

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Limited Distribution

Committee on Trade in Industrial Products
Group 4 - Licensing

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REPLIES TO QUESTIONNAIRE ON LICENSING

Addendum

NIGERIA

Outline of system

1. Nigeria's import licensing system was designed primarily for the purpose of conserving foreign exchange and protecting the country's balance of payments. The system reached its high-water mark during the civil war, when the need for economy in foreign exchange expenditure was greatest. Cessation of hostilities made a review of the system possible, with the result that it has been largely dismantled since 1 April 1971, leaving only a few commodities on the restricted import list where licence continues to be needed. These are mostly drinks, and a few food items which are listed in Appendix A below. Importation of goods into Nigeria is thus virtually open and unrestricted.

Purposes and coverage of the licensing

2. The commodities currently under licence are listed in Appendix A.
3. The system applies to all countries. In addition, goods of whatever description from the Union of South Africa, Namibia and Rhodesia are absolutely prohibited.
4. See No. 1 above. The system is supplemented by Foreign Exchange Control whose details are shown in Appendix B.¹
5. Legal Notices Nos. 21 and 43 of 1 April 1971 and 10 June 1971 respectively. Import restrictions are published in the form of Legal Notice in the Official Gazette and carried by national newspapers. Abolition of licensing is also effected by the same means, usually by omission in subsequent revision of list of restricted commodities.

¹ Appendices B, C and D, which are not reproduced in this document, may be consulted in the secretariat.

Procedures

6. (a) See No. 5 above.
- (b) The Nigerian Import Licensing System is not based on quotas.
- (c) The answer to the first question is "No". Unutilized licences lapse at the end of year of issue, but in some circumstances (e.g. official delay in processing applications) validity may be extended for a further period, usually three months. Names of grantees are not published, but exporters wishing to verify in connexion with business proposals from local importers are attended to.
- (d) Quotas are not operated; but a period of about three months is allowed for submission of applications.
- (e) In urgent cases, or where no foreign exchange expenditure is involved, it is possible for applications to be processed within twenty-four hours of submission. Maximum length of time depends on volume of applications, but usually does not exceed six months.
- (f) As already stated in (c) above licences are valid for the calendar year, and may be utilized as soon as granted.
- (g) Yes, the single administrative organ being the Import Licensing Authority, a statutory post held by a high Government official in the Federal Ministry of Trade who is assisted by other officials, and sometimes by an inter-Ministerial committee.
- (h) On past record, including annual turnover, degree of utilization of previous awards, and business reputation generally. A small percentage is usually reserved for new importers.
- (i) Not applicable. Nigeria has no bilateral quota or export restraint arrangements with any country. Such export restraint obligations as there are, arise from one or two well-known multilateral commodity agreements.
- (j) Not applicable.
- (k) No.
7. (a) This depends on the importer, provided the goods arrive or are shipped within the currency of his licence. Genuine cases of inadvertency can be accommodated at the discretion of the Import Licensing Authority.
- (b) Yes, depending on the circumstances, for example, diplomatic missions or others lawfully financing their imports abroad or as gifts, without recourse to the Nigerian Central Bank.
- (c) Yes. This is usually announced in advance.
- (d) See No. 6(g) above.

8. For instance, if applicant has been guilty in an unresolved trade complaint. Reasons for rejection are not normally given, but unsuccessful applicants may petition for reconsideration.

Eligibility of importers to apply for licence

9. (a) Yes.

(b) Not applicable.

There are no lists of authorized importers. Every registered business or company is free to apply.

Documentational and other requirements for application of licence

10. Please see Appendices C (for general goods) and D¹ (for industrial raw materials). Applicants are required to produce pro-forma invoices as evidence of firm offer, as well as certificate of registration.

11. The licence; and other relevant customs papers.

12. None.

13. None.

Conditions of licensing

14. See No. 6(c) above. Extension is effected by endorsement on licence.

15. None; but failure to utilize might prejudice the chances of successful application in future, unless good cause could be shown.

16. No.

17. (a) Not applicable.

(b) Not applicable.

18. None.

19. For goods under licence an import licence is a precondition to the release of foreign exchange for payment. External payments are made in accordance with the provisions of the Exchange Control (Payments for Imports) Order 1971 already mentioned in No. 4 above.

¹Appendices B, C and D which are not reproduced in this document, are available for consultation in the secretariat.

APPENDIX A

| <u>Customs statistical No.</u> | <u>Commodity description</u> |
|------------------------------------|--|
| (i) 041-00 | Wheat |
| (ii) 042-00 | Rice |
| (iii) 111-00 | Waters including spa-water and aerated waters |
| (iv) 112-31 | Stout |
| (v) 112-39 | Beer including ale, porter and other beverages |
| (vi) 112-41 | Brandy |
| (vii) 112-43 | Rum |
| (viii) 112-44 | Whisky |
| (ix) 112-45 | Schnapps and gin |
| (x) 112-49 | Other spirits (potable and non-potable) and alcoholic beverages excluding wine |
| (xi) 121-00 | Unmanufactured tobacco, tobacco refuse |
| 122-10 | Cigars and cheroots |
| (xii) 122-30 | Other manufactured tobacco except cigarettes |
| (xiii) 642-11 various | Packing containers excluding those made of glass |
| (xiv) 641-30 | Kraft paper (glazed or unglazed) and paperboard including liner and corrugated board |