions. So, combining these perspectives can help Nigeria develop a balanced approach to industrial growth.

Conceptual Clarifications

Local content as conceptualized by the Nigerian Oil and Gas Development Law 2010 is "the quantum of composite value added to or created in Nigeria through the utilization of Nigerian resources and services in the petroleum industry resulting in the development of indigenous capability without compromising quality, health, safety and environmental standards". The law emphasizes more on certain indices that can never be compromised to ensure the growth of Nigerian entrepreneurs and also the utilization of the resources generated from the oil and gas sector. It is also a scheme that could be used to create a large number of jobs and is geared towards increasing the domestic share of the $18 billion annual spending on oil and gas from 45% to 70%, in addition to enhancing the multiplier effects on the economy, through refining and petrochemicals. The government's objective for establishing local content policy is for the diversification of the sources of investment into the sector such that some of the funds would begin to come from local sources, which will also help to promote indigenous participation and the fostering of technological transfer. There are other objectives which include an increase in oil and gas reserves through aggressive exploration; and generating employment for all categories of Nigerians. (Balouga, 2012). According to the International Petroleum Industry Environmental Conservation Association (IPIECA, 2011) 'local content' refers to the added value brought to a host nation (or region or locality) through: workforce development: employment of local workforce; and training of local workforce; and investments in supplier development: developing supplies and services locally; and procuring supplies and services locally. As a regulation, it focuses on local community content and national content in one term and it can be measured on a project basis, affiliate basis, and/or country aggregate basis. (IPIECA, 2011). According to OECD (2016) in Deringer et al (2018), Local Content Requirements are government-imposed policies that mandate companies to utilize domestically produced goods or services to operate within a country's economy. These policies have received greater attention as a strategy to enhance domestic economies and reduce reliance on foreign goods and services.

Bilateral Relations

Bilateral Relations in International Diplomacy according to Pannier, (2020) are a fundamental aspect of international relations, considered the "basic form of the diplomatic game". Its importance is evident on three levels Diplomatic relations between states began in 17th-century European monarchies. The Congress of Westphalia (1648) recognized equal status among sovereign nations. Bilateral relations played a crucial role in shaping international politics and alliances. Bilateral relations may be relevant at a general or sectorial level; they may be symmetrical or asymmetrical, involve dependence or interdependence, be institutionalized or not, consensual or debated, new or old, founded on shared interests and/or values, and may experience phases, changes, and regressions in all of these aspects, which is not an exhaustive list. It is the role of diplomacy to determine when, where, and how bilateral relations become more important (Pannier, 2020).

Manufacturing Sector

The manufacturing sector is an important part of any country's economy and is often used to measure how productive a country is (Amakom, 2012). After Nigeria discovered crude oil in the late 1950s, it shifted focus from its growing industrial base to oil production (Englama et al., 2010). This caused other sectors to suffer, leading to higher unemployment, poverty, and a lower standard of living. Manufacturing transforms raw materials into finished goods and supports job creation, agriculture, and economic diversification. In Nigeria, the sector has gone through four major stages (Bennett et al., 2015): Pre-Independence – Focused on exporting raw materials and basic consumer goods by foreign companies. The post-colonial Era (1960s) emphasized import substitution, but mostly involved assembling products rather than full manufacturing. During the 1970s government invested heavily in key industries using oil revenue, but many projects failed due to poor planning. In the 1990s, after oil prices dropped, Nigeria shifted to export promotion and tried to improve manufacturing linkages, though results were limited. Despite the challenges, manufacturing remains vital for Nigeria's growth and economic independence.

Local Industries

The terms "local industries" and "small-scale business" are often used interchangeably, but there's no universal definition. In Nigeria, definitions vary based on factors like capital, number of employees, and sales turnover: The Third National Development Plan defines local industries as firms with fewer than 10 employees and investments under 600,000 naira. While the Central Bank classifies them as businesses with income or assets below 500,000 naira. According to the Small Scale Industry Development Plan (1980), it is defined as firms with capital not exceeding 150,000 naira. Other definitions range from 60,000 naira to 500,000 naira in investment, with up to 50 employees. In the case of the U.S., small businesses are defined by employee numbers or sales turnover which vary according to industry. However, local industries are characterised as industries with a small workforce; low annual turnover; local operations; limited sales, and financial strength, and owners are also the managers. Many local industries in Nigeria are in commerce and the growing service sector, such as hotels and restaurants. These varying definitions highlight the need for standardized criteria to effectively support and regulate small-scale enterprises in Nigeria (Ikharehon, 2014).

The information for this study was sourced from the secondary data with major emphasis on China-Nigeria bilateral relations and the promotion of local in Nigeria's manufacturing sector. It further deployed thematic and discourse analytic tools for the analysis of the data collected

Manufacturing and Local Content Policy

According to Balouga, (2012). Local content policy action started in 1971 through the establishment of the Nigerian national Oil (NOC) which later became the Nigerian National Petroleum Corporation (NNPC) in 1977 through the merger of NOC with the petroleum ministry. The importance of this policy to industrial growth and development was highlighted as a major need of the present state of Nigeria as a clear indication that a responsible and dynamic approach for sustainable local content development is needed to be adopted by government policymakers and upstream operators to guarantee a better future for the nation's oil and gas industry. Technological development is a product of a nation's sound economic management, policy reengineering, good governance, and a social value system that rewards hard work and creativity. This policy is expected to be accepted by all and embedded in every operator's business philosophy. The author highlighted the challenges confronting local content policy operations in Nigeria as capital flight, lack of funds for indigenous contracting firms, and Nigerian banks' lack of financial base to make any meaningful impact on local content development, Other challenges identified by the author as obstacles include a thin industrial base, inadequate power, water, and other infrastructure to support an expanded manufacturing base, lack of small and medium-sized enterprises and a weak capital market, absence of a link between strategy and action, institutional capacity, lack of political will, inconsistency in policy implementation, lack of support from relevant stakeholders and corruption. These major challenges faced by the manufacturing sector in Nigeria are also part of the general and perennial issues hindering Nigeria economy are also articulated by Chete, Adeoti, Adeyinka and Ogundele (2014), as electricity outages, transport bottlenecks, crime, and corruption are the key factors posing great obstacles to firm growth in Nigeria. It was observed that there is a dearth of infrastructure, such as good roads, potable water, and, in particular, power supply, in the manufacturing sector. Particularly, the issue of electricity outages and voltage fluctuations which has caused damage to machinery and equipment, making most firms rely on generators to power their machines. A condition that leads to a high cost of production that erodes the competitiveness of domestic industries in relation to foreign firms. Local content policy is intended to contribute to industrial growth and development of the economy irrespective of the challenges of the policy. Governments are increasingly using local content policies to ensure that resource-based investments drive broader economic growth. In a four country work carried out by White (2017) in Africa-Nigeria, Ghana, Mozambique, and South Africa on the legal and regulatory frameworks for mining and small-scale suppliers. The findings show that extractive companies often neglect local content unless compelled by external forces. Moreover, current policies frequently allow non-compliance and may deter investment. So, effective local content strategies require a deep understanding of extractive supply chains and strong coordination among policy, legal, and industrial support frameworks. The report suggests effective implementation of the local content framework through strict observance of the policy document. As a regulatory document, IPIECA (2011) sees local content policy as focusing on local community content and national content in one term and it can be measured on a project basis, affiliate basis, and/or country aggregate basis. So, the import of the local content policy is that it provides the basis for the measurability of projects an attribute that allows local needs to be in consonant with the sustainable development of the community. Similarly, OECD (2016) cited in Deringer et al (2018), view Local Content Requirements as government-imposed policies that obligate companies to utilize domestically produced goods or services to operate within a country's economy. These policies have the potential to garner increased attention as a means to enhance domestic economies and reduce dependence on foreign goods and services.

China-Nigeria Trade and Investment Relations

Since 1971, bilateral trade between Nigeria and China has grown steadily, with the trade volume reaching $6.373 billion in 2009, heavily favoring China (Djeri-wake, 2009). This imbalance is largely attributed to structural differences in the economies of the two countries. China’s economy is built on a strong manufacturing base, whereas Nigeria operates a mono-cultural economy, heavily reliant on oil exports as its primary source of foreign exchange. These economic disparities significantly influence who benefits more from the trade relationship between the two nations. The growing trade imbalance has attracted criticism, prompting calls for the implementation of strategic import barriers and enhanced surveillance to curb dumping practices (Ron & Hannah, 2011). Increased imports from China-particularly consumer goods such as shoes, bags, and apparel-have negatively impacted local industries, especially Africa’s and Nigeria’s textile sectors. This situation has generated mixed reactions, with some analysts suggesting that China’s economic involvement in Nigeria mirrors the historical exploitation by Western powers, aimed at extracting resources without fostering genuine development (Ayodele & Sotola, 2014).

Chinese investment in Nigeria has steadily increased over the years. According to Onogwu (2019), Chinese investments have been concentrated in key sectors of the Nigerian economy, including manufacturing, oil and gas, telecommunications, and construction. While these investments are expected to help bridge Nigeria’s infrastructural deficit, concerns have been raised about the potential costs, particularly in terms of China’s increasing control over Nigeria’s oil, gas, and other natural resources. In terms of trade, China’s exports to Nigeria have consistently increased, with the balance of payments remaining in China’s favor (Margret & Qi, 2011). This is largely due to Nigeria’s narrow export base, which is dominated by raw materials and fuels, in contrast to China's more diversified export profile. As a result, the trade relationship has been widely viewed as imbalanced. Oke, Oshinfowokan, and Okonoda (2019) argue that many Nigerian entrepreneurs recognize this imbalance as a key issue, noting that Nigeria’s imports from China often exceed its exports. Furthermore, they highlight China exports, even basic commodities such as toothpicks, to Nigeria an indication of Nigeria's underdeveloped local manufacturing sector despite government efforts to support domestic industry (Oke et al., 2019).

Empirical studies on Nigeria-China trade relations, such as that by Kabiru and Dyah (2019), highlight that trade between the two countries significantly increased after the 2001 bilateral agreement, peaking at $18.05 billion in 2014. However, trade declined in subsequent years due to Nigerian policies aimed at reducing imports and promoting local industries. While Chinese exports to Nigeria still reached $13.7 billion in 2015 and $9.7 billion in 2016 (Kabiru & Dyah, 2019), Nigeria's exports to China remained disproportionately low, primarily due to its dependence on oil and limited economic diversification (Edgar, 2014).

China-Nigeria Bilateral Relations and Sustainable Manufacturing Sector

There are several studies on China-Nigeria's bilateral relations, which particularly place a lot of emphasis on trade exports and imports. Again, those studies significantly dwelt on the rising gap in the volume of trade involving the two countries. Sadly, not much has been written or done in the area of interrogating the growing impact of the unequal bilateral relationship on the manufacturing sector in Nigeria. Much harm is done to the manufacturing sector in Nigeria, even though China and Nigeria have maintained a relatively stable bilateral relationship since 2010. This section attempts to examine the effect of the bilateral trade relations on the promotion of local content for a viable Nigerian manufacturing sector.

Considering their years of bilateral relations, China and Nigeria have enjoyed mutual and enormous exchanges of goods and services. The two countries' economic relations cut across commodity exports, capital, labour, services, and technology markets China has been rapidly expanding ties as Africa's top trading partner because of its massive investments in the continent, which is largely aided by China's Investible Export loan assistance of $150 billion to its global establishments (Brautigam, 2009). Given this trend, Onogwu (2019) noted there are growing concerns over China's increasing dominance across various sectors of Nigeria's economy, with local manufacturers fearing extinction due to heightened competition. Negative perceptions of Chinese goods as substandard, as well as reported labour abuses by Chinese firms, further compound public dissatisfaction. Despite government efforts to encourage local production and limit imports through policy changes such as the import barrier policy introduced in 2015, China remains Nigeria's top import source (Kabiru & Dyah, 2019).

Challenges and Opportunities Associated with the Promotion of Reforms in the Manufacturing Sector for Economic Growth

China has strategically capitalized on Nigeria's large population, estimated at around 150 million (Nigeria Population Census, 2006), to expand markets for its manufactured goods (Okeke, 2021). As the most populous country in Africa and rich in natural resources, Nigeria has become a central focus for Chinese investment in the 21st century, attracting more than

200 Chinese companies and receiving about $15 billion out of China's total $26.5 billion investments in Africa as of 2016 (Okeke, 2021). There is also the dependency of the Nigerian economy on China, as 60 percent of Nigeria’s electronic imports are currently from China, for those goods are relatively cheaper than those being imported from Europe. Several of the Nigerian mid-range industries are incapable of selling their goods in the markets because of the greater cost of production, high cost, and decrepit manufacturing substructure in Nigeria, therefore discouraging the security of local businesses from looming failure in the face of robust competition from imported merchandise from China. According to Aja-Akpulu Ajah (2021), corruption has been identified as a major challenge undermining the economic security of Nigeria, as many tax agencies in Nigeria, including the Federal Inland Revenue, sometimes undervalue Chinese companies, thus leading to the loss of huge accruable revenue to Nigeria. Other challenges include the inhumane treatment of Nigerian workers in Chinese companies, which also undermines their economic security, as many of them are disengaged without entitlement, while others are overworked and underpaid (Aja-Akpulu Ajah, 2021). The enlarged influx of Chinese industry into Nigeria has mainly knocked various nascent local businesses out of business, causing job loss and personal economic insecurity for those employees (Chen, 2020). In the Kano state, for instance, the presence of Chinese textile companies has rendered many Nigerians jobless, because the companies forced many local companies to close down, to the point that they could not compete with the firms. Nigeria has also remained an enormous market for Chinese goods, which in turn has sustained to increase in China’s economy rather than Nigeria’s, hence fading the latter’s economic security. The activities of the Chinese Embassy in Nigeria also weakened its economic security by generally permitting visas to Nigerians who want to import from China, which created the chance for several Nigerians to support relatively cheap Chinese merchandise instead of locally made, leading to the slow failure of local businesses. Several Chinese businesses, including ZTE, do not produce in Nigeria, as most of their merchandises are imported from China with whole tools and Chinese technicians, hence deflation of job security for many Nigerians (Ahamefule & Ufomba, 2023).

Certainly, given the amplification of the Chinese economic relations with Nigeria, China has begun flooding Nigeria and other African markets with its low-cost products, which is very disadvantageous to local producers. The supremacy of oil exports has been a big contributing factor to the underdevelopment of the industrialised countries. Despite consecutive industrial development plans from 1960-80, policies of import-substitution industrialization were unsuccessful in spurring manufacturing development. Main hindrances included the absence of human capital and technical and decision-making skills for manufacturing plans (Chen, et al., 2016)

Locally, Nigeria has also introduced a strategy of import exchange for certain goods, intended to inspire the localization of developing production. Present strategies enact different customs taxes for finished versus unfinished goods, which is envisioned to incentivize local manufacturing in the main sectors. Several household consumer products are outlawed from import, including furniture, used automobiles, tires, cardboard, several completed pharmaceuticals, and mutually treated foods such as noodles. Domestic content strategies such as the Nigerian Content Bill have also been practiced in the oil and gas sector with the purpose of building ability and human capital in the sector. According to the Executive Secretary Nigerian Content Development and Monitoring Board, Engr. Wabote the policy created over 50,000 jobs from 2010-2022 (NCDMB, 2022).

Though unit labour costs are lower, labour efficiency is also significantly lower in East Asia, and competition from cheap Chinese imports has placed stress on local industries, particularly in the footwear and textile sectors. Nevertheless, as demographic trends in China continue to drive up its labor costs, there are increasing incentives for companies to “go out” to countries like Nigeria. This imbalance poses risks to Nigeria’s economic sovereignty, especially since Chinese investments rarely promote local development or technology transfer (Ogunsanwo, 2018; Enuka, 2010). While Chinese FDI encompasses key sectors such as oil, gas, telecommunications, and construction, much of the profits are repatriated to China, further entrenching Nigeria’s dependency (Raji & Ogunrinu, 2018). Moreover, Nigeria's manufacturing struggles with inadequate infrastructure, allowing Chinese imports to dominate markets that local industries fail to serve (Egbula & Zheng, 2011).

Labour practices among Chinese firms in Nigeria have raised ethical concerns. Although 84% of their workforce is local, few individuals hold technical or managerial roles (Jonker & Robinson, 2018), and various reports indicate violations of Nigerian and international labor laws (Jackson, 2019). Notably, an incident in 2002 brought attention to unsafe working conditions when Nigerian workers perished in a locked Chinese-owned factory fire. Additionally, Chinese products are often perceived as substandard, and there are claims of intellectual property theft involving Nigerian product designs (Aja Akpuru-Aja, 2021). Despite China’s significant role in Nigeria’s infrastructure and economic sectors, major challenges remain—chief among them trade imbalance, policy inconsistency, and unethical corporate behavior (Aja Akpuru-Aja, 2021). Tajudeen (2013) pointed out that the growing trade relations have impacted Nigeria's domestic economy, arguing that rather than prioritizing trade, the Nigerian government should incentivize Chinese firms to establish local manufacturing operations to address the trade imbalance and promote job creation. By 2019, Nigeria-China trade volumes exceeded $19 billion, which is 1900 times greater than in 1971 when diplomatic ties were established (Odoh, 2021).

Conclusion

Specifically, the renewed hope and improved trade volume between Nigeria and China since the late 1990s have not led to any significant growth in the manufacturing sector. The country continues to rely on the export of crude oil to the Western world, including China. Due to the influx of low-quality finished products from China into Nigeria, there is little incentive to promote the growth of our exports, particularly manufactured goods. A substantial gap remains in the export of manufactured products between Nigeria and China. This situation does not benefit our economy or trade balance, as our products struggle to compete with Chinese products in the global market. The unequal trade policies and economic protectionism that deny Nigeria's manufactured exports entry into China have significantly impacted Nigeria's trade position and balance of trade with China, ultimately resulting in the near-total stagnation of growth in our manufacturing sector.

Moreover, political leadership in Nigeria appears to be far from demonstrating a clear commitment to strengthening domestic policies and governance for development. In reality, the economic diversification model of the Nigerian Federal Government has been questioned. The asymmetric trade relations between the two countries largely as well as the patterns of Foreign Direct Investment (FDI) inflow from China to Nigeria, appear problematic. The domination of Nigeria's exports by the oil and gas sector has attracted FDIs, with insignificant positive impacts on local manufacturing. Technology transfer has remained questionable. Thus, the building of sustainable human capability is far from being realized. Despite the Nigerian government's claim that the country has established several physical structures, such as railways and electricity, to encourage both local and foreign investors, there is a large gap in the business environment of Nigeria. Sadly, a plethora of incentives offered to industries in Nigeria has neither encouraged significant world-standard industrialization nor competitive industrial advancement in the country.

Recommendations

The study recommended that the Nigerian federal government should give adequate attention to addressing the adverse impact of Chinese investments on the Nigerian environment. The practice of dumping goods in the Nigerian market as a result of the bilateral relations, which is at the moment affecting the growth of textile and other local industries in Nigeria, should be discouraged by strict compliance with the import standard. The patronage of already-made goods from China is alarming, thus, it remains a threat to Nigeria's local manufacturers. Given this prevailing circumstance, it is suggested that the Nigerian government, from the local to the national level, should adopt strategies that would promote the development of local industries. Although, attraction of foreign direct investments is a good strategy, the Nigerian government has the responsibility of creating an enabling environment where local industries can thrive.

In this regard, there should be a development of a master national strategy capable of guiding Nigeria's relations with China. The current economic structure of Nigeria cannot guarantee this unless there is a holistic restructuring of the Nigerian economy that would be based on human capital (productive knowledge). There should be a shift from a consumption-oriented economy to a production-oriented one, where the current economy of allocation would be replaced with the economy of production. Consequently, there is a need to develop coherent macroeconomic policies towards China; ensure dynamic policy implementation; develop extensive use of ICT in business and trade; ensure patriotism on the part of Nigeria's leadership; provide capital and grants for entrepreneur development; and government support to manufacturers.

In realization of the fact that Nigeria has long been caught in the web of trade relationships with China, especially now that the country is highly indebted to China, there is a need to carefully articulate policies that will reawaken the hopes of both small and medium industries in Nigeria. Therefore, the idea of trade liberalization, which promotes a higher degree of openness, should be treated with caution, given the fragile nature of most domestic industries in Nigeria. Most domestic industries in Nigeria are badly affected due to internal factors. For instance, poor or inadequate infrastructures such as transport, power, and communications, poor accessibility of grants and loans, unstable monetary policy of the Central Bank of Nigeria, and so on. All these combine to remain a challenging phenomenon. It is in the light of this that it is suggested that a certain level of protectionist actions may still be carefully required to strengthen the supposedly existing fragile industries and yet to be established ones. Based on this, Nigeria is at this time requiring pragmatic and visionary leadership that understands the importance of pragmatic policies that can be critically and analytically set to achieve specific goals.

Given the market size of Nigeria with attendant opportunities, it is recommended that there is a need to change the narrative and revolutionise the environment of real sector productivity. The disarticulated economic structures Nigeria is currently maintaining are less capable of guaranteeing the economic safety of Nigeria in the international system, where there seems to be stiff competition among independent economies, including China. There is a need to deliberately diversify industrial development through policy actions. This suggests that the overconcentration of productive industries in urban areas, leaving rural areas to farmers, is counterproductive. If there were systemic industrialisation in Nigeria, which provides opportunities for both rural and urban areas to be well industrialised, there is every possibility that imports from China will simply be to complement the locally manufactured products in Nigeria. Thus, both national and state governments are to formulate investment policies that would not only encourage local investors but also spur them into believing in the diversification of investment locations. A nation like China has adopted the strategy of industrialising both the urban and rural areas, hence increasing the employment rate and as level of productivity.

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