

## **China Going Global Strategy in Nigeria: Contending Issues About the Raw Materials Exchange for Foreign Direct Investment Financing and Development in Nigeria.**

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### **Abstract**

*Nigeria has highest natural and minerals resources in which if she values it can do without help from other country. The study challenges the imperialism and negative impact of China profit in international trade with Nigeria. China exports more in Nigeria resulting trade imbalance condition between the two countries. This study intended to examined the Chinese presence in Nigerian raw materials as it was made only by the marks of victimization and if China really brings the Nigeria aid for their future development. The study survey shows that China often sends inferior products and substandard goods in Nigeria in exchange of their raw materials. The study adopted new trade theory and a good quality access. Information was carried by questioning with intentionally chosen responders, also with environment observations, historical files, school library with pertinent literatures. This study conclude that government should improve in technology capacity that boost exportation of Nigeria products rather than depending on foreign direct investment, this would assist and improve in our local productivity. However, there was increased volume of trade between both countries during the period under study. Despite the booming trade engagement between the two countries, the balance of trade was in favour of China. It was therefore that with the present configuration of the world system based on inequality between the technologically and industrially advanced nations and industrially weak and dependent nations, globalisation does not guarantee equal opportunities and cannot be beneficial to all. Based on the findings, it was recommended, among others, that to address the inequality in her trade relation to China, Nigeria should adopt appropriate socio-economic policies that will attract foreign investment and encourage people oriented development programmes. With better policies Nigeria can trade more profitably, attract more capital flow and benefit immensely on full integration into the world economy. It was also recommended that Nigeria should be committed to the diversification of her economy as against her present mono economy with over reliance on crude oil as the major source of foreign exchange earnings. This will go a long way on boosting her economy through the creation of alternative sources of national revenue.*

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### **Introduction**

Nigeria has the highest natural and minerals resources in which if she values Nigeria can do without any other country. China involving in bilateral and multilateral trade with Nigeria is a means of exploitation. Nigeria been the biggest commercial place for chinese business produces is a misnomer. Since 1970's, 1980's and 1990's when Nigeria witness oil boom where even ordinary toothpick was imported from China, Nigeria maintained diplomatic relations with China till today, with China seems that they benefits favored them more than Nigeria. China exports more to

Nigeria resulting trade imbalance condition between the two countries. According to Peter (2013), China exports to Nigeria is more than three billion US dollars, while Nigeria exports to China is less than 1 billion US dollars, which means there is a trade gap of two billion US dollars. The nature of foreign and trade between China and Nigeria is to move advanced the country's objectives and bring avenue for the achievements. Okafor (2015), stated that it was Chinese worldly accomplishment in current times that make Nigerian states accepted it essential to make trade cooperation with China. Oguukola (2008) noted during Obasanjo's ruling, he approached Chinese about raw materials for substructure in exchange of raw materials contract which in return Nigeria depends on China building up the social and economic impact of the country. Then it was the government of late president Yar'Adua stop most of the oil contract. Nigeria should participate in global economy in technology transfer, poor technology has crippled Nigeria and this a means which China has advantage. Increasing technology transfer from Chinese foreign direct investment has no value because they bring in inferior products in Nigeria compare to other countries. I blame Nigeria for that because our borders are not effective. Chinese company would design the project, select technology, purchase all equipment and run the project. According to Sanusi (2013), he stated that our country spends most of her money buying China made products which ordinary should be manufactures here in Nigeria for the gain of everyone. Chinese expectations are to exploit Nigeria raw materials in exchange of their inferior products. The Chinese major aim is to introduce foreign assistance where as they were on the opposite side of the intention. Nigeria's image of China as well as China's image of Nigeria played a prominent role in the initial effort to establish diplomatic relationship between the two countries.

A country's image is an important factor in international relations and can contribute a great deal to the realization of certain foreign policy goals. A state's activities beyond its borders are motivated by its self-perception and image, and its perceived interests in relation to other states in the international system (Ogwu, 1986; Udeala, 2010). It is pertinent to note at this point that at independence, Nigeria's political leadership was not only pro-West but apparently anti-communist. So Nigerian leaders who were exposed to both western tutelage and propaganda during the colonial days were afraid of communist infiltration and subversion. They consequently believed that their country's liberal democratic and capitalist orientation as well as its independence might be endangered by communism. The Chinese on their part, while recognizing that Nigeria is the most important of all the English colonies in Africa held the view that its leader was bourgeois reactionaries or feudal monarchical nationalists (Ogunsanwo, 1974; Hutchison, 1975).

So, the establishment of diplomatic relations on February 10, 1971 was appropriate and full of practical implications for both Nigeria and China. The pattern of bilateral interaction between them is compressed into mid-level position. Both Nigeria and China have the West as well as Japan as their major trading partners. Below this level, they jointly operate their own system of exchange where China has the advantage of importing advanced industrial materials from the West and exporting its goods and technology to Nigeria (Bukarambe, 2005). Nigeria and China have production structures which are convergent in the West. But the advantage that China has over Nigeria is that it has since 1979 used its developmental state and capitalist enclaves of export processing zones at home to establish a strong industrial base (Egom, 2007). Since the establishment of diplomatic ties with Nigeria, there has been a substantial expansion in Chinese exports, essentially conditioned by the demands of the economy and requirements to keep up economic growth. In this regard, China devised economic policy strategies to penetrate the markets of the South particularly Nigeria (Moghalu, 2007).

China's renewed interest in Nigeria predated the enthronement of the current democratic dispensation in 1999. It was General Sani Abacha military administration that brought China closer to Nigeria in 1995 to fill the gap created by the isolation of Nigeria by the United States and its Western allies as a result of Abacha's despotic rule. China did not join the West in criticizing Nigeria's human rights abuses, killings and other tyrannical measures of Sani Abacha regime particularly the execution of hanging Ken Saro-Wiwa, the leader of the Movement for the Survival of Ogoni People (MOSOP) and other Ogoni environmental activists (Ogunsanwo, 2007; Udeala, 2010). The hanging generated reactions from the international community. Not only was Nigeria suspended from Commonwealth, she also became the butt of orchestrated global criticism. As result of which a series of sanctions were imposed on the country, particularly by her traditional allies in the West (Jibrin, 2004). China's attitude towards Nigerian during the period of her stress with the international community was predicated upon China's commitment to towing faithfully the path charted by the main tenets of it's foreign policy which among others include the principles of peaceful co-existence, mutual respect and non-interference in the internal affairs of other states including the least powerful ones (Akpuru-Aja, 2012). Guided by these and other related principles, China relates with any government that commands the instrument of legitimate authority in a country regardless of how the power was acquired (Udedibia, 2010). The study seeks to investigate the recent China going global strategy in Nigeria: Contending issues about the raw materials exchange for foreign direct investment financing (2000-2024)

### **Statement of the problem**

Nigeria - China trade relationship had caused more harm than good. China come with the idea of development in Nigeria but in mind come with exploitation of the raw materials. The study seeks to investigate the involvement of China on Nigeria raw materials exchange for foreign direct investment, between the two countries. The Nigerian market operations open policies attracted a lot of foreign direct investment of which China is one. To what extent has the Chinese involvement in Nigerian raw materials brings improvement in bilateral trade between the two countries? Does the relationship between Nigeria and China havr any positive impact in Nigeria? Despite great natural resources God has been wonderfully blessed in Nigeria, (petroleum, gas, tin, ore, limestone, coal, zinc, and arable land for agriculture) they still lack the means of using the natural resources for development rather they depend on foreign countries that come to exploit it. This has been a serious challenge for Nigeria. There is no gainsaying the fact that Nigeria-China trade has brought increase in Nigeria wealth and growth; but is has not done so for all the regions and nations. It is in this regard that Ofotokun and Chukwu (2012) argue that even though the world has experienced remarkable breakthrough in many fields of endeavour such as computer science, engineering, medicine, transportation and all forms of industrial technology that have resulted in greater efficiency and productivity, globalisation has some setbacks. These setbacks include inequality within and among countries, job insecurity, threat to employment and living standards, spread of trans-border crime, destruction of cultural values and uneven distribution of wealth and power.

Available literature in Nigeria-China relations reveal that both countries have maintained very cordial bilateral relations since the establishment of diplomatic ties between them on February 10, 1971. But statistics on economic and trade ties indicate a long term imbalance in favour of China since actual functional trade relations between Nigeria and China began in the mid-1950s (Bukarambe, 2005; Ogunsanwo, 2008; Udeala, 2011; Akpuru-Aja, 2012). This could be attributed to the fact that as a developing economy, Nigeria lacks the capacity to engage in strategic partnership with a developed and industrialised economy. Inherent in this unequal relationship is

the fact that Nigeria imports variety of products from China ranging from manufactured goods, machinery, transport equipment, electronics, textile materials to house hold needs without commensurate action by China (Bukarambe, 2005; Uba, 2009; Udedibia, 2010; Udeala, 2011; Akpuru-Aja, 2013). While Nigerian market is flooded with Chinese products, Nigeria exports only unprocessed agricultural and mineral especially petroleum products to China. This has resulted a huge capital flight from Nigeria to China which denies Nigeria the much needed international capital for socio-economic development. The skewed trade relations turned Nigeria to a dumping ground for cheap and substandard products from China to the detriment of local manufacturers thereby stifling the growth of local industries.

### **Research questions**

- (a) To what extent has Nigeria-China trade relations added value to domestic growth in the age of globalisation?
- (b) How has globalisation impacted on the level of socio-economic development between Nigeria and China?

### **Objectives of the Study**

The main objective of this study is to examine the impact of globalisation on Nigeria-China bilateral trade relationship.

The study has the following specific objectives:

- (a) To assess the value added to domestic growth in Nigeria in her trade relations with China in the age of globalisation
- (b) To assess the level of socio-economic disparity occasioned by globalisation in Nigeria-China bilateral trade relationship.

### **Research Hypotheses**

- (a) Trade relations between Nigeria and China tend to add value to Nigeria's domestic growth in the age of globalization.
- (b) The disparity in the level of socio-economic development between Nigeria and China is likely to be a function of unequal exchange in their trade relations occasioned by globalisation.

### **Literature review and theoretical framework**

Chinese economic, political and social structure. Foreign partnership in Nigeria always come with double motive, one in the spirit of assistance and the other hand with exploitation and imperialism which would not be left aside. Chinese country are seeking for raw materials in Nigeria in the aspect of the Nigerian crude oil, manipulation in agricultural productivity, the mineral resources and the electricity power. Chinese are in demand of the primary products of Nigeria hence bilateral trade agreement till now our leaders have not come to realized that trade between Nigeria and China have a serious challenge for the country. The Chinese promised aid in Nigeria has no value because they would still treat Nigeria as a slave. China's involvement in our economic will not bring any good progress but rather increase worse governance. Even as they two countries have signed memorandum of understanding will not add any value. Since 1970's, 1980's and 1990 when Nigeria experienced oil boom, Nigeria was even imported ordinary toothpick from China. Nigeria trading with China did not start today and it continue to increase day by day World Bank (2016), has shown that from 2000 to 2016 Nigeria exported more than 90% of her goods to China and they are all real raw materials at the exchange of inferior products

from China from 2000 to 2024. The good exported from China worth more than billions of dollars. Nigeria exported food items from China, when we observed the quality of their products, the food we made here are better than the imported ones. Especially China tin food that is not healthy for consumption because it is dangerous to the citizen's health. From 2000 to 2024 there has been tremendous increase food items and raw materials exchange are not the same. The increase of the exportation to China shows that Nigeria government have never realized their mistake. The China's share of Nigeria's total exports fell from only 1.5% in 2000 to less than 0.79 in 2024 (AERC report, 2024)

Nigeria importation from China expanded and it has raised a serious challenge. Nigeria imports majority of her domestic and equipment product from Chinese. They import manufacturing products from China and left behind their locally products. When we observed the Chinese food items which they send in Nigeria the quality and value are less than the food items they Chinese eat in their country. In Nigeria market there is no kinds of inferior goods China would not ship to us recently they sent expired adulterated tin food. From 2000 to 2024, importation of machinery and transport equipment ranked first followed by manufactured goods, miscellaneous manufactures, chemicals and food and live animals. China's share of Nigeria's imports rose from 3.5% in 2000 to more than 13.44% in 2024. Nigeria's importation from China is greater than its exports, these has been a serious challenge from under developed country especially in Nigeria. (AERC Report 2024).

### **Foreign direct investment**

For a long time, china and Nigeria have involved in foreign direct investment due to Nigeria natural resources favour china more than the country that owner the raw materials. Since 2013 Nigeria has been on top position involved in foreign direct investment with China more than any other African countries (UNCTAD, 2017). The more economic growth of a nation surrenders by technology challenge especially in Nigeria, where technology transfer has been major problem that affect their world trade relationship with other countries. It has been a case in Nigeria exported issues where they only brought ordinary and inferior products from Chinese in exchange of their raw materials. Just as capital resources are rapidly growing and being dispersed to maximize the return of their owners throughout the world, rapid technology change is profoundly affecting world trade relationship. Due to China's power technology, Chinese used the medium to exploit the weak country like Nigeria who fail to boost man's power. Nigeria regard, value and depends on products that comes from china which other countries rejected. China and Nigeria relationship was as a result of Nigeria been on the loser side and china on the gained part. The two countries foreign direct investment was imbalance condition. The more Nigeria trade with china the more gap created but the exchange of goods are not favourable. Below is the table showing the foreign direct investment between China and Nigeria the balance of trade, current account, imports and exports, etc are well explained. Nigeria allowed china to over ride them over their raw materials. The table really shows the level of Chinese striking progress to catch-up with other developed countries. For instance, China manufactures goods for America with high quality product using their relatively lower wages, they move from low-tech to high-tech production, filling manufacturing gaps left vacant by the more industrialized nations. Eventually, their hope is to catch-up with the developed countries, China has made striking progress through this strategy.



**Tables below shows Nigeria - China Foreign Direct Investment**

<b>Nigeria</b>	<b>Last</b>	<b>Previous</b>	<b>Highest</b>	<b>Lowest</b>	<b>Unit</b>
Balance of trade	2158250.70	1835115.95	2530762.19	-4371167.04	NGN million
Current Account	3820.00	2870.00	10383.67	-6119.47	USD million
Imports	4104729.00	4822305.39	8572239.93	167.88	NGN million
Current Account to (GDP)	-0.30	-0.30	32.80	-18.70	Percent of GDP
Exports	6262979.70	6657421.75	6657421.75	322.93	NGN million
Terms of trade	101.75	101.71	160.25	49.48	Points
Capital flows	852.76	2692.05	20302.97	-15439.95	USD million
FDI	-73.32	122.36	3084.90	-1537.28	USD million
Gold Reserves	21.37	21.37	21.46	21.37	Tonnes
Crude oil production	1276.00	1251.00	2475.00	675.00	BBL/D/IK
Non Oil Export	1460372.76	1173885.45	1460372.76	29675.90	NGN million
Remittances	4936.58	4792.46	6270.24	3373.09	USD million
Oil Exports	4802606.94	5483536.30	5483536.30	46192.00	NGN million
Terrorism Index	7.58	8.07	9.12	3.86	Points
External Debt	41594.52	43159.19	43159.19	3287.75	USD million

Source: COMTRADE data base 2024

The central task facing Nigeria is to escape from the straitjacket of factors driven national advantage where natural resources, cheap labour, locational factors and other basic factor advantages provide a fragile and often fleeting ability to export are vulnerable to exchange rate and factor cost swings. Many of these industries are also not growing as the resources intensity of advanced economies falls and demand becomes more sophisticated. Creation of advanced factors in perhaps the first priority.

<b>Nigeria Export to China</b>	<b>Value</b>	<b>Year</b>
Mineral fuels, oils distillation products	\$1.1813	2023
Oil seed, Oleagic fruits, grain, seeds, fruits	\$141.20m	2023
Ores slag and ash	\$102.68m	2023
Copper	\$76.40m	2023
Live trees, plants, bulbs, roots, cut flowers	\$42.32m	2023
Aluminum	\$16.90m	2023
Organic chemicals	\$10.21m	2023
Salt, sulphur, earth, stone, plaster, lime and cement	\$9.13m	2023
Ship, boats and other floating structures	\$8.14m	2023
Inorganic chemicals, precious metal compound, isotope	\$7.31	2023

Electrical, electronic equipment	\$5.22	2023
Animals, vegetables, fats and oils, cleavage products	4.16	2023
Coffee, tea, mate and spices	\$3.23	2023
Rubbers	\$2.43	2023
Raw hides and skin (Other than furskins) and leather	\$2.04m	2023
Products of animal origin	\$1.22m	2023
Man-made staple fibers	\$1.38m	2023
Plastics	\$873.52k	2023
Fish, crustaceans, molluscs, aquatics invertebrates	\$741.98k	2023
Miscellaneous chemical products	\$273.41k	2023
Beverages, spirits and vinegar	\$246.46k	2023
Base metal, not specified elsewhere, cermets	\$179.98k	2023
Iron and steel	\$157.67k	2023
Zinc	\$156.90k	2023
Tobacco and manufacturers, tobacco substitutes	\$1148.8k	2022
Milling products, malt, starches, wheat gluten	\$27.94k	2023
Glass and glass ware	\$21.81k	2023
Cereals	\$17.80k	2023
Cocoa and cocoa preparations	\$5.81k	2023
Machinery, nuclear reactors, boilers	\$2.58k	2023
Edible fruits, nuts, peel of citrus fruits, melons	\$986.35k	2022
Sugars and sugar confectionery	\$233.28k	2022
Stone, plaster, cement, asbestos, mica or similar materials	\$169.55k	2022
Articles of leathers, animal gut, harness, travel goods	\$162.52k	2022
Clocks and watches	\$122.78k	2022
Miscellaneous articles of base metal	\$97.44k	2022
Ceramics products	\$80.39k	2022
Articles of iron or steel	\$8.66k	2022
Cotton	\$526.27k	2021
Lead	\$445.86k	2021

Bird skin, feather, artificial flowers, human hair	\$168.07k	2021
Edible vegetables and certain roots and tubers	\$81.54k	2021
Furniture, lighting signs, pre fabricated buildings	&59.96k	2021
Knitted or crocheted fabric	\$38.05k	2021
Live animals	\$12.61k	2021
Optical, photo, technical, medical apparatus	\$9.41k	2021
Vegetables, fruits, nut fruits, preparation	&108.90k	2020
Other made textile articles, set, worn clothing	\$32.93k	2019
Residues, waste of food industry, animal fodder	\$16.99k	2019
Pulp of wood, fibrous cellulosic material, waste	\$6.86k	2018
Dairy products, eggs, honey, edible products	\$16.83k	2018
Fertilizer	\$16.15k	2018
Meat, fish and sea food preparation	\$4.05k	2018
Arms of ammunition, parts and accessories	\$103.16k	2017
Photographic or cinematographic goods	\$272.68	2017
Vehicles other than railway or tramway	\$219.18k	2015
Railway, tramway locomotives, rolling stock equipment	\$34.46k	2015
Albiminoids, modified starches, glues, enzymes	\$441.32	2014
Work of arts, collectors pieces and antiques	\$352.71k	2014
Wool, animal hair, horse hair, yarn and fabric	\$9.97k	2014
Explosives, pyrotechnics, matches, pyrophorics	\$172.02k	2013
Essential oils, perfumes, cosmetics, toileteries	\$37.77k	2013
Pharmaceutical products	\$19.25	2013
Special woven of tufted fabric, lace, tapestry	\$13.21k	2013



Tin	\$863.63	2012
Aircraft, spacecraft	\$87.57	2012
Tools, implements, cutlery of base metal	\$101.51k	2012
Articles of apparel, knit or crocheted	\$32.33k	2011
Furstairs and artificial fur manufacturers	\$1.06k	2010

Source: United Nations COMTRADE data base 2024e

Nigeria export to China was \$1.61 billion in 2023, following the United Nations COMTRADE data base on foreign trade. Nigeria and china unequal trade, the unchangeable nature of foreign exchange that raw materials are added, completely used and internationally not movable with similar produce production works all around alike is the centre to trade and finance. Any first condition of unequalised raw materials endorsements might be strengthened and worsened by the same trade that these differrent raw materials endorsements were meant to be acceptable (Krugman & Venables, 2006). Particularly, if China as a outcome of past troops are somewhat well furnished with the important raw materials of land, enterprising skill, and skilled labour, their prolonged specialization in products and processes that use these raw materials largely can make the important terms and economic incentive for their farther size. By difference, Nigeria furnished with plenty provisions of unskilled laboured by particularizing in product that thoroughly make use of unskilled laboured and which the whole world wants hope and conditions of trade might be so disadvantageous sometimes see themselves locked into a still circumstance that perpetuate their equal favor in unskilled, unproductive activities (Ogunkola et al, 2008).

### Globalization and development

There is no doubt that globalization has a lot of opportunities for all countries of the world as presented by its promoters. But one may not be wrong to argue that these opportunities are not evenly beneficial to all countries considering the level of disparity existing between the develop and developing countries in all aspects of life. Dauos (2001) and Gosh (2001) argue that although globalisation has brought increase in global growth and wealth, it has not done so for all regions and all the nations. It's impact has been negative to the developing countries of the world, worsening the existing imbalance and impending development. According to the World Bank (2002) globalisation is worsening equality and adding to disempowerment.

One major problem developing countries encounter in the globalisation process is being forced by international financial lenders and the governing institutions of globalization especially the IMF and World Bank to adopt certain economic policies as conditionalities for obtaining assistance from them such as grants and loans. Such policies include austerity measure, structural adjustment programme (SAP) and the privatisation of public enterprises which many developing countries Including Nigeria have adopted at different times without any tangible result. Stiglitz (2002) considers some of these policies as being abstract and misguided and may have no direct impact on solving the economic problems facing these countries. These problems include poverty, high rate of inflation and unemployment, balance of trade deficit and debt and food crises. He argues that in adopting these policies the countries end up achieving nothing rather compounding their problems.

These conditionalities undermine national sovereignty and are used by international lenders and institutions to dictate policy choice in such countries. This has serious implications for national policies which were hitherto exclusive preserves of states and leads to total evasion of national sovereignty and increasing unevenness and imbalances. It is against this backdrop that Menegbe (2005) sees globalisation as a recent economic imperialism, hence, neo-colonization and re-colonization orchestrated by the super- powers so as to parasite on the economies, services and natural resources of the colonized.

Stiglitz (2002) opines that the West drives the globalisation agenda, ensuring that it gathers a disproportionate share of the benefits at the expense of the developing countries. However, Stiglitz believes that globalisation if properly re-organised, would offer a better deal for such countries. According to him:

" globalisation can be reshaped, and when it is properly, fairly run with all countries having a voice in policies affecting them, there is a possibility that it will help create a new global economy in which growth is not only more sustainable and less volatile but to the fruits of this growth are more equitably shared (Stiglitz, 2002)"

This implies that institutions like IMF and World Bank should amend their laws so as to allow all member countries participate in tjeir activities. This will enable countries to adopt those policies that are gainful to them and appropriate for their peculiar problems. This calls to mind the issue of sincerity of purpose on the side of the advocates of globalization. It is worthy of note that globalisation is a relationship among potentially unequal partners (developed and developing nations). The terms of the relationship is drawn up by the developed nations who in turns determine what would be in the best interest of the developing nations which is invariably a product of colonialism. it is on this basis that Khor (1998) aptly states that:

" a key aspect of globalization and development relationship is inequality: on power capacity and resources to begin with; in the distribution of gains and losses. The way the world economic and trading system is set up is very inequitable; the terms of trade, finance, investment and technology transfer are inequitable; the distribution of benefits or losses is inequitable. In general, the more power parties gain from international economic relations; ... other countries actually stand to lose".

Khor contends that imbalance in the distribution of benefits and losses leads to polarization between the few countries and group that gain; and the many countries and groups that lose or are marginalized. He stressed that globalisation, polarization, wealth concentration and marginalisation are linked through the same process. As a result of this a majority of developing countries are either excluded or they participate in the process of globalization in ways that are often detrimental to their own interest.

### **Theoretical framework**

The study adopted New trade theory. The New trade theory is the equal favor explanation for foreign trade enfold a stimulating tendency for trade between two or more countries with huge deviation in techs or factor endowments. (Krugman and Obstfeld, 2006). The new theory of foreign trade includes Theories depicted by produce differences, defective contest and rising merchandise to size. Trade theory has inter relation, tried to elaborate three problems:

- (a) The way of trade where the attention has been on elaborating the circumstance of trading connections;
- (b) The head of increase from trade where the attention has been on elaborating how the increases from trade are shared within trading partners; and

(c) The configuration of production and merchandise to factors of production where the attention has been on elaborating the implications of trade for the configuration of production and merchandise to factors of production among each trading country.

According to Ricardian theory of equal favor: In a Ricardian world, trade is figured out by relation and not complete effectiveness in production. Dis-similar the theory of complete favor, it can be proven that it will be in the likeness of all country to participate in trade, for all country will see a produce in which it has an equal favor. Then again particularization in production could happen and because trading countries confront similar relevant prices, particularization would happen in diverse wares, thus presiding trade by barter between the two trading countries. Laissez faire policies would make sure production in wares in which the country has an equal favor. It is dissimilarities in technology that figure out the wares in which the country has an equal favor.

New trade theories are being derived on one party and more than one party competition. Models as a subject of defective contest, firms aren't just money collectors and don't head a horizontal impositional curve. Some of the cause for firms not heading horizontal impositional curves, is because of produce dissimilarities. However, the concentration of mental focus of the new trade theory has been on societies of particularization and its manipulation on intra-industry trade. The new trade theory implies that the outcomes from intra-industry trade is because of societies of size in the production of special decorations instead of to specialisation in a particular produce classification. A head of ineffectiveness in production based on safe terms is because of the plentiness of diverse decorations which are the outcomes of little production runs. It might be the incident that there is importance for local or domestic decorations to be corresponded to match specifications and likeness afar to ensure to rise export degree. Sometimes, the cost followed by these adjustments manipulate the formation of export production. (Oyejide, 2009). One major characteristic in the relationship between the industrialized and the poor and industrially weak nations is the persistent long term trade imbalance as is evident in the case of Nigeria and China. The industrialized nations use the power derived from their wealth to concentrate surplus from the poor and industrially weak nations. It is obvious that due to unequal political and economic relations between nations, as the world progresses, instead of attaining equilibrium, the industrialized nations will continue to develop at faster pace than the poor and industrially weak nations (Ikpe, 2010). The reality of this argument lies in such aspect of the modern world trade propelled by globalization, which among others, include unprecedented advancement in science, information and communication technology, liberalization of trade, finance and investment which favour the industrially advanced nations and thus widen the level of inequality existing between them and the poor and industrially weak nations.

It is on the strength of this that United Nations conference on trade and development in consideration of the weak background of developing countries concludes that, developing countries are not in a privilege position to integrate into the world economy easily through globalization. Since globalization, UNCTAD argues, requires sophisticated technology, highly skilled labor and competitiveness all of which are lacking in such countries Nigeria inclusive (Offiong, 2001). The developing countries are therefore relegated to a limited economic development directed towards meeting the needs of the developed countries. Thus, serving as easy source of raw materials for the industrialized countries and dumping ground for their finished products to the detriment of local manufacturers. In reality china is currently classified as an industrialized nations considering the level of industrial and socioeconomic growth it has witness and attained. This is in variance with Nigeria which is grappling with underdevelopment and it's attendant consequences. Focusing on trade liberalization which aims at openness which involves

the removal of trade barriers, reduction of tariffs and embarking on outward oriented trade policies being one of the hallmarks of globalization, it can be rightly argued that it is impossible for Nigeria and China to engage in a mutually beneficial trade relations in the prevailing eavof globalization considering the level of disparity between them in all sphere. As the gap between the two countries widens, so will the trade imbalance widen together with the new increase in tariffs. It therefore behooves on Nigeria to learn from China's experience growth, if she wishes to emerge as acforce to reckon with in the current global market.

#### Research methodology

The qualitative information carried by the reader was revised through content analysis. Content analysis shows, the information depended on primary and secondary information. Primary information was carried through historical documents and questioning with some lecturers that major in international relations where the respondents from University of Calabar. These respondents were chosen using conscious testing. A total of twenty pupils were questioned. The test had academics, and college students. The primary sources were then praised by the readers own judgement of growth in Nigeria-China relationship and those tables above shows the marginalization between Nigeria and China trades. The secondary data was carried from text books, news papers articles, and more state informations on Chinese capital, under ground mining trade and **growth help from the university of Calabar library.**

#### Area of study

Nigeria is located on the geographic coordinates of latitude 4°N and 14°E in West Africa (Odom, 2006). Nigeria covers a total area of about 923,768 square kilometers (93,566,69 miles) with a coastline that stretches about 800 kilometers from Badagry in the West to Calabar in the South - south including the bight of Benin and Bonny with an estimate population figure of about 190 million people. Nigeria share a common border of about 40,407 kilometers (2,515 Miles) with republic of Benin (673km), Nigeria (1497km), Chad (87km), Cameroon (1690km) and with coastline of at least 853km.

**China:** China is located in the south East Asia along the coastline of the Pacific Ocean on latitude 35°N and 103°E. China is the world 3rd largest country. China had international border with 14 States and longest border. Demographically, China population is more than 1.386 billion which is the largest population of the world (World Bank, 2016).

#### Findings

China is a resource extractive economy. Nigeria is endowed with abundant natural resources. Chinese foreign direct investment has increased since 2000 - 2024 in Nigeria, Chinese major in making and structuring operation mainly in the environment of underbuilding and services. The China exploitation from Nigeria was as result of Nigeria leaders thinks that their involvement in bilateral trade would bring tremendous growth both economic, political and social development but unfortunately the developed countries especially China have used that means to exploit Nigeria raw materials in exchange of expired, adulterated and substandard goods and services.

From the test of hypothesis, China is a leading World power and economic giant, the world fastest growing and among the largest in economy, has all it takes to achieve sustainable socioeconomic development as against Nigeria which is a poor and industrially weak nation struggling with the consequences of underdevelopment. This makes the disparity in the level of socio-economic development between the two countries. The disparity is likely to be as a result of

the unequal exchange which is characterized bilateral trade relations between Nigeria and China. A situation that relegated Nigeria to an easy source of raw materials to China and dumping ground for Chinese finished products which is a major feature of relations between the industrially advanced nations and poor and industrially weak nations.

Trade liberalization and openness which are the key requirements for effective participation in the globalization process rather than improve trade relations between Nigeria and China towards the attainment of equilibrium or mutually escalated the rate at which substandard and cheap products from China invaded the Nigerian market. This aggravated Nigeria disadvantaged position and a dumping ground for foreign goods and services. Nigeria like other developing countries did not essentially embrace trade liberalization and a tool for multilateral trade negotiations but as a response to the conditionality imposed on them by Bretton Wood institution for obtaining assistance from them. Such policies include austerity measure, structural adjustment programmes and privatization of public enterprises. Insecurity is a major issue of concern in Nigeria external trade relations. Corruption plays a negative role in Nigeria bilateral trade relations especially in the area of monitoring of the quality and movement of goods and services involving the both countries.

## Conclusion

China's exploitation has raised serious challenge for n Nigeria. From multibillion dollar capital in oil and mineralstone the flowing inward of plenty of retailers, abourers and inexpensive consumer wares, Chinese economic and politics extension is giving a new definition Nigeria raw materials stick with the foreign community. This study examines the **China going global strategy in Nigeria: Contending issues about the raw materials exchange for foreign direct investment financing and development.** The upcoming relation amongst Nigeria and China to figure out If the relationship is that of a growth partner and aid in infrastructure. The study came out because of the following research findings in Nigeria - China foreign policy response:

There has been imbalance trade between Nigeria China bilateral relations and China has been in a better advantage more than Nigeria. The trade of Nigeria and China has highly pursued a first-class cycle of trade imbalance between Chinese and Nigerian's economies. The formation of trade between Nigeria and China shows the dissimilarities in the stage of growth of the both countries also the lofty rank of imbalances that is there between their economies. Then Nigeria's exports materials to China is majorly of basic goods, its imports from that country are made up of largely of industrial goods. China was known as "Oil-for-infrastructure". China has been going after oil assets in Nigeria for so many years now.

China looks for raw materials, markets and manipulate in Nigeria. From the research, Chinese capital and growth help is a covering for its true motives to overtake and lead. China intercess for its own advantage and this influence comes out to be more less positive than more positive, just by seeing the social renewability of Nigeria from 2000-2024, not disagreeing the idea that most opportunities are made for commercial and under building growth. The access of bilateral trade into the Nigerian government-owned oil industry was as an outcome of China's "new" struggle for Nigerian rawmaterials in the mission to enlarge their oil relyment. Also, it was an answer to the desires of the Nigerian rulers to enlarge the oil turnover, raise oil production technology, and increasing markets and terms for trade which up till today has never been seen the rulers turn Nigerian raw materials exchange upsidedown just for selfish interest. They do not protect national interest but rather selfish interest.

### **Recommendations**

- (1) Nigeria should be committed to the diversification of her economy ad against her present mono economy** with over reliance on crude oil ad the major source of foreign exchange earnings.
- (2) Nigeria should change the paradigm from being a consuming country to a produc8ng country.
- (3) To effectively engage in a mutual beneficial bilateral trade relations with china, Nigeria needs to address the wide technology gap between her and China, since technology is a critical factor in today's globalized world system.
- (4) Nigeria should strive to institute strong, good and reliable leadership and governance.



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