



## Changing Perspective of Indo-Nigerian Trade Relations

### KEYWORDS

Trade, Import, Export.

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**ABSTRACT** This study analyzed India's merchandise import and export from and to the Nigeria using simple statistical tables, graphs and by using trade intensity formula. The trends in India-Nigeria trade were found to be increasing throughout the whole periods 2000-2013. The composition of India's merchandize trade with Nigeria shows that major commodities of India's import from Nigeria constitutes 99.48% of India's total import from Nigeria for the whole periods 2000-2013 and 2.44% of the total India's import. India's major commodities exported to Nigeria accounts for 67.28% of the total India's export to Nigeria for the whole period 2000-2013 and accounts for 0.56% of the world India's export in the same period. The trade indices shows that India's import intensity is less intense from 2001 to 2005, while in the years 2000 and 2006-2012 it has high intense value. The trade and export intensity is high intense in the whole periods.

### 1. Introduction

Indo-Nigerian trade relations can be best explained as one of the bilateral agreement (trade agreement) which exists between the two nations. For this reason it is important to give a glimpse of the meaning of bilateral trade, the way it started between India and Nigeria that is before the present day patterns of their trade, the current trade position of the two countries and their likely areas for further trade relations. Bilateral trade relation is an agreement concerning trade involving two nations, which gives the countries an equal opportunity to trade freely with each other and with special concern and consideration (in areas of tariffs, quota and other barriers to trade), given to each other in order to tap advantages arising from trade. Such a trade relation helps to promote economic growth and welfare in both the countries concerned. Indo-Nigerian relation in the initial stage was not based upon economic but political, social and cultural relations. This relationship has now been reshaped to economic relationship with trade becoming strategically important between the two nations.

The growing need of Nigeria's crude oil by India and India's pharmaceutical products by Nigeria has significantly changed the nature of their relationship. Nigeria as a developing economy with abundant minerals and natural resources that are yet to be tapped, and growing market will be an important nation for India to trade with and make huge amount of investment. Likewise India as an emerging and fastest growing economy in the world with an enlarging market will also be a destination for Nigeria's exports (especially crude oil). Today the increasing need of India energy requirements in order to meet internal demand have strengthened trade relations between India and Nigeria. Nigeria is now India's largest market for exportable goods and services in Africa because of its large population, and India is Nigeria's second largest trading partner (Vasudevan 2010).

In the first place that is before the current Indo-Nigerian trade relation the balance of trade was in favor of India because during the period crude oil is of less significance in their trade. During that period the items of trade among them were palm oil, cotton, textiles and jute goods. Immediately after 1990, the nature of their trade began to change as crude oil is becoming an item of Nigeria's export and India's import which is necessary for meeting its energy requirements. Now the balance of trade between them is mostly if not all in favor or advantage of Nigeria (Kura Sulaiman B. 2009). Today, Nigeria's crude oil is of much more important

to India as (11%) of India's crude oil requirements is met from Nigeria (Chanda et al, 2010). This is also expected to grow in the next few years as a result of India's energy security and rising crude oil demand.

Despite all the long historical relationship between India and Nigeria their relationship became somewhat blunt in year 1970's and 1980's and this was as a result of Nigeria's failure to restore democracy. The period 1983-1999 was purely described as Nigeria's military junta which contributed a lot toward weakening Indo-Nigerian trade relations. It is also believed that the current booming trade relation between India and Nigeria is the result of Nigeria's regained to democracy this is because under the current political arena of Nigeria which started in 1999, so many agreement agendas came into being as a result of which Indo-Nigerian trade relation came to current success.

### 2. Literature review

There have been various researches written by authors on India-Nigeria trade relations some of which were reviewed as a means of laying an empirical background upon which this study will be based. *Rano Aliyu* (2013); conducted a study in order to examine trade flow between India and Nigeria. He found that there exists a significant positive relationship between index of openness, income and exchange rate on trade between India and Nigeria. It is also found that the factors worked well in determining trade in India than it works in Nigeria. *Chanda Rupa et al* (2010); have shown that India has reached the highest potential trade level with Nigeria in commodity trade, and in this area of trade there is little trade prospects between India and Nigeria as predicted by the gravity model. The study further showed that India can explore other areas of trade with Nigeria, like in service sector where there is much more opportunities. *Hoogscarspel Arne Jan* (2011); have shown that increasing interdependence between India and Nigeria is one of the factors that led to India's energy fulfillment toward Nigeria. The study established energy requirements and situations that lead to the bilateral trade relations between India and Nigeria. The study also showed that Nigeria plays a very crucial role in meeting energy requirements of India. *Tenreyro Silvana* (2007); in his study to determine the impact of changes in nominal exchange rate on bilateral trade flows shows that nominal exchange rate has no significant impact on trade flows. Based on this it was shown that any measure taken to prevent changes/fluctuations in nominal exchange rate will not lead to a gain and an increasing flow of trade. *Kura Sulaiman Balarabe* (2009); by using a histori-

cal approach has found that India-Nigerian trade has been in favor of Nigeria than India. The Balanced of Trade is in favor of Nigeria because of high oil imports by India from Nigeria in recent years. *Batra Amita (2004)*; have shown that India's trade potential is seen to be highest with countries such as Cambodia, Pakistan and Philippines, India has reached the peak level of its trade potential with almost all regions and the result was found to be statistically significant. *Joshi Rakesh Mohan et al (2012)*; shows that there is India's rising trade opportunities in pharmaceuticals in Africa except in east African region. In case of automobiles India's export is rising and with future exports trade potential except in countries such as Nigeria. *Tripathi Sabyasachi et al (2013)*; have found that GDP of India's trading partners, common border, political globalization and cultural proximity are both positively and significantly influencing India's bilateral trade flows with its twenty largest trading partners including Nigeria.

From the above literature it is observed that most of the researches carried out on India-Nigeria trade relations emphasizes more on the factors which influenced trade relation between India and Nigeria, and they lacked given emphasis on the current trade situation of India and Nigeria, aspects or component of India-Nigeria trade and the degree of their trade relationship. It is against this background upon which this study will be base.

**3. Methodology**

This study solely relies on secondary data obtained from Monthly Statistics of Foreign Trade of India and UN Comtrade. The methodology used in this study is largely based on the objectives for which the study is designed to accomplished, the available data at hand and the time period coverage of the data. The study employed simple statistical tools such as tables, graphs, simple ratio or percentage share of commodities imports and exports of India from and to Nigeria to the total imports and exports of India which have been calculated and used to analyze the data. The study employed a Trade Intensity Index (TII) in order to analyze the import and

export intensity of India-Nigeria trade. The trade intensity index is mostly apply to a situation of knowing as to whether trade flow of bilateral trading partners is higher than or less than it is expected to be in comparison to the partner countries importance in the global trade. The trade intensity index between India and Nigeria can be calculated as:-

$$T_{in} = \frac{\left(\frac{x_{in}}{X_{it}}\right)}{\left(\frac{X_{wn}}{X_{wt}}\right)}$$

Where: = Trade intensity between i and n countries (India and Nigeria), = India's export to Nigeria, = India's total export, = World export to Nigeria, = Total world export.

If the value of this index is higher than one it means that bilateral trade flow between India and Nigeria is higher than or larger than expected to be, and if it is less than one it means that trade flow between India and Nigeria is less than or smaller than expected to be. The formula can further be divided into:-

The import intensity index (III) between India and Nigeria given as:-

$$III = \frac{\frac{m_{in}}{M_i}}{X_n / (X_w - X_i)}$$

Where: = India's import from Nigeria, = Total India's import, = Nigeria's total export, = World total export, = India's total export.

The export intensity index (EII) between India and Nigeria given as:-

$$EII = \frac{\frac{x_{in}}{X_i}}{M_n / (M_w - M_i)}$$

Where: = India's export to Nigeria, = India's total export, = Nigeria's total import, = World total import, = India's total import.

**4. Analysis and discussion**

**4.1 Trends in India-Nigeria merchandise trade from 2000-2013.**

**Table 1: India's import export and total trade with Nigeria (in million US Dollar) from 2000-2013.**

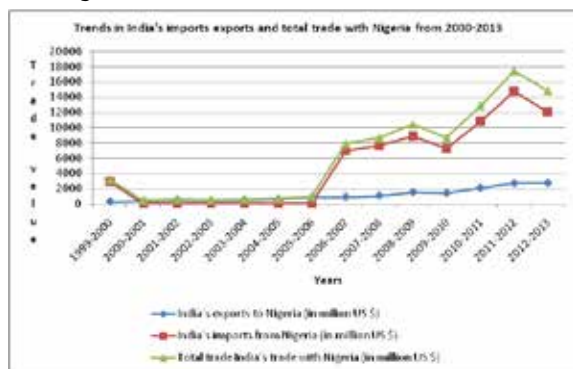
Year	Imports from Nigeria	Exports to Nigeria	Total trade	Import Share	Export % Share of total exports	Import Growth rate	Export growth rate	Total trade growth rate
1999-00	2928.39	293.71	3222.1	5.89	0.80			
2000-01	63.78*	384.66	448.44	0.13	0.86	-97.82	30.97	-86.08
2001-02	87.12*	563.14	650.26	0.17	1.28	36.59	46.40	45.00
2002-03	78.13*	449.08	527.21	0.13	0.85	-10.32	-20.25	-18.92
2003-04	75.64*	565.49	641.13	0.10	0.89	-3.19	25.92	21.61
2004-05	48.4*	644.68	693.08	0.04	0.77	-36.01	14.00	8.10
2005-06	72.46*	874.03	946.49	0.05	0.85	49.71	35.58	36.56
2006-07	7009.21	902.84	7912.05	3.77	0.71	9573.21	3.30	735.94
2007-08	7612.02	1085.41	8697.43	3.02	0.67	8.60	20.22	9.93
2008-09	8900.35	1529.26	10429.61	2.93	0.83	16.92	40.89	19.92
2009-10	7287.9	1408.67	8696.57	2.53	0.79	-18.12	-7.89	-16.62
2010-11	10787.72	2098.94	12886.66	2.92	0.84	48.02	49.00	48.18
2011-12	14757.77	2702.01	17459.78	3.02	0.88	36.80	28.73	35.49
2012-13	12086.11	2740.04	14826.15	2.46	0.91	-18.10	1.41	-15.08
Total	71,795.00	16,241.96	88,036.96					

\*Excluding oil import

Source: Calculated from Monthly Statistics of Foreign Trade of India.

The table above shows India's trade with Nigeria for the period 2000-2013. India's imports from Nigeria experienced a very serious and massive rise and fall in the years 2000-2001 and 2006-2007. The main reason for low import value in the years 2001-2006 is as a result of no oil import was recorded in these periods, which mainly caused by change in Nigerian government and Nigeria's engagement in meeting US energy and mineral need, security and policy. The rise in import in the year 2006-2007 is as result of the fact that Nigeria has fostered bilateral trade relations with emerging economies including India in this period and its active role toward meeting India energy requirement and security. Throughout the period 2000-2013 India's exports to Nigeria recorded a phenomenal increase except for the years 2002-2003 and 2009-2010 which recorded a decrease. Total trade value of India with Nigeria experienced rise and fall throughout the period. From 2000-2013 total trade value was recorded at \$88,036.96 million out of which \$16,241.96 million are exports figure and \$71,795.00 million are imports figure which is an indication that in absolute term the balance of trade is mostly in favor of Nigeria than India. The share of India's imports as a percentage of its total imports is higher in 1999-2000 which is 5.89% and which declined to less than one percent from 2000-2001 to 2005-2006 and from these periods onwards the share has risen to between two to three percent of the total imports. The share of India's exports to Nigeria as percentage of its total exports for the whole period stood in between 0.67% to 0.91% except for the year 2001-2002 when it reached 1.28%. The highest growth rate of India's imports from Nigeria which combined both positive and negative growth rate is in 2000-2001 imports growth (negative) by -97.82% and in 2006-2007 the imports growth rate (positive) was 9573.21%. From 2000-2013 India's imports from Nigeria growth by 312.72%. Exports growth rate massively declined from 35.58% in 2005-2006 to 3.30% in the year 2006-2007. It again records such a massive decline in growth rate from 28.73% in 2011-2012 to 1.41% in the year 2012-2013. From 2000-2013 India's exports to Nigeria grows by 832.91%. The growth in India's total trade with Nigeria records both positive and negative growth throughout the period 2000-2013 with a growth of 360.14% from 2000-2013.

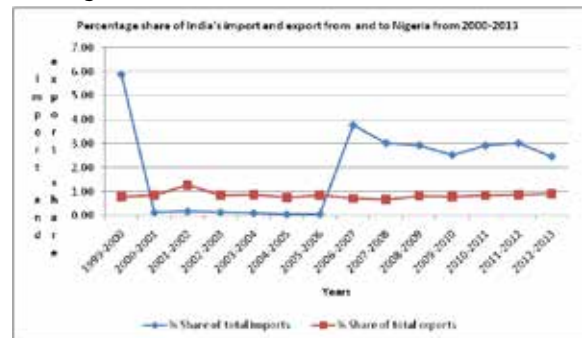
Figure 1: Trends in India's import export and total trade with Nigeria from 2000-2013.



The diagram above shows the trends in India's exports, imports and total trade value with Nigeria for the periods 2000-2013. As it can be seen for each and every period total trade value curve is above the imports and exports curves because it is the summation of imports and exports for each period. India's total trade with Nigeria suddenly declined in the year 2000-2001, this declined in total trade value is as a result of sudden decline in imports during that period. Since then India's total trade with Nigeria recorded a slow and steady increase between 2000-2001 to 2005-2006 periods, which is attributed to the slow and steady increase in both exports and imports.

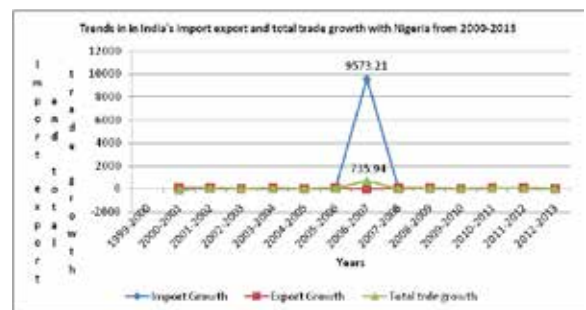
The end of 2006 and the early 2007 marks the periods in which India's trade with Nigeria hits billions US Dollar as a result of which the total trade value records a sudden increase. This is the reason for upward move of the total trade value curve in 2006-2007 periods.

Figure 2: Trends in India's import export and total trade with Nigeria from 2000-2013.



The trends in the share of India's import and export from and to Nigeria to its total imports and exports are shown in the above diagram. From 2000-2001 to 2005-2006 the share maintains a nearly steady change and suddenly rises in 2006-2007, and from this period upward the share maintains steady movement. Evidenced from the above diagram, the share of India's imports from Nigeria as a percentage of its total world imports has both rising and falling trends throughout the periods 2000-2013. The trends in the share of India's exports to Nigeria exhibits slow rise and decline throughout the whole periods, from the year 2009-2010 up to the year 2012-2013 it shows a rising trends.

Figure 3: Trends in India's import export and total trade with Nigeria from 2000-2013.



The diagram above shows the trends in India's import, exports and total trade growth with Nigeria, the trends in the growth rate of export exhibits both rising and falling trends throughout the periods 2000 to 2013. The trend in import and total trade growth shows a massive rise and fall in the years 2006-2007 and 2007-2008. Both import, export and total trade records rising and falling trends throughout the whole period 2000-2013.

4.2 Composition of India-Nigeria merchandise trade from 2000-2013.

There are various groups of commodities traded between India and Nigeria very recently there are 52 groups of commodities of India's import from Nigeria out of which 10 groups of commodities were chosen as top commodities based on their high import value and annual trade frequency. India's exports to Nigeria were made up 96 groups of commodities out of which 11 groups were chosen as top commodities for this reason it possible to say that these commodities were of strategic important to the India's import from Nigeria. All the analysis on trade composition will be based on these groups of commodities.

**Table 2: Top commodities import and export value (in million US \$) and their percentage share to India's import and export from and to Nigeria and India's total imports and exports from 2000-2013.**

Year	Import value	% share to the total import from Nigeria	% share to the total India's import	Export value	% share to the total export to Nigeria	% share to the total India's export
1999-2000	2,903.55	99.15	5.84	182.87	62.26	0.50
2000-2001	58.82	92.22	0.12	286.29	74.43	0.64
2001-2002	79.25	90.97	0.15	359.48	63.83	0.82
2002-2003	52.70	67.45	0.09	296.76	66.08	0.56
2003-2004	63.82	84.37	0.08	361.09	63.85	0.57
2004-2005	43.80	90.50	0.04	401.13	62.22	0.48
2005-2006	57.93	79.95	0.04	575.05	65.79	0.56
2006-2007	6,993.20	99.77	3.77	550.55	60.98	0.44
2007-2008	7,565.54	99.39	3.01	772.90	71.21	0.47
2008-2009	8,874.46	99.71	2.92	1,204.18	78.74	0.65
2009-2010	7,255.67	99.56	2.52	1,026.78	72.89	0.57
2010-2011	10,721.46	99.39	2.90	1,355.64	64.59	0.54
2011-2012	14,720.22	99.75	3.01	1,789.74	66.24	0.58
2012-2013	12,030.39	99.54	2.45	1,765.78	64.44	0.59
Total	71,420.81	99.48	2.44	10,928.24	67.28	0.56

Source: Calculated from Monthly Statistics of Foreign Trade of India.

The total value of import and export of major commodities are very important part of India's import and export. From 2001-2006 import value of major commodities were very because of mineral fuels and mineral oils products absence in the import of India from this period up to 2012-2013 import of major commodities records a very huge amount to the total import of India from 2000-2013. The total import value of major commodities from Nigeria for the whole periods was puts at \$71,420.81 million. The role of top commodities can be seen from their share to the India's import from Nigeria and total India's import, except in the years 2002-2003, 2003-2004 and 2005-2006 the share of top commodities to the India's import from Nigeria is above 90%. The share of major commodities to the total India's import from Nigeria for the whole periods (2000-2013) is 99.48%. Major commodities of India's import from Nigeria with mineral fuels and oils import has a very high share in India's total import and has a very low share in the years with no mineral fuels and oil import that is why from 2001-2006 the shares are very small. The total share of major commodities imported from Nigeria by India to the total India's import for the whole periods (2000-2013) is 2.44%.

The exports of top commodities from India to Nigeria amounts for a higher value to the total exports of India to Nigeria each and every year as they constitutes over 60% of the total export to Nigeria. The total share of top commodities in each and every year is also important in this analysis, as we can see from the table in 1999-2000 the total share of major commodities to total exports of India to Nigeria is 62.26% and throughout these periods the shares are between sixty to seventy percent, so these commodities were of strategic important to the India's exports to Nigeria. In the whole periods (2000-2013) the share of total exports of major commodities to the total exports of India to Nigeria 67.28% and 0.56% to the total India's export. Export of top commodities shares to the total India's exports appears to be very less as compared to that of export from Nigeria shares this is because here it shows the share of major commodities of India's export to Nigeria to the total India's export to the world for which export to Nigeria must have small share unless India export a significant part of its items to Nigeria that the will be very somewhat large.

**Table 3: Top commodities import value for the whole periods (2000-2013) and their share to total import from Nigeria and India's total imports.**

Top commodities	Import value for the whole periods 2000-2013	% share to the total import from Nigeria for the whole period 2000-2013	% share to the total India's import for the whole periods 2000-2013
WOOD AND ARTICLES OF WOOD; WOOD CHARCOAL.	302.87	0.42	0.010
EDIBLE FRUIT AND NUTS; PEEL OR CITRUS FRUIT OR MELONS.	149.56	0.21	0.005
LAC; GUMS, RESINS AND OTHER VEGETABLE SAPS AND EXTRACTS.	78.88	0.11	0.003
COTTON.	35.28	0.05	0.001
RAW HIDES AND SKINS (OTHER THAN FUR-SKINS) AND LEATHER	23.01	0.03	0.001
COFFEE, TEA, MATE AND SPICES.	34.75	0.05	0.001
IRON AND STEEL	60.37	0.08	0.002
ALUMINIUM AND ARTICLES THEREOF.	163.92	0.23	0.006
MINERAL FUELS, MINERAL OILS AND PRODUCTS	70,520.39	98.22	2.406
ORES, SLAG AND ASH.	51.78	0.07	0.002
Total	71,420.81	99.48	2.437

Source: Calculated from Monthly Statistics of Foreign Trade of India.

The total value of wood and articles of wood imported by India from Nigeria is \$302.87 million with a share of 0.42% of the total India's import from Nigeria and 0.010% of the total India's import for the whole periods 2000-2013. The total import value of edible fruits and nuts from 2000-2013 is put at \$149.56 million with 0.21% and 0.005% as share of import from Nigeria and total India's import. Lac gum resins and other vegetables records a total trade value of \$78.88 million with 0.11% and 0.003% as shares of import from Nigeria and total import of India from 2000-2013. The value of cotton imported by India from Nigeria throughout 2000 to 2013 is \$35.28 million and 0.05%, 0.001% are recorded as their import from Nigeria and total India's import share. The role played by raw hides and skins is low compared to the rest of major commodities this is because Nigeria's export of such commodities is directed toward Italy than India. It is only in the wake of 2010 that the role of such commodity to India's imports began to flourish. Total import value recorded

by raw hides and skins between 2000 and 2013 is \$23.01 million with a very low share of 0.03% and 0.001%. From 2000 to 2013 total import value of coffee, tea, mate and spices was put at \$34.75 million. The total import trade recorded as far as iron and steel is concern between 2000 and 2013 is \$60.37 million. The total import of aluminium and articles thereof throughout the periods 2000-2013 is \$163.92 million. Mineral fuels, mineral oils and products as it is shown from the table dominates India's import from Nigeria from 2000-2013 total import of mineral fuels and mineral oils and products by India from Nigeria hits \$70,520.39 million. The total share of mineral oils to the total import of India from Nigeria for the whole periods is 98.22% and it accounts for 2.406% share of the total India's import. Total import of India from Nigeria of ores, slag and ash reached \$51.78 million between 2000 and 2013 with a share of 0.07% and 0.002% as import from Nigeria and total India's import share.

**Table 4: Top commodities export value for the whole periods (2000-2013) and their share to total export to Nigeria and India's total export.**

Top commodities	Export value for the whole periods 2000-2013	% Share to the total export to Nigeria for the whole periods 2000-2013	% Share to the total India's export for the whole periods 2000-2013
PHARMACEUTICAL PRODUCTS	1,942.42	11.96	0.10
NUCLEAR REACTORS, BOILERS AND MACHINERY	1,863.31	11.47	0.10
ARTICLES OF IRON OR STEEL	845.84	5.21	0.04
VEHICLES OTHER THAN RAILWAY	1,618.66	9.97	0.08
ELECTRICAL MACHINERY AND EQUIPMENT	1,833.13	11.29	0.09
IRON AND STEEL	671.30	4.13	0.03
ORGANIC CHEMICALS	391.04	2.41	0.02
RUBBER AND ARTICLES THEREOF	376.85	2.32	0.02
TANNING OR DYEING EXTRACTS	219.12	1.35	0.01
PLASTIC AND ARTICLES THEREOF	686.22	4.22	0.04
PAPER AND PAPERBOARD	480.35	2.96	0.02
Total	10,928.24	67.28	0.56

**Source: Calculated Monthly Statistics of Foreign Trade of India.**

From the table above pharmaceutical products amounting to \$1,942.42 were exported from India to Nigeria throughout the periods 2000-2013. The high export value of pharmaceutical products is as result of the fact that Nigeria is developing country with low medical and health care facilities for which the country is trying to meet of up to a certain standard and in order to meet the millennium development goals of which health and health care were included. The total share of pharmaceutical products from 2000-2013 to the total India's exports to Nigeria from 2000-2013 is 11.96% this shows that pharmaceuticals products are having a lion share in the export of India to Nigeria. Total nuclear reactors exports from India to Nigeria for the whole periods 2000-2013 amounted to \$1,863.31 million. For the whole periods the total share of nuclear reactors to the total exports of India to Nigeria from 2000-2013 is 11.47%. Total India's exports of articles of iron and steel from 2000-2013 is put at \$845.84 million with a share to total export to Nigeria for the whole periods 2000 to 2013 of 5.21%. From the year 2000-2013 vehicles exported to Nigeria from India stood at \$1,618.66 million with an overall total share to the total export to Nigeria from 2000 to 2013 of 9.97%. The high export value of vehicles to Nigeria which mostly comprises of tricycle is as result of

Nigerian acceptance of such vehicle as a means of short distance transportation and the program of alleviating poverty, toward the end of 2007 there is a large number of vehicles imported into Nigeria from India as means of alleviating poverty. The use of such vehicles is more common and popular nowadays in northern states of Nigeria because of the banning use of two wheeler vehicles. Electrical machinery and equipments export to Nigeria from India is an important component of India's export to Nigeria as its total value for the whole period 2000-2013 worth \$1,833.13 million dollars. The reason for high export value of electrical machinery and equipments is that; in the wake of Nigeria's democracy in 1999 various power projects were embarked upon by the government of Nigeria (including rural electrification) which requires high electrical equipments supply, this is one of the reason among others for the risen exports of such commodities to Nigeria. Electrical machinery and equipment share to the total export from 2000 to 2013 is 11.29% which is attributed to the high export value it records in the last five years since 2008-2009. Iron and steel export was put at \$671.30 million throughout the periods, in Nigeria there is high demand of iron and steel which requires importation from India and the rest of the world as a result of Nigeria's iron and steel

plant shutting-down for over twenty years. Organic chemical export records a total trade of \$391.04 million throughout the whole periods. Total exports value of rubber and articles of rubber was put at \$376.85 million for whole periods. The total export value of tanning and dyeing extracts throughout the periods was \$219.12 million. The total exports of plastic and articles thereof for the whole periods amounted to \$686.22 million. The total exports value for paper and paperboard for the whole periods was \$480.35 million. Iron and steel, Organic chemicals, Rubber and articles of rubber, tanning and dyeing extracts, Plastic and articles of plastic, and Paper and paperboard had a lower share as compared to the rest of major commodities. This is because their share to the total export to Nigeria is less 5% percent and their total shares to the total India's exports is also less than 0.05% for the whole periods 2000-2013.

#### 4.3 India-Nigeria trade intensity

**Table 5: India trade intensity with Nigeria from 2000-2012.**

Year	India's trade intensity with Nigeria TII	India's export intensity with Nigeria EII	India's import intensity with Nigeria III
2000	8.66	9.22	3.16
2001	8.55	9.11	0.47
2002	6.32	6.59	0.42
2003	4.53	4.76	0.35
2004	3.49	3.69	0.13
2005	4.08	4.30	0.09
2006	3.82	3.98	6.06
2007	2.73	2.85	7.63
2008	4.01	4.17	5.81
2009	2.99	3.08	4.85
2010	2.78	2.86	4.71
2011	2.24	2.29	3.88
2012	4.46	4.59	3.21

**Source: Calculated from UN comtrade Statistics.**

The trade intensity index of India with Nigeria is greater than one throughout the periods 2000-2012 implying that India and Nigeria trade is high intense and greater than expected given their importance in the world trade. The export intensity index throughout the period 2000-2012 is greater than one which implies that India's export to Nigeria is high intense given their importance in the world trade. For the import intensity the index is greater than one in most of the period and lesser in the years 2001- 2005. The main reason for this low import index is as a result of minerals fuels, minerals oils and products imports that were not recorded in these years. In the years where the index is greater than one it implies that India's import from Nigeria is high intense and higher than expected given their importance in the world trade, in the years where the index is less than one it means that India's import from Nigeria is smaller than expected to be in comparison to the rest of the world.

#### 5. Conclusion

This study analyzed the trends, composition and trade intensity of India's merchandise trade with Nigeria. The trends in India's import from Nigeria, from the year 2000-2001 to 2005-2006 is somewhat very small and from this period up to 2013 it shows a significant rising trend, the trend in import growth is similar to that of export with both rising and falling trend for the whole periods, the trend in import share exhibits both rising and falling trend with a steady move from 2001-2006. The analysis shows that India's export to Nigeria exhibits an increasing trend between 2000-2013 with a slight

falls in the years 2003-2004 and 2009-2010, the trends in the growth rate of export shows both rising and falling trends throughout the whole period, the trend in export share exhibits both rising and falling trend from the years 1999-2006 and from this period to 2013 maintains an increasing trend. Finally the trend in India's total trade with Nigeria follows the same pattern as that of import, from the year 2000-2001 to 2005-2006 it shows a slow and steady rise and from this period to 2013 it shows a massive increase while the trend in the growth of total trade shows a continues rise and fall throughout the period.

The second conclusion drawn from this study is that the major commodities of India's import from Nigeria accounts for 99.48% of the total India's import from Nigeria for the whole periods 2000-2013 and accounts for 2.44% of the total India's import for the whole period 2000-2013. The analysis again shows that mineral fuels, mineral oils and products played a major significant role even among the groups of major commodities as it account 98.22% of the India's total import from Nigeria, from the period 2000-2013 and 2.41% of the whole India's import from the world. The analysis further shows that the major commodities of India's export interest to Nigeria constitutes 67.28% of the total India's export to Nigeria for the whole periods 2000-2013 and accounts 0.56% of the word India's export for the same period.

The third conclusion drawn from this research work is on the index of India's trade with Nigeria. The analysis shows that India's export intensity with Nigeria is high as the index is greater than one in the whole periods, implying that India's export to Nigeria is greater than expected on the basis of India and Nigeria importance in the world trade, while the India's import intensity index with Nigeria is greater than one in 2000 and less than one from 2001 to 2005 and again greater than one from 2006 to 2012, implying that in 2000 and the years 2006-2012 India's import intensity with Nigeria is greater than expected on the basis of their importance in the world trade and smaller than expected from 2001-2005. It is again shows that India-Nigeria trade intensity is high intense for the whole periods 2000-2012.

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