

TRADE UNIONS AND TRADE



Nigeria Trade Fact Sheet

African Continental Free Trade Area



NIGERIA TRADE FACT SHEET

Trade unions, Trade and AfCFTA

Nigeria Labour Congress

October 2024

The AfCFTA will influence national policies that affect employment, income, and livelihoods – trade unions need to be prepared to engage with this process.

The practicalities of the AfCFTA, how it will affect trade, policies, and employment, are unknown and need to be better understood.

This resource provides insight into trade dynamics in Nigeria and helps trade unions think about trade and their interests in the AfCFTA.

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Nigeria Trade Fact Sheet

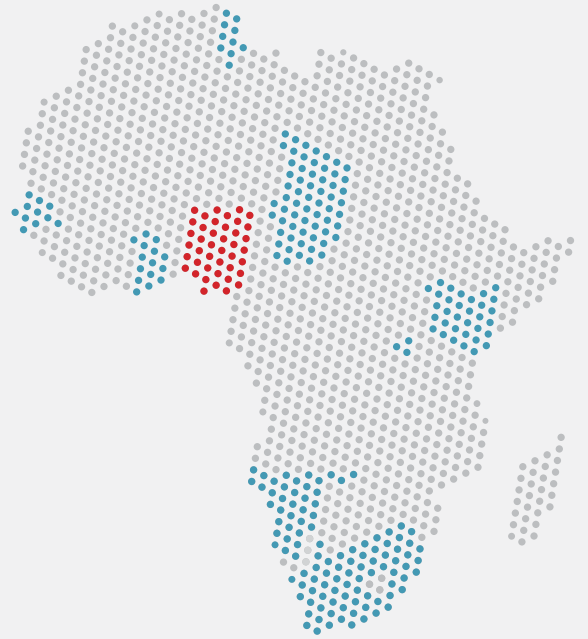
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**TRADE UNIONS
AND TRADE**

**Nigeria
Trade
Fact Sheet**

AFRICAN CONTINENTAL FREE TRADE AREA

SECTION 1: COUNTRY DEMOGRAPHICS

1.1 Total Population



ESTIMATED POPULATION IN 2022
216.7 MILLION

adapted from Nigeria National Population Commission (2022)



FEMALES
50.02%



MALES
49.98%

See Table 1 below

As shown in Table 1, the population is almost evenly divided between the sexes, with males making up 49.98 percent and females constituting 50.02 percent.

Table 1: Population (Projection) by Sex (2022)

Sex	Total	Percent
Male	108,350,410	49.98
Female	108,432,971	50.02
All	216,783,381	100

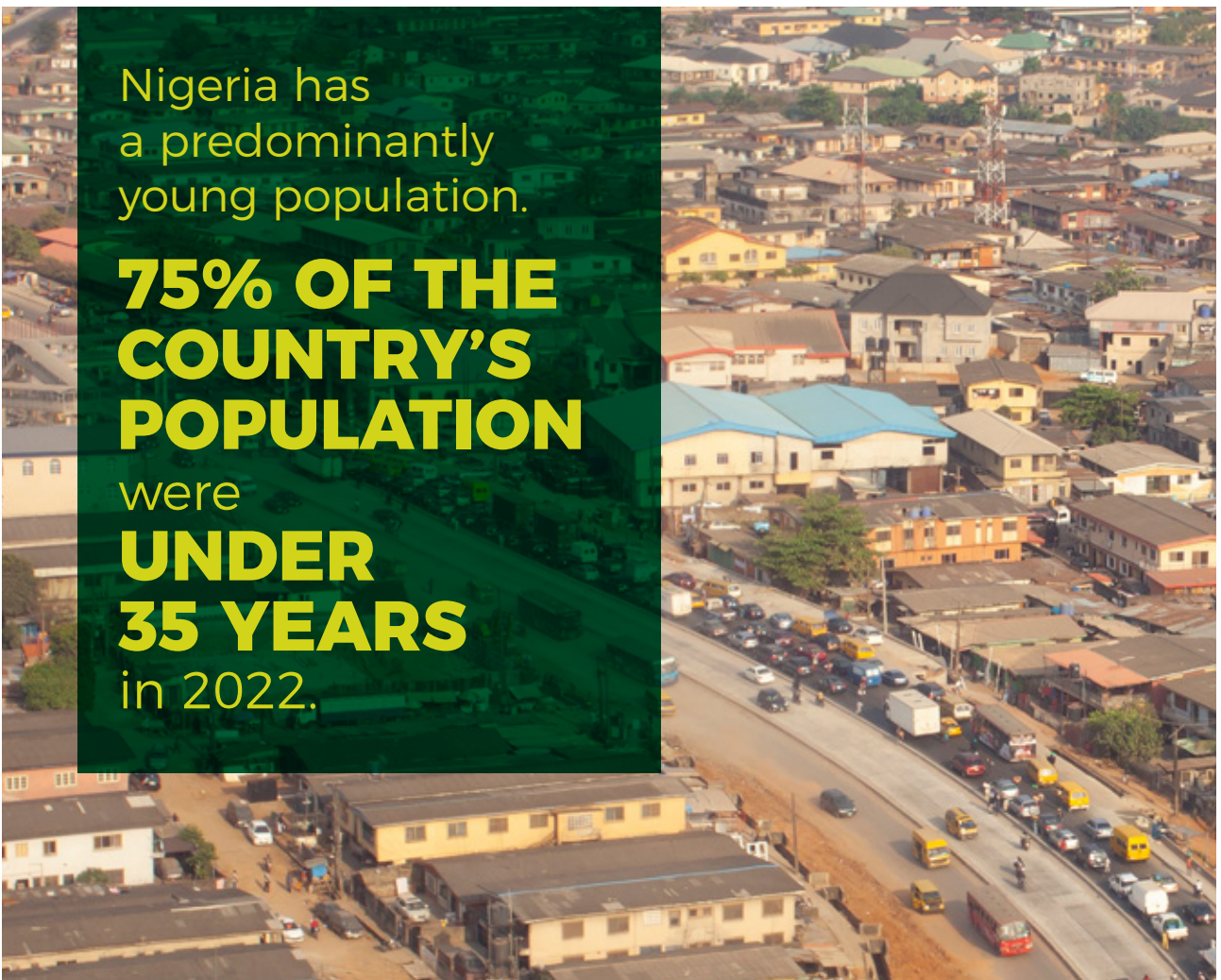
Source: adapted from Nigeria National Population Commission (2022)

Nigeria has a predominantly young population. About 75 percent of the country’s population were under 35 years in 2022 (See Table 2).

Table 2: Table 1: Population by age cohorts (2022)

Age Cohort	Total	Percent	Cumulative percent
0-14 years	91,244,951	42.09	42.09
15-24 years	40,754,864	18.80	60.89
25-34 years	29,608,845	13.66	74.55
35-59 years	44,968,084	20.74	95.29
60 years and above	10,206,637	4.71	100.00
All	216,783,381	100	

Source: Adapted from Nigeria National Population Commission (2022)



SECTION 2: ECONOMIC INDICATORS

2.1 Gross Domestic Product (GDP)



IN 2022, GDP WAS APPROXIMATELY
US\$ 472.62 BILLION

Contribution to GDP



SERVICES INDUSTRY

44%

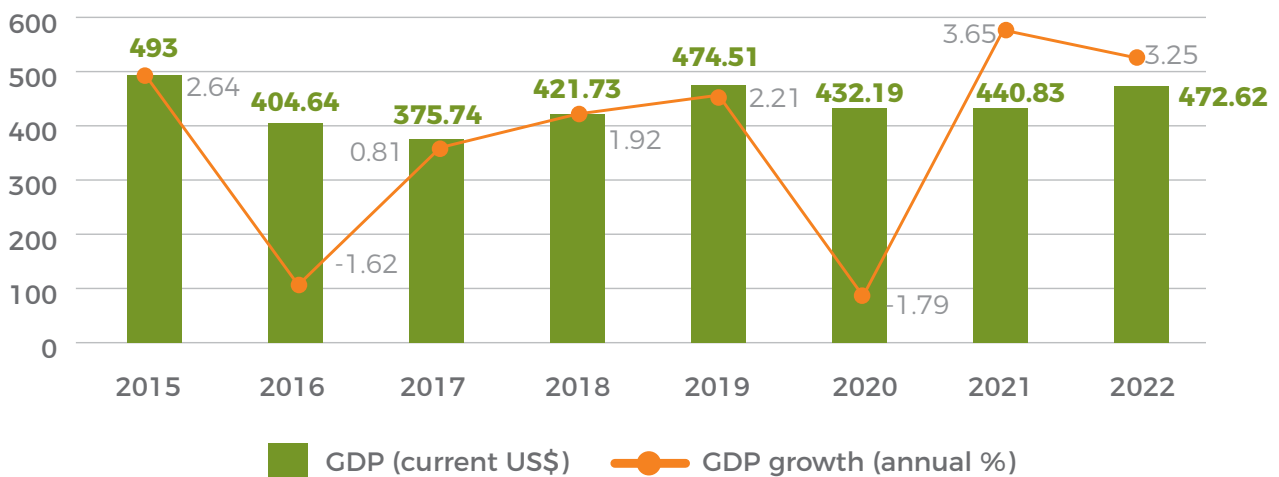


INDUSTRIAL SECTOR

30%

Nigeria is the largest economy in Africa. Figure 1 shows that the country's GDP was approximately US\$472.62 billion in 2022. Since 2015, annual GDP growth has remained below 4 percent.

Figure 1: GDP (US\$ billion) & GDP growth (%)

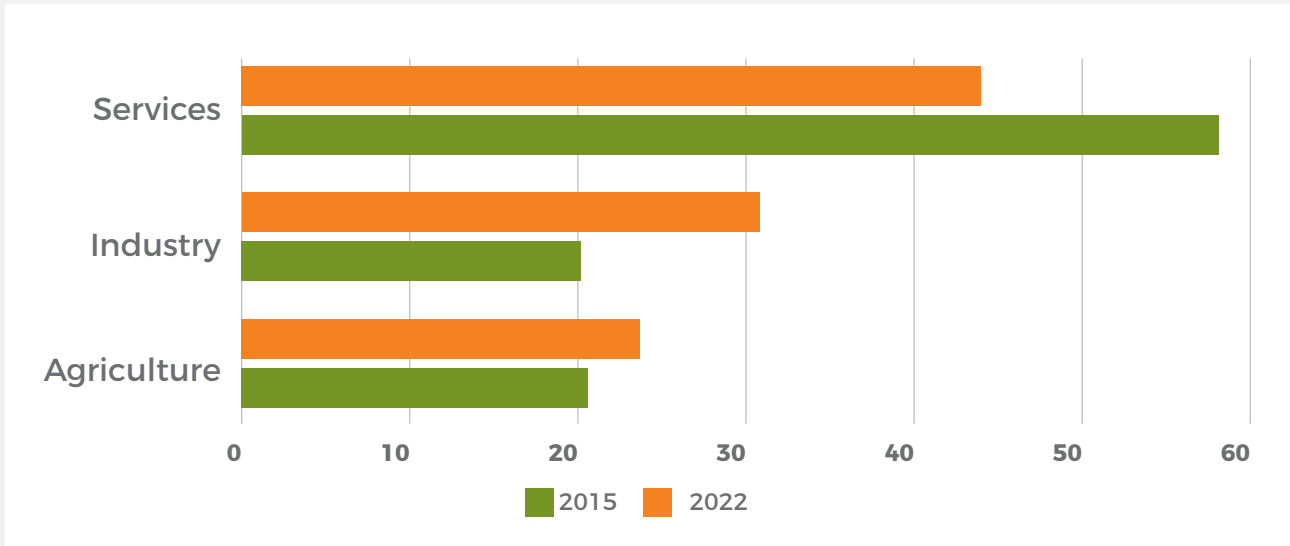


Source: WBI, 2023

2.2 GDP composition

The services sector is the main contributor to the GDP, accounting for approximately 44 percent in 2022. Meanwhile, the industrial sector contributed around 30 percent of the country's GDP in that year.

Figure 2: Source of Growth

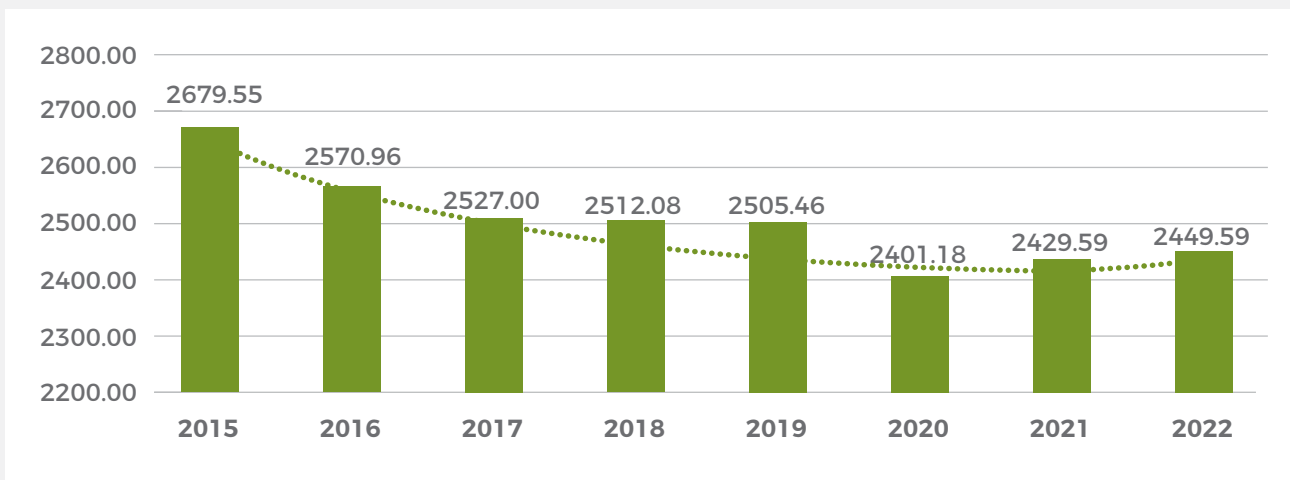


Source: adapted from WDI, 2023

2.3 GDP Per Capita

Nigeria is a lower-middle-income country. Figure 2 shows that its GDP per capita was US\$2449.59 in 2022, having declined from a peak of US\$2679.59 in 2015. Income inequality remains high, with a Gini index of 35.1 (World Bank, 2024).

Figure 3: GDP Per Capita (US\$)



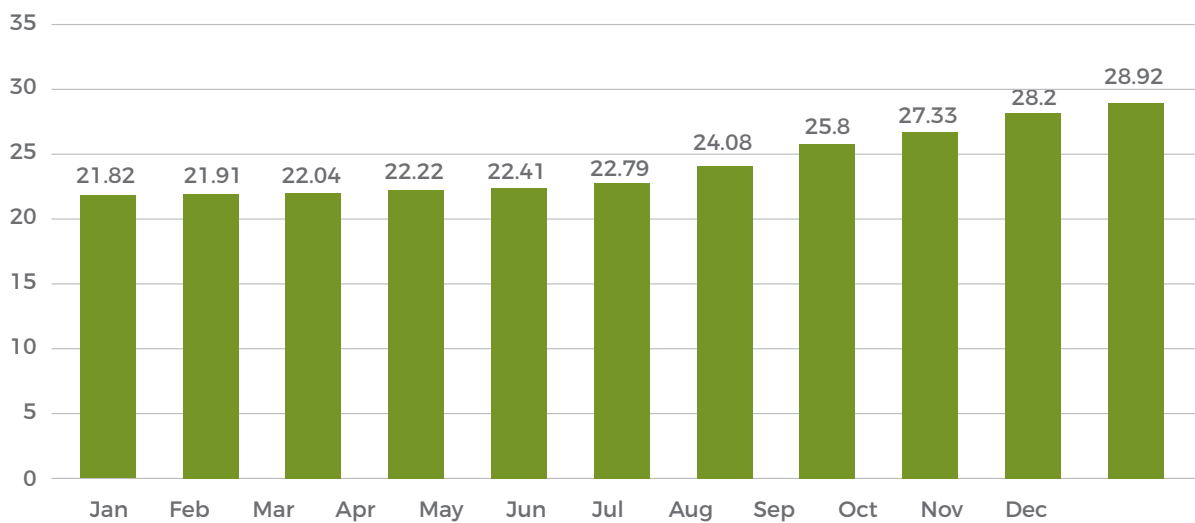
Sources: adapted from WDI, 2023

2.4 Inflation

Figure 4 illustrates that inflation exceeded 20 percent in 2023, increasing from 21.8 percent in January to approximately 29 percent by December.

This means that workers who did not achieve equivalent wage increases suffered real wage losses.

Figure 4: Inflation, 2023

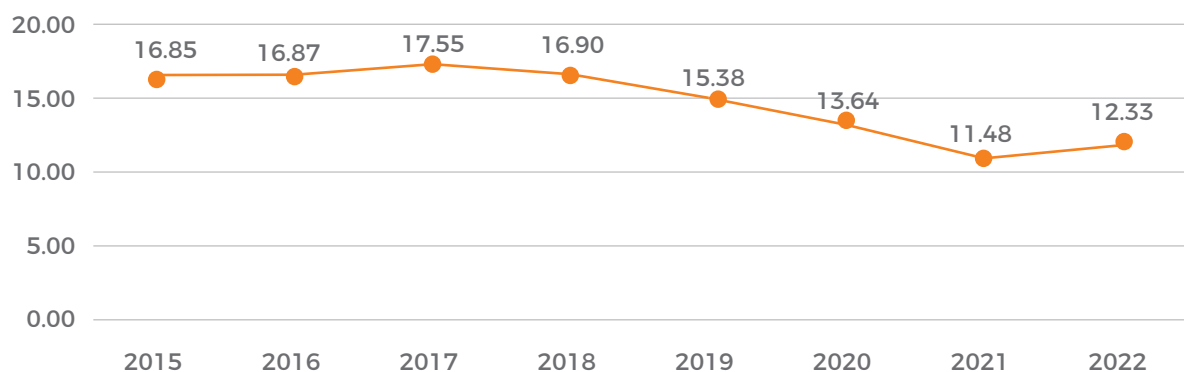


Source: adapted from Central Bank of Nigeria (2024)

2.5 Interest rates

Figure 5 provides an analysis of lending interest rates in since 2015. It shows that the rate declined from 17.5 percent in 2017 to about 11.5 percent in 2021, before inching up to about 12 percent in 2022. High interest rate adds to the cost of doing business and reduces the competitiveness of enterprises in both the domestic and international markets.

Figure 5: Lending interest rate (%)



Source: adapted from WDI, 2023

2.6 Exchange Rate

The Naira (NGN) depreciated significantly against major foreign currencies in the last two years. From January 2023 to January 2024, its value nearly halved (see Table 3).

Table 3: Exchange rate (2022-2024)

Year	US Dollar		British Pound		Euro	
Jan 31, 2022	US\$1 = ₦415.26	Change (%)	£1 = ₦556.66	Change (%)	€1 = ₦463.14	Change (%)
Jan 31 2023	US\$1 = ₦461.00	-11.01	£1 = ₦568.18	-2.07	€1 = ₦499.63	-7.88
Jan 31 2024	US\$1 = ₦1356.88	-194.33	£1 = ₦1725.96	-203.77	€1 = ₦1474.80	-195.18

Source: adapted from the Central Bank of Nigeria, 2024



SECTION 3: LABOUR MARKET INDICATORS

3.1 Employment and unemployment

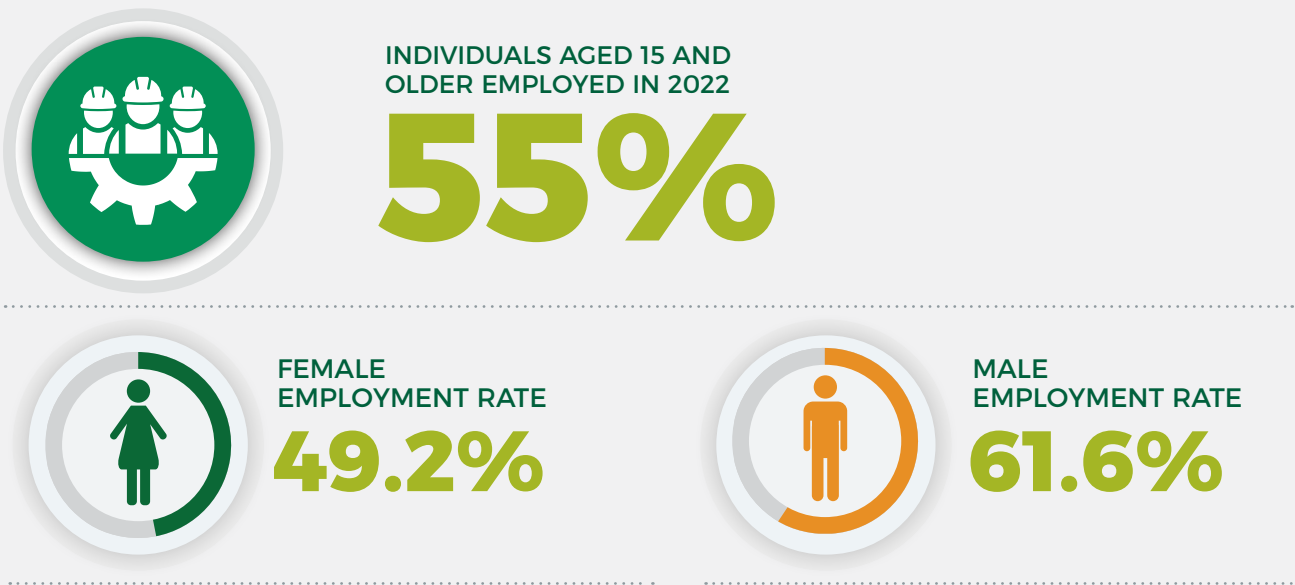
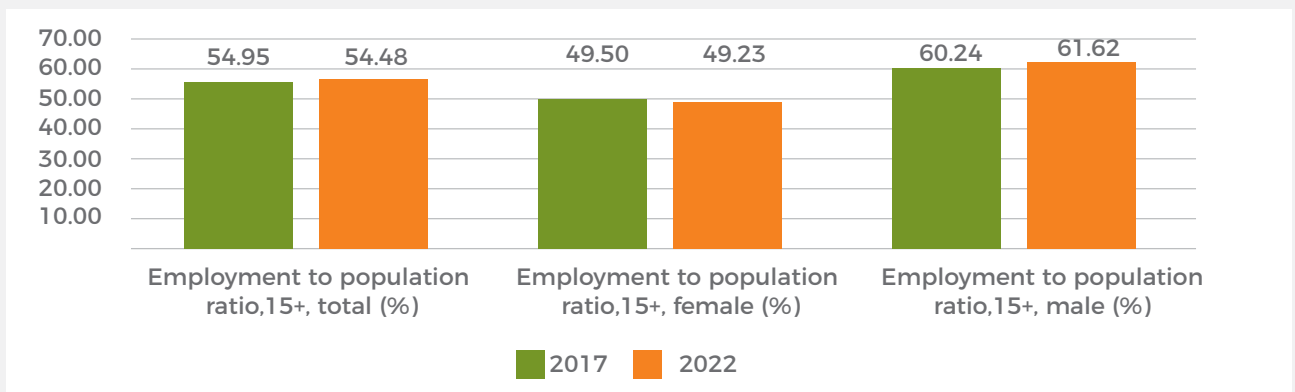


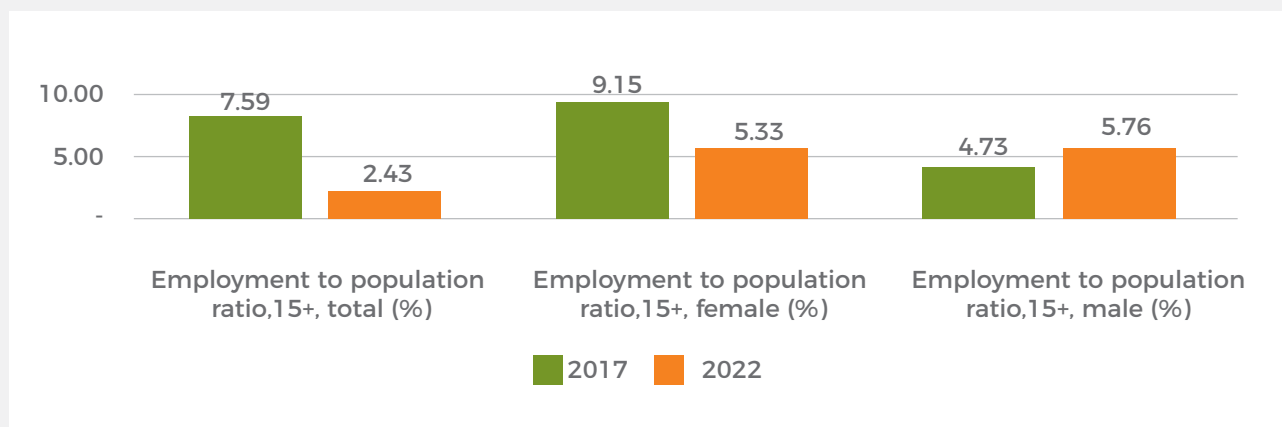
Figure 6: Employment to population ration



Source: Adapted from WDI, 2023

Available data indicate that open unemployment is relatively low. As illustrated in Figure 7, approximately 6 percent of the workforce was unemployed in 2022, with unemployment rates higher among females (5.3 percent) compared to males (2.4 percent). Official statistics show that youth unemployment (ages 15–34) was about 30 percent in 2018, increasing to nearly 35 percent in the second quarter of 2020 (Federal Ministry of Youth and Sports Development, 2021).

Figure 7: Unemployment rate



Source: WDI, 2023

3.2 Vulnerable employment rate (VER)

Vulnerable Employment Rate (VER) - defined as the share of contributing family workers and own-account workers as a percentage of total employment - is high in Nigeria. Table 4 indicates that approximately 79 percent of employed persons in the country were in vulnerable employment in 2021. Employment vulnerability was higher among females (83.69%) compared to males (73.74%).

Table 4: Vulnerable employment

Indicator Name	2017	2018	2019	2020	2021
Vulnerable employment (both sexes)	78.15	77.70	77.22	78.93	78.64
Vulnerable employment (male)	73.21	72.65	72.15	74.20	73.74
Vulnerable employment (female)	84.27	83.92	83.44	84.76	84.69

Source: adapted from WDI, 2023

3.3 Industrial distribution of employment

The services sector is the primary source of employment in Nigeria, with approximately half of employed individuals working in this sector in 2021 (see Table 5).

Table 5: Industrial distribution of employment

Industry	2017	2018	2019	2020	2021
agriculture	36.30	35.92	35.52	35.76	35.21
services	51.57	51.93	52.29	51.84	52.13
industry	12.14	12.15	12.20	12.40	12.66

Source: adapted from WDI, 2023

3.4 Informal economy

Data from the National Bureau of Statistics (NBS) show that 92.93 percent of the Nigeria’s workforce were employed in the informal economy in 2023 (NBS, 2024).

SECTION 4:

TRADE UNION MEMBERSHIP

Table 6: estimates of trade union membership

No.	NAME	SECTOR	Membership
1	Nigeria Union of Agric. And Allied Employees (NUAAE)	Agriculture	35,000
2	Amalgamated Union of Public Corporation, Civil Service Technical and Recreational Services Employees. (AUPCTRE)	Technical Services (Public)	70000
3	Maritime Workers Union of Nigeria. (MWUN)	Public/Private	30,015
4	Medical and Health Workers Union of Nigeria (MHWUN)	Health (Public)	270,000
5	National Association of Nigeria Nurses and Midwives (NANNM)	Health (Public)	18,000
6	National Union of Air Transport Employees (NUATE)	Aviation (Public and Private)	5000
7	National Union of Banks, Insurance and Financial Institution Employees (NUBIFIE)	Financial Services (Public and Private)	15,000
8	National Union of Chemical, Footwear, Rubber, Leather and Non-Metallic Employees (NUCFRLANMPE)	Manufacturing (Private and Public)	800
9	National Union of Civil Engineering, Construction, Furniture and Wood Workers (NUCECFWW)	Construction (Private)	34,000
10	National Union of Electricity Employees (NUEE)	Energy (Public and Private)	30,000
11	National Union of Food, Beverage and Tobacco Employees. (NUFBTE)	Food (Private)	39373
12	National Union of Hotels and Personal Services Workers	Hospitality (Private and Public)	5000
13	National Union of Petroleum and Natural Gas (NUPENG)	Energy (Public and Private)	4800
16	National Union of Road Transport Workers (NURTW)	Transport (Private - Informal Economy)	2,000,000
17	National Union of Shop and Distributive Employees (NUSDE)	Logistics and Services (Private)	6000
18	National Union of Textile, Garment and Tailoring Workers of Nigeria (NUTGTWN)	Manufacturing (Private)	10000
19	Nigeria Civil Service Union (NCSU)	Public Service (Public)	10000
20	Nigeria Union of Public Service Reportorial, Secretarial, Data Processors and Allied Workers (NUPSRSAW)	Public Service (Public)	2000
21	Nigeria Union of Journalists (NUJ)	Media (Public and Private)	58500
22	Nigeria Union of Local Government Employees (NULGE)	Public Service (Public)	350045
23	Nigeria Union of Mine Workers. (NUMW)	Mining (Private)	200000
24	Nigeria Union of Pensioners (NUP)	Retirees	1000000
25	Nigeria Union of Teachers (NUT)	Education (Public)	1680000
26	Non-Academic Staff Union of Educational and Associated Institutions. (NASU)	Education (Public)	120000

No.	NAME	SECTOR	Membership
27	Nigeria Union of Railway Workers (NUR)	Transport (Public)	9000
28	Radio, Television, Theatre and Arts Workers Union of Nigeria (RATTAWU)	Media (Public)	8000
29	Steel and Engineering Workers Union of Nigeria (SEWUN)	Manufacturing (Private)	10000
30	Iron and Steel Senior Staff Association of Nigeria (ISSAN)	Mining (Public and Private)	3000
31	National Union of Lottery Agents and Employees (NULAE)	Service (Private)	500000
32	Nigeria Welders and Filters Association (NIWELFU)	Manufacturing (Private and Public)	2000
33	Metal Products Senior Staff Association of Nigeria. (MEPROSSAN)	Manufacturing (Private and Public)	2000
34	Senior Staff Association of Nigerian Universities (SSANU)	Education (Public)	85000
35	Senior Staff Association of Nigerian Polytechnics (SSANIP)	Tertiary Education (Public)	100000
36	Academic Staff Union of Universities (ASUU)	Tertiary Education (Public)	
37	National Association of Academic Technologists (NAAT)	Tertiary Education (Public)	6000
38	Academic Staff Union of Research Institutions	Tertiary Education (Public)	5000
39	Judicial Staff Union of Nigeria	Justice (Public)	10000
40	Parliamentary Staff Association of Nigeria	Legislature (Public)	15000
41	Colleges of Education Academic Staff Union (COEASU)	Education (Public)	5000
42	Academic Staff Union of Polytechnic (ASUP)	Education (Public)	17546
43	Senior Staff Union in Colleges of Education, Nigeria (SSUCOEN)	Education (Public)	10000
44	Amalgamated Union of Food Stuff, Cattle Dealers of Nigeria (AUFCDN)	Food and Agriculture (Private - Informal Economy)	2000000
45	Association of Nigeria Aviation Professionals (ANAP)	Aviation (Private and Public)	3000
46	National Association of Aircraft Pilots and Engineers (NAAPE)	Aviation (Public and Private)	600
47	National Association of Barbers and Cosmetology Employers of Nigeria (NABCEN)	Service (Private - Informal Economy)	200000
48	Private Telecommunications and Communications Senior Staff Association of Nigeria (PTECSSAN)	Communication (Private)	650
49	PRISCTUN- Private Schools Tutors Union of Nigeria	Education (Private)	550000
50	Amalgamated App Based Transport Workers of Nigeria		5000
	Total		9,487,329.00

SECTION 5: INTERNATIONAL TRADE

5.1 Merchandise exports and imports

Nigeria's merchandise (goods) exports were higher than imports in 2015 and 2022. Table 7 indicates that the country's exports exceed its imports by about US\$2.7 billion in 2022.

Table 7: Merchandise trade (US\$ millions)

Classification	2015	2022
Merchandise exports	50,216	63,075
Merchandise imports	447,00	603,51
Merchandise trade balance	5,516	27,24

Source: adapted from United Nations Conference on Trade and Development (UNCTAD), 2023

5.2 Trade in services

Nigeria recorded negative services trade balances in 2015 and 2022. Table 8 shows that the country's services imports exceeded exports by about US\$16.4 billion in 2022. The main services exported were transport (41.6%) and travel (23.2%).

Table 8: Trade in services (US\$ millions)

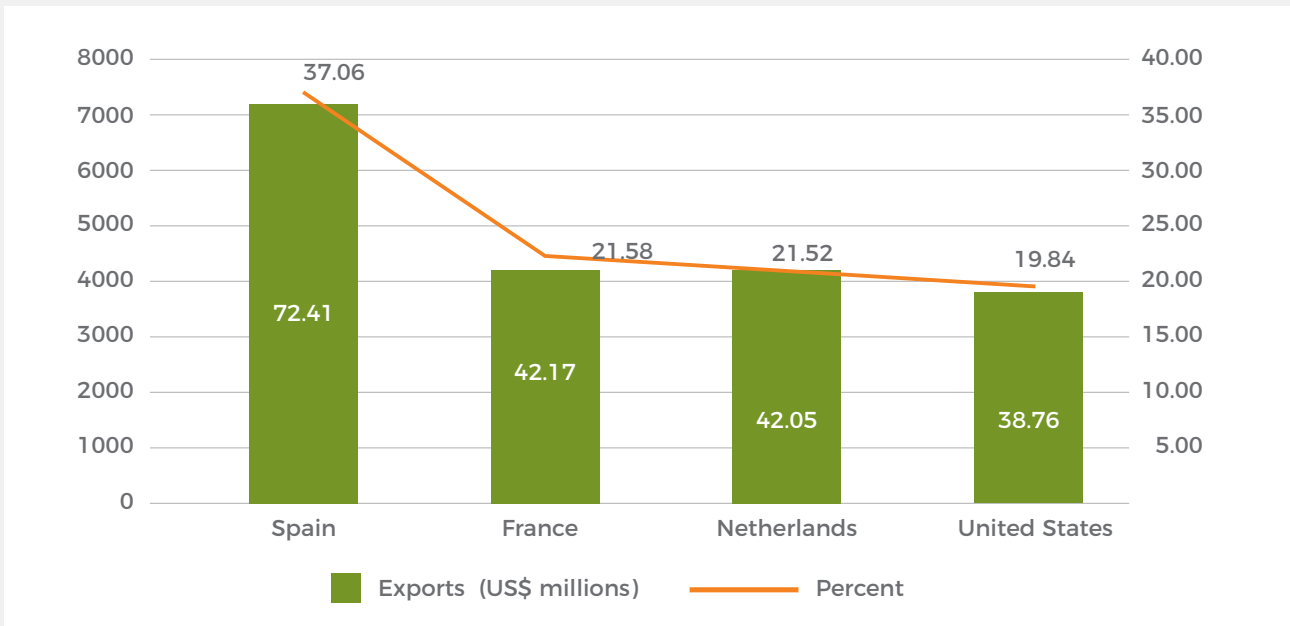
Classification	2015	2022
Services exports	3160	4864
Services imports	19613	18820
Services trade balance	-16453	-13956

Source: adapted from UNCTAD, 2023

5.3 Main export destinations

Spain was the main destination for exports in 2022. Figure 8 shows that about 37 percent of the country's exports went to Spain. France ranked second, receiving US\$4.2 billion or about 22 percent of Nigeria's exports in 2022.

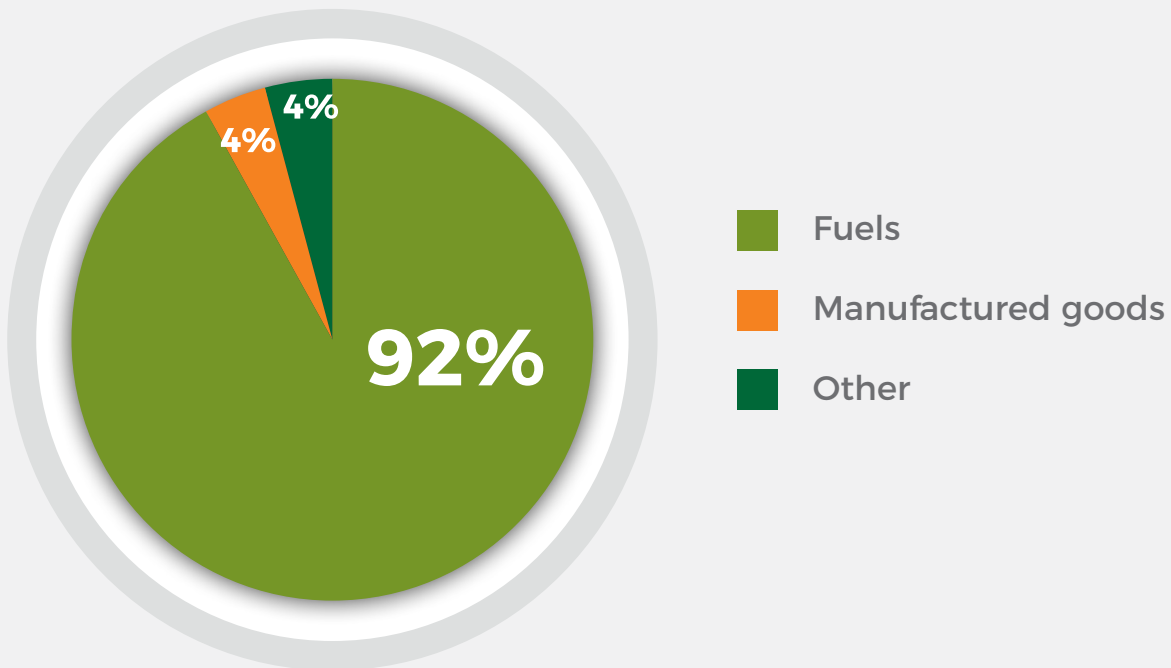
Figure 8: Top 5 partners (exports, US\$ millions)



Source: adapted from UNCTAD, 20223

Figure 9 shows that fuels were the main export commodity. In 2022, fuels constituted about 92 percent of total exports from Nigeria.

Figure 9: Export structure by product group in 2022



Source: adapted from UNCTAD, 2023

5.4 Main sources of imports



THE MAJORITY OF IMPORTS IN 2021 ORIGINATED FROM CHINA

US\$21.9 BILLION

THE MAIN IMPORTS



REFINED PETROLEUM

US\$11.3 BILLION



WHEAT

US\$3.32 BILLION



CARS

US\$2.42 BILLION

Observatory of Economic Complexity (OEC)

The majority of imports in 2021 came from China. Table 9 shows that US\$21.9 billion, representing about 58 percent of the country's imports were from China in 2021. Data from the Observatory of Economic Complexity (OEC), indicate that most of these imports were refined petroleum (US\$11.3 billion), wheat (US\$3.32 billion), and cars (US\$2.42 billion).

Table 9: Top five sources of imports (2021)

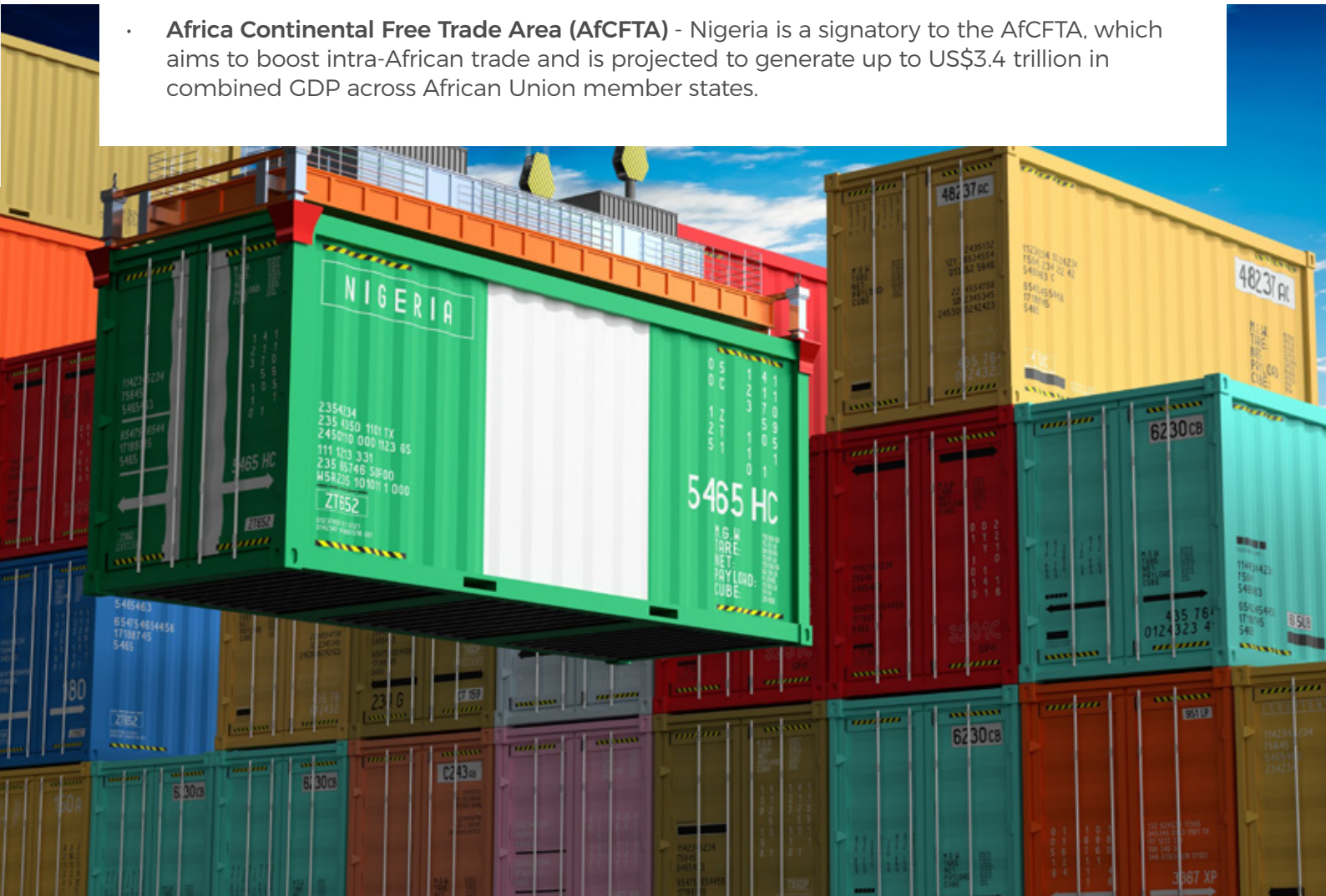
Country	Amount (US\$ billion)	Percent
China	21.9	57.65
India	4.75	12.50
Netherlands	4.58	12.06
United States	4.42	11.63
Belgium	2.34	6.16
Total	37.99	100.00

Source: adapted from OEC, n.d

5.5 Trade agreements and economic community memberships

Nigeria is a member and signatory of various regional and multilateral trade agreements and economic groupings. These include:

- **World Trade Organisation (WTO)** - Nigeria has been a member of the WTO since January 1995, having previously joined the General Agreement on Tariffs and Trade (GATT) in November 1960, shortly after gaining independence. The country is a signatory to the 2005 Protocol Amending the TRIPS Agreement and the 2014 Protocol on the Trade Facilitation Agreement, both accepted on 16 January 2017. In June 2023, Nigeria also accepted the 2022 Protocol of the Agreement on Fisheries Subsidies.
- **Economic Community of West African States (ECOWAS)** - Nigeria is a member of the Economic Community of West African States (ECOWAS), which has four major protocols, including those related to free movement, and the rights to residency and establishment.
- **Africa Growth and Opportunities Act (AGOA)** - Nigeria trades with the United States AGOA, which grants eligible sub-Saharan African countries duty-free access to the U.S. market for over 1,800 products, in addition to more than 5,000 products covered by the Generalised System of Preferences programme.
- **Africa Continental Free Trade Area (AfCFTA)** - Nigeria is a signatory to the AfCFTA, which aims to boost intra-African trade and is projected to generate up to US\$3.4 trillion in combined GDP across African Union member states.



SECTION 6: EXPORT PROCESSING ZONES (EPZS)

6.1 Legal framework

The Nigerian Export Processing Zone Act 1992 (NEPZ Act) and the Oil and Gas Free Zone Act (OGFZ Act) regulate the EPZs. The NEPZ Act established the Nigerian Export Processing Authority (NEPZA) to license, manage, and supervise FTZs in the country. The OGFZ Act established the Oil and Gas Free Zone Authority (OGFZA) with the power to license, manage, and supervise oil and gas free trade zones.

6.2 Incentives

Nigeria offers important incentives to free zone enterprises. These include:

- exemption from taxes, levies, and customs duties;
- repatriation of foreign capital and capital appreciation;
- exemption from expatriate quota requirement;
- free remittances of profits and dividends;
- legal guarantees and protection of foreign investments; and
- one-stop approvals for all permits, operating licenses, and incorporation papers

6.3 Main products

- Oil and gas
- Steel production
- Manufacturing of consumer goods
- Support services for offshore oil facilities
- Trading services
- Logistics
- Warehousing
- Rail cargo equipment
- Food processing and packaging
- Medical equipment



6.4 EPZs Employment

An estimated

**25,000
JOBS**

have been created
by EPZs.



Ikechi Ugwoeje / Shutterstock.com

SECTION 7: INDUSTRIAL POLICY

7.1 Objectives and strategies

The primary objective of Nigeria's industrial policy is to accelerate industrial development by positioning the industrial sector as the backbone of the economy. The policy aims to create employment opportunities to mitigate the social and political consequences of unemployment, with a strong emphasis on small and medium enterprises (SMEs). It provides for the establishment of the Small-Scale Industries Corporation (SSIC) to offer technical support and credit facilities to SMEs.

Nigeria's industrial policy also emphasises increasing the export of manufactured goods. Strategies to enhance the competitiveness of Nigeria's exports include:

- liberalising the regulatory environment
- promoting export free zones
- improving access to foreign exchange
- offering various fiscal and financial incentives
- strengthening the country's technological capacity

The industrial policy of Nigeria also aims to increase local content of industrial output and promote greater forward and backward linkages. It seeks to encourage the use of local raw materials through fiscal incentives such as making Research and Development (R&D) tax deductible.

In addition to the above, the policy aims to attract foreign investments to accelerate industrial development. The strategies to realise these objectives include liberalisation of foreign exchange, easier capital and dividend repatriation, review and amendment of Nigeria's enterprises, and investment laws.

Nigeria's industrial policy also aims at increasing private sector participation as a way to accelerate the pace of industrial development. The government seeks to achieve this through privatisation/commercialisation of public sector investments.





The primary objective of Nigeria's industrial policy is to accelerate industrial development by positioning the industrial sector as the backbone of the economy.

SECTION 8: LABOUR MIGRATION

7.1 Immigrants



MIGRANTS IN NIGERIA IN 2022:

1.3 MILLION

Most of these
migrants were from

**BENIN, GHANA,
MALI, TOGO,
AND THE NIGER
REPUBLIC.**



1.5 MILLION PEOPLE

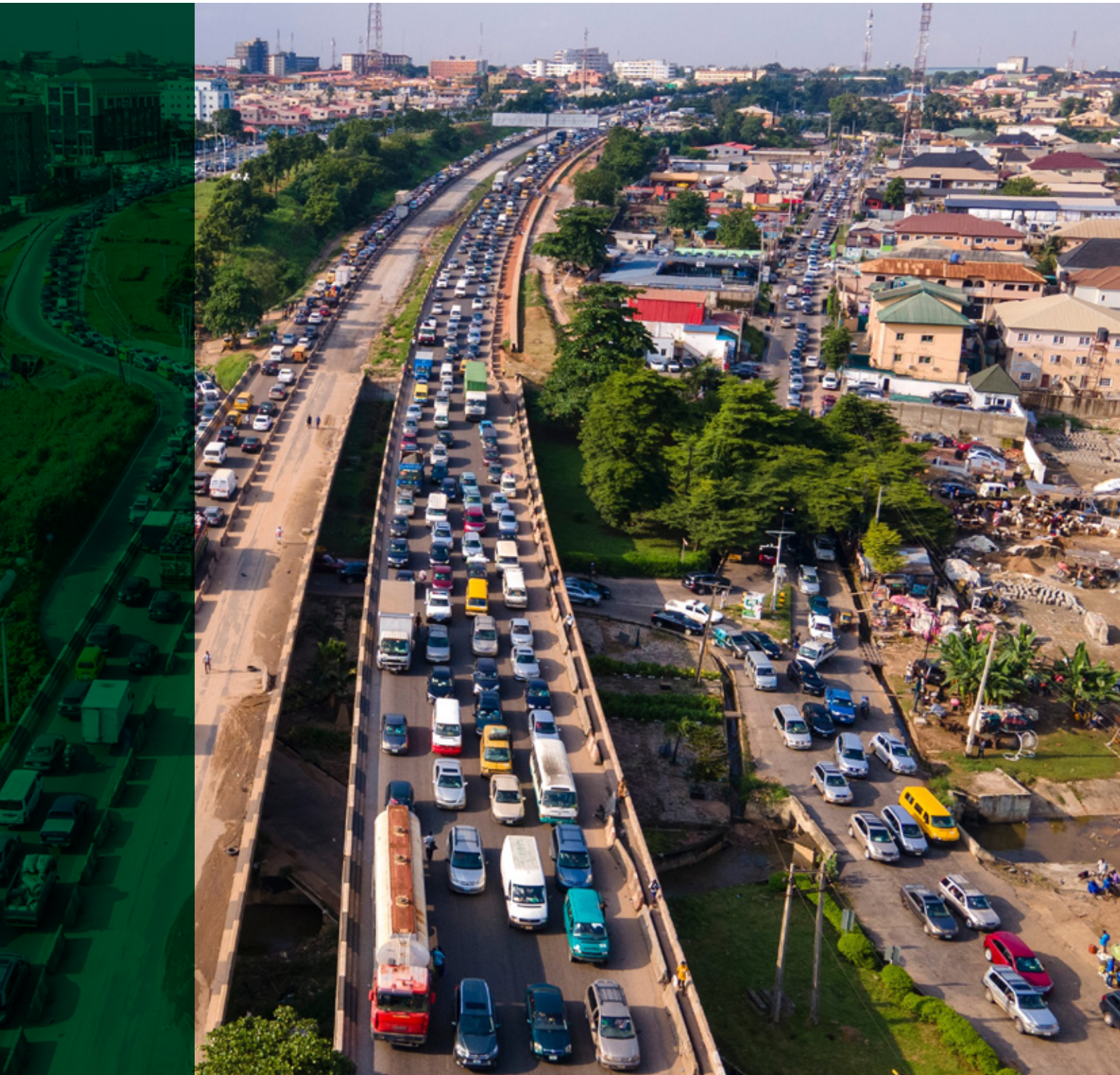
left the country
from January
to September 2023.

Nigeria Immigration Service (NIS)



Most preferred
destinations of Nigerians:

**United Kingdom,
United States,
Canada, and
Australia**



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