EXPORT PROMOTION AND THE GLOBAL ECONOMIC CRISIS

EXPERIENCES AND LESSONS FOR NIGERIA AS A MONO-PRODUCT ECONOMY

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1. Introduction

Exports have long played a role in the analysis of regional economies, primarily through the concept of the economic base. The need to export is predicated on solely economic reasons. According to Miloslavsky and Shatz (2006), much of the early thinking on exports in economic development was brought together in series of articles by Richard B. Andrews in the 1980s. In the first article (Andrews, 1953), he stated the basic role of export as:

"There is a fairly general consensus, that the economic base refers to those activities of an urban community which export goods and services to points outside the economic confines of the community or which market their goods and services to persons who come from outside the community's economic boundaries…. The base activities can be considered the wage earners of the community family. Without them, or if they decline in earning power, the economic health of the community suffers accordingly (p. 16).

This assertion highlights two important concepts. Firstly, export in the context of regional economic development is seen as goods and services sold outside the region, not necessary international. Secondly, export may refer to goods and services sold to people in countries other than the country where the product or service is produced. Drawing from the latter, an exporter is therefore someone who sells goods and services on a foreign market in order to make profit. According to NEPC (2008), there are two types of exporters: the export merchant and the manufacturing exporter. The export merchant is one who buys goods or products for export from manufacturers and producers within the country. The manufacturing exporter refers to a company which apart from manufacturing certain products is also exporting the product. Exporting is an indispensable part of all international businesses, whether the company markets in one country or on a global market. Goods are produced in one country, distributed to another, and moved across borders to enter the distribution system of the target market(s).

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Most countries control the movement of goods crossing their borders, whether leaving (exports) or entering (imports). Some of the basic export and import documents are tariffs, quotas, etc. They are barriers to the free flow of goods between independent sovereignties and are requirements that must be met by either the exporter or the importer or both.

Cateora (1996) asserts that the mechanics of exporting entails extra steps and costs to an international marketer that are not incurred by the domestic marketer. In addition to selecting a target market, designing an appropriate product, establishing price, planning a promotional programme and selecting a distribution channel, the international marketer must meet the legal requirement of moving goods from one country to another. Nigeria has been involved in export marketing since it assumed the position of a sovereign geopolitical entity. The question then is, to what extend have Nigeria's export promotion initiatives since independence as a sovereign nation affected her economy and how can the country's export marketing drive be repositioned and enhanced, especially in the face of the current global economic realities? The specific objectives of this paper therefore are:

- to x-ray the economic health of Nigeria;
- to identify the export promotion initiatives of Nigeria;
- to examine the effect of the current global economic crisis on export promotion and marketing in Nigeria;
- to identify the lessons and experiences concerning export promotion in Nigeria;
- to make policy recommendations that would drive the country through the period of the current economic meltdown and beyond.

2. Overview of Nigerian economy and export policy

2.1 An x-ray of the economy

The Nigerian economy is likened to the proverbial story of the nine blind men and the elephant. Each of the blind men described the elephant as perceived. This is the case when an attempt is made to diagnose the problems of the Nigerian economy.

In the years immediately after independence, the Nigerian economy was dependent on exports of agricultural commodities for survival until 1970. During this period, the main export commodities were cocoa, cotton, palm oil, palm kernel, groundnuts, and rubber. Between 1970 and 1974, agricultural exports declined from 43% to slightly above 7% (Osuntogun et al., 1997). This fact is supported by the sectoral contribution to Nigeria's gross domestic product (GDP). Table 1 shows the dominance of the agricultural sector in the early years of post-independence up to the mid 1970s. The contribution of oil to the GDP was infinitesimal at first but grew later on, from 0.3% in 1960 to 40.6% in 2002. The major cause of the decline in agricultural productivity was the explosion in the price of crude oil, which resulted in large receipt of foreign exchange by the country and the attendant neglect of agriculture. The mono-cultural economy of Nigeria started at this point, resulting from the over-dependence on crude oil export for her foreign exchange. The situation has remained unchanged to this day.

Table 1
Nigeria: sectoral contribution to gross domestic product (GDP)

Sector	1960	1970	1980	1990	2000	2002
Agriculture	64.1%	47.6%	30.8%	39.0%	35.7%	28.35%
Manufacturing	4.8%	8.2%	8.1%	8.2%	3.4%	5.5%
Crude Petroleum	0.3%	7.1%	22.0%	12.8%	47.5%	40.6%
Others	30.8%	37.1%	39.1%	40.0%	13.4%	25.55%

Source: Central Bank of Nigeria (2002)

The effort to reverse this trend began in 1986, but has yielded very little result. As oil continues to dominate the country's exports, the non-oil exports have continued to drop. Available data show that 94.5% of the nation's exports is from oil and 5.05% from non-oil sectors (agriculture, manufacturing and others) (Table 2). Nigeria's major export partners are the United States (38.3%), the European Union (21.8%), India (9.9%), Brazil (0.8%), and Japan (4%) (Ojo, 1996; Ajakaiye and Ayodele, 2000).

Table 2
Nigeria: Oil and the structure of the economy (2002)

Sector	Export earnings	GDP	FG revenue	Investment
Oil	94.95%	40.58%	71.07%	93.33%
Non-Oil	5.05%	59.42%	28.935	6.6%

Source: Central Bank of Nigeria (2002)

The above scenario gives an ugly picture of the state of the Nigerian economy. The mono-product (crude oil) exportation makes it difficult for the country to adopt sound economy stabilization policies. The oil boom of the 1970s led to the neglect of a strong agricultural and manufacturing base in favour of unhealthy dependence on crude oil. This has, over the years, led to a concurrent decline in other economic sectors. These include a massive migration from the rural areas to the cities, a collapse of basic infrastructures and social services, etc.

Despite the Federal Government's commitment to promoting exports, Nigeria's non-oil exports are still very low. Our worry is the implication of a weak economy in a world that is experiencing a global financing and economic crisis. This concern was captured in the 2004 national budget by a onetime Nigeria Minister of Finance, Dr. Mrs. Ngozi Okonjo Iwala, in which she stated that:

"…We have suffered a great deal in this country from our inability or unwillingness to manage our oil resources properly. When oil prices are high like now, a great deal of optimism sets in and we earn to meet our admittedly tremendous needs…"

2.2 Export promotion initiatives in Nigeria

Export promotion is defined as an incentive programme designed to attract firms into exporting by offering help in product and market identification and development, prescription and post-shipment, financing, training, payment guaranty schemes, trade fairs, trade visits, foreign representation, etc. (Business Dictionary.com). In Nigeria, in recognition of the economic importance of exports, a few measures were put in place to promote exportation of goods and services. These include the establishment of Nigeria Export-Import Bank (NEXIM Bank); an exchange rate devaluation to make Nigeria's exports cheaper on the international market; the introduction of an import duty drawback which allows importers to claim repayment of the import duty paid on raw materials used in producing export goods; the establishment of a manufacture in bond scheme which allows the clearance of imported raw materials for use in export production without repayment of import duty; the promulgation of Nigeria Export Processing Zone Decree No. 34 in 1991 and the establishment of a Free Trade Zone in Calabar (CFTZ); and the establishment of the Nigeria Export Promotion Council (NEPC) in 1990 (Afeikhana, 1996). NEPC is the federal agency charged with the responsibility for promoting exports of goods made in Nigeria. NEPC is also responsible for the registration of new entrants into the exporting business in Nigeria. NEPC was established to achieve the following national objectives (Sasore, 2004):

- i) To promote the development and diversification of Nigeria's export trade.
- ii) To assist in promoting the development of export-related industries in Nigeria.
- iii) To spearhead the creation of appropriate export incentives.
- iv) To coordinate and monitor export promotion activities in Nigeria.
- v) To collate and disseminate information on products available for export.
- vi) To collate and disseminate local manufacturers' and exporters' information on foreign markets.
- vii) To offer technical assistance to local exporters in such areas as export procedure and documentation, firm financing, marketing techniques, quality control, export packaging, costing and pricing, publicity and other similar areas.
- viii) To plan and organize the participation of Nigeria in trade fairs and exhibitions in other countries.
- ix) To undertake studies of the current economic conditions with special attention to the export sector with the aim of advising the Government on necessary policies and measures.
- x) To cooperate with other institutions on matters related to export financing, export incentives, and specialized services to exporters.
- xi) To assist in finding appropriate solutions to protracted problems encountered by exporters in the process of exportation.
- xii) To provide services to inward missions from other countries.

2.3 Export promotion strategy in Nigeria

Export promotion strategy is elaborately defined by Todaro (1996) as "government efforts to expand the volume of a country's exports through export incentives in the form of public subsidies, tax rebates, special credit lines, and other kinds of financial and non-financial measures designed to promote a greater level of economic activities in export industries so as to generate more foreign exchange and improve the current account of the balance of payment".

One problem usually encountered in export promotion is the question of which strategy to use. There are some suggestions in export marketing literature. The use of concentration strategy was popularized by Barclays Bank Report in 1979 (Osuntogun et al., 1997) and BETRO Report in 1976. The philosophy of this strategy is that countries should adopt a distinct policy of concentrating on 10-12 promising areas and deploying most of their resources on those markets. This means selecting the best and without consideration of the barriers to market penetration. Nigeria export promotion policy implementation has until today been concentrated at the developed countries (United States, 38.3%; European Union 21.8%; India 9.9%). It is observed that little attention is being paid to gathering trade facilitating information that may further diversify Nigeria's export market. The proponents of this strategy argue that such markets have minimal risks and certainty for growth is assured.

The concentration strategy, however, is challenged by Piercy (1983/84), who observed the flaws in the concentration strategy. According to Piercy, the strategy ignores the opportunities that may exist to compete on a world market. Secondly, it ignores the constraints imposed by market characteristics and competitors' actions. It is said that concentrating exports to developed countries may in fact slow the growth of developing countries such as Nigeria (Lewis, 1980).

3. Causes of the global economic crisis and impact on the performance of Nigeria's export promotion

Before we discuss the causes of the current global crisis, let us shed more light on the concept of globalization. The philosophical underpinning of economic globalization is the breaking down of national economic barriers, the international spread of trade, financial and production activities, and the growing power of transnational corporations and international financial institutions in these processes (Khor, 2005:1). In most countries, national barriers are being removed in the areas of finance and financial markets, trade and direct foreign investment. Out of the three aspects of liberalization (finance, trade, and investment), the process of financial liberalization has been the most pronounced.

Since the advent of the East Asian financial crisis, most financial analysts have predicted the fragility and vulnerability of the global financial system and the risk of a breakdown in some critical parts or the general system itself, as a system failure in one part of the world or in the system. This has had a widespread repercussion on national, regional and global economies. This is because the world operates as a virtual community, and in view of the commonality in trade, investment and finance, the current tsunami changes are better described as a pandemic. The effect of the global economic meltdown is having rapid ripple effects on the entire world with an emergent world order (Aimiuwu 2008). According to Aimiuwu (2008:2), as the saying goes, "when America sneezes, Europe shivers and the rest of the world catches a cold". The current global economic crisis has a series of implications for the Nigerian economy too.

The national policies that were under the jurisdiction of states and people within a country have increasingly come under the influence of international agencies and processes or financial players. Specifically, most developing countries have seen their independent policy-making capacities eroded and have had to adopt policies made by other entities, which may be detrimental to the countries concerned. The unchecked power of big players and speculators has made it difficult for countries to control the level of their currency and the flow of money in and out of the country. The Bretton Woods Institutions (World Bank and IMF) wield tremendous authority in the majority of developing countries that depend on their loans. Non-compliance with the decisions of the big players can result in trade sanctions being taken against a country's exports (Khor, 2005). Most developing countries have been unable to reap benefits of globalization because of several weaknesses. The major factor is the economic weakness resulting from lack of domestic capacity, weak social infrastructures and lack of bargaining and negotiating strength in international relations.

Identification of the causes of the current global economic crisis would help in finding long-lasting solutions or at least mitigating the immediate impacts of the crisis on the Nigerian economy. There is as yet no consensus or unanimity on the factors responsible for the crisis. However, there are different views on the actual causes of the current global economic crisis, but not mutually exclusive viewpoints on what is behind the crisis. According to Narasimhan (2009), the two common schools of thought interested in the crisis are the global imbalance and poor regulation.

The first school of thought is that of global imbalance. Most financial experts believe that the financial sector debacle has its origins in the "global imbalance"- the phenomenon of large current account surpluses in China and a few other countries co-existing with large U.S. deficits. The global imbalance is reflected in large mismatches in the current account positions of some countries and their mirror image in the form of domestic savings – investment mismatches (Narasimhan, 2009). Understanding such imbalance is not that difficult even for lay people. The U.S. has been running huge deficits. Countries such as China and Japan needed an outlet to deploy their surpluses. It was mutually convenient, as it were, for the savings of Asian countries to find a haven in the U.S., which needed the money because it saved very little. The global imbalance is therefore said to be an indirect cause of the current global crisis.

The second school of thought is poor regulation. The main culprits were deficient financial regulation and the failure of market discipline resulting in a systematic flouting of rules and regulations by banks. As the subprime crisis showed, practically all banks used their ingenuity to develop structures and products that were outside the normal regulatory confines of banking in order to satisfy their customers seeking high returns. In the process, they created a large number of shadow banking institutions – investment banks, hedge funds and the like. These shadow institutions grew over time to be systemically important. Through securitization and other means, the banks convinced themselves that the risks were spread out. The complex instruments presumed to minimize risks with the original issuer and guarantee a high return for those who bought them. In the end, those who created them did not comprehend their risks. For example, the collapse of the housing market was followed by a great squeeze in the credit markets. Many economists and business people failed to acknowledge the common-sense fact that home prices could not continue rising faster than household incomes. Another example is building on the repo market, where securities backed by mortgages and other assets were used as collateral for loans. Because of the collateralization, these loans were thought to be safe, but the securities turned out to be riskier than borrowers and lenders had thought (Narasimhan, 2009).

The G7 (United Kingdom, United States, France, Canada, Italy, Japan, Germany) leading industrialized nations and the IMF have made it abundantly clear that non-fundamental change in the international system is being envisaged in these circumstances (Chossudovsky, 2009). Developing countries like Nigeria must take their own measures to protect their economies. What is more important for us as Nigerians is not the global financial crisis, but how it translates into an economic crisis. Nigeria does not have an important direct relationship with troubled financial companies abroad in terms of asset holdings or portfolio investment on global financial markets (Abeyratne, 2008). The implication is the downturn in the world economy resulting in a fall in export demand. This means that Nigeria, like other developing countries, will experience a loss of export demand for its primary products. A loss of export demand would lead to a loss of revenue from these primary products. The Chief Executive Office, Federation of Nigerian Exporters was quoted as saying that "some technocrats and even bankers have argued that Nigeria will be minimally affected by the global financial crisis". This is because, according to him, the country is not fully integrated into the world economy. He predicted that "as long as the financial crisis continues, the economy will groan as the demand for oil decreases" (Muanya, 2008).

4. Experience from Nigeria's export promotion policy

As a member of the international community, Nigeria is a signatory to some international trade institutions and agreements such as the World Bank (WB), the International Monetary Fund (IMF), and the General Agreement on Tariffs and Trade (GATT). The major objective of these trade relationships is the increase in the volume of trade. The claim that trade liberalization has a positive impact on all economies has been challenged by researchers. There is now copious empirical evidence from many developing countries on the negative results of trade liberalization. The maxim that "there is no loser in trade liberalization" does not hold water any more (Khor, 2005). Nigeria has implemented some of the elements of these trade agreements, such as liberalization of the national economy. Instead of being a gainer, she turned out to be a loser. This can be buttressed with the following points:

1. Some counties have gained more than others, while Nigeria has suffered severe loses to her economy. Nigeria has gained less than her big trade partners. This could be attributed to the fact that her economy is oil-dependent.

2. Trade liberalization has led to a sharp increase in import propensity, but exports fail to keep pace, especially in the non-oil sectors. This is the case in Nigeria.
3. One common feature of the global crisis is the colossal vicious cycle trade and balance of payment deficit between Nigeria and most of the advanced countries. This could be linked to the fluctuation in international oil prices.
4. There is no clear and systematic association between trade liberalization and development on the one hand and growth and diversification of output and growth in Nigeria's output and exports on the other hand.
6. Nigeria has, to some extent, liberalized her trade policies in terms of imports (increase in the inflow of products), but she has not been able to obtain an appreciable increase in export growth. There is a surge in imports without a corresponding surge in exports from the non-oil sectors.
7. Export performance of developing nations depends on the presence of access to the country's potential exports.
8. The presence of many tariff and non-tariff barriers in the North to the potential exports of developing countries like Nigeria has affected exportation.
9. The refusal of the North to lower import tariffs for exports from developing countries with low manufacturing capacities has affected Nigeria's export promotion.
10. The South's dissatisfaction with the quality of implementation of the agreement on textiles and clothing by the North, especially the USA, is worrisome.
11. Increase in non-tariff barriers such as anti-dumping measures have failed due to inefficient regulatory frameworks. This has hindered the emergence of a strong local manufacturing sector in Nigeria.
12. Developing nations such as Nigeria are expected to participate in the world economy on their own terms, not on the terms dictated by global markets and multinational institutions.
13. It is confirmed that all successful countries have developed their own brand of national capitalism, but most developing countries have models given to them by their big trade partners such as the IMF, the World Bank, etc.
14. The colonial type of trade we inherited, in which colonies exported raw materials and colonial masters specialized in producing industrial products, is still in operation in Nigeria even after four decades.
15. The continuous fall in the price of commodities in international trade in relation to manufactured products has affected the economies of nations that are heavily dependent on oil revenues (UNCTAD, 1999:85). This is the case of Nigeria.
16. The commodity price situation is worsening because of the use of biotechnologies adopted by developed economies to produce substitutes for natural commodities usually supplied to the developed economies by developing countries. This means that there is a loss of demand for the exports of these commodities from developing countries, including Nigeria.

5. Lessons from Nigerian export promotion policy

Lessons learned from Nigerian export policy formulation and the attendant impacts of the economic crisis on the economy are quite interesting. They include the following:

1. Nigeria had unprecedented, unexpected and unplanned wealth from oil in the mid 1970s, but failed to invest it prudently in sectors that would have acted as economic catalysts. Even the few that were established were oil-based, such as the oil refineries. A few other ones that were focused on the non-oil sectors could not see the light of the day and are still moribund up to this moment. Examples include the Ajaokuta Steel Company, Aluminium Smith Melting Company, etc.
2. The oil money was invested in social infrastructures in a few urban areas. This made such urban areas more attractive than the rural areas. This eventually led to a rural-urban migration, which has led to the problem of urban congestion, pollution, unemployment, crime, etc.
3. The Nigerian Government embarked on several ambitious and expensive projects, having little or no economic value. There was no concrete economic programme that would have unleashed the entrepreneurial energy of Nigerians and propelled the small and medium-scale enterprises in the non-oil sectors. This has led to the establishment of the National Economic Empowerment Development Strategy (NEEDS). It sets specific goals in growth indices such as wealth creation, employment generation, institutional reforms and social charter. This strategic intervention is yet to yield the expected result because of poor programme implementation.
4. The upsurge in the price of oil on the international market from the mid 1970s led to a serious neglect of the non-oil sectors of the Nigerian economy. There has been a heavy government dependent on oil as the major source of revenue. Because of this, the average Nigerian became sensitive to petroleum oil and all the variables surrounding it, to the extent that any development on the international market has a corresponding impact on the domestic economic agents and policy makers (Adedipe, 2004).
5. It was observed that the country's external reserve was susceptible to the fluctuation of oil prices on the international market. This was evidenced in 1979.
6. Although it is often claimed that the oil sector provides direct employment, it is found to be less than 10% of Nigeria's working population. This is because the upstream and gas exploration activities are largely hi-tech and the downstream engages more of the low-skilled workers (Appendix 2).
7. The over-dependence on oil has given rise to a situation where there is trade expansion from oil trade, but a contraction of the non-oil sectors as shown on the current account. The non-oil sectors have contributed very little, hence the deficit trade balance in those sectors (Appendix 1). As oil earnings grow, the propensity for imports has increased over the years.

8. Monetization of oil revenues has been a major factor for liquidity management in Nigeria. Its effect can be seen on the interest rate, exchange rate and inflation. There is virtually no exchange rate system that Nigeria has not tried in order to find the realistic exchange value for the Naira. The difficulty is simply that Nigeria is a net importer, whose external earnings are derived from one product, which is crude oil (Adedipe, 2004). Olomla and Adeumo (2006) have empirically established that there is a correlation between fluctuation in oil prices and changes in exchange rate in Nigeria. In the 1960s, the Naira Pound was pegged at par to the British Pound Sterling. In the early 1970s, the Naira was pegged to the US Dollar (1970: N1/U$0.0714, 1980: N1/U$0.5464, 1986: N1/U$2.0206). Since 2000, the exchange rate has been between U$1/N101 to N125 (Appendices 3 and 5).
9. Bank lending rates have been persistently above 20% p.a. The data revealed that in 1993, the rates rose to 78% p.a. at a time; the non-bank financial institutions were doing up to 15% flat. Till now, the system still lends at above 20% (Appendix 4).
10. Nigeria's debt capacity expanded with oil earnings and its future prospects. Credits of all kinds were extended to the Nigerian Government and commercial enterprises. This led to huge debt burden that was sustained by a high propensity to consume imports and cash flow from crude oil sales, which boosted confidence of creditors in Nigeria's capacity to service credit facilities and repay.

6. Recommendations for improving the export promotion capacity and competitiveness of Nigeria's exports

The authors suggest three strategic measures which, in their opinion, can strengthen the export promotion and marketing drive of the country and the economy as a whole in the face of the current global economic crisis. The measures are: international trade policies, macro marketing and micro marketing policies.

6.1 International trade policies

1. The country should not implement the financial policy of international institutions hook, line and sinker. International policies should be adopted and applied taking into consideration the country's peculiarities. This is because of the obvious flaws observed in the economies of some developing countries and as seen in the nation's experience following the implementation of trade liberalization according to the dictate of the developed economies (e.g., G7). The economy should not be over-liberalized because of pressure from multinational institutions such as the WTO, IMF and GATT.
2. Along with other developing countries in the South, Nigeria should launch a campaign for "fairer prices for agricultural products" from the developing countries, through commodity agreements. This will give value to the low exports of primary produce from Nigeria.

3. The developed countries should be persuaded, through a trade agreement with the developing countries under GATT, to remove tariff and non-tariff barriers against exports from developing countries. Unless these barriers are removed, the South's (including Nigeria's) export potential will not be unleashed.

6.2 Macro marketing policies

1. The country's export policy should be revised. This should be based on the result of a measurement of the export-import similarity and dissimilarity index. Nigeria has used the concentrating strategy in the past years by default. The choice of countries to target should be based on the principles that trade opportunities exist between countries as long as there are dissimilarities in factor endowment and existing factor endowment and existing patterns of products and consumption. This is referred to as market diversification. The need to identify products that could enhance the overall market diversification effort is urgent. South-South trade should be taken more seriously because of the countries' similar factor endowment and climatic conditions (Lyakurwa, 1990).
2. In his interview with Nosike (2009:1) in the Vanguard Newspaper, when asked, "What do you think about the economy now that the price of fuel is falling", Isidore Sonarriwo responded by saying "Diversification, diversification and more diversification". This goes to show the extent to which economic diversification is needed. Apart from market diversification, product diversification is very necessary. More political will should be mustered to develop other sectors of the economy apart from the oil. We are blessed with a plenty of arable land for agriculture, a wide range of untapped minerals that can be mined and sold on the global commodity markets, culture and beautiful tourist attractions. It is surprising to not that Nigeria still imports some agricultural products, an area where she has comparative advantages such as fish (US$ 1 billion), rice (more than US$ 5 billion), milk powder and fruits (NACCIMA, 2009).
3. The problem of inadequate infrastructures should be given serious attention. Unavailability of necessary infrastructures has made goods produced in the country uncompetitive. This is because goods produced in the country are usually more costly than those produced in countries that operate at lower cost. The most troublesome is the problem of electricity. The Power Sector Reform Act, 2005, should be pursued with vigour.
4. The small and medium enterprises that form the engine drivers of the economy are weak and should be energized to live up to expectations. The SMEs are not performing because of the harsh and difficult business environment they are operating in. Through the Central Bank of Nigeria (CBN), the Government should ensure the successes of the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) and the Small and Medium Enterprise Equity Investment Scheme (SMEEIS), especially in the provision of investible funds to entrepreneurs. The output of these SMEs will form the major source of exports for the country (Esu, 2009).

5. The Federal Government should increase the budgetary allocation to the agricultural sector by 10-25%. This will give the necessary impetus to the sector and will result in increased domestic production for both domestic consumption and for export. Nigeria cannot export when the domestic demand has not been met.
6. The Government should ensure the effective take-off of the commodity development and marketing companies. These institutions will help in setting standards for the marketing and pricing of agricultural products. An attractive market will motivate farmers to produce more for both domestic and export purposes.
7. The Government should encourage research into the ways of increasing agricultural yields in the country. This will make the industry more efficient with the capacity to meet export demand.
8. The Federal Government should remove all forms of levies and taxes imposed on some agricultural products by the Federal Produce Inspection Service (FPIS). This adds to the cost of the exporting, which makes it less competitive.
9. There should be a review of the current export incentives. These incentives should not be tied to public sector bureaucracy.
10. The relevant Government agencies should ensure appropriate standardization of export products before they leave the shores of Nigeria. The responsible agencies should be engineered to carry out this responsibility.
11. The Government should intensify efforts through its public relations machinery to attract foreign investors and to set up export-oriented industries in the country. In addition to this, the Government should ensure that the Premier Export Processing Zone / Free Trade Zone in Calabar and other such zones in Nigeria become operational. At the moment, the few companies operating in the Calabar Free Trade Zone are not producing for export. Some are out of business because of the harsh business macro environment.
12. The NEPC should be restructured and empowered to effectively support the non-oil export sectors in the country. The Council should be freed from unnecessary political interferences.
13. Because of the effect of multiple taxes on business performance, it is suggested that the Federal Government harmonize and rationalize the numerous taxes and levies in the country. This will reduce the high cost of doing business in Nigeria and the attendant effect on local consumers and on exports.
14. Rebranding of the country's image. The launching of the rebranding of Nigeria campaign is a welcomed development. To be effective, the image builders or managers should begin by identifying the right values Nigeria wants to market and, based on this, carry out value or ethical regeneration or orientation. When our ethical values are appreciated by the international communities, it will build their confidence in our products. This is supported by the ANHOLT Model (Mari, 2008).
15. The service export has become prominent in international economy. Nigeria has a comparative advantage in the area of tourism and culture and should leverage it to enhance its international competitiveness.

6.3 Micro marketing level

At the micro level, the input of the various firms that form the pool of producers can influence the performance of the export industry in Nigeria if best practice is not observed. The following activities are therefore necessary in their operations.

1. Exporting firms should participate in training courses, symposia, and workshops on all aspect of export promotion.
2. Either as individuals or through a consortium, the products should be promoted on foreign markets through advertising and publicity campaigns.
3. The firms should carry out export market research and studies of the foreign markets.
4. Product design for export should be based on the results of export market research.
5. The exporters should participate in trade missions, trade fairs, exhibitions and store promotion. During such visits, the exporters will meet the importers or prospective importers. The dyadic communication enjoyed would generate the necessary information that will help the exporters in formulating informed export promotion strategies.
6. Products and services produced in Nigeria should be produced to meet international quality standards and best practice. This will enhance product and service acceptance on the international market.

7. Conclusion

Aimiuwu (2008:2) asserts that "the emerging world order is a world where advantage belongs to the strong. The strong then use the advantage to create new strengths and new advantages in a manner of a recurring decimal."

The present global financial crisis is an aftermath of the imbalance created by globalization of trade, finance and investment. The financial crisis has a resonance effect on the global economy. The obvious manifestation is a loss of demand for exports, including Nigerian exports and a drastic fall in the prices of primary products, the worst being crude oil. The pool effect of all this is a weakening of the exchange rate of the Naira against other major currencies.

With the current scenario of the Nigerian economy and the global crisis, it is the role of the nation's leadership to carry out policy response that would protect the economy from further deterioration. It is hoped that the recommendations enunciated in this paper would enhance the effectiveness of the country's export promotion efforts and competitiveness in international trade and investment.

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Appendix 1

Nigeria: Balance of payment – oil and non-oil

	Current account			Capital account			
Year	Oil	Non-oil	Total	Oil	Non-oil	Total	Change in reserves
1970	383.6	-433.6	-50.0	-130.4	179.6	49.2	-46.6
1971	600.6	-830.0	-229.4	4.0	289.4	293.4	-177.6
1972	612.3	-935.0	-322.7	195.8	73.4	269.2	-57.2
1973	1,338.8	-1,286.1	52.7	64.5	80.3	144.8	-192.0
1974	5,057.1	-385.6	4,671.5	135.8	-141.7	-5.9	-3,102.2
1975	4,069.0	-4,026.4	42.6	121.4	19.7	141.1	-157.5
1976	5,280.4	5,538.8	-258.4	-42.0	-8.6	-50.6	339.0
1977	6,468.0	-7,115.5	-647.5	147.5	2.9	150.4	527.2
1978	5,649.8	-6,807.2	-1,157.4	92.1	1,019.8	1,119.9	-1,293.6
1979	8,987.9	439.4	9,427.3	-4.4	817.2	813.2	-1,868.9
1980	12,814.2	243.7	13,057.9	-541.8	-639.2	97.4	-2,402.2
1981	10,067.2	3.1	10,070.3	149.0	780.5	929.5	3,020.8
1982	7,777.7	203.2	7,980.9	135.7	3,335.2	4,470.9	1,398.3
1983	6,639.6	112.7	6,752.3	146.1	2,589.6	2,735.7	301.3
1984	8,152.3	82.0	8,234.3	-402.2	574.1	171.9	-354.9
1985	10,401.4	337.5	10,738.9	-13,610.0	-1,194.0	-2,555.0	-349.1
1986	7,454.5	552.1	8,006.6	1,740.1	-3641.0	-1900.9	784.3
1987	28,208.6	-11,070.4	17,138.2	-4,405.2	-12,405.2	-16,743.3	-159.2
1988	28,435.4	3,150.7	31,586.1	28,435.4	3,150.7	31,586.1	2,294.1

1989	54,989.8	4,122.2	59,112.0	-4,525.1	-25,696.8	-30,221.9	-8,727.8
1990	106,626.5	-26,816.4	79,810.1	-26,651.5	-22,593.3	-49,245.3	-18,498.2
1991	109,063.9	-57,094.1	51,969.8	-16,687.6	-10,795.0	-27,482.9	-5,959.6
1992	181,823.3	-88,142.8	93,680.5	-75,174.1	-63,581.5	-138,755.6	-65,271.8
1993	115,533.2	-149,947.9	-34,414.7	-6,041.4	-17,019.2	-23,060.6	-13,615.9
1994	104,095.1	-156,399.4	-52,304.3	104,095.1	-156,399.4	-52,304.3	-7,194.9
1995	412,844.4	-598,929,0	-186,084.6	-121,807.8	118,558.8	-3,254.0	15,325.1
1996	670,158.3	-429,978.3	240,180.0	-256,583.0	-33,617.5	-290,200.5	-183,950.6
1997	664,016.9	-627,983.3	36,033.6	-85,294.3	54,803.5	-30,490.5	-251,593.0
1998	278,853.1	-608,961.8	-330,108.7	70,258.6	45,145.1	115,403.7	36,960.3

Source: Central Bank of Nigeria, Statistical Bulletin, vol. 11, no. 2 (2002)

Appendix 2

Unemployment rates in Nigeria

Year	Urban	Rural	National
1976	-	-	4.3
1980	-	-	6.4
1984	7.9	4.4	6.2
1985	9.8	5.2	6.1
1986	9.1	4.6	5.3
1987	9.8	6.1	7.0
1988	7.8	4.8	5.3
1989	8.1	3.7	4.5
1990	5.9	3.0	3.5
1991	4.9	2.7	3.1
1992	4.6	3.2	3.4
1993	3.8	2.5	2.7
1994	3.2	1.7	2.0
1995	3.9	1.6	1.8
1996	6.1	2.8	3.4
1997	6.0	2.6	3.2
1998	4.9	2.8	3.2
1999	5.5	2.5	3.0
2000	7.2	3.7	4.7
2001	5.4	3.1	3.6

Source: Federal Office of Statistics (2000)

Appendix 3
Nigeria: Exchange rates

Year	NGN/USD	NGN/GBP
1970	0.0714	1.7114
1971	**0.6955**	**1.7156**
1972	0.6579	1.6289
1973	**0.6579**	**1.6289**
1974	0.6299	1.4795
1975	**0.6159**	**1.3618**
1976	0.6265	1.1317
1977	**0.6460**	**1.1671**
1978	1.6060	1.2238
1979	**0.5957**	**1.2628**
1980	0.5464	1.2647
1981	**0.6100**	**1.2495**
1982	0.6729	1.1734
1983	**0.7241**	**1.1216**
1984	0.7649	1.0765
1985	**0.8938**	**1.1999**
1986	2.0206	2.5554
1987	**4.0179**	**6.5929**
1988	4.5367	8.0895
1989	**7.3916**	**12.0695**
1990	8.0378	16.2419
1991	**9.9095**	**17.4955**
1992	17.2984	27.8684
1993	**22.3268**	**33.2533**
1994	21.8861	33.4252
1995	**21.8861**	**34.5240**
1996	21.8861	34.1229
1997	**21.8861**	**35.7698**
1998	21.8860	36.6368
1999	**91.8000**	**148.3888**
2000	101.7000	164.7994
2001	**111.9000**	**174.3003**
2002	120.5000	214.3236
2003	129.3565	-
2004	133.000	-
2005	132.1470	-
2006	128.6516	-
2007	125.8331	-

Source: Central Bank of Nigeria, Statistical Bulletin, vol. 18 (2007)

Appendix 4
Nigeria: Interest rates

Year	MRR	Prime lending	Deposit (90-D)	Savings
1970	4.50%	7.00%	30.00%	30.00%
1971	**4.50%**	**7.00%**	**30.00%**	**30.00%**
1972	4.50%	7.00%	30.00%	30.00%
1973	**4.50%**	**7.00%**	**30.00%**	**30.00%**
1974	4.50%	7.00%	30.00%	30.00%
1975	**4.5% - 3.5%**	**8.00%**	**30.00%**	**40.00%**
1976	3.50%	6.00%	3.0% - 2.5%	40.00%
1977	**4.00%**	**6.00%**	**3.5% - 3.0%**	**40.00%**
1978	5.00%	7.00%	2.0% - 4.75%	4.0% - 5.0%
1979	**5.00%**	**7.50%**	**4.75%**	**5.00%**
1980	6.00%	7.75%	5.75%	6.00%
1981	**6.00%**	**10.25%**	**5.50%**	**6.00%**
1982	8.00%	10.00%	7.25%	7.50%
1983	**8.00%**	**12.50%**	**7.25%**	**7.50%**
1984	10.00%	9.25%	9.25%	9.50%
1985	**10.00%**	**10.50%**	**9.25%**	**9.50%**
1986	10.00%	17.50%	9.25%	9.50%
1987	**12.75%**	**16.50%**	**14.90%**	**14.00%**
1988	12.57%	26.80%	13.40%	14.50%
1989	**18.50%**	**25.50%**	**18.90%**	**16.40%**
1990	18.50%	20.01%	19.60%	18.80%
1991	**14.50%**	**29.80%**	**15.71%**	**14.29%**
1992	17.50%	36.09%	20.80%	16.10%
1993	**26.00%**	**21.00%**	**23.60%**	**16.66%**
1994	13.50%	20.18%	15.00%	13.50%
1995	**13.50%**	**19.74%**	**13.62%**	**12.61%**
1996	13.50%	13.54%	12.94%	11.69%
1997	**13.50%**	**20.46%**	**7.04%**	**4.80%**
1998	19.25%	19.95%	13.07%	5.75%
1999	**18.00%**	**21.32%**	**12.68%**	**5.33%**
2000	14.00%	21.33%	10.47%	4.88%
2001	**20.50%**	**26.00%**	**17.90%**	**5.00%**
2002	**16.50%**	**20.60%**	**13.80%**	**3.70%**

Source: Central Bank of Nigeria, Statistical Bulletin (2002)

Appendix 5
Nigeria: Inflation rate

Year	Inflation rate %
1970	13.8
1971	16.0
1972	3.2
1973	5.4
1974	13.4
1975	33.9
1976	21.1
1977	15.4
1978	16.6
1979	11.8
1980	9.9
1981	20.9
1982	7.7
1983	23.2
1984	39.6
1985	5.5
1986	5.4
1987	10.2
1988	38.3
1989	40.9
1990	7.5
1991	13.0
1992	44.5
1993	57.2
1994	57.0
1995	72.8
1996	29.3
1997	8.5
1998	10.0
1999	6.6
2000	6.9
2001	18.9
2002	12.9
2003	14.0
2004	15.0
2005	17.9
2006	8.2
2007	17.4

Source: Central Bank of Nigeria, Statistical Bulletin, vol. 17 (2007)

EXPORT PROMOTION AND THE GLOBAL ECONOMIC CRISIS

EXPERIENCES AND LESSONS FOR NIGERIA AS A MONO-PRODUCT ECONOMY

Abstract: The importance of export promotion and marketing cannot be overemphasized. This is because of the attendant economic flow into the home country. Because of these benefits, Nigeria as a sovereign nation has been involved in exportation of goods and services. After forty-nine years of independence, Nigeria's export drive has failed to yield the expected economic benefits to the country. The export promotion policies of the government appear to be ineffective. This paper highlights the export promotion and marketing problems in Nigeria and the lessons therein. The paper contains recommendations that authors believe would produce result-oriented export promotion strategies and a strong and healthy economy in the face of the current global economic crisis.

Keywords: export, export promotion, globalization, economic crisis, trade liberalization, economic growth

JEL Classification: F14