

THE CRITICAL IMPORTANCE OF “INCLUSIVE TRADE” FOR DEVELOPMENT IN THE
RULES-BASED GLOBAL ECONOMY

KEYNOTE STATEMENT AT THE OPENING DEBATE OF THE 2016 WTO ANNUAL
PUBLIC FORUM

BY

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FEDERAL REPUBLIC OF NIGERIA

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Introductory Remarks

Director-General Roberto Azevedo,

Representatives of WTO Members: Ministers, Ambassadors and Heads of Delegation,

Invited Participants,

Ladies and Gentlemen

1. Thank you all for your presence here today at this “Opening Debate” of the 2016 Edition of the WTO Annual Public Forum. Your presence here is a tribute to the strength of this Organization.
2. Thank you Director-General Roberto Azevedo for the invitation to Nigeria to participate at this Opening Debate by delivering the keynote Statement. It is an honour and a privilege. I regret my personal absence due to long standing prior commitments. However, I have personally designated Minister of Industry, Trade and Investment Enelamah to read this statement on my behalf as President of the Federal Republic of Nigeria.
3. Nigeria welcomes and supports the competent and able leadership you have provided for the Organization. Credibility has been restored to the WTO with the back-to-back successful Ministerial Conferences in Bali, Indonesia in 2013 and Nairobi, Kenya in 2015.
4. The Government of Nigeria believes that the WTO re-confirmed its capacity, as an international institution, to “deliver” for development, with new rules in Information Technology, Trade Facilitation, the Nairobi Package

for Least-Developed Countries and, the enlargement of the WTO with the accession of new Members, most recently of Afghanistan and Liberia.

5. I believe that the WTO is a successful Organization. It is one of the key institutions for global governance. It is the principal forum for international economic cooperation for stability and predictability in trading relations. Yet, in spite of the progress made, much more work remains to be done to ensure that the WTO pro-actively delivers on development for all its Members, large and small, in particular for the most vulnerable and weakest. Trade rules will need to be more development-friendly in ways that take account of the specific vulnerabilities of developing countries.

6. This is why the theme of “inclusive trade” is timely. How can the WTO and its rules contribute to more “inclusive trade” and support the expansion and more equitable distribution of the benefits of trade across the global economy? This is a key question, particularly at this moment, when leaders are grappling with the challenge and consequences of inequality which has emerged as a major risk to peace and security.

[Approaches to Achieving the Objective of “Inclusive Trade”](#)

7. Nigeria believes that a meaningful approach to inclusive trade will combine action by multilateral institutions for updated and more flexible rules, on the one hand, with acceptance of responsibility for serious and sustained domestic policy reforms by member states, on the other hand. Action at both the multilateral and domestic levels are necessary for achieving the objective of promoting meaningful "inclusive trade".

8. Multilateral action by the WTO on the rules of trade will matter. But the starting point and what will matter more will be the decisions that individual

Members will take domestically for structural transformation to diversify, re-balance and modernize their economies, improve governance and tackle corruption, on the basis of good governance and in accordance with the rule of law and, with security of life and property. A robust and responsible starting point in achieving the objective of “inclusive trade” is the acceptance of responsibility and the initiation of a serious and sustained process of domestic structural reforms. Construction of digital platforms, the acceleration of the internet economy and connectivity for Micro, Small and Medium enterprises, are ways in which the Government of Nigeria is moving ahead boldly for trade and economic inclusion. This is what my Administration stands for. And this is our approach in our multilateral engagements.

9. The recent and on-going experience of Nigeria serves important lessons.

[The Nigerian Economy: The Importance of Domestic Reforms](#)

10. These are challenging times for the Nigerian economy. The problems had accumulated. Over a long period, from the 1970s, the economy had become dependent on oil receipts and the rent from oil.

11. In 2014, the commodity market collapsed. Oil receipts declined by over 60%. The economy experienced a systemic shock. We are undergoing a necessary and overdue process of painful adjustment. Vital lessons have been drawn. We have a plan that is work in progress, across all sectors of the economy, based on coherence between monetary, fiscal and structural policies to improve productivity and competitiveness and sustained long-term growth.

12. In response to the current challenges, domestic structural reforms are underway for a modernized, integrated and diversified 21st Century Nigerian market economy that is pro-competition, wealth-creating, regulated for the

benefits of private and public interests and, re-balanced to insulate it from external and domestic shocks. As President, I believe that leaders must neither surrender nor backload the challenge of institutional domestic policy reforms to diversify and lay the foundations for such an economy. The Government of Nigeria accepts this responsibility.

13. Such an economy would promote inclusiveness. In the on-going implementation of the Plan for Diversification and Reform by the Ministry of Industry, Trade and Investment, several areas are priority in the objective to achieve diversification, inclusiveness and foster growth. These are:

- Creating an enabling environment for business;
- Agriculture;
- Infrastructure development;
- Industrialization;
- Attraction of investment;
- Building a platform for the digital economy;
- Support for Micro, Small and Medium Enterprises (MSMEs); and,
- Expanded market access for Nigerian manufacturers and service providers into regional and global value chains, through ambitiously negotiated Free Trade Agreements (FTAs).

14. An enabling environment for business will level the playing field through reduction of costs, elimination of bottlenecks and inefficiencies. Transparency will be improved and inclusiveness for all promoted. This is critical.

15. The Presidential Enabling Business Environment Council (PEBEC) has been established. Institutionally, the Enabling Business Environment Secretariat (EBES) is being set-up. This work should be completed over the next few weeks. Immediate work in this area include entry process for

issuance of visas upon arrival in Nigeria; expedited business registration to spur growth and reduce the propensity for informal businesses; elimination of domestic restrictions; trading across borders – to help improve the ability of Nigeria businesses to export more easily; land registration reforms – to increase access to capital and promote growth and development; and, transparency and digitization to simplify processes and create efficiency for both foreign and domestic investors. As WTO Members already know, the Federal Executive Council (FEC) approved Nigeria’s ratification of the WTO Trade Facilitation Agreement (TFA), on 24th August. The instrument of Acceptance is now being prepared for “deposit” with the WTO Director-General.

16. In the overall Plan, investments are being made in the sectors of agriculture and infrastructure. An industrial plan is being implemented. Agriculture remains the largest employer of labour. It holds the key to employment, poverty reduction, food security, reducing inequality and inclusion in the first stage of the market economy. Efficient infrastructure for power, roads, railways, ports, transportation and telecommunications are the foundations for a modernized and inclusive economy.

17. Efforts to ensure that trade is inclusive should not only focus on the classical areas of agriculture and merchandise trade, but on the rapid changes in information and communications technology (ICT) and the internet economy. This is an area via which Nigeria is seeking to make up for lost time in inclusion, modernization and diversification. The digital economy in Nigeria is one of the fastest growing in the world. It currently accounts for approximately 10% of the GDP.

18. In Nigeria, the cities of Abuja, Lagos, Uyo and Port Harcourt have emerged as centers of the new dotcoms. There are currently 150 million active mobile phone users in a country population of 170 million, of which over 60% are connected to the internet. There are approximately 17 million users of Facebook in the country. Daily there are new technology start-ups, writing Apps that solve problems and spur growth.

19. In the midst of the challenge and the pains of adjustment from the collapse of commodity prices, economic activity has been scaled-up and there is an aggressive push by tech companies that point to the trend that Nigeria is on the threshold of a technology breakthrough in the digital economy. In this setting, my Government believes that the role of government is to provide support, eliminate bottlenecks and restrictions and ensure that the soft and hardware infrastructure is supportive of the new tech-companies.

20. For example, this year, the Government inaugurated Aso Villa Demo Day. *Aso Villa Demo Day* is aimed at promoting entrepreneurship, innovation, job creation and economic growth through the use of new and emerging technologies. At inauguration, the “50 Most Innovative Startups in Nigeria” were unveiled. They pitched their ideas and businesses to private and public stakeholders, investors and decision-makers. In February this year, the government-funded ICT innovation and entrepreneurship (OIIE) launched *StartUp Fridays*. This is a forum where young entrepreneurs, when they meet, describe their startups, obtain feedback and network with potential investors.

21. But the real activity in tech-start-ups is outside of Government. Lagos is the largest commercial city in Africa. It now accommodates some of Africa’s best known consumer tech businesses such as iRokoTV; Hotels.ng; Jobberman; Andela; Balogunmarket; and, Truppr.com. Co-Creation Hub (CC Hub) is

Nigeria's leading innovation hub. It has established itself as an African startup center. It has now moved beyond Lagos.

22. Nigeria believes that Entrepreneurial Hubs and Business Incubation Centers are the future. They include. They do not exclude. They are about ideas, innovation and individual talent. Innovation and technologically sound ideas are the sources of sustainable growth, the basis for inclusion and, the future of a healthy global economy.

23. About a month ago, I hosted Mark Zuckerberg in Abuja. He also met with young Nigerian start-ups and participated at *Aso Villa Demo Day*. His visit provided a spur to young tech start-ups. Nigeria agrees with Mr. Zuckerberg that "supporting SMEs in Nigeria and Africa is key to economic development because SMEs drive economies, domestically and globally". This is the position of my Government.

24. I believe that Nigeria's on-going development experience contains many useful lessons. We must avoid being stuck in the past. We must avoid business as usual and being limited by routine.

25. I urge WTO Members to be forward-looking in the Organization's agenda for trade and inclusion. The Nigerian experience suggests areas where the WTO can be supportive and promote an updated agenda for trade multilateralism. These areas include developing a platform for the internet economy that is unfettered; support for MSMEs; and, providing support for home-grown strategies for domestic policy reforms for structural transformation.

26. Nigerian technology start-ups and SMEs are facilitating easy access and connectivity to the internet. They are providing a major function in the diversification and modernization of the economy and promoting inclusion.

27. The 21st Century is a knowledge-based economy. Economies must keep pace with the dynamic transformations in technology and innovation across a range of key areas. These include e-commerce, financial technology (mobile money); health services; energy; and e-government. A “Smart Nigeria Digital Economy” is on the drawing board. Innovation is a key driver for growth.

Action at the Multilateral Level – The Global Economy

28. Although acceptance of responsibility and domestic reforms for structural transformation are the starting points, multilateral action matters. The overall health of the global economy is important for individual domestic economies. A healthy global economy provides the foundation for constructing a trading system that is inclusive. The current state of the global economy is worrying. This is a moment of unique challenges. Demand is weak. Growth is slow, uncertain and estimates are downwards. Serious downside risks exist, rooted in the potential volatility in the financial markets, changes in commodity prices, sluggish trade and reduced global flow of investments. Unemployment remains a major challenge, compounded in Africa by the youth bulge and population growth rate. There are geopolitical risks in regions across the world.

29. Yet, as in all situation of challenge there are significant opportunities. International cooperation to foster growth and development is urgent. Multilateralism should remain the first choice in the resolution of global problems. Together we are stronger.

30. 2015 was a good year for multilateral decision-making. It was a bumper year for multilateral decision-making. Significant progress was made with the decisions taken in 2015 on the 2030 Agenda for Sustainable Development; the Addis Ababa Action Agenda; the Paris Agreement; and, the Nairobi WTO Package. These Agreements laid solid foundations for improving on global governance, addressing major challenges for global development and, promoting a more inclusive and equitable global economy.

31. Now, we must move from decision-making to action. Full and timely implementation of these decisions will expedite growth and advance the achievement of the goal of inclusiveness in trade development.

32. Nigeria welcomes the contributions from the Hangzhou Consensus; the G20 Leaders' Communique agreed in China. Nigeria commends the G20 consensus positions for strong, sustainable, balanced and inclusive growth, based on the vision of economic transformation. Economic growth should benefit all countries and all peoples in particular women, youth and disadvantaged groups; generating quality jobs, addressing inequalities and eradicating poverty. Nigeria welcomes in particular the unequivocal support from the Hangzhou Consensus supporting industrialization in Africa.

[Moving Forward: A WTO That Delivers: A Perspective on Development](#)

33. I congratulate the Director-General and Members for successes registered and accomplishments of the WTO as a successful multilateral institution of key importance in global governance. However, I believe that requires an updated development perspective. Its continued success will depend on making trade more inclusive, fairer, more supportive of development, with trade rules that support the domestic reform plans of

economies at different stages of development. The continued success and relevance of the WTO will also depend on its “universality of membership”, through accession. The more representative the WTO, the stronger it will be.

34. Nigeria believes that countries do not engage in trading relationships for the sake of trade per se. Historically, economies have traded goods and services because trade is an engine for growth by enlarging their markets, improving welfare and expanding their power and influence. The immediate and ultimate goal of trade is growth and development. This is why the WTO and its membership must make trade and the rules of trade count for development. This objective can be achieved by making trade inclusive; and, ensuring that trade rules support domestic policy reforms for growth, welfare and prosperity in its members.

35. Nigeria supports a WTO agenda for digital economy which will create a platform to leverage SMEs to trade, thereby making the trading system more inclusive and pro-development.

36. An agenda for innovation and the digital economy, driven by the private sector and supported by trade rules, is overdue and pressing. This is one of my priority areas for domestic policy reforms for the modernization of the Nigerian economy.

Conclusion

37. In conclusion, Nigeria reaffirms its commitment to a rules-based, transparent, non-discriminatory, open and inclusive multilateral trading system with the World Trade Organization as the principal forum for international cooperation that serves the goal of sustained structural transformation for development.

38. Director-General, I congratulate you and all Members on this 15th anniversary of the Public Forum. I wish you a productive and fruitful week in the exchange of views on the subject of “inclusive trade” and strengthening the WTO as the primary forum on international cooperation for trade development.

39. Thank you.

END OF STATEMENT BY H.E. MR. MUHAMMADU BUHARI, GCFR, PRESIDENT OF
THE FEDERAL REPUBLIC OF NIGERIA