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NIGERIA-UNITED STATES TRADE RELATIONS UNDER AFRICAN GROWTH AND OPPORTUNITY ACT (AGOA) (2000-2018): INTERROGATING THE TRENDS AND ISSUES

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ABSTRACT: *International trade relations between Nigeria and U.S. are strategic because the former is the largest economy among the Sub-Sahara African countries (SSA) that are a party to the U.S. AGOA initiative. But while the aggregate study of the impact of U.S trade relations with SSA countries is replete in the literature, a country-by-country study to examine in detail the individual state peculiarities effects on the interaction, more importantly looking beyond the preferential regime is missing. Therefore, this study interrogates the trends and issues emanating from the Nigeria-U.S. trade agreement with its implications for the post-AGOA era. Using factor endowment theory as a framework, the work explores credible secondary data sources alongside recent reports and studies to prosecute the research. It discovers that U.S. oil import from Nigeria dominates as the commodity for trade intensity excluding agriculture and manufactures products, making the trading to be imbalanced and deprived of mutual benefit. The study hence suggests that Nigeria should transform her political, education and socio-economic environment for proper positioning for maximization of her potentials both for AGOA and beyond U.S. trade partnership while the U.S. is to take deliberate steps toward ensuring sincerity of her interest in growing African economy amongst others.*

KEYWORDS: African Growth, Opportunity, AGOA, Trade Relations, United State, Nigeria

INTRODUCTION

International trade has been a leading and long connecting link between and amongst states in the world. Moreover, Trade relations across societies within and beyond geographical regions pre-date the modern era. Hence, Brewer (1980, cited in Aja 2002:20) maintains that trade among nations is the oldest element of interdependence among nations. In light of this assertion, it suggests that virtually every country has partaken in international trading in one way or the other. For example, agriculture was the main-stay of the Nigerian economy in the 19th-century pre-colonial era (Aghalino 2006, cited in Audu and Oshewolo, 2014:23). Thus, by implication, Nigeria's domestic and international trade in goods constituted largely of agro and its allied products during this period and largely before the independent economy.

However, Nigeria–United State (U.S.) economic relations within this period were not captured in the literature until the post-independent era which according to Ajinde and Aleyomi (2014) gained a limelight in 1961, in the official quarter, a year after Nigeria attained her political independence from the British colonialist, when U. S. President, John F. Kennedy, announces a $225 million as long-term development aid for Nigeria which was incorporated within her first National Development Plan (1962-1968). As such, it marked the beginning of the economic side of both countries' diplomatic relationship. It is noteworthy that Nigeria–U.S. relations was facilitated by the midwifery of Britain, the former colonial master of both countries, and the US policy towards Nigeria post-independent flourished because of the declining presence of its close ally, the United Kingdom (UK), in the country alongside Britain important intermediary role in the Nigeria-US relations (Ate 1986).

Consequently, trade and other bilateral relations between Nigeria and the U.S. appear to have progressively started gaining momentum with significance. Not only has the volume of trade between both countries soared but also foreign investment from the U.S. equally increased, almost exceeding that of Nigeria's traditional countries' trading partners. This might account for Ate (2000) averment that Nigerian economy provides the largest market in Africa for U.S. companies such that it is the largest foreign investor in Nigeria. Nonetheless, the trading relation is strategic to Nigeria and U.S. but the trends of benefit between both states' investment activities was seem not highlighted.

Furthermore, the U.S. government, in her quest to intensify and increase her trade relationship with the Sub-Sahara African (SSA) countries, enacted special legislation christened African Growth and Opportunity Act (AGOA). Moreover, varied bases were identified by scholars as purposes behind the AGOA trade relations. Edun , Khikmatullo, Bah, Oji-okoro and Abba, (2012), maintain that AGOA is aimed to build on existing U.S. trade programs by expanding the duty-free benefits that were previously available exclusively under the general system of preferences program (GSP) while Mahabir, Fan, and Mullings (2018) posit that the objectives are to deepened and expand investment trade relations between the US and SSA countries. Implicitly, AGOA was a move by the U.S. to enhance SSA states economic prospect in the global arena via mutual-beneficial and inter-dependent investment trade. But the experience, in terms of its impact on the former, in spite of the opportunity outlined, remains a controversial issue within the academia, government, and practitioners.

Also, there are diverse opinions, some premised on the empirical basis, on the impact of AGOA on SSA economy generally. Although both positive and negative effects are identified by scholars on African states, yet there has been little research emphasis on the individual country in SSA especially as regards a country relational benefit (on national aggregate) assessments premised on her peculiar economic features as the countries making up SSA are often analysed on the sub-group aggregate. Likewise, it becomes more important because AGOA agreement is bilateral and not multilateral based bringing necessity for individual SSA states fairing to the fore. And, because Nigeria is the largest economy among the SSA eligible countries, then, to what extent has AGOA objectives been realized with its implications for her domestic socio-economic development and relations with the U.S., other trading countries or continents?

Moreover, since AGOA has been extended to 2025 from 2015 with the unlikelihood of its renewal (Mahabir, Fan, and Mullings (2018), what are the commodities occupying the current or that supposed to, and are sustainable beyond the preferential trading era? Hence, the work is pertinent to both U.S., Nigeria and, by extension, SSA countries strategic planning for the optimization of AGOA's benefits, underscoring areas demanding adjustment in the act and the individual's country trade policy before and after its expiration.

Therefore, this research examines the Nigeria-U.S. trade relations under AGOA regime to ascertain the trends of benefits, and emanating issues since inception till date with a view to not only draw lessons but implications for both countries as individuals and trade-investment relations. The article is divided thus: Section one introduces the work; section two states the methodology; section three discusses the theoretical underpinning; section four examines the AGOA act; section five reviews Nigeria-U.S. pre-AGOA relations; section six interrogates the trends and issues on both countries interaction; section seven presents the findings and discusses means of optimizing Nigeria-US trade relations beyond preferential trade arrangement; and section eight concludes the study.

METHODOLOGY

To accomplish the objectives of this work, a qualitative research method was adopted. Credible secondary data was sourced to assess the volume of trade alongside emanating issues. Similarly, scholars' opinions from current documentary sources were employed to justify the quantitative data on a qualitative premise of descriptive analysis. These offer the empirical platform for the analytical explanation on which immediate recommendations were based and conclusion.

Theoretical Framework

Theories that offer explanations and aid better understanding of international trade abound in the literature. But, to shed light and put in a right context, the theory of factor endowment stands plausible and appropriate and as well facilitates our understanding of Nigeria-US trade relationship. Factor endowment or factor proportion theory was developed by two Swedish economists, Eli Hecksher (1919) and Bertit Ohlin (1933) (Akpakpan, cited in Aja, 2001:21). Though the theory was modified by Samuelson in 1948 and was known as Heckscher-Ohlin-Samuelson (H-O-S) theory or model of international trade (Aja, 2001), it was a response and modification to that of Ricardian Comparative Advantage Theory that postulates that a country should specialize in the production and trade with another in a product it has relative cost-efficient labour production over the other.

The shortcomings of comparative theory, which include its assumptions of two countries and products, labour input alone, homogenous quality with inelastic supply and its immobility internationally alongside others vitiate and limit its real-world application. Hence, Bolub and Taihsieh (2000) posit that "Ricardian emphasis on sector-specific technological gaps between countries is suggested by the recent international comparisons of productivity". Also, they argue further that labour cost emphasis and productivity differences have been supplanted by the neoclassical (Heckscher-Ohlin) focus on factor endowment.

Therefore, the theory of factor endowment bridges the shortcomings gaps inherent in the comparative advantage theory and postulates that a country specialises in the production of goods it has factors of production like land, capital, technology, management endowment and others. In addition, the theory included other factors of production, aside the labour, as the main determinant of a nation's production specialisation in international trade. Prakash and Anand (2014:53) aptly state thus: " Heckscher-Ohlin theory of international trade envisages that a country specialises in the production and export of such goods as conforms to its factor endowment " From this standpoint, it seems suffice to argue that factor endowment theory promotes more deeply than the preceding comparative counterpart basis for international division of labour because it conditioned it on natural resources, human capital, technology development availability or endowment, broadening the bases for international trade.

However, both theories – comparative and factor endowment - share the same underlying purpose and sentiment of the order of neoliberal economic school of thought. Factor endowment posits that when a nation factor endowment is effectively explored and exploited, it will enhance both importing and exporting nations' welfare and wellbeing mutually. Thus, it suggests that positive sum-game trade relations exist between trading partners or states.

Insights from the theory of factor endowment appear plausible to explain Nigeria-US trade relations, especially under AGOA regime. Nigeria endowment with natural resources more importantly, oil alongside with agro products, which AGOA act allows with free duty and quota, pictures a semblance of factor endowment trade relationship with U.S., having advanced technology, management, industry, capital resources and, service sector. Both countries, in this sense or expectedly, engage in a trade from their area of strengths of factors of production endowment that appear abundant at their ends. In effect, mutual and reciprocal benefits appear to accrue to both countries from their cross-border transactions. However, the fundamental question of whether it is fair to both, not a zero-sum trade relations or any other question bordering on either its short or long term "help or hurt" of such relations to both states' economy, more importantly, under the AGOA with its implications for its post-regime interactions, requires investigation. Therefore, the probability of uneven share of positive returns between Nigeria and U.S. or even among more than two trading partners is discernible as one of the shortcomings associated with the theory. As such, can this not likely be the case between Nigeria and U.S.? And, where this is applicable in the real sense, how can a country strike a balance of trade benefits to redress such lopsided gains? This is an area this work considers ferreting out.

AFRICAN GROWTH AND OPPORTUNITY ACTS (AGOA): CONTENT AND CONTEXT ANALYSIS

AGOA act was enacted May 18, 2000, mainly to seek economic development in 39 Sub-Sahara African Countries (SSA) by offering eligible countries enhanced trade preferences and encourage the elimination of trade barriers in those countries (United States Government Accountability Office, (USGAO 2015). In other words, barriers of quotas and tariffs hampering export of African goods to the U.S. market are eliminated to pave ways for a higher volume of trade and stimulate export especially, agro-products and apparel. It is intended as noted, according to U.S. government, to promote free markets, stimulate economic development in Sub-Sahara African through export-led growth and facilitate Sub-Saharan Africa's integration into the global economy (USGAO, 2015). Without controversy, it is a non-reciprocal trade agreement.

Furthermore, Edun , Khikmatulo, Bah, Oji-Okoro and Abba, (2012) assert that it is an act that enhances U.S. market access for SSA countries significantly, while Mevel, Lewis, Kimenyi, Karingi, and Kamav, (2013) aver that it provides trade preferences for Africa continent that is combined with the U.S. Generalized System of Preference (GSP) which permits duty-free export access to U.S. market for up to 6,400 product lines. Though products cover under

AGOA includes minerals - uranium, aluminium, zinc, oil; agricultural products, metal products, textile, footwear components, plastics, articles of wood, paper products, etc. (Matoo, Roy, and Subramaman, 2002), which can be classified as energy and non-energy products, SSA capacity for active trade engagement with U.S. appears doubtful considering its low technology, talent and financial status aside non-allowance for fragmented task but complete product constrains stipulated by the rule of origin.

As observed above, the AGOA act seems to be ambivalent. That is, it appears to make provision for a wide range of products but with oblique clause capable of limiting its optimal appropriation by SSA countries. As such, it suggests a contrast between the content or intent of the act and its application. This, perhaps, made USGAO (2015) canvassed for the review, alongside other studies, of the rule of origin of third countries especially, for apparel and fabrics products.

In addition, the act was initially meant to cover eight years from 2000 to 2008, but was extended, first to 2015 and currently to 2025 after amendments (Mahabir, Fan and Mullings 2018, Edun, Khikmatulo, Bah, Oji-Okoro and Abba, 2012). By this step, the US is pictured in good light of seeking SSA economic growth through AGOA preferential trade relations. However, the provision in the act requiring the US government to conduct an annual eligibility review in other to determine whether a country is making progress on economic, political and development reform as described in the act objectives as pre-conditions for determining eligibility (USGAO, 2015), appears to vest a veto power or exclusive right of sustenance of the bilateral trade on the US government or better still, the presidency, breaching the universally acceptable norm of collective bargaining as impeccable paths to mutual interest protection, mutual benefiting agreement, and respect for government autonomy. In fact, the U.S. termination of eligibility status of 16 countries since 2001 of the initiative especially that of Eritrea, Mauritania, Guinea, Madagascar, South Sudan (amongst others) based on political unrest or coup, and Democratic Republic of Congo, Gambia, Swaziland and Burundi predicated on the abuse of human or labour rights (Yanai, 2017), create room for one to express reservation about her political interest promotion under the auspices of trade relations.

Arising from the discourse are fundamentals embodied in AGOA act that is subject is contention attracting varied explanation as well as challenging the underlying purpose(s) and motive(s). For instance, some countries have lost their eligibility status as determined by the US government such as South Africa, Kenya and Mauritius (Moyo, Nchake and Chiriipanhura, 2018). This has generated concerns about the economic interest of the beneficiaries' states and seems not reconcilable with the AGOA objectives. Though Nigeria has not lost out her eligibility, probably because of her strategic position in SSA, the volume of her exported goods to U.S in comparison with her imports might have been impaired by one of these or other inserted conditions by the US government under the disguise of the eligibility review.

PRE-AGOA NIGERIA-U. S. TRADE RELATION: AN ASSESSMENT

Relationship between Nigeria and U.S. started before the former colonial independent. Both countries interactions could be traced to pre-second world war and have increased significantly thereafter (Obegolu 2013). As stated, U.S. president (John Kennedy) economic assistance in the early days of Nigeria's independence promoted the relationship further. Since Nigeria independence, especially in the last 54 years, the relations between both countries have passed through phenomenal stages and several issues of interest which include economy, drug trafficking, security (terrorism) and democracy occupy the central place in their interaction (Aleyomi and Ajinde, 2014).

Similarly, while Obegolu (2013) observes that both countries relations since 1960 have been hosted on a tripod of trade, foreign investments, and democracy, the economic appears underscored by aid and technical assistance of the U.S. to Nigeria amounting to 49.5 and 52.2 respectively (Ola, 2017:272). By implication, aid was the economic bait employed by U.S. to penetrate Nigeria's political space for influence and facilitate the creation of a market for her multinational's foreign investment drive. No wonder, Nigeria dumped the bequeathed British parliamentary system of government for U.S. modeled-after presidential, and perhaps, accounted for the presence of U.S. firms in Nigeria in less than two decades of independence.

Therefore, economic and political issues form the nucleus of US-Nigeria interactions and core interest. While these appear as undercurrent issue-area for promoting both economic liberalism and democratic ideology simultaneously, the seeming degree of influence disparity between both countries adds colour to the shared interest. Moreover, since AGOA eligibility criteria include economic liberisation, democratization, and respect for rule of law, human rights and labour rights protection, and non-indulgence of states in anti-America interest activities (Oluwafemi, Kudratov, Oury, Izuchukwu and Shehu 2012), can one discount or be skeptical about the marketing of liberal tenets using trade as instrument by U.S., as an influential global actor, and one of the leading advocate of western ideology. It suggests that it might largely be responsible for the enactment of AGOA amongst other reasons – overt or implied.

> However, it is interesting to note that the trade relationship between Nigeria and the US have continued to grow and wax stronger. In fact, United States Information Agency report in 1985 (Cited in Obegolu, 2013:9) asserted that Nigeria and U.S. have enjoyed increasingly active trade since Nigeria independence with trade index rising to $12 billion in 1980. This is an indication that US has been an active trading partner with Nigeria in the 1970s. The testimony as given by Howard Jater, a former U.S. Ambassador to Nigeria, in his address to the US House of Representative Sub-Committee on African Affairs attests to the intensity and object of trade between Nigeria and U.S. as stated by (Onuoha, 2008, cited in Obegolu 2013:95) thus:
>
> *Nigeria is the second-largest trading partners in all of Africa. America companies have invested over $76 billion in the country's petroleum sector, we import approximately 40% of Nigeria's oil production and Nigeria supplies nearly 8 percent of our total imports … US companies have invested substantively in the food and industries such as cola-cola, pepsi, 7up etc*

Arising from above, The U.S. multinationals investments in Nigeria alongside her interest in oil appear to heightened her interest in the economic transaction with Nigeria. Hence, Trade relations as a result of intra-firm trade between Nigeria (host country firms) and US home firms, and export of oil to the U.S. could not have declined below a reasonable level because both seem to be imbued with the propensity for an increase. It is, therefore, not surprising that Nigeria ranked second to Saudi Arabia as the supplier of petroleum, about 10 percent of U.S. oil import highly desired light and low sulphur crude. (Onuoha, 2001 cited in Obegolu, 2013:95). Similarly, more than 3,000 United States manufacturers and other business have local distribution investment partnership in Nigeria which is one of the largest economies in Africa (Obegolu, 2013).

In the three years preceding AGOA regime (1997-1999) Agada (2000, cited in Obegolu: 95) reported that U.S. imported and exported goods and services worth in U.S. dollar respectively: Import (6,349.190, 84,194.640, and 4,361.090) and export (814,292.00, 814,619.00 and 628,337.00). Obviously, that the volume of exported goods to Nigeria from U.S. out-weighted its import in the three consecutive years. For example, the difference between import and export in 1997 alone is 87,943 dollars. Also, the volume is far apart from equal, but underscoring the intensity of trade between both countries.

Undoubtedly, pre-AGOA U.S.-Nigeria trade relations is very significant to both countries, more especially to Nigeria that almost cannot jettison the interest of the U.S. as her major oil customer, and vital foreign investment source. Both oil and FDI are considered as life-oxygen for her economic survival, revitalization, and development. Notwithstanding the strategic position of U.S. to Nigeria state, it remains in sync with the expectation of AGOA as a launching pad for SSA economic elevation. And, likewise, both countries believe that the partnership would brighten the mutually beneficial trade relations. Nevertheless, let us proceed to ascertain how feasible this was with Nigeria by examining the trends of her AGOA regime trade relations with the U.S.

U.S-NIGERIA TRADE RELATION UNDER AGOA: TRENDS AND ISSUES

The trade relationship between Nigeria and the U.S. during AGOA years is expected, ordinarily, to not only foster mutual returns based on AGOA's terms of trade but incentivize the former to explore her agro resources. Nevertheless, the trend, in real sense, can best be understood when studied with data. Therefore, critical examination of items and the volume of trade will provide evidence for interrogation and analysis for this work. Table 5.1, 5.2, 5.3 and 5.4 present the trade relations between both states in the first 16 years before its extension from 2015 by the US to 2025, U.S. top import countries in SSA, U.S. top SSA states for export and five SSA sources of U.S. AGOA imports respectively.

Table 1: US Trade in Goods with Nigeria (2000-2015)

Year	Exports	Imports	Balance
2000	60.1583	878.1333	-817.9750
2001	79.5917	731.2417	-651.6500
2002	88.1417	495.4417	-407.3000
2003	84.7333	866.1167	-781.4083
2004	129.5167	1254.0333	-1224.5167
2005	134.9667	2019.95	-1884.97
2006	186.133	2321.925	-2135.81

2007	231.5	2730.858	-2499.37
2008	341.875	3172.342	-2830.48
2009	307.2667	1594.017	-1286.76
2010	338.375	254.3	-2204.63
2011	408.7333	2821.2	-2412.45
2012	419.1	1584.517	-1165.41
2013	532.4	976.9917	-444.575
2014	497.3167	319.9417	177.375
2015	291.4154	161.3154	126.2385

Source: United States census Bureau (2016). Note- All figures are in millions of U.S. dollars.

Table 2: Top SSA Sources of U.S. Imports

Country	Value (in millions)	% of Total from SSA	% Change from 2017	Top Commodities
South Africa	8,469.79	33.77%	+9.39%	Platinum/diamonds;Iron/steel; Vehicle/parts;
Nigeria	5,620.82	22.41%	-20.29%	Oil (crude); Fertilizers
Angola	2,698.36	10.76%	+3.64%	Oil (crude); Diamonds
Cote d'Ivoire	1,246.79	4.9%	+2.50%	Cocoa; Oil; Rubber; Cashew nuts
Madagascar	892.73	3.56%	+20.20%	Vanilla/cloves; Apparel; Cobalt; Titanium ores

Source: International Trade Administration (ITA) (2018)

Table 3: Top SSA Sources of U.S. Exports

Country	Value (in millions)	% of Total from SSA	% Change from 2017	Top Commodities
South Africa	5,517.08	34.82%	+9.90%	Machinery; Vehicles/parts; Oil; Electrical machinery; Civilian Aircraft/parts; Medical instruments
Nigeria	2,668.39	16.84%	+22.96%	Vehicles; Machinery; Oil; Cereals; Civilian aircraft
Ethiopia	1,310.89	8.27%	+49.45%	Aircraft/parts; Cereals; Machinery
Ghana	793.03	5.01%	-7.78%	Vehicles; Machinery; Oil; Med. Instruments; Plastics
Togo	563.60	3.56%	+16.97%	Oil; Vehicles; Organic chemicals; Plastics

Source: International Trade Administration (ITA) (2018)

Table 4: Top SSA Sources of U.S. AGOA Imports

Country	Value (in millions)	% Change from 2017	Sector	Value (in millions)	% Change from 2017
Nigeria	$4,361	-25%	Energy-related	$7,985	-14%
South Africa	$2,364	-19%	Textiles/apparel	$1,218	+18%
Angola	$22,006	-9%	Minerals/metals	$831	-12%
Chad	$601	+2%	Transp. Equip	$697	-47%
Kenya	$470	+15%	Ag product	$597	+8%

Source: International Trade Administration (ITA) (2018)

The import-export ratio within 2000-2015 on a yearly basis presented in table 5.1 indicates that there was an excess of import from Nigeria to U.S. within the succeeding 13 years, 2000 to 2013. Only the last two years (2014-2015) are contrary. The 2000-2013 evidence presents almost a uniform trend of trade relations between both countries pointing a high demand for Nigeria good from the US. If oil import constituted 40% of US imports from Nigeria in the pre-AGOA years, and table 5.2 shows that oil as a leading import commodity, it presupposes that AGOA did not make any significant alteration in the U.S. trade trend with Nigeria. Though fertilizer is a new import product to the US from Nigeria, its volume appears insignificant. This becomes worrisome if compared to South Africa, dealing in both natural and agricultural products, and Code d' Ivore optimizing agro-commodities export to U.S. Little wonder, Table 5.4 presents Nigeria as topping the US AGOA imports with energy related sector with approximately eight million dollars and difference of seven million dollars from South Africa (a huge differential), the next to her as trading partner with U.S.

Also, table 5.3 indicates that Nigeria is the second destination for U.S. export of automobiles, including aircraft. And, highly disturbing, is the refined oil U.S. exported to Nigeria, which almost cancelled out initial economic gains of the latter. Other implications of imbalance trade relations with the U.S. on Nigeria, expectedly, would be monumental. First, Nigeria failure to diversify its export commodity from oil even in the face of myriads of products accommodated by AGOA presents her as a non-proactive trade partner. Put differently, the abundant agricultural and human resources inherent in the country were not engaged to explore the huge U.S. market as the largest state amongst SSA, though the latter seized the former market and fuel to her economic advantage.

Secondly and as a corollary, the issue of products standardization and rule of origin might have discouraged Nigeria government in making effort to mobilize both local and foreign investors in taking advantage of U.S. preferential trade terms. While the standard is a necessity for many obvious reasons including human hygiene, safety, and product performance and durability, the U.S. over-sensitivity to inputs origin appears as a constraint to the exploitation of AGOA largesse to SSA, Nigeria inclusive. For instance, though about 85% of U.S. items attract duty-free access, most of the agricultural products that Nigeria and other Africa countries are more competitive, such as sugar and cotton, are excluded from the AGOA preferences (Yanai, 2017). Does this not appear as deliberate steps against the utilization of AGOA graciousness implying conflicting measures and insincere objectivity of U.S. interest in Nigeria and the SSA sub-regional economic growth via supposedly fair-trade deal?

Though, Onuoha (2001, cited in Obegolu, 2013:75) maintains that Nigeria exported primary products to the U.S that is Cocoa, groundnut, palm oil, palm kernel but imports demand from Nigeria was low rationalizing this with low income, lack of industrialization, and negligible use of foreign inputs. Nevertheless, does these problems peculiar to Nigeria among the SSA states? Obviously not, as it appears. Thus, this might have made the agro products not to top the list of U.S. imports from SSA.

Moreover, the Nigeria-US import and export trade in the recent past which, according to International Trade Administration (ITA) (2018), recorded as 1,875.38, 2,170.07 and 2,668.39, and 4,175.99, 7,051.83 and 5,620.82 for U.S. export and Nigeria exports for 2016-2018 respectively proves further the extent of the imbalance trade. For example, there was 2,952.43 dollars differential between both countries, indicating that U.S. imported more commodity from Nigeria than the latter import. This is a significant trade disparity between U.S. and Nigeria.

Furthermore, exported goods from the U.S. to Nigeria, presented in pre-AGOA last three years shows the dependence of Nigeria on the U.S. for intermediate raw material and finished goods. Low level of technology development is evident which make the export pertinent to service the multinational company affiliates and Nigeria consumers market, which probably have developed high taste and penchant for foreign goods. Be that as it may, still or ordinarily, grains ought not to form part of exports from the U.S. to Nigeria as an agrarian state, and the largest grower of cassava providing alternative flour source to wheat if the tempo of pre-independent and pre 1970 agricultural system is sustained and possibly improved upon. But unfortunately, according to Obegolu (2013:96), wheat imported from U.S. constitutes 10 percent of Nigeria's total importation, which seems not to have declined in recent years. Even vehicles imported from U.S. (new and fairly used) are not assembled in Nigeria but imported as a finished product.

The import from the situations described above reflects a deficiency in the negotiating power from the side of Nigeria's government. Although the act requires the U.S. government to unilaterally review eligibility status annually, it also provides for annual forum where representatives of the U.S and S.S.A meet to discuss ways to foster closer economic ties (USGAO, 2015). This forum supposes to have been capitalized by Nigeria government as a platform to bargain for fair terms of trade especially as regard to agriculture and manufacturing sectors capable to forestall the identified cases above and entrench mutually benefiting partnership.

Nonetheless, on a general note, it appears there is a consensus among scholars. And, based on the data analysed, oil or petroleum import from Nigeria and other SSA oil-producing countries remains the bulk of U.S import. Hence, Ola (2019:277) submits on Nigeria thus:

> *Nigeria trade with the U.S. was characterized by reliance on a few export commodities for foreign exchange earnings, especially oil. It would be recalled that it was after the arrival of American oil multinationals that crude oil was successfully exported from Nigeria…instead of adding to the old sources of foreign exchange the new commodity replaced the old ones so that the composition of export commodity changed without achieving diversification…U.S. trade with Nigeria was done in the interest of capitalist accumulation and not in the interest of growing Nigeria's economy*

It can be inferred, from the above discourse, that excess of import over export from U.S. to Nigeria is largely orchestrated by oil and gas before and during AGOA years with price fluctuations causing variation in the yearly balance index. Therefore, other commodities, especially agricultures and manufactures, are not significant in term of contributions or influence on changes in the trade trends cum dynamics between Nigeria and U.S. Hence, it suffice to conveniently submit that the trade relations between Nigeria and U.S. is not evenly balanced as energy constitutes the former imports since the pre-AGOA years; the latter does not engage her resources maximally, diversify her exports, is under-utilizing AGOA's export opportunity; AGOA does not spur trade-led economic growth capable of integrating her to global economy; and in overall, U.S. objective interest in Nigeria benefits from AGOA, as articulated, is questionable, more importantly as regard political and ideological influence or advancement and its economic effect. Nevertheless, it is more important to initiate what the imperatives are for both partners for sustenance of trade interactions, both currently under AGOA and beyond. This article offers these next.

FINDINGS AND DISCUSSION: POSITIONING NIGERIA-US RELATIONS BEYOND THE AGOA REGIME

Having analyse trends and issues under AGOA trade relations between Nigeria and the U.S., charting beneficial mutual trading under non-preferential trade is essential. To start with, Nigeria needs to pay greater attention to good governance. This is because domestic challenges impede the capacity development for meaningful engagement in international trade, especially AGOA. For instance, Davis (2017) identifies limited productive capacities and deficient infrastructures while Nouve and Staatz, (2003) and Collier and Gunning (1999) posit poor economic management, poor credit distorted products, high risks, weak social capital, and non-qualitative public service as hindrances SSA economic performance under AGOA including Nigeria (cited in Tadesse and Fayissa, 2008). This suggests that new and innovative policy architecture that can bring transformation to agriculture, petroleum, education, health, science and technology, leadership succession and economic management are all *sine qua non* to Nigeria's actualization of a favourable trade at the global arena.

As a corollary, Nigeria needs to employ 'products diversification and export redirection strategy'. Since Nigeria trade relations with the U.S. produces oil-trade intensification and with imminent end to AGOA initiative, wisdom demands she broadens her production base to agro and manufacture products. Expansive cultivation of cocoa, palm oil, groundnuts, cassava, among the ones she earned foreign income in the pre-independence and early years of independence or observe she possesses factors-advantages – as the theory suggests – to participating in foreign trade from the area of strength alongside value addition through industries. While farming incentives such as single-digit loans, farm input subsidy, and product-specific funding would guarantee an increase in agricultural products, deliberate promotion of small scale industries, especially cottage factories, like cocoa milling firms, cotton spinning company, palm oil processing factory, or modicum oil refinery, stands to facilitate increased value to the farm and petroleum produces.

Additionally, Nigeria should prepare for reciprocity trading regime with the U.S. and other trading partners, more importantly, Europe and Asia continents. As much as AGOA agreement will not be renewed, sustaining trading with the U.S. seems appropriate. One of the reasons is that the quality standard compliance of Nigeria would equip her products for international acceptability aside still serving as a market. However, the graduation of Seychelles from AGOA eligibility status as a result of gaining developed country status, and Kenya and Mauritius expressed readiness for non-preferential trade with the U.S. (Yanai, 2017) (all are smaller countries compare to Nigeria in almost every area) is sufficient to gear Nigeria up to brace-up for the fast evolving global trading environment characterized by free trade area regime and mega-regional free trade agreement such as, Regional Comprehensive Economic Partnership (RCEP) and Transatlantic Trade and Investment Partnership (TTIP), and take her destiny in her hand, though require collaboration with the countries in the region. Moreover, the current international trade trends, more so that preferential trading agreement violated World Trade Organisation (WTO) principle of Most Favour Nation (MFN) that stipulates fair reciprocal trade between states, Nigeria would be better off if she not only grasp the signal but reinforced her strength for liberal trading partnership.

In relation to the above are the instructive messages the declining nature of trade volume of not only Nigeria but the SSA with the U.S. According to Davis (2017), U.S. is no longer the most important market for SSA goods as it occupies the fourth position with China, European Union and India taking the first three positions respectively. As such, Nigeria should seize her trade relations with the trio countries and other emerging trade partners to broaden her trade partners' base to limit her susceptibility to U.S. trade fluctuations or any form of future external trade shocks. In addition, trade ancillary or concomitant returns, such as Foreign Direct Investment (FDI) with its accompanying technology, capital, and skills transfers pursuit becomes expedient to the Nigerian government. Though the competition of Africa trading, especially by China, seems perceived as threat to U.S. interest and AGOA initiative as counteractive response to China's incursion and heightened engagement in Africa political-economic space, it appears as a welcome development to Nigeria like the rest of Africa countries going by the intensification of trade between her and the new-found partners. Nevertheless, China's interest in Africa is argued to have important implications for the United State, especially of providing alternative political-economy ally (Shinn, 2011:5). And, in a similar vein, Lyman (n.d.) maintains that China renewed interest is a strategic threat to lock-up U.S access to oil, minerals, timber and undermine external western influence in Africa.

Moving to U.S. imperatives, it discernible that the volume of oil and gas exports has little impact on domestic technology transfer to lessen dependent, and U.S foreign firms have equally not promoted internal sourcing of inputs or provision of intermediate goods for production. Therefore, Encouraging U.S. oil firms to collaborate with local experts in technical skills and technology transfer for capacity building comes to fore. Similarly, discrimination of country based on the origin of goods like textile, garment hampers a free flow of trade between both countries (Matto *et al.*, 2002:25, NEPC, n.d.:18). Also, the eligible power of U.S government is an additional hurdle in this direction alongside the agricultural subsidy which is a form of protective trade measure against SSA under AGOA arrangement. It is worthy of note that agro-products subsidy is common among developed state which Sen (2010) described as turning backward trade liberalizing forces against developing states through "protectionist subsidies". In this regard, reconsideration of these highlighted impediments to Nigeria's effective trade engagement with the U.S. for corrective steps cannot be over-emphasized alongside the U.S. taking responsive actions to suggestions at the annual round-table discussions

To wrap up, in fostering U.S-Nigeria economic ties, mutual benefiting trade and engender Africa economic development could be said to be questionable going by the outcome of the shreds of evidence reviewed. Thus, Okolie (2015:65) submission that study on Nigeria–U.S trade relation under AGOA evaluation in 2006 revealed an insidious motive of dragging Nigeria economy further into the neo-liberal orbit that will continue to limit the chance of re-launching it to sustainable development trajectory appears in point, and agrees with this article submission. It is also in tandem with Ola (2017) but contrast Edun, Khikmatulo, Bah, Oji-Okoro and Abba, (2012) and Mevel, Lewis, Kimenyi, Karingi, and Kamav, (2013) averment of mutual economic benefits and U.S. seeking of Nigeria and African countries' economic growth ambition. Therefore, factor endowment theory adopted to underpin the fundamental basis behind AGOA in justifying Nigeria-U.S relations is undermined because while the latter engaged with her strength of capital, technology, and technical know-how the former failed to replicate with her rich human, material and agricultural potentials. However, further research on the trends as AGOA era draws closer to an end to find out if there have been any change and post-AGOA realities to ascertain both countries in relation to this article propositions can be undertaken.

CONCLUSION

The paper concludes that Nigeria's economy cannot be argued to have witnessed any significant growth under AGOA aimed towards that purpose despite her trade engagement with the U.S as no discernible significant impact is seen in former agricultural or manufacturing products trade intensity aside oil to the former witnessed in the pre-AGOA era. The resultant effect does not engender Nigeria's economic development as envisaged. U.S government exclusive standard determinant for good exportable to her economy and eligibility preference determination are forms of trade impediments while Nigeria's inability to mobilize her resources for an active trade engagement. Therefore, good acquaintance with policy details and recommendations articulated in this article are considered as viable paths for Nigeria trade relation currently, in the post-AGOA regime, and effective engagement in international trade relationship. Similarly, U.S. reconsideration of her trade principles and stance recommendations would foster a friendly and mutual benefit trade partnership even after the expiration of AGOA agreement with Nigeria.

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